

**SOUND TRANSIT
STAFF REPORT**

RESOLUTION NO. R2007-06

Sounder Fare Structure Change and Fare Increase

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	3/1/07	Discussion/Possible Action to Recommend Board Approval	Ric Ilgenfritz, Executive Director, Policy, Planning & Public Affairs	(206) 398-5239
Executive Committee	3/1/07	Cancelled	Sheila Dezarn, Policy & Planning Officer	(206) 398-5071
Board	3/8/07	Action	Christie Parker, Policy Analyst	(206) 398-5405

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate		Property Acquisition	

PROJECT NAME

Transit Vision – Fare Integration

PROPOSED ACTION

Implements a change to distance-based fares for Sounder and establishes a Sounder fare increase; updates Resolution No. R99-2-2 Exhibit B to reflect the changes.

KEY FEATURES of PROPOSED ACTION

Selects and adopts the Board’s preferred alternative for Sounder fares. The alternatives are identified in Motion No. M2007-21.

- Changes the Sounder fare structure from a zone-based structure to a distance-based structure.
- Increases Sounder fare revenues by 10% (Option One) or 20% (Option Two).
- If approved, the target date for implementation of the new fares is summer, 2007.
- Changes Sounder fares as follows:

Option One

	Mukilteo			Edmonds			Seattle		
	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Everett	\$2.75	\$2.00	\$1.25	\$3.50	\$2.50	\$1.75	\$4.50	\$3.25	\$2.25
Mukilteo				\$3.25	\$2.25	\$1.50	\$4.00	\$3.00	\$2.00
Edmonds							\$3.50	\$2.50	\$1.75

	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Seattle	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75	\$4.25	\$3.00	\$2.00	\$4.25	\$3.00	\$2.00	\$4.75	\$3.50	\$2.25
Tukwila				\$2.75	\$2.00	\$1.25	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75	\$4.00	\$3.00	\$2.00
Kent							\$2.75	\$2.00	\$1.25	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75
Auburn										\$3.00	\$2.25	\$1.50	\$3.00	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75
Sumner													\$2.75	\$2.00	\$1.25	\$3.00	\$2.25	\$1.50
Puyallup																\$3.00	\$2.25	\$1.50
Tacoma																		

Option Two

	Mukilteo			Edmonds			Seattle		
	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Everett	\$3.25	\$2.25	\$1.50	\$4.00	\$3.00	\$2.00	\$5.25	\$3.75	\$2.50
Mukilteo				\$3.50	\$2.50	\$1.75	\$4.75	\$3.50	\$2.25
Edmonds							\$4.00	\$3.00	\$2.00

	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Seattle	\$3.00	\$2.50	\$1.75	\$4.00	\$3.00	\$2.00	\$4.25	\$3.00	\$2.00	\$5.00	\$3.75	\$2.50	\$5.00	\$3.75	\$2.50	\$5.75	\$4.25	\$2.75
Tukwila				\$3.00	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$4.00	\$3.00	\$2.00	\$4.25	\$3.00	\$2.00	\$4.75	\$3.50	\$2.25
Kent							\$3.00	\$2.25	\$1.50	\$3.75	\$2.75	\$1.75	\$4.00	\$3.00	\$2.00	\$4.50	\$3.25	\$2.25
Auburn										\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$4.00	\$3.00	\$2.00
Sumner													\$3.00	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75
Puyallup																\$3.25	\$2.25	\$1.50
Tacoma																		

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 and FINANCIAL PLAN DISCUSSION

If Option One (10% increase) is adopted, total weekday revenue is projected to increase by about 10%. The projected 2008 Sounder farebox recovery is 19.5%.

If Option Two (20% increase) is adopted, total weekday revenue is projected to increase by about 20%. The projected 2008 Sounder farebox recovery is 21.2%.

If there are no changes to Sounder fares, the projected 2008 Sounder farebox recovery is 17.8%.

BUDGET TABLE

Not applicable to this action.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Sound Transit established a zone-based fare structure and Sounder fares in 1999. Currently a one-way/one-zone adult fare is \$2.00, a two-zone fare is \$3.00 and a three-zone fare is \$4.00.

