

RESOLUTION NO. R2016-10

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority (1) amending Resolution No. R2013-24 to maintain a fare structure for Tacoma Link light rail of \$1.00 for the Adult fare category, \$0.75 for the Youth fare category, and \$0.50 for the Senior/Disabled fare category until the start of service for the Tacoma Link Expansion project, and (2) authorizing an agreement with the City of Tacoma or designee for compensation of the net fare revenue of \$29,000 each year until Tacoma Link Expansion service begins to allow Tacoma Link service to continue to operate as fare-free.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, RCW 81.112.080 grants a regional transit authority the power to establish fares; and

WHEREAS, Sound Transit charges fares for access to transit services in order cover a portion of Sound Transit's operating expenses as part of the long-term financial plan; and

WHEREAS, in 1999, the Sound Transit Board designated Tacoma Link service as fare-free based on an analysis which concluded that fare collection costs would exceed the revenues to be gained from charging fares; and

WHEREAS, in June 2013, the Sound Transit Board was presented with an updated preliminary analysis indicating that charging a base adult fare from \$1.00 to \$2.00 on Tacoma Link would generate sufficient revenue to cover the costs of fare collection plus provide additional funds to help offset the overall costs of Tacoma Link operations; and

WHEREAS, staff conducted an analysis of various fare structures and evaluated them in terms of the pricing level required to generate revenues that exceed the cost of fare collection and enforcement; and

WHEREAS, the Sound Transit Board establishes fare structures and sets corresponding fare rates for Tacoma Link light rail services; and

WHEREAS, Sound Transit desires to coordinate fare structures and fare rates with those of regional transit providers within Sound Transit's service area; and

WHEREAS, to comply with FTA regulations and regional policy, youth fares will be no more than 75 percent of adult fares and senior/disabled fares will be no more than 50 percent of an adult fare; and

WHEREAS, in September 2013, the Board approved Resolution No. R2013-24 establishing 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 and a \$1.50 adult fare, \$0.75 youth fare, and \$0.75 reduced fare for seniors, persons with disabilities and Medicare card holders to be implemented in September 2016; and

WHEREAS, the Tacoma Link Expansion will expand the Tacoma Link system from the Theater District Station in Tacoma to the Hilltop neighborhood to provide transit access between and within high-growth population areas and employment centers; and

WHEREAS, the Tacoma Link Expansion will help meet growing transit and mobility demands and strengthen transportation linkages in the major urban employment and residential centers of downtown Tacoma by providing fast, reliable, all-day transit access to major employment and activity centers; and

WHEREAS, 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; and

WHEREAS, in 2014 through Motion No. M2014-36 the Board authorized an agreement with the City of Tacoma or designee to receive compensation to allow Tacoma Link service to continue to operate as fare-free for two years until September 2016; and

WHEREAS, the City of Tacoma or designee has requested that Sound Transit enter into an agreement covering the period from September 2016 through the start of service of the Tacoma Link Expansion 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; and

WHEREAS the Downtown Tacoma businesses and property owners value Tacoma Link service and recognize its benefit to the downtown community; and

WHEREAS, maintaining fare-free service is projected to result in a ridership of roughly 1,000,000 boardings in the first year of an extended agreement to maintain free fares. This is 177,000 more riders, or 22% higher, than projected ridership were riders to be charged a \$1.00 fare; and is 199,000 riders, or 25% higher, than projected ridership were riders to be charged a \$1.50 fare; and

WHEREAS, providing fare-free service on Tacoma Link until the opening of Tacoma Link Expansion service will allow any fare collection equipment previously purchased for Tacoma Link to be deployed elsewhere, deferring any future capital costs until near completion of the expansion; and

WHEREAS, to ensure transparency and robust public participation in fare decisions, a new action will be proposed to the Sound Transit Board prior to opening of Tacoma Link Expansion service to establish the fare levels. Sound Transit will also determine fare collection equipment types, configurations and costs at that time.

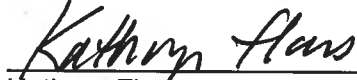
NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that (1) Resolution No. R2013-24 is amended to maintain a fare structure for Tacoma Link light rail of \$1.00 for the Adult fare category, \$0.75 for the Youth fare category, and \$0.50 for the Senior/Disabled fare category until the start of service for the Tacoma Link Expansion project, and (2) an agreement is authorized with the City of Tacoma or designee for compensation of the net fare revenue of \$29,000 each year until Tacoma Link Expansion service begins to allow Tacoma Link service to continue to operate as fare-free.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 28, 2016.



Dow Constantine
Board Chair

ATTEST:



Kathryn Flores
Board Administrator