

Comprehensive Fares Strategy

Rider Experience & Operations Committee

03/02/2023



Why we are here

- To review where we've been over the last year on fares-related work.
- To preview where we're going in 2023 in support of a comprehensive fares strategy.
- To introduce major policy topics that we'll engage the Board and the public on this year.
- Informational briefing only.

Where we've been

What happened in 2022 and early 2023

Board Workshop on fare revenue issues and future actions in support of a comprehensive fare strategy.

Mar

Apr/
May

Board debates and adopts Fare Compliance Policy (Resolution R2022-07) and reduced fare program expansion.

Board adopts free youth fare (Resolution R2022-20) with implementation in September 2022.

Jul

Board sets fares for T Line (Resolution R2022-29); implementation with opening of HTLE.

Oct

Board formally reduces ORCA LIFT fare to \$1 (Resolution R2023-05), effective March 1, 2023

Jan

2022

2023

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.

Where we're going

Areas of focus in 2023

Major policy topics

- Fare policy – originally adopted in 2010 with a minor update in 2014
 - Fare structure.
 - Farebox recovery targets.
- Parking management program – last Board action in 2018 to allow priced monthly parking permits
 - 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/ senior/disabled	Youth
1 Line	Distance-based	\$2.25-\$3.50	\$1.00	Free
T Line	Zone-based	\$2.00	\$1.00	Free
Souder	Distance-based	\$3.25-\$5.75	\$1.00	Free
ST Express	Zone-based	\$3.25	\$1.00	Free

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	\$ 2.50	\$ 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	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.75	\$ 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	\$ 2.75	\$ 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	
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	\$ 2.50	\$ 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	\$ 2.50	\$ 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	\$ 2.75	
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	\$ 2.75	
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	\$ 2.75	
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	\$ 2.75	
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	
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	\$ 2.50	
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	\$ 2.50	
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	
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		

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.

Farebox recovery targets

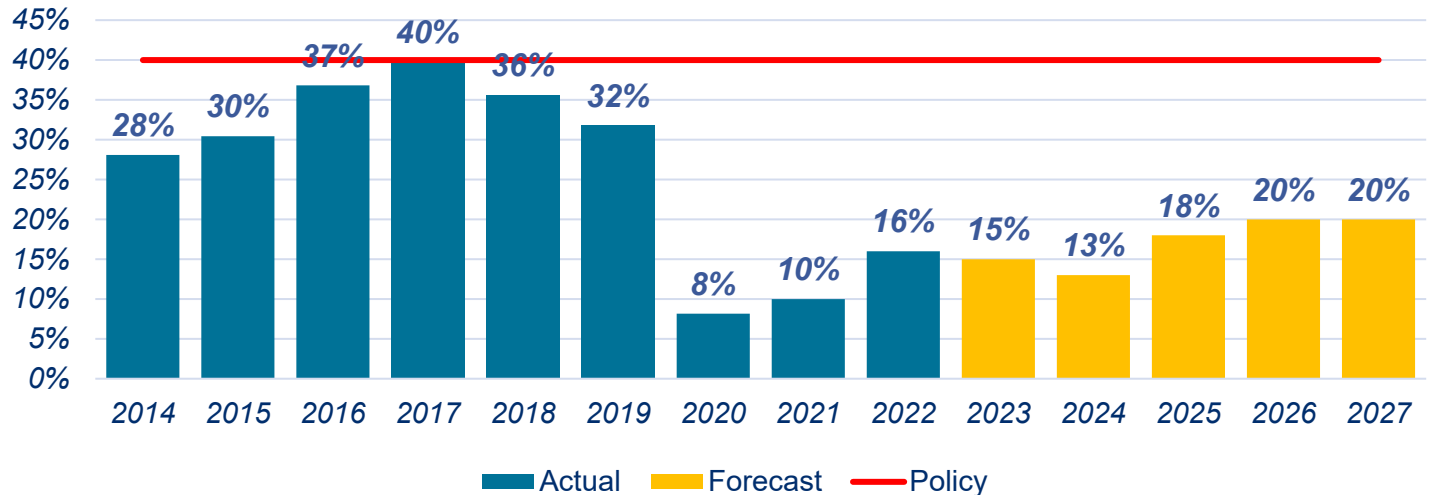
Fare policy establishes farebox recovery ratios

- Farebox recovery ratio is the percentage of operating expenses made up by passenger fares.
- Fares are only a portion of Sound Transit's revenues and do not fully fund operations.
- Farebox recovery below the minimum recovery targets signals that fare revenues are not keeping pace with costs of operations and that the financial plan is threatened.

