

# ***Fare Strategy Briefing: Fare Structures***

*Rider Experience and Operations Committee*

*05/04/2023*

# *Why we are here*

- Recap the Board's anticipated fares-related work in 2023.
- Review existing fare structures, benchmark against peer transit agencies, and identify considerations as the system expands.
- To seek the Committee's feedback on policy questions related to our existing fare structures and potential Link fare rates.
- Information only, no action required.

***Where we're going***

# *Fares guiding framework*

*We serve passengers with a fare structure that is regionally integrated to encourage transit ridership through equitable and simple pricing, and financial stewardship.*

# ***Toward a comprehensive fares strategy***

## ***Upcoming needed Board actions***

- ✓ Adopt an equitable and accountable fare compliance policy and expand reduced fare programs.
- ✓ Establish fare rates where none currently exist.
  - ✓ T Line
- ❑ Consider adjusting existing fare structures, fare levels (including parking fees), and categories to meet established targets.
- ❑ Review and consider modifying revenue and farebox recovery targets.

# Areas of focus in 2023

## Major policy topics

- Fare policy – originally adopted in 2010 with a minor update in 2014 (Resolution No. R2014-27)
  - Fare structure.
  - Farebox recovery targets.
- Parking management program – last Board action in 2018 to allow priced monthly parking permits (Resolution No. R2018-27)
  - Expanded program with daily paid parking.

# Fare structure

## Existing fare structures within Board policy

- Zone-based fares (based on geographic zones through which a trip travels).
- Distance-based fares (based on trip distance, measured in miles).
- Current fares by Sound Transit mode of service:

| Mode       | Fare structure | Adult fares   | Low-income/<br>senior/disabled | Youth |
|------------|----------------|---------------|--------------------------------|-------|
| 1 Line     | Distance-based | \$2.25-\$3.50 | \$1.00                         | Free  |
| T Line     | Zone-based*    | \$2.00        |                                |       |
| Souder     | Distance-based | \$3.25-\$5.75 |                                |       |
| ST Express | Zone-based*    | \$3.25        |                                |       |

\*T Line and ST Express are flat fares, with \$0 zone surcharge; current policy does not explicitly include a flat fare category.

# Fare structure

## Existing fares across the Sound Transit district

| Service                  | Adult fares   |
|--------------------------|---------------|
| 1 Line                   | \$2.25-\$3.50 |
| T Line                   | \$2.00        |
| Souder                   | \$3.25-\$5.75 |
| ST Express               | \$3.25        |
| King County Metro        | \$2.75        |
| Community Transit        | \$2.50/\$4.75 |
| Pierce Transit           | \$2.00        |
| Everett Transit          | \$2.00        |
| Seattle Streetcar        | \$2.25        |
| Seattle Center Monorail  | \$3.50        |
| Washington State Ferries | \$6.25-\$9.45 |