Sounder’s current fare structure and projected 2008 revenue are illustrated below in Table 1.

Table 1 Sounder Revenue and Ridership Projections 2008 Projections - No Fare Change													
	Mukilteo			Edmonds			Seattle						
	adult	youth	sr&dis	adult	youth	sr&dis	adult	youth	sr&dis				
Everett	\$2.00	\$1.50	\$1.00	\$2.00	\$1.50	\$1.00	\$3.00	\$2.25	\$1.50				
Mukilteo				\$2.00	\$1.50	\$1.00	\$3.00	\$2.25	\$1.50				
Edmonds							\$3.00	\$2.25	\$1.50				
	Tukwila			Kent			Auburn			Sumner	Puyallup	Tacoma	
	adult	youth	sr&dis	adult	youth	sr&dis	adult	youth	sr&dis	adult	youth	sr&dis	
Seattle	\$3.00	\$2.25	\$1.50	\$3.00	\$2.25	\$1.50	\$3.00	\$2.25	\$1.50	\$4.00	\$3.00	\$2.00	
Tukwila				\$2.00	\$1.50	\$1.00	\$2.00	\$1.50	\$1.00	\$3.00	\$2.25	\$1.50	
Kent							\$2.00	\$1.50	\$1.00	\$3.00	\$2.25	\$1.50	
Auburn										\$3.00	\$2.25	\$1.50	
Sumner										\$2.00	\$1.50	\$1.00	
Puyallup													
Tacoma											\$2.00	\$1.50	\$1.00
2008 Weekday Revenue (Projected)										\$20,658			
2008 Weekday Ridership (Projected)										7,228			
2008 Event Revenue (Projected)										\$250,000			
Operating Cost (Projected)										\$31,191,209			
Farebox Recovery (Projected)										17.8%			

Data Source: 2007 Draft Service Implementation Plan.

Since Sounder fares were established in 1999, the Board has not increased Sounder fares or reviewed other potential changes to its basic fare structure. In 2005, the Board approved a general 20% fare increase for ST Express bus so that fares would keep pace with inflation. Also in 2005, the fare structure for Route 550 was modified to bring it into alignment with the fares charged on all other ST Express bus routes.

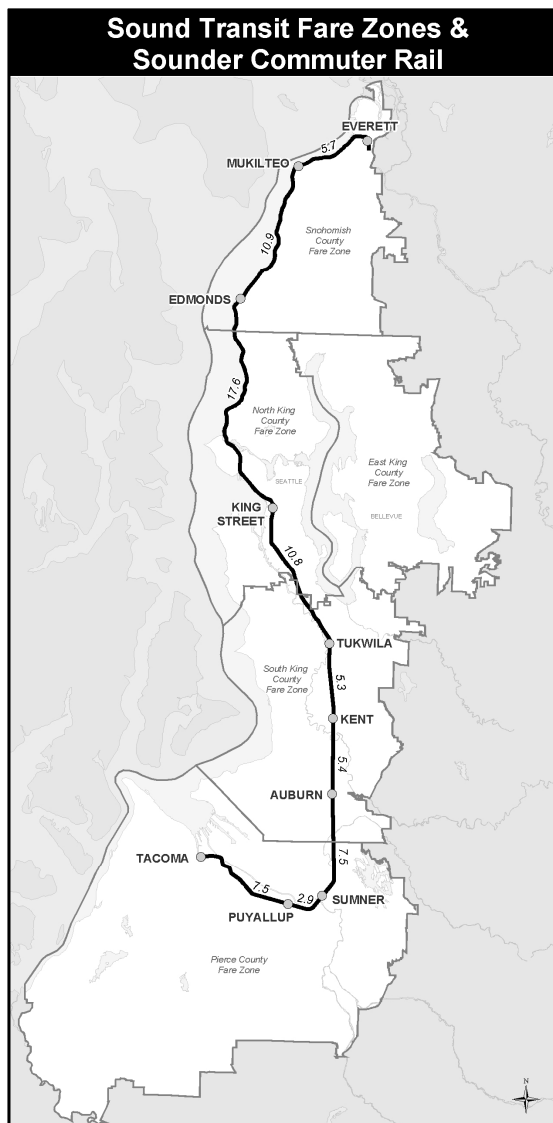
The Sound Transit Board considered increasing Sounder fares at the same time it considered the general fare increase for ST Express bus service; however, the Board decided to defer a fare increase until additional Sounder service was implemented. Since that time, service between Everett and Seattle has increased from one to two round-trips per day and service

