



# MOUNTAIN METROