

**SOUND TRANSIT  
STAFF REPORT**

**RESOLUTION NO. R2005-05**

**ST Express Bus Fare Increase**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	1/20/05	Discussion/Possible Action to Recommend Board Approval Action	Paul Matsuoka, Policy & Planning Officer <b>Christie Parker, Policy Analyst</b>	(206) 398-5070
Board	1/27/05			(206) 398-5405

**ACTION**

Implements a fare increase on ST Express Bus service effective June 2005 and updates Resolution No. R99-2-2 Exhibit B to reflect the fare increase.

**KEY FEATURES**

- Adopts the Board's preferred alternative for a potential bus fare increase as identified in Motion No. M2004-120.
- Changes ST Express Bus fares as described below, effective June 2005:

	<i>Current Fares</i>			<i>Proposed Fares</i>		
	<b>Adult</b>	<b>Youth</b>	<b>Senior/Disabled</b>	<b>Adult</b>	<b>Youth</b>	<b>Senior/Disabled</b>
One Zone	\$1.25	\$0.75	\$0.50	\$1.50	\$1.00	\$0.50
Two Zone	\$2.00	\$1.50	\$1.00	\$2.50	\$1.75	\$1.25
Three Zone	\$2.50	\$2.00	\$1.25	\$3.00	\$2.50	\$1.50

**BUDGET IMPACT SUMMARY**

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

**BUDGET DISCUSSION** - Not applicable to this action

**REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

The following table shows the estimated revenue and financial capacity impacts of the fare increase (in million \$) in the Phase I period (1997-2009).

<b>Subarea</b>	<b>Phase I Revenues</b>	<b>Phase I Financial Capacity</b>
Snohomish	1.1	2.4
North King	0	0
South King	0.6	2.1
East King	4.0	8.0
Pierce	1.4	6.5
<b>Total</b>	<b>7.1</b>	<b>19.0</b>

The estimates were developed using the 2005 baseline financial plan, with proposed budget data. Fare and ridership impacts have been prorated for 2005, with the full effective fare increase implemented in 2006 (see "Description of Policy" section for more detail). Between 2007 and 2009, we assume no additional change in the fare structure. The Phase I capacity numbers approximate the value of capital expenditures by 2009.

**BUDGET TABLE** - Not applicable to this action

**M/W/DBE – SMALL BUSINESS PARTICIPATION** - Not applicable to this action

**HISTORY OF PROJECT**

**Prior Board or Committee Actions and Relevant Board Policies**

Motion or Resolution Number	Summary of Action	Date of Action
M2004-120	Selects a preferred alternative for a potential fare increase for ST Express Bus service of 20%, with necessary adjustments to the nearest 25-cent increment and the FTA half-fare requirement for the elderly/disabled, for public review and comment and directing staff to conduct public outreach regarding a potential fare increase	12/9/04
M2004-54	Aligns the ST Express Route 550 fare structure with all other Sound Transit bus routes.	6/24/04
M2004-53	Establishes a Sound Transit policy to describe the public comment process for increases in the basic fare structure.	6/10/04
R99-2-2	Supersedes Resolution No. 99-2-1, Sound Transit's fare policy, updating fare zone boundaries along the SR 522 corridor and changing definition of "children" to those under the age of 6.	6/13/02
R99-2-1	Supersedes Resolution No. R99-2, Sound Transit's fare policy, establishing fare policy, pricing for fares related to Sound Transit public transportation services, transfer rules, a proof of payment system and a schedule of fines and penalties for civil infractions for non-payment of fares.	7/27/00
R99-2	Established fare policy pricing for fares related to Sound Transit public transportation services.	2/11/99
M98-54	Supports the fare integration framework developed by elected officials from Pierce Transit, King County Metro Transit, Community Transit, Everett Transit, and Sound Transit through a series of three Fare Policy Forums.	7/23/98

In February 1999, the Board adopted Resolution No. R99-2, which established fares for Sound Transit service. Since Sound Transit began service in September of 1999, the agency has not increased or changed its basic fare structure. The only time a fare change has occurred is on Sound Transit's Route 550, which is currently aligned with the King County fare structure but will change to the Sound Transit fare structure effective February 2005, per Board Motion No. M2004-54.

A recent performance audit suggested that Sound Transit evaluate its overall fares and its farebox recovery ratio. Sound Move Appendix C indicates that the minimum fare recovery for ST Express Bus is 20%. A consultant has calculated Sound Transit's 2003 fare recovery for ST Express Bus as 21.5%.

On December 9, 2004, the Sound Transit Board passed Motion No. M2004-120, which identified a preferred bus fare increase alternative of 20%, rounded to the nearest quarter and adjusted for

the Federal Transit Administration's half-fare requirement. The FTA half-fare requirement states that senior and disabled passengers may be charged no more than half the adult fare. Fares are rounded to the nearest quarter because the five PugetPass transit agencies have agreed to set fares in 25-cent increments to allow for regional pass production. Motion No. M2004-120 also directed staff to conduct public outreach to receive public comment about the proposed fare increase.

At the December 9, 2004 meeting, the Board deferred a decision about an increase in Sounder commuter rail fares until additional service is deployed between Everett and Seattle. Sound Transit staff has reported to the Board that a second train may be added during the third quarter of 2005. Therefore, staff intends to return to the Board with a proposed Sounder fare increase in summer 2005. This timing would permit a Sounder fare increase to be implemented during the first quarter of 2006.

### **DESCRIPTION OF POLICY**

This action will increase Sound Transit's bus fares by approximately 20%, rounded to the nearest quarter, and adjusted so that the senior/disabled fare does not exceed 50% of the adult fare as required by the Federal Transit Administration. The result of rounding and adjustment for half-fare means that the fare increase is not consistent for all fare categories and zones traveled (i.e., not exactly 20% for each fare category). When ridership losses are taken into account and the effect of the fare change is weighted based on the population of riders and the number of zones traveled, the effect of the change is closer to a 23% increase on average. Fare revenue is projected to increase by 20%.

The 20% target fare increase corresponds to the increase in the cost of living for the years 1999—2005.

Under this action, the new bus fares would be as follows:

	<b>Adult</b>	<b>Youth</b>	<b>Senior/Disabled</b>
One Zone	\$1.50	\$1.00	\$0.50
Two Zone	\$2.50	\$1.75	\$1.25
Three Zone	\$3.00	\$2.50	\$1.50

The new fares would be effective June 2005.

## IMPLICATIONS OF POLICY

Staff has projected changes to revenue and ridership as follows:

		2005 (Partial Year)		2006 (Full Year)	
		w/ Current Fares	w/ 20% increase June 1	w/ Current Fares	w/ 20% Increase Full Year
1-Zone	Adult	\$1.25	\$1.50	\$1.25	\$1.50
	Youth	\$0.75	\$1.00	\$0.75	\$1.00
	Reduced	\$0.50	\$0.50	\$0.50	\$0.50
2-Zone	Adult	\$2.00	\$2.50	\$2.00	\$2.50
	Youth	\$1.50	\$1.75	\$1.50	\$1.75
	Reduced	\$1.00	\$1.25	\$1.00	\$1.25
3-Zone	Adult	\$2.50	\$3.00	\$2.50	\$3.00
	Youth	\$2.00	\$2.50	\$2.00	\$2.50
	Reduced	\$1.25	\$1.50	\$1.25	\$1.50
	Revenue	\$ 11,378,200	\$ 12,716,200	\$ 12,213,169	\$ 14,645,116
	Ridership	8,483,352	8,361,672	8,994,822	8,773,816
	Δ Revenue	n/a	\$ 1,338,000	n/a	\$ 2,431,947
	Δ Ridership	n/a	(121,680)	n/a	(221,006)
	Δ% Revenue	n/a	11.8%	n/a	19.9%
	Δ% Ridership	n/a	-1.4%	n/a	-2.5%
	Operating Cost	\$ 49,277,676	\$ 49,277,676	\$ 50,805,284	\$ 50,805,284
	Farebox Recovery	23.1%	25.8%	24.0%	28.8%

### Notes

- All fares rounded to quarter increments
- Reduced fares constrained not to exceed 50% of Adult fares
- Operating cost assumes 2004 costs through third quarter (\$35,847k), annualized, plus 2004-05 and 2005-06 CPI of 3.1%

## FACTORS TO CONSIDER

- Sound Transit has not changed its bus fares since they were originally established in 1999.
- Diesel bus fuel costs have increased 44% since 1999.
- Sound Move's financial plan assumed that fares would keep pace with inflation. The Consumer Price Index increase for the years 1999—2005 is approximately 20%.

## PUBLIC INVOLVEMENT

Motion No. M2004-53 specifically addresses the public comment process for a potential increase in the fare structure.

Information about the proposed fare increase was published on the Sound Transit website December 14, 2004 through January 20, 2005. The website informed the public that they could comment on the proposed increase by writing to Sound Transit, sending an email to a special email address for this exclusive purpose (fares@soundtransit.org), attending a public hearing or attending an open house. Information sheets about the proposed fare increase and instructions about how to comment were provided at customer service offices in late December 2004. Rider notices were posted on board ST Express buses on January 5, 2005. The notices informed the public about the potential fare increase, provided the dates of the public hearing and open houses, and provided information about how to comment on the proposed increase.

A public hearing is scheduled for January 20, 2005. Open houses were held in conjunction with Sound Transit's long range plan on January 10, 2005 in Seattle; January 12, 2005 in Bellevue; January 13, 2005 in Shoreline; January 18, 2005 in Everett; and January 19, 2005 in Tacoma.

Comment sheets were produced to make it easy for the public to provide comment on the proposed fare increase and mail it in to Sound Transit. These comment sheets were made available at the open houses.

A summary of the public comments will be provided at the January 27, 2005 Board meeting.

### **ALTERNATIVES**

The Board could decide not to increase fares at this time and keep them at 1999 levels.

