



DATE: January 17, 2014
TO: SolanoExpress Intercity Transit Consortium
FROM: Liz Niedziela, Transit Program Manager
Wayne Lewis, FAST Transit Manager
RE: Fairfield and Suisun Transit Fare Adjustment Proposal Public Outreach and Public Hearing

Background:

In February 2009, the Fairfield City Council approved fare increases for the intercity routes operated by Fairfield and Suisun Transit (FAST). At that time, FAST staff noted the fare increase was needed due to increases in operating costs and that FAST was in jeopardy of falling below the State-mandated minimum farebox recovery goal of 20%. Prior to 2009, the previous fare adjustment on FAST operated services was in October 2006 for both local and intercity routes. The 2009 intercity fare increase included the following adjustments.

- \$.25 fare increase on one-way trips
- Monthly passes increased from \$16 to \$40 to achieve a \$20 fare step between zones
- Elimination of youth fares
- Elimination of Zones 6, 7, 8, and 9.
- Approval of annual fare adjustments based on averages of national transportation and consumer indexes.

The CLIPPER© universal transit card is scheduled to be rolled out to Solano County in the fall of 2014. FAST will need to modify its fare structure before the new CLIPPER© Card can be used in Solano County.

Discussion:

FAST staff proposes to establish a new route based fare structure with new fare values designed to:

1. Meet CLIPPER© automated fare collection technology requirements;
2. Generate additional revenues to address a projected financial shortfall; and
3. Improve performance of local and intercity bus services relative to adopted standards.

Proposed Fare Increase

A summary of the current and proposed fares for the adult one-way fare and monthly passes are presented in Attachment A. Fares and passes for Seniors, People with Disabilities, and Medicare Card Holders are not included in Attachment A, but they will continue to pay 1/2 fare. The fares for FAST's DART paratransit service would increase to \$3.50 for local trips and to \$7.00 for intercity trips. For SolanoExpress routes, FAST staff is proposing to eliminate the five (5) zone fare and proposing a two tier fare structure. The longest trips will be eligible for CLIPPER© use. To get discounted fares on the in-between trips, called Short Hops, riders will need to pay cash or purchase a paper pass from FAST, because CLIPPER© will only recognize one fare structure per route.

The STA, through a contract with FAST, is responsible for authorizing modifications to fares or service for both Routes 30 and 90. Adjustments to FAST Routes 20 and 40 are covered by the Intercity Transit Funding agreement and FAST is required to notify the funding partners, including STA, but not necessarily seek their concurrence. FAST staff will request approval of the overall fare structure by the Fairfield City Council on February 18, 2014.

Proposal Summary

Besides the shift from zone fares to route fares, other significant changes include:

1. New youth discount fare category – persons between the ages of 6 and 18 receive discounts off the adult cash fare: \$0.25 local fare discount, \$0.75 intercity short distance fare discount, \$1.00 intercity long distance fare discount.
2. Establishing a short distance cash/paper pass fare distinct from the regular fares recognized by CLIPPER© on Route 30 and Route 40.

Attachment B provides the details of the FAST Fare Proposal and includes the current fare structure, along with the proposed new fare structure. FAST is requesting approval of gradual fare increases over seven years to have regular fares increase at approximately 3% per year, to keep up with expected cost increases to provide service, and to reduce the discount on 31-day passes from approximately 43% in FY 2014/15 to 27% in FY 2020/21.

Currently, the FAST zone fare structure allows passengers to transfer free between intercity routes if they have paid the appropriate zone fare or have a pass for the longest leg of the trip. With CLIPPER©, the passenger will need to pay a fare every time they board a bus, but the fare on the second route will be reduced by a transfer credit of \$1.75. There will be separate 31-day passes for each intercity route, but holders of 31-day passes for a more expensive route can transfer to a less expensive route without charge and holders of a pass for a less expensive route can transfer to a more expensive route by paying the difference in the regular one-way fare.

Ridership and Revenue Impacts

According to FAST, the range of the impacts of the fare proposal on FAST bus ridership is estimated to reduce system-wide ridership about 5% with intercity bus ridership decreasing 3% to 9% and local bus ridership decreasing 2% to 4%.

