

MOTION NO. M2014-36

A motion of the Board of Directors amending Resolution No. R2013-24 to provide for Tacoma Link service to continue to operate as fare-free for two years from September 2014 until September 2016 and authorizing an agreement with the City of Tacoma or designee for compensation of the net fare revenue of \$29,000 for each of the two years.

BACKGROUND:

Sound Transit fare policy adopted under Resolution No. R2010-10 allows fare-free service under a number of conditions, including when "Local jurisdictions and Sound Transit establish an agreement to cover lost revenue." In September 2013, the Board approved Resolution No. R2013-24 that established a \$1.00 adult fare, a \$0.75 youth fare, and a \$0.50 reduced fare for seniors, persons with disabilities and Medicare card holders to be implemented in September 2014. The Resolution states that fares will increase to \$1.50 for adults, \$0.75 for youth, and \$0.75 for seniors, persons with disabilities and Medicare card holders in September 2016.

On May 15, 2014, the Local Development Council Board of Directors (the downtown Tacoma Business Improvement Area) adopted a Resolution to enter into an agreement covering the period from September 2014 through August 2016 to compensate Sound Transit for the net revenue of \$29,000 per year in exchange for maintaining Tacoma Link as a complimentary service to riders, with the understanding that future years would be evaluated at a later date. This motion to amend Resolution No. R2013-24 does not change the Tacoma Link fare structure to be implemented in September 2016; the Sound Transit Board could consider other amendments in the future. The Resolution adopted by the Local Development Council Board of Directors meets the condition under Sound Transit fare policy for provision of fare-free service.

Maintaining fare-free service is projected to result in a ridership of 1,000,000 passengers per year. This is 177,000 more riders, or 22% higher, than projected ridership with the planned \$1.00 fare.

Providing fare-free service on Tacoma Link from September 2014 until September 2016 will not increase capital costs. The Tacoma Link fare collection equipment has already been purchased or is in the process of being purchased. However, the costs to install the equipment will be delayed for two years. In preparation for implementation of Tacoma Link fares in September 2014, Sound Transit has incurred sunk costs of an estimated \$90,000 including updates to the ORCA and Ticket Vending Machine systems. These expenditures are required whether the start of fare collection is in 2014 or 2016.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that Resolution No. R2013-24 is amended to provide for Tacoma Link service to continue to operate as fare-free for two years from September 2014 until September 2016 and authorizing an agreement with the City of Tacoma or designee for compensation of the net fare revenue of \$29,000 for each of the two years.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 22, 2014.

ATTEST:



Marcia Walker
Board Administrator


Paul Roberts
Board Vice Chair