between Tacoma and Seattle has increased from three to four round-trips per day. This increased service has contributed to Sounder's strong ridership growth: average third quarter weekday boardings have increased 77% since 2004. Additional service should be implemented on each line before the end of 2007.

Sound Move Appendix C identifies a farebox recovery goal of 23 – 32% for commuter rail. Fare recovery for the agency's 6 daily round-trips through September 2006 is currently about 20%. At the same time, the Consumer Price Index (CPI) has risen by 21.5% since Sounder fares were established (1999-2006) and the nationwide price of unleaded gasoline has risen by more than 70%. Cost of Sounder fuel has risen three-fold since the start of revenue service.

Sound Transit is therefore considering a general fare increase for Sounder. Since a proposal to increase fares requires staff effort and public involvement in accord with Board Motion 2004-53, the Board adopted Board Motion 2007-21 in January 2007 and directed staff to solicit public comment regarding the two alternatives.

In addition to considering a general fare increase for Sounder, the Board is considering a change to the Sounder fare structure. Sounder, like ST Express bus, currently operates on a zonal fare structure.



When the fare policies were originally adopted in 1999, the policy was to establish a zonal structure with the goal of minimizing the number of short two-zone trips (whereby passengers are charged a premium for crossing a fare zone boundary) and minimizing confusion for riders who transfer from service operated by another agency. While the fare boundaries that were established have minimized the number of short two-zone trips for ST Express bus, this is not so much the case for Sounder, which has created equity issues. A review of customer complaints between 2004-2006 shows that 57% of the concerns raised about Sounder fares are related to our current zone structure.

Examples of the inequities inherent in the Sounder zone-based fare structure include:

- On Sounder service between Tacoma and Seattle, adult riders between Sumner and Auburn pay \$3.00 (one-way) for a two-zone ride of 7.5-miles, whereas riders between Tukwila and Auburn pay \$2.00 (one-way) for a longer one-zone ride of 10.7 miles.
- Adult riders traveling between Seattle and Everett pay \$3.00 for a two-zone 34-mile trip whereas those traveling a comparable distance between Seattle and Tacoma (39 miles) pay a higher three-zone \$4.00 fare.

Distance-based fares are commonly used on other metropolitan rail systems, including Los Angeles' Metrolink, Vancouver BC's West Coast Express, Nashville's Music City Star, Toronto's GO Transit, Chicago's Metra, and MTA Maryland's MARC Train. In the Bay Area, the BART system also uses distance-based fares. Distance-based fares are also used for other forms of transportation, such as airlines, Amtrak and taxi rides, and are therefore somewhat more intuitive for the riding public than charging additional fare when a passenger crosses an invisible and somewhat arbitrary fare zone boundary.

For these reasons, staff recommended that consideration of a fare increase be combined with consideration of a change to distance-based fares for Sounder. Under a distance-based fare structure, riders would be charged a base fare for boarding the train plus an incremental fare for each mile traveled.

On February 8, the Sound Transit Board passed Motion No. M2007-21, which identified two Sounder fare alternatives that combine a fare increase with a change to distance-based fares. Both proposals include senior and disabled fares at 50% of adult fares and youth fares at 75% of adult fares. About 98% of Sounder riders pay adult fares. 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.

Option One:

This alternative would increase Sounder farebox revenues by 10% by charging a \$2.55 base fare combined with a 5.5 cent per-mile distance fare charge, with fares rounded to the nearest quarter. The projected impact of Option One, which combines a proposed farebox increase and fare restructure, is a 10.1% increase in 2008 Sounder weekday revenues and a ridership loss of 1.8%, or about 130 riders per weekday. The projected 2008 farebox recovery is 19.5%. An estimated 37% of riders would experience a fare increase greater than 10% and about 3% of riders would pay the same fares as they do today.