### **CONSEQUENCES OF DELAY**

A delay in this action would delay implementation of a fare increase, which is currently targeted for June 2005. A June implementation date requires Board approval for a fare increase by no later than February 10, 2005 to allow for PugetPass production and production of customer service materials.

### **LEGAL REVIEW**

JW 1/7/05



## **SOUND TRANSIT**

### **RESOLUTION NO. R2005-05**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority increasing fares for ST Express Bus service effective June 2005.

WHEREAS, a Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, at a general election held within the Central Puget Sound Regional Transit Authority district, the voters approved local funding for high capacity transit in the Central Puget Sound Region; and

WHEREAS, in Board Resolution No. R99-2, the Board established a fare policy and system of basic rates for fares for Sound Transit public transportation services effective with the commencement of Regional Express bus service and Sounder commuter rail service in 1999 ("Fare Policy"); and

WHEREAS, in Board Resolution No. R99-2-1, the Board amended portions of Sound Transit's Fare Policy including the addition of a proof of payment system for monitoring fare payment schedule of fines and penalties for civil infractions for non-payment of fares on Sound Transit rail services; and

WHEREAS, in Board Resolution No. 99-2-2, the Board amended Sound Transit's Fare Policy; and

WHEREAS, Sound Transit transportation service is funded through a mixture of tax revenues and service fees; and

WHEREAS, Sound Transit's financial projections assumed fares would keep pace with inflation; and

WHEREAS, Sound Transit has not changed its fares since the implementation of service in 1999, yet the Consumer Price Index has increased approximately 20% for the years 1999-2005; and

WHEREAS, the PugetPass transit agencies have agreed to set fares in 25-cent increments through the Regional Pass and Fare Reconciliation Program Agreement; and

WHEREAS, the Board wishes to increase fares for ST Express Bus service to reflect the 20% increase in the Consumer Price Index; and

WHEREAS, Sound Transit's bus fares are established in Board Resolution No. R99-2-2 Exhibit B; and

WHEREAS, Sound Transit has sought public comment for the potential fare increase in accord with Board Motion No. M2004-53; and


WHEREAS, Federal Transit Administration funding rules state that agencies shall charge senior and disabled riders no more than half of the adult fare;


NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Exhibit B of Resolution No. R99-2-2 is hereby amended as attached, to reflect the following fare changes effective June 2005:

	<b>Adult</b>	<b>Youth</b>	<b>Senior or Disabled</b>
One zone	\$1.50	\$1.00	\$0.50
Two zone	\$2.50	\$1.75	\$1.25
Three zone	\$3.00	\$2.50	\$1.50

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 27, 2005.

ATTEST:

  
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Marcia Walker  
Board Administrator

  
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John W. Ladenburg  
Board Chair



**SOUND TRANSIT**

**RESOLUTION No. R99-2-2**

**Exhibit B – Revised  
Effective June 1, 2005**

**ST Express Bus Fares**

	<b>Adult</b>	<b>Youth</b>	<b>Senior/ Disabled</b>
One Zone	\$1.50	\$1.00	\$0.50
Two Zones	\$2.50	\$1.75	\$1.25
Three Zones	\$3.00	\$2.50	\$1.50

**Sounder Fares and Ticket Vending Machine Passes**

	<i>Cash Price</i>			<i>Day Pass</i>		
	<b>Adult</b>	<b>Youth</b>	<b>Senior/ Disabled</b>	<b>Adult</b>	<b>Youth</b>	<b>Senior/ Disabled</b>
One Zone	\$2.00	\$1.50	\$1.00	\$4.00	\$3.00	\$2.00
Two Zones	\$3.00	\$2.25	\$1.50	\$6.00	\$4.50	\$3.00
Three Zones	\$4.00	\$3.00	\$2.00	\$8.00	\$6.00	\$4.00

Ticket Vending Machine Passes are valid for one day, one week and two weeks. The passes are valid on all Sound Transit service.

- One-day passes are priced at twice the single trip price. For example, a day pass valid for a \$2.00 fare costs  $\$2.00 * 2 = \$4.00$ .
- One-week passes are priced at 5 times the day pass fare, for example a one-week pass valid for a \$2.00 fare costs  $\$4.00 * 5 = \$20$ .
- Two-week passes are priced at 10 times the day pass fare. For example, a two-week pass valid for a \$2.00 fare costs  $\$4.00 * 10 = \$40$ .

**PugetPass – Unlimited ride regional passes valid for face value on Sound Transit bus and train, Community Transit, Everett Transit, King County Metro, and Pierce Transit**

Monthly Passes	Priced at 36 times the cash price	For example, a monthly pass valid for a \$1.50 ride costs $\$1.50 * 36 = \$54.00$
Three-Month Passes	Priced at 3 times the monthly pass price	For example, a 3-month pass valid for \$1.50 ride costs $\$54 * 3 = \$162$
Annual Passes	Priced at 11 times the monthly pass price	For example, an annual pass valid for \$1.50 fare costs $\$54 * 11 = \$594$