# Fare structure

## Current Link fare table for adult fares

| Station                    | Angle Lake | Airport - SeaTac | Tukwila International Blvd | Rainier Beach | Othello | Columbia City | Mount Baker | Beacon Hill | SODO    | Stadium | International District | Pioneer Square | University Street | Westlake | Capitol Hill | University of Washington | U District | Roosevelt | Northgate |         |
|----------------------------|------------|------------------|----------------------------|---------------|---------|---------------|-------------|-------------|---------|---------|------------------------|----------------|-------------------|----------|--------------|--------------------------|------------|-----------|-----------|---------|
| Angle Lake                 |            | \$ 2.25          | \$ 2.50                    | \$ 2.75       | \$ 2.75 | \$ 2.75       | \$ 3.00     | \$ 3.00     | \$ 3.00 | \$ 3.00 | \$ 3.00                | \$ 3.00        | \$ 3.00           | \$ 3.00  | \$ 3.25      | \$ 3.25                  | \$ 3.25    | \$ 3.25   | \$ 3.50   |         |
| Airport - SeaTac           | \$ 2.25    |                  | \$ 2.25                    | \$ 2.50       | \$ 2.75 | \$ 2.75       | \$ 2.75     | \$ 2.75     | \$ 3.00 | \$ 3.00 | \$ 3.00                | \$ 3.00        | \$ 3.00           | \$ 3.00  | \$ 3.00      | \$ 3.25                  | \$ 3.25    | \$ 3.25   | \$ 3.25   | \$ 3.50 |
| Tukwila International Blvd | \$ 2.50    | \$ 2.25          |                            | \$ 2.50       | \$ 2.50 | \$ 2.75       | \$ 2.75     | \$ 2.75     | \$ 2.75 | \$ 2.75 | \$ 2.75                | \$ 3.00        | \$ 3.00           | \$ 3.00  | \$ 3.00      | \$ 3.00                  | \$ 3.25    | \$ 3.25   | \$ 3.25   |         |
| Rainier Beach              | \$ 2.75    | \$ 2.50          | \$ 2.50                    |               | \$ 2.25 | \$ 2.50       | \$ 2.50     | \$ 2.50     | \$ 2.50 | \$ 2.50 | \$ 2.50                | \$ 2.50        | \$ 2.75           | \$ 2.75  | \$ 2.75      | \$ 2.75                  | \$ 2.75    | \$ 3.00   | \$ 3.00   |         |
| Othello                    | \$ 2.75    | \$ 2.75          | \$ 2.50                    | \$ 2.25       |         | \$ 2.25       | \$ 2.50     | \$ 2.50     | \$ 2.50 | \$ 2.50 | \$ 2.50                | \$ 2.50        | \$ 2.50           | \$ 2.75  | \$ 2.75      | \$ 2.75                  | \$ 2.75    | \$ 2.75   | \$ 3.00   |         |
| Columbia City              | \$ 2.75    | \$ 2.75          | \$ 2.75                    | \$ 2.50       | \$ 2.25 |               | \$ 2.25     | \$ 2.25     | \$ 2.25 | \$ 2.25 | \$ 2.25                | \$ 2.25        | \$ 2.25           | \$ 2.50  | \$ 2.50      | \$ 2.50                  | \$ 2.50    | \$ 2.75   | \$ 2.75   | \$ 3.00 |
| Mount Baker                | \$ 3.00    | \$ 2.75          | \$ 2.75                    | \$ 2.50       | \$ 2.50 | \$ 2.25       |             | \$ 2.25     | \$ 2.25 | \$ 2.25 | \$ 2.50                | \$ 2.50        | \$ 2.50           | \$ 2.50  | \$ 2.50      | \$ 2.50                  | \$ 2.50    | \$ 2.75   | \$ 2.75   | \$ 2.75 |
| Beacon Hill                | \$ 3.00    | \$ 2.75          | \$ 2.75                    | \$ 2.50       | \$ 2.50 | \$ 2.25       | \$ 2.25     |             | \$ 2.25 | \$ 2.25 | \$ 2.25                | \$ 2.50        | \$ 2.50           | \$ 2.50  | \$ 2.50      | \$ 2.50                  | \$ 2.75    | \$ 2.75   | \$ 2.75   | \$ 2.75 |
| SODO                       | \$ 3.00    | \$ 3.00          | \$ 2.75                    | \$ 2.50       | \$ 2.50 | \$ 2.50       | \$ 2.25     | \$ 2.25     |         | \$ 2.25 | \$ 2.25                | \$ 2.25        | \$ 2.25           | \$ 2.25  | \$ 2.25      | \$ 2.50                  | \$ 2.50    | \$ 2.50   | \$ 2.75   | \$ 2.75 |
| Stadium                    | \$ 3.00    | \$ 3.00          | \$ 2.75                    | \$ 2.50       | \$ 2.50 | \$ 2.50       | \$ 2.25     | \$ 2.25     | \$ 2.25 |         | \$ 2.25                | \$ 2.25        | \$ 2.25           | \$ 2.25  | \$ 2.25      | \$ 2.50                  | \$ 2.50    | \$ 2.50   | \$ 2.50   | \$ 2.75 |
| International District     | \$ 3.00    | \$ 3.00          | \$ 2.75                    | \$ 2.50       | \$ 2.50 | \$ 2.50       | \$ 2.50     | \$ 2.25     | \$ 2.25 | \$ 2.25 |                        | \$ 2.25        | \$ 2.25           | \$ 2.25  | \$ 2.25      | \$ 2.50                  | \$ 2.50    | \$ 2.50   | \$ 2.50   | \$ 2.75 |
| Pioneer Square             | \$ 3.00    | \$ 3.00          | \$ 3.00                    | \$ 2.50       | \$ 2.50 | \$ 2.50       | \$ 2.50     | \$ 2.50     | \$ 2.25 | \$ 2.25 | \$ 2.25                |                | \$ 2.25           | \$ 2.25  | \$ 2.25      | \$ 2.50                  | \$ 2.50    | \$ 2.50   | \$ 2.50   | \$ 2.75 |
| University Street          | \$ 3.00    | \$ 3.00          | \$ 3.00                    | \$ 2.75       | \$ 2.50 | \$ 2.50       | \$ 2.50     | \$ 2.50     | \$ 2.25 | \$ 2.25 | \$ 2.25                | \$ 2.25        |                   | \$ 2.25  | \$ 2.25      | \$ 2.50                  | \$ 2.50    | \$ 2.50   | \$ 2.50   | \$ 2.75 |
| Westlake                   | \$ 3.00    | \$ 3.00          | \$ 3.00                    | \$ 2.75       | \$ 2.50 | \$ 2.50       | \$ 2.50     | \$ 2.50     | \$ 2.25 | \$ 2.25 | \$ 2.25                | \$ 2.25        | \$ 2.25           |          | \$ 2.25      | \$ 2.50                  | \$ 2.50    | \$ 2.50   | \$ 2.50   | \$ 2.75 |
| Capitol Hill               | \$ 3.25    | \$ 3.00          | \$ 3.00                    | \$ 2.75       | \$ 2.75 | \$ 2.50       | \$ 2.50     | \$ 2.50     | \$ 2.50 | \$ 2.50 | \$ 2.25                | \$ 2.25        | \$ 2.25           | \$ 2.25  |              | \$ 2.25                  | \$ 2.50    | \$ 2.50   | \$ 2.50   | \$ 2.50 |
| University of Washington   | \$ 3.25    | \$ 3.25          | \$ 3.00                    | \$ 2.75       | \$ 2.75 | \$ 2.75       | \$ 2.50     | \$ 2.50     | \$ 2.50 | \$ 2.50 | \$ 2.50                | \$ 2.50        | \$ 2.50           | \$ 2.50  | \$ 2.25      |                          | \$ 2.25    | \$ 2.25   | \$ 2.25   | \$ 2.50 |
| U District                 | \$ 3.25    | \$ 3.25          | \$ 3.25                    | \$ 2.75       | \$ 2.75 | \$ 2.75       | \$ 2.75     | \$ 2.75     | \$ 2.50 | \$ 2.50 | \$ 2.50                | \$ 2.50        | \$ 2.50           | \$ 2.50  | \$ 2.50      | \$ 2.25                  |            | \$ 2.25   | \$ 2.25   | \$ 2.50 |
| Roosevelt                  | \$ 3.25    | \$ 3.25          | \$ 3.25                    | \$ 3.00       | \$ 2.75 | \$ 2.75       | \$ 2.75     | \$ 2.75     | \$ 2.75 | \$ 2.50 | \$ 2.50                | \$ 2.50        | \$ 2.50           | \$ 2.50  | \$ 2.50      | \$ 2.25                  | \$ 2.25    |           | \$ 2.25   | \$ 2.25 |
| Northgate                  | \$ 3.50    | \$ 3.50          | \$ 3.25                    | \$ 3.00       | \$ 3.00 | \$ 3.00       | \$ 2.75     | \$ 2.75     | \$ 2.75 | \$ 2.75 | \$ 2.75                | \$ 2.75        | \$ 2.75           | \$ 2.75  | \$ 2.50      | \$ 2.50                  | \$ 2.50    | \$ 2.25   |           | \$ 2.25 |