Table 2

**Sounder Revenue and Ridership Projections
2008 Projections - 10% Revenue Increase Option
Base fare: \$2.55 Mileage fare: 5.5 cents per mile**

	Mukilteo			Edmonds			Seattle											
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis										
Everett	\$2.75 / \$2.00 / \$1.25	\$3.50 / \$2.50 / \$1.75	\$4.50 / \$3.25 / \$2.25															
Mukilteo		\$3.25 / \$2.25 / \$1.50	\$4.00 / \$3.00 / \$2.00															
Edmonds			\$3.50 / \$2.50 / \$1.75															
	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	
Seattle	\$3.25 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75	\$3.75 / \$2.75 / \$1.75	\$4.25 / \$3.00 / \$2.00	\$4.25 / \$3.00 / \$2.00	\$4.75 / \$3.50 / \$2.25												
Tukwila		\$2.75 / \$2.00 / \$1.25	\$3.25 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75	\$3.75 / \$2.75 / \$1.75	\$4.00 / \$3.00 / \$2.00												
Kent			\$2.75 / \$2.00 / \$1.25	\$3.25 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75	\$3.75 / \$2.75 / \$1.75												
Auburn				\$3.00 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75	\$3.75 / \$2.75 / \$1.75												
Sumner					\$3.00 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75												
Puyallup						\$2.75 / \$2.00 / \$1.25	\$3.00 / \$2.25 / \$1.50											
Tacoma							\$3.00 / \$2.25 / \$1.50											
2008 Weekday Revenue (Projected)							\$22,743											
2008 Weekday Ridership (Projected)							7,292											
2008 Event Revenue (Projected)							\$275,000											
Operating Cost (Projected)							\$31,191,209											
Farebox Recovery (Projected)							19.5%											
Δ Weekday Revenue (Projected)							\$2,086											
Δ % Weekday Revenue (Projected)							10.1%											
Δ Weekday Ridership (Projected)							-130											
Δ % Weekday Ridership (Projected)							-1.8%											

Table 3

Amount of Increase for each Station/Station Pair - 10% Revenue Increase Option

	Mukilteo			Edmonds			Seattle											
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis										
Everett	\$0.75 / \$0.50 / \$0.25	\$1.50 / \$1.00 / \$0.75	\$1.50 / \$1.00 / \$0.75															
Mukilteo		\$1.25 / \$0.75 / \$0.50	\$1.00 / \$0.75 / \$0.50															
Edmonds			\$0.50 / \$0.25 / \$0.25															
	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	
Seattle	\$0.25 / \$0.00 / \$0.00	\$0.50 / \$0.25 / \$0.25	\$0.75 / \$0.50 / \$0.25	\$0.25 / \$0.00 / \$0.00	\$0.25 / \$0.00 / \$0.00	\$0.25 / \$0.00 / \$0.00	\$0.75 / \$0.50 / \$0.25	\$1.00 / \$0.75 / \$0.50										
Tukwila		\$0.75 / \$0.50 / \$0.25	\$1.25 / \$0.75 / \$0.50	\$0.50 / \$0.25 / \$0.25	\$0.75 / \$0.50 / \$0.25	\$1.00 / \$0.75 / \$0.50												
Kent			\$0.75 / \$0.50 / \$0.25	\$0.25 / \$0.00 / \$0.00	\$0.25 / \$0.00 / \$0.00	\$0.25 / \$0.00 / \$0.00	\$0.50 / \$0.25 / \$0.25	\$0.75 / \$0.50 / \$0.25										
Auburn				\$0.00 / \$0.00 / \$0.00	\$0.00 / \$0.00 / \$0.00	\$0.00 / \$0.00 / \$0.00	\$0.50 / \$0.25 / \$0.25	\$0.75 / \$0.50 / \$0.25										
Sumner						\$0.75 / \$0.50 / \$0.25	\$1.00 / \$0.75 / \$0.50											
Puyallup							\$1.00 / \$0.75 / \$0.50											
Tacoma								\$1.00 / \$0.75 / \$0.50										

Option Two:

This alternative is to increase Sounder fare revenues by 20% by charging a \$2.70 base fare combined with a 7.5 cent per-mile distance fare charge, with fares rounded to the nearest quarter. The projected impact of Option Two, which combines a proposed fare increase and fare restructure, is a 19.8% increase in 2008 Sounder weekday revenues and a ridership loss of 3.2%, or about 229 riders per weekday. The projected 2008 farebox recovery is 21.2%.

