

MOTION NO. M2012-33

Implementing Fares for ST Express in Downtown Seattle

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Executive Committee	06/07/12	Recommendation to Board	Ric Ilgenfritz / Executive Director, PEPD	206-398-5239
Operations and Administration Committee	06/07/12	Recommendation to Board	Brian Brooke / Research, Policy and Business Development Manager	206-398-5229
Board	06/28/12	Final action		

PROPOSED ACTION

Authorizes collection of regular Sound Transit Express bus fares and changing fare collection procedures at all times of day for trips taken within the current downtown Seattle Ride Free Area upon the elimination of the Ride Free Area on September 29, 2012.

KEY FEATURES

- This action changes fare collection procedures to adopt standard ST Express bus fares, and to adopt pay-on-entry at all times for bus trips within downtown Seattle upon elimination of the downtown Seattle Ride Free Area.
- The King County Council voted to eliminate the Ride Free Area (RFA) and implement pay-on-entry fare collection beginning September 29, 2012.
- Sound Transit is not a party to the Ride Free Area agreement but has, per Board policy, honored the existing RFA.
- In compliance with federal Title VI regulations, 18,750 additional Sound Transit day passes per year will be distributed through the King County Human Services Ticket program to mitigate the impact of the fare change on low-income and minority populations in downtown Seattle.
- Implementation of ST Express fares is expected to decrease ST Express bus ridership by 191,000 boardings per year due to fare collection.
- ST Express annual revenue is expected to increase by \$1,180,000 when fully implemented and reflected in employer pass pricing.

PROJECT DESCRIPTION

The Ride Free Area was created in 1973 and maintained through an agreement between King County Metro and the City of Seattle. The RFA provides fare-free bus service within downtown Seattle from the hours 6am to 7pm. The RFA is scheduled to expire on September 29, 2012 and will then cease to exist. With no RFA to honor, Sound Transit bus service will adopt standard ST Express bus fares at all times in downtown Seattle.

FISCAL INFORMATION

The Adopted 2012 Budget for fare revenue is \$44.8 million.

	2012 Fare Revenue (status quo)	2012 Revenue change (with this action)	Annual revenue change (full impact of this action)
ST Express	\$24,150,000	+\$166,000	+\$1,180,000
Sounder	\$8,060,000	n/a	n/a
Central Link	\$12,600,000	n/a	n/a
Total	\$44,810,000	+\$166,000	+\$1,180,000

With the proposed elimination of the RFA, 2012 fare revenues for ST Express are estimated to increase by approximately \$166,000 for the three months in 2012 that the change will be in effect. The annual increase in ST Express fare revenues is projected to be \$1.18 million once the pricing is fully integrated into all pass sales agreements. Due to the timing of renewal re-pricing for employer bulk pass purchase agreements, there is a lag of up to one year for pricing changes to be fully reflected in business pass account revenues.

Fare revenues for Sounder and Link light rail will not be materially impacted by this Sound Transit action to implement fares on ST Express bus service in the Ride Free Area. However, the elimination of the Ride Free Area is expected to:

- decrease overall fare revenues for Sounder, as a portion of Sounder fares are allocated to connecting bus service for transfer trips
- increase overall revenues and ridership for Link light rail as Link becomes the least expensive option for transit trips in the downtown Seattle transit tunnel

The magnitudes of these effects are unknown and cannot be estimated with currently available information. These impacts on Sounder and Link will occur regardless of this action to implement fares on ST Express bus as they result from the King County Metro action. ST Express in downtown Seattle is neither the primary connecting service to Sounder nor is it the primary service alternative to Link light rail.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

APPRENTICE UTILIZATION COMMITMENT

Not applicable to this action.

BACKGROUND

The Ride Free Area was created in 1973 through an agreement between King County Metro and the City of Seattle. Board policy allows Sound Transit to offer fare free service under limited circumstances, including cases when Sound Transit provides “a minimal amount of total service through an existing ride free zone.” This policy has allowed Sound Transit to provide fare-free bus service for trips with both origin and destination within the RFA boundaries from 6am to 7pm daily, when the RFA is in effect. With no RFA to honor, Sound Transit bus service will adopt standard ST Express bus fares at all times:

	RFA (6am – 7pm)	Regular Bus Fares
Adult	\$0	\$2.50
Youth	\$0	\$1.25
Senior/Disabled	\$0	\$0.75

Seventeen of Sound Transit’s twenty-five ST Express routes operate partially within the downtown Seattle Ride Free Area and provide an estimated 964,000 fare-free trips annually.