# ***Fare structure***

## ***Distance-based fare considerations***

- Fares depend on how far a passenger travels.
- Distance-based fares require passengers to tap on and tap off. If passengers don't tap off, they are charged the highest fare from their originating station.

## ***Flat fare considerations***

- One fare for all rides – simpler for passengers to understand and budget for.
- Flat fares require passengers to only tap on.
- Simplified fare structure may allow for potential transition to fare capping.

***Review of peer transit agency  
fare structures and fares***

# *How does Link compare to peer transit agencies?*

## *Existing Link adult fare structure*

| <b>Mode</b> | <b>Fare structure</b> | <b>Adult fares</b> | <b>Notes</b>   |
|-------------|-----------------------|--------------------|--|
| 1 Line      | Distance-based        | \$2.25-\$3.50      | Base fare of \$2.25 + \$0.05 per mile charge (rounded to nearest \$0.25) |

# How does Link compare to peer transit agencies with light rail?

| Agency                 | Fare structure      | Adult fares   | Income-qualifying reduced fares? | Fare capping? |
|------------------------|---------------------|---------------|----------------------------------|---------------|
| Sound Transit          | Distance-based fare | \$2.25-\$3.50 | Yes                              | No            |
| Tri-Met*<br>(Portland) | Flat fare           | \$2.50        | Yes                              | Yes           |
| MTS (San Diego)        | Flat fare           | \$2.50        | No                               | Yes           |
| UTA (Salt Lake City)   | Flat fare           | \$2.50        | Yes                              | No            |