Table 4

**Sounder Revenue and Ridership Projections
2008 Projections - 20% Revenue Increase Option
Base fare: \$2.70 Mileage fare: 7.5 cents per mile**

	Mukilteo			Edmonds			Seattle											
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis										
Everett	\$3.25 / \$2.25 / \$1.50	\$4.00 / \$3.00 / \$2.00	\$5.25 / \$3.75 / \$2.50															
Mukilteo		\$3.50 / \$2.50 / \$1.75	\$4.75 / \$3.50 / \$2.25															
Edmonds			\$4.00 / \$3.00 / \$2.00															
	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	
Seattle	\$3.50 / \$2.50 / \$1.75	\$4.00 / \$3.00 / \$2.00	\$4.25 / \$3.00 / \$2.00	\$5.00 / \$3.75 / \$2.50	\$5.00 / \$3.75 / \$2.50	\$5.75 / \$4.25 / \$2.75												
Tukwila		\$3.00 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75	\$4.00 / \$3.00 / \$2.00	\$4.25 / \$3.00 / \$2.00	\$4.75 / \$3.50 / \$2.25												
Kent			\$3.00 / \$2.25 / \$1.50	\$3.75 / \$2.75 / \$1.75	\$4.00 / \$3.00 / \$2.00	\$4.50 / \$3.25 / \$2.25												
Auburn				\$3.25 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75	\$4.00 / \$3.00 / \$2.00												
Sumner					\$3.00 / \$2.25 / \$1.50	\$3.50 / \$2.50 / \$1.75												
Puyallup						\$3.25 / \$2.25 / \$1.50												
Tacoma																		
2008 Weekday Revenue (Projected)							\$24,747											
2008 Weekday Ridership (Projected)							6,999											
2008 Event Revenue (Projected)							\$300,000											
Operating Cost (Projected)							\$31,191,209											
Farebox Recovery (Projected)							21.2%											
Δ Weekday Revenue (Projected)							\$4,090											
Δ % Weekday Revenue (Projected)							19.8%											
Δ Weekday Ridership (Projected)							-229											
Δ %Weekday Ridership (Projected)							-3.2%											

Table 5

Amount of Increase for each Station/Station Pair - 20% Revenue Increase Option

	Mukilteo			Edmonds			Seattle											
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis										
Everett	\$1.25 / \$0.75 / \$0.50	\$2.00 / \$1.50 / \$1.00	\$2.25 / \$1.50 / \$1.00															
Mukilteo		\$1.50 / \$1.00 / \$0.75	\$1.75 / \$1.25 / \$0.75															
Edmonds			\$1.00 / \$0.75 / \$0.50															
	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	adult / youth / sr&dis	
Seattle	\$0.50 / \$0.25 / \$0.25	\$1.00 / \$0.75 / \$0.50	\$1.25 / \$0.75 / \$0.50	\$1.00 / \$0.75 / \$0.50	\$1.25 / \$0.75 / \$0.50	\$1.75 / \$1.25 / \$0.75												
Tukwila		\$1.00 / \$0.75 / \$0.50	\$1.50 / \$1.00 / \$0.75	\$1.00 / \$0.75 / \$0.50	\$1.25 / \$0.75 / \$0.50	\$1.75 / \$1.25 / \$0.75												
Kent			\$1.00 / \$0.75 / \$0.50	\$0.75 / \$0.50 / \$0.25	\$1.00 / \$0.75 / \$0.50	\$1.50 / \$1.00 / \$0.75												
Auburn				\$0.25 / \$0.00 / \$0.00	\$0.50 / \$0.25 / \$0.25	\$1.00 / \$0.75 / \$0.50												
Sumner					\$1.00 / \$0.75 / \$0.50	\$1.50 / \$1.00 / \$0.75												
Puyallup						\$1.25 / \$0.75 / \$0.50												
Tacoma																		