[On January 22, FAST staff provided STA a revenue estimate in implementing the fare proposal as shown in Table 1. The estimated loss of annual ridership for the intercity routes is 8,648 and the estimated gain of annual revenue for intercity routes is \\$121,034. According to the Intercity Transit Funding Agreement, fares are one of the revenue resources subtracted to determine the net cost of each city's share. Therefore, the amount of revenue generated by the proposed intercity bus fare increase and retained by FAST would be only that portion allocated to the FAST share of the net cost of the four intercity bus routes. STA estimates the FAST share to be about 62%, resulting in approximately \\$75,041 revenue generation to FAST.](#)

TABLE 1

<u>Route</u>	<u>Estimated Ridership</u>	<u>Ridership %</u>	<u>Estimated Revenues</u>	<u>Revenue %</u>
<u>Local</u>	<u>(14,302)</u>	<u>-2%</u>	<u>\$ 67,462</u>	<u>11%</u>
<u>20</u>	<u>(1,546)</u>	<u>-3%</u>	<u>\$ 7,615</u>	<u>8%</u>
<u>30</u>	<u>(607)</u>	<u>-1%</u>	<u>\$ 7,877</u>	<u>4%</u>
<u>40</u>	<u>589</u>	<u>1%</u>	<u>(9,352)</u>	<u>-5%</u>
<u>90</u>	<u>(7,074)</u>	<u>-3%</u>	<u>\$ 114,894</u>	<u>10%</u>
<u>Total</u>	<u>(22,940)</u>		<u>\$ 188,496</u>	
<u>Local Total</u>	<u>(14,302)</u>		<u>\$ 67,462</u>	
<u>Intercity Total</u>	<u>(8,638)</u>		<u>\$ 121,034</u>	

STA Staff Analysis

The FAST fare proposal makes some initial steps to increase needed fare revenue to the system and to improve the fare structure. For example, the following improvements are included with this proposal:

- Youth discounts introduced
- CLIPPER© integration is provided for the longer routes
- Overall fare revenue is estimated to increase

After the public workshops, FAST staff may want to adjust the following elements of the proposal or provide more details when they bring the proposed fare changes back for STA Board consideration in February:

Some of the proposed fares are significantly higher than the existing fares. Although the fare increases are intended to make up for the years where no fare increase was implemented, more gradual adjustments may be desirable. A more gradual fare increase consistent with an index such as CPI, over time, either annually or every two years should be considered. It is recommended the fare policy adopted by the STA Board of Directors and Fairfield City Council should include a schedule of fare changes over the next 3-5 years for the four SolanoExpress routes operated by FAST.

- The proposed fare structure needs to be considered in light of any proposed parking fee. FAST has indicated that a future parking fee at Fairfield Transportation Center will be implemented as early as next year.
- Consider introducing a Day Pass for SolanoExpress in the future.
- Proposal should accommodate as much Clipper usage as feasible for the four SolanoExpress routes.

At the STA Board meeting of January 8, 2014, FAST staff presented a PowerPoint (See Attachment C) outlining the basis for proposed fare adjustments to SolanoExpress Routes 20, 30, 40, and 90. FAST received authorization from the STA Board to hold public information meetings in late January 2014 to notify the public regarding proposed fare changes to these four SolanoExpress routes in conjunction with proposed fare changes for local FAST service in Fairfield and Suisun City. The STA Board requested that FAST provide a summary of public comments and present a fare adjustment proposal for consideration of the STA Board on February 12, 2014. FAST has scheduled public information meetings on January 27, 28, and 29 to seek public comment.

STA Board members indicated they would want assurance that FAST, as a condition of the STA Board approving SolanoExpress fare increases, would establish a reserve for intercity bus purchases and that the City of Fairfield would move forward with a paid parking program for the Fairfield Transportation Center as specified in the recently approved FAST Short Range Transit Plan. The STA Board also requested that information about a future paid parking program be provided at the public outreach meetings (Attachment D).

Unless the Intercity Consortium wants to schedule a special meeting, FAST staff is proposing that the final fare proposal go to the STA Board on February 12, without returning to the Consortium.

Fiscal Impact:

In FAST's Short Range Transit Plan (SRTP), the operating budget identifies that FAST will need to address a projected annual operating revenue shortfall of \$600,000 starting fiscal year 2013-14. This revenue assumption was based on a combination of anticipated contract savings, parking fees, and a proposed fare increase. Intercity route fare increases are shared with partners to the Intercity Funding Agreement. The contributions of the funding partners are based on operating estimates, but are reconciled to actual costs once they become available, so any changes in contribution relative to the proposed fare changes are uncertain at this time.

Recommendation:

Forward a recommendation to the STA TAC and STA Board to:

1. Request FAST provide a summary of public comments to consortium members along with any proposed changes to the original fare adjustment proposal for comment prior to requesting approval of the STA Board on February 12, 2014; and
2. Approve FAST's final fare proposal for SolanoExpress Routes 20, 30, 40, and 90 **as long as no fares in the original proposal are increased in the final proposal** and any comments received from funding partners are included in the staff report.

Attachments:

- A. FAST's Fare Proposal for SolanoExpress Intercity Routes
- B. FAST Proposed Fares
- C. FAST Presentation to STA Board
- D. STA Board Comments