# How does Link compare to peer transit agencies with light rail?

| Agency                      | Fare structure                | Adult fares               | Income-qualifying reduced fares? | Fare capping? |
|-----------------------------|-------------------------------|---------------------------|----------------------------------|---------------|
| Sound Transit               | Distance-based fare           | \$2.25-\$3.50             | Yes                              | No            |
| DART (Dallas)               | Flat fare with peak surcharge | \$2.00/\$3.00             | No                               | No            |
| Metro Transit (Minneapolis) | Flat fare with peak surcharge | \$2.00/\$2.50             | No                               | No            |
| RTD* (Denver)               | Zone-based fare               | \$3.00/\$5.25/<br>\$10.50 | No                               | No            |

***Current passenger fare  
statistics***



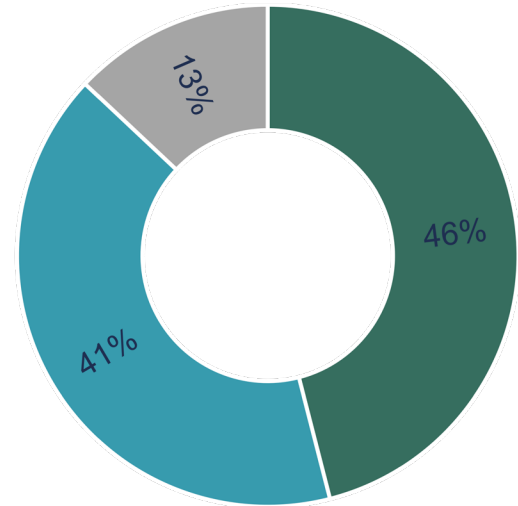
# ***The passenger experience of ST fare structures***

## ***Some passengers don't need to think about distance-based fares***

- Reduced fare programs are flat or free fares.
- Passengers with employer-subsidized ORCA cards may not need to worry about the cost of their fare at all.
- Staff will perform additional analysis to assess the characteristics of passengers most impacted by a potential fare structure change.

# Link fares by passenger type (2022)

- Passengers who have a reduced fare (**13%**) or an employer-provided ORCA card (**41%**) accounted for **54% of Link fare boardings in 2022**.
- **46% of Link boardings pay the adult fare**, whether using an ORCA e-purse, pass products, or via ticket vending machines.



■ Reduced fares ■ Employer-provided ORCA ■ Adult fares

# ***Link fare payment by ORCA fare type (2022)***

***Link fares range from \$2.25-\$3.50***

***Passengers paying the ORCA retail cost for an adult fare:***

- 63% pay \$2.75 or less.
- 37% pay \$3.00 or more.

***Passengers paying with an employer-provided ORCA card:***

- 58% pay \$2.75 or less.
- 42% pay \$3.00 or more.

# *Flat fare options*

# Fare structure

## Flat fares & fare revenues

- Preliminary fare revenue projections for three flat fare options:
  - **\$2.75**
  - **\$3.00**
  - **\$3.25**
- Key assumptions:
  - *pace of system expansion*
  - *non-fare boardings rate (20%)*
  - *pace of fare increases (every 4 years or every 5 years)*
  - *fare increase implementation in 2025*
- Analysis is compared to current Finance Plan assumptions with distance-based fares.

# *Evaluating flat fare options*

## *Financial criteria*

- Fare revenue.
- Farebox recovery.

## *Passenger experience criteria*

- Ridership changes.
- Impacts to passengers traveling short distances (traveling less than 12 miles).
- Impacts to passengers using ST Express (paying \$3.25 and expected to shift to Link).
- Impacts to passengers traveling longer distances (traveling more than 12 miles).
- Impacts to King County Metro passengers switching to Link.
- Impacts to Community Transit passengers switching to Link.

Benefit or Neutral  
Impact

Medium Impact

Cautionary Impact

# Flat Fare Option 1: \$2.75

## Key takeaways

- Same fare as the current King County Metro fare.
- Neutral to 1% decrease in ridership.
- Increased fares for Link passengers traveling short distances.
- Lower fares for longer trips and for ST Express and Community Transit passengers.

| Option                  | Financial Criteria |                       | Passenger Experience Criteria |                        |                        |                                 |                            |                         |
|-------------------------|--------------------|-----------------------|-------------------------------|------------------------|------------------------|---------------------------------|----------------------------|-------------------------|
|                         | 2025 Fare Revenue  | 2025 Farebox Recovery | Ridership Impact <sup>^</sup> | Impact on short trips  | Impact on longer trips | Impact on ST Express passengers | Impact on Metro passengers | Impact on CT passengers |
| <b>\$2.75 Flat Fare</b> | \$95M              | 19%                   | Neutral to 1% decrease        | \$0.00-\$0.50 increase | Up to \$1.50 decrease  | \$0.50 decrease                 | No change                  | \$1.50 decrease         |