Because CPI has increased more than 20% since fares were established in 1999, the Board considered an alternative that would generally correspond to the increase in CPI. A potential issue to consider is that a fare increase that large would result in projected ridership losses that are about 76% higher than in Option One. However, it is possible that ridership losses would not be significant because elasticity of demand can be subject to a variety of factors, e.g. the price of gas and parking, the unemployment rate, and weather. Another issue to consider is that a 20% increase would result in fares as high as \$5.75 for riders traveling between Seattle and Tacoma, and riders traveling between Seattle and Everett would pay \$5.25, or a 75% fare increase. An estimated 53% of riders would experience a fare increase greater than 20%.

After careful consideration of many factors, including initial public comments, staff recommends that the Board select Option One.

Prior Board/Committee Actions on this Project

Motion/Resolution Number and Date	Summary of Action
M 2007-21 2/8/07	Selects a draft Sounder fare structure change and fare increase proposal and directs the chief executive officer to conduct public outreach and seek public review and comment.
R 2005-05 1/27/05	Increases fares for ST Express Bus service effective June 2005.
M 2004-120 12/09/04	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.
M 2004-54 6/24/04	Aligns the ST Express Route 550 fare structure with all other Sound Transit bus routes.
M 2004-53 6/10/04	Establishes a Sound Transit policy to describe the public comment process for increases in the basic fare structure.
R 99-2-2 6/13/02	Revises resolution 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.
R 99-2-1 7/27/00	Revised resolution 99-2, Sound Transit’s fare policy, to describe transfer rules.
R 99-2 2/11/99	Established fare policy pricing for fares related to Sound Transit public transportation services.
M 98-54 7/23/98	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.

CONSEQUENCES of DELAY

Delay of the decision to increase fares would cause fare recoveries to continue to decline. Delay of a decision to change the fare structure would cause customers to continue to pay what many perceive to be an inequitable fare. In addition, a decision in early 2007 would allow for the distance-based fares to be implemented prior to smart card implementation and for the new fares to be integrated into the fare tables and customer information materials that will be prepared for smart card implementation. Staff does not recommend implementing a fare structure change concurrent with smart card start-up due to the complexity of the change and the need for a smooth transition from old to new fare media.

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 structure change and fare increase was published on the Sound Transit website February 8-28, 2007. The website informed the public that they could comment on the proposed increase by sending an email to a special email address for this exclusive purpose (fares@soundtransit.org) or attending the public hearing.

Information brochures about the proposed fare increase and instructions about how to comment, including a postage-paid comment form, were provided on board Sounder trains February 16-28.

Rider notices were posted on board Sounder trains on February 8, 2007 and at Sounder stations the week of February 12th – 16th. An email notice was sent to the approximately 1,000 subscribers to the Sounder information email list on February 15, 2007. The notices informed the public about the potential fare change and provided the date of the public hearing.

A public hearing was held February 22, 2007. An open house was held in conjunction with “Roads and Transit” on February 22, 2007 at Union Station. Staff outreach was conducted at King Street, Everett and Tacoma Dome stations February 20-21. The information brochures with comment forms were distributed at the open house and as part of the staff outreach at stations.

A summary of public comments was provided at the March 1, 2007 Finance Committee meeting.

TITLE VI REVIEW

As a part of Sound Transit’s Title VI compliance monitoring requirements, staff performed an analysis of the potential Sounder Fare Modifications, to assess impacts on minority, low income and limited English speaking populations. As a result of that review it was determined that the impacts of the fare changes are proportional to the distance from Seattle for the preponderance of Sounder riders and there are no disproportionate impacts to minority, low-income, and limited English speaking populations compared to the affected population as a whole.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action

LEGAL REVIEW

JW 02/23/07

SOUND TRANSIT

RESOLUTION NO. R2007-06

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending Sound Transit's Fare Policy regarding Sounder fares from a zone-based fare structure to a distance-based fare structure and increasing Sounder fares.