RFA trips account for 6.6% of annual ST Express boardings, and 11.5% of the 8.4 million annual bus boardings within the Ride Free Area. The majority of trips in the RFA are provided by King County Metro.

Revenue and Ridership impacts

Analysis prepared by King County Metro, shows that 67% of all fare-free trips in the Ride Free Area are made by riders who have a transit pass or are making a linked trip involving a transfer to/from a fare-charging service. These trips do not incur additional out-of-pocket cost for the trip within the RFA. In the RFA, reducing the 964,000 annual fare-free trips on ST Express by 67% results in 318,000 trips requiring additional payment of fare.

A survey conducted by King County Metro indicates that 60% of riders facing an out-of-pocket cost for rides that are currently free will choose not to use transit service for a trip within the RFA boundaries. As a result, charging standard ST Express fares at all times in downtown Seattle is expected to decrease ridership by 191,000 boardings per year. The remaining 773,000 boardings will become fare-paid trips, generating \$1.53 per boarding on average (including discounts from transfers, pass use and reduced fares) for an estimated additional \$1,180,000 in new fare revenue.

Mitigating impacts on low-income and minority riders

In compliance with FTA regulations, Sound Transit has performed a Title VI analysis of fare change impacts on low income and minority populations. Low income status is defined by the U.S. Census 2010 American Community Survey as being at or below the national poverty line. Within Sound Transit’s service area, an estimated 10.41% of the population is low income. Census tracts within the downtown Seattle Ride Free Area show that 19.88% of the population is low income. This difference indicates that the fare change may have a disproportionate impact on low income riders equivalent to 9.47% of fare-free RFA ridership. An equivalent analysis indicates a potentially disproportionate impact on minority riders equivalent to 2.33% of fare-free RFA ridership. Based on these results, Sound Transit will offset the disproportionate impact on low income and minority populations, estimated to represent up to 11.8% of the total fare-free RFA trips on ST Express bus requiring additional payment of fare. The total mitigation required is estimated to be 37,500 trips.

Currently, to mitigate fare costs for low-income riders, Sound Transit provides 119,700 day-pass type tickets per year to the King County Human Service Ticket program, administered by King County Metro. These tickets are sold to the Human Services agencies at 20% of retail fare value for free distribution to riders. Assuming a usage of two trip per pass, an addition of 18,750 day-pass tickets per year will offset the disproportionate impacts to low-income and minority riders. Day-pass type tickets are usable on ST Express and Link.

Operational impacts

This action concerns only the fare collection aspects of ST's response to the elimination of the RFA. All operational and service implementation impacts of the RFA elimination will be presented to the Operations and Administration Committee at the July 5, 2012 meeting.

No operational costs are expected to be incurred by switching from free service to fare service in the RFA, as all equipment and systems are currently in place on ST Express buses.

ENVIRONMENTAL COMPLIANCE

JI 6/1/2012

TIME CONSTRAINTS

A one-month delay may affect Sound Transit's ability to incorporate changes into customer information materials and the ORCA system.

PUBLIC INVOLVEMENT

Boardmember Paul Roberts presided over a public hearing held on May 24, 2012. Sound Transit received public comment from three members of the public at the hearing. In addition, rider alerts and paid advertising in local publications in non-English languages have provided information about the change and ways to submit comment. Information has also been presented in a news release and on the Sound Transit website.

Public outreach on the plans to eliminate the Ride Free Area has been undertaken by King County Metro, with Sound Transit as a partner, including a joint open house on March 29, 2012. In those efforts, the Board's pending decision has been highlighted.

LEGAL REVIEW

DB 6/4/2012

MOTION NO. M2012-33

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing collection of regular Sound Transit Express bus fares and changing fare collection procedures at all times of day for trips taken within the current downtown Seattle Ride Free Area upon the elimination of the Ride Free Area on September 29, 2012.

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MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that collection of regular Sound Transit Express bus fares and changing fare collection procedures is authorized at all times of day for trips taken within the current downtown Seattle Ride Free Area upon the elimination of the Ride Free Area on September 29, 2012.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 28, 2012.


Julia Patterson
Board Vice Chair

ATTEST:



Marcia Walker
Board Administrator