# Flat Fare Option 2: \$3.00

## Key takeaways

- Higher fare revenue and farebox recovery.
- Medium impacts to ridership.
- Still higher fares for short distance Link passengers.
- Lower fares for longer trips and ST Express and Community Transit passengers.

| Option                  | Financial Criteria |                       | Passenger Experience Criteria |                        |                        |                                 |                            |                         |
|-------------------------|--------------------|-----------------------|-------------------------------|------------------------|------------------------|---------------------------------|----------------------------|-------------------------|
|                         | 2025 Fare Revenue  | 2025 Farebox Recovery | Ridership Impact <sup>^</sup> | Impact on short trips  | Impact on longer trips | Impact on ST Express passengers | Impact on Metro passengers | Impact on CT passengers |
| <b>\$3.00 Flat Fare</b> | \$101M             | 20%                   | 2%-3% decrease                | \$0.25-\$0.75 increase | Up to \$1.25 decrease  | \$0.25 decrease                 | \$0.25 increase            | \$1.25 decrease         |



# Flat Fare Option 3: \$3.25

## Key takeaways

- Same fare as ST Express.
- Higher fare revenue and farebox recovery, but larger impact to ridership.
- Much higher fares for Link passengers traveling short distances.
- Lower fares for longer trips and Community Transit passengers.

| Option                  | Financial Criteria |                       | Passenger Experience Criteria |                        |                        |                                 |                            |                         |
|-------------------------|--------------------|-----------------------|-------------------------------|------------------------|------------------------|---------------------------------|----------------------------|-------------------------|
|                         | 2025 Fare Revenue  | 2025 Farebox Recovery | Ridership Impact <sup>^</sup> | Impact on short trips  | Impact on longer trips | Impact on ST Express passengers | Impact on Metro passengers | Impact on CT passengers |
| <b>\$3.25 Flat Fare</b> | \$107M             | 21%                   | 4%-6% decrease                | \$0.50-\$1.00 increase | Up to \$1.00 decrease  | No change                       | \$0.50 increase            | \$1.00 decrease         |

# Flat Fare Options: Summary

| Option                  | Finance Plan Impact         |                             | Passenger Experience Criteria |                        |                        |                                 |                            |                         |
|-------------------------|-----------------------------|-----------------------------|-------------------------------|------------------------|------------------------|---------------------------------|----------------------------|-------------------------|
|                         | Fare increase every 4 years | Fare increase every 5 years | Ridership Impact <sup>^</sup> | Impact on short trips  | Impact on longer trips | Impact on ST Express passengers | Impact on Metro passengers | Impact on CT passengers |
| <b>\$2.75 flat fare</b> | -2.2% / ~-\$140M            | -5.6% / ~-\$370M            | Neutral to 1% decrease        | \$0.00-\$0.50 increase | up to \$1.50 decrease  | \$0.50 decrease                 | No change                  | \$1.50 decrease         |
| <b>\$3.00 flat fare</b> | +3.1% / ~\$200M             | -0.4% / ~-\$20M             | 2%-3% decrease                | \$0.25-\$0.75 increase | Up to \$1.25 decrease  | \$0.25 decrease                 | \$0.25 increase            | \$1.25 decrease         |
| <b>\$3.25 flat fare</b> | +8.5% / ~\$540M             | +4.9% / ~\$320M             | 4%-6% decrease                | \$0.50-\$1.00 increase | Up to \$1.00 decrease  | No change                       | \$0.50 increase            | \$1.00 decrease         |

# *Policy questions*

# *Fare policy update*

## *Policy questions*

- What information would the Committee need to inform a decision on flat fares vs distance-based fares?
- Are there other criteria we should consider when evaluating potential fare rates?
- Do you want us to consider and analyze other Link fare rates?
- What are key considerations about Link fares relative to other Sound Transit modes of service and other services in the region?

***Next steps***

# *Toward a comprehensive fares strategy*

## *Next steps*

- **Earlier today:** briefed Executive Committee on flat fare options and implications for farebox recovery.
- **June 2023:** deeper dive on parking management at Executive and REO Committees.
- **July 2023:** preview public and passenger engagement on fare policy changes, Link fare changes, and daily paid parking.
- **July-Sept 2023:** public and passenger engagement.
- **Fall 2023/Winter 2024:** potential Board actions to update existing fare policy, change fare levels, and authorize daily paid parking.

*Thank you.*



 [soundtransit.org](https://www.soundtransit.org)