We are out of compliance with Board-adopted fare policy

Link farebox recovery well below 40% policy

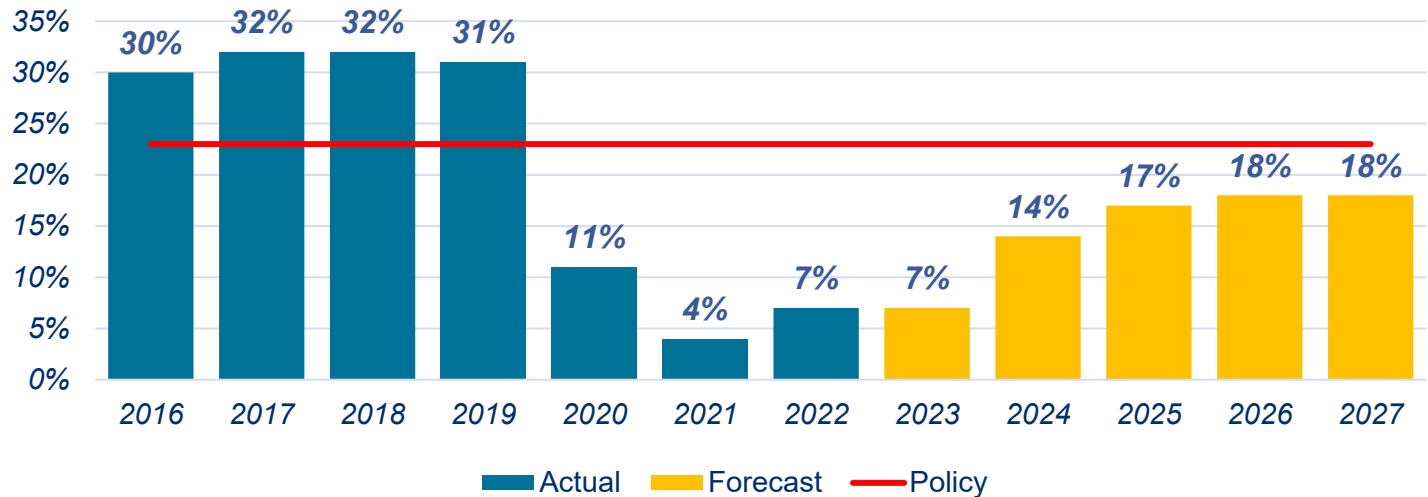
Link farebox recovery



We are out of compliance with Board-adopted fare policy

Souder farebox recovery well below 23% policy

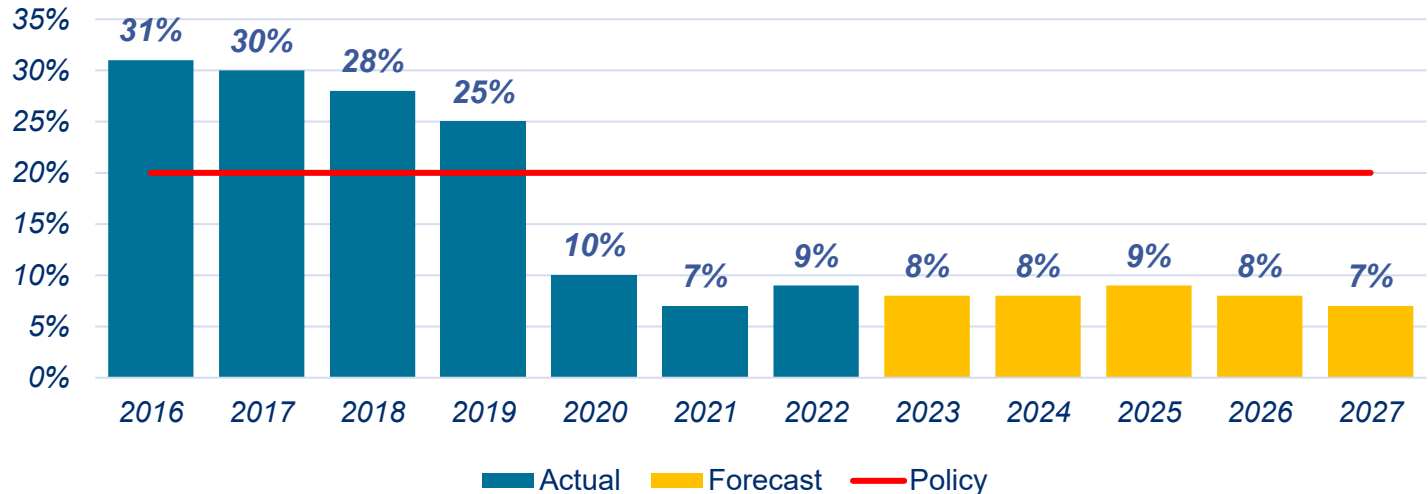
**Souder
farebox
recovery**



We are out of compliance with Board-adopted fare policy

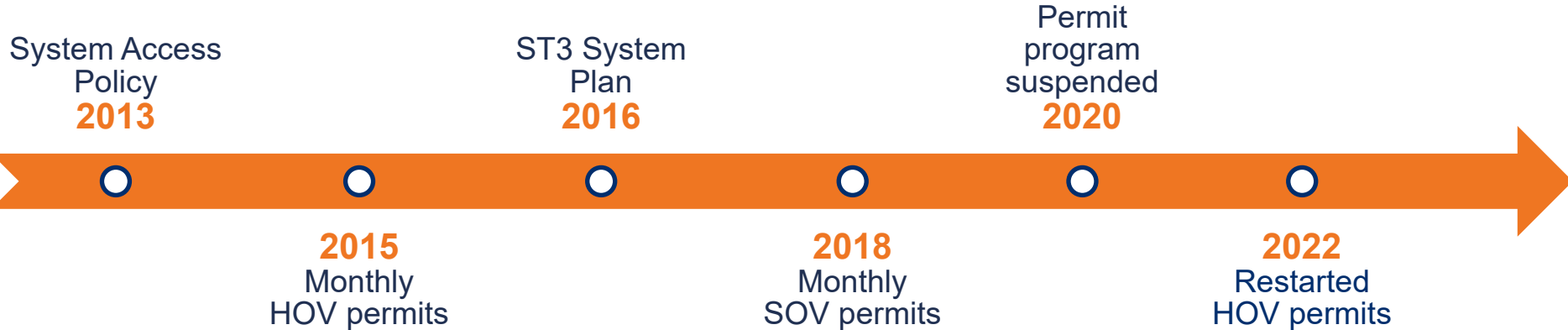
ST Express farebox recovery well below 20% policy

**ST Express
farebox
recovery**



Moving toward daily paid parking

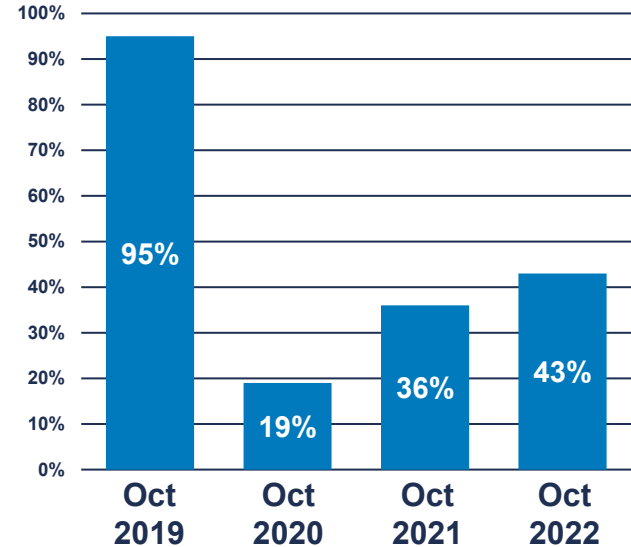
Following Board direction and introducing a new fare-like cost on some passengers



Existing conditions & policy considerations

- Overall, parking demand is much lower since the COVID-19 pandemic but growing.
- Some facilities are very full.
- Ridership is sensitive to parking availability and parking price.
- Pandemic-related trends:
 - *More work from home and hybrid work,*
 - *Potential reduced demand for monthly permits.*

Utilization at permanent ST parking facilities



2023 schedule

Toward a comprehensive fares strategy

Next steps

- **Spring 2023:** deeper dives at Executive and REO Committees on fare structure, farebox recovery targets, and daily paid parking.
- **Summer 2023:** public and passenger engagement on potential fare policy changes, Link fare changes, and daily paid parking.
- **Fall 2023/Winter 2024:** potential Board actions to update existing fare policy, including fare structure changes and daily paid parking.

Thank you.



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