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 99-2, 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. 99-2-1, the Board amended portions of Sound Transit's Fare Policy including the addition of a proof of payment system for monitoring fare payment as well as a 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, in Board Resolution No. R2005-05, the Board increased bus fares effective 2005 so that bus fares would keep pace with inflation;

WHEREAS, Sound Transit has not changed Sounder fares since the implementation of service in 2000, yet the Consumer Price Index has increased approximately 21.5% since Sounder fares were established in 1999; and

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

WHEREAS, by Motion No. M2007-21 adopted on February 8, 2007, Sound Transit sought public comment in accord with Board Motion No. M2004-53. Two fare increase options were proposed. The first alternative proposed a 10% revenue increase by charging a \$2.55 base fare combined with a 5.5 cent per-mile distance fare charge, with fares rounded to the nearest quarter. The second alternative proposed a 20% revenue increase by charging \$2.70 base fare combined with a 7.5 cent per mile distance fare charge, with fares rounded to the nearest quarter; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that Sound Transit's Fare Policy with regard to fare structure for Sounder Commuter Rail (i.e., Exhibit B of Resolution No. R99-2-2) is hereby amended as attached, to change the Sounder fare structure to a distance-based fare structure reflecting an approximate 10% revenue increase by charging a \$2.55 base fare combined with a 5.5 cent per-mile distance fare charge, with fares rounded to the nearest quarter; and

SOUND TRANSIT

RESOLUTION No. R99-2-2

**Exhibit B – Revised
Effective June 1, 2007**

ST Express Bus Fares

	Adult	Youth	Senior/ Disabled
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

Option One

10% Increase - Base fare of \$2.55 and per mileage charge of 5.5 cents

	Mukilteo			Edmonds			Seattle		
	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Everett	\$2.75	\$2.00	\$1.25	\$3.50	\$2.50	\$1.75	\$4.50	\$3.25	\$2.25
Mukilteo				\$3.25	\$2.25	\$1.50	\$4.00	\$3.00	\$2.00
Edmonds							\$3.50	\$2.50	\$1.75

	Tukwila			Kent			Auburn			Sumner			Puyallup			Tacoma		
	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Seattle	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75	\$4.25	\$3.00	\$2.00	\$4.25	\$3.00	\$2.00	\$4.75	\$3.50	\$2.25
Tukwila				\$2.75	\$2.00	\$1.25	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75	\$4.00	\$3.00	\$2.00
Kent							\$2.75	\$2.00	\$1.25	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75
Auburn										\$3.00	\$2.25	\$1.50	\$3.00	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75
Sumner													\$2.75	\$2.00	\$1.25	\$3.00	\$2.25	\$1.50
Puyallup																\$3.00	\$2.25	\$1.50
Tacoma																		

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

The price of day passes is two times the one-way fare. For example, if the Tacoma/Seattle one-way fare is \$4.75, the price of a day pass is \$9.50.

The price of one-week passes is 5 times the day pass fare. For example, if a Tacoma/Seattle day pass is \$9.50, the price of a one-week pass is \$47.50.

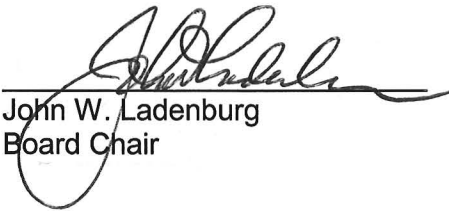
The price of two-week passes is 10 times the day pass fare. For example, if a Tacoma/Seattle day pass is \$9.50, the price of a two-week pass is \$95.00.

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


BE IT FURTHER RESOLVED that Sound Transit staff shall implement this amendment by June 2007.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 8, 2007.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Board Administrator

SOUND TRANSIT

RESOLUTION No. R99-2-2

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	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis	Adult	Youth	Sr/Dis
Seattle	\$3.25	\$2.25	\$1.50	\$3.50	\$2.50	\$1.75	\$3.75	\$2.75	\$1.75	\$4.25	\$3.00	\$2.00	\$4.25	\$3.00	\$2.00	\$4.75	\$3.50	\$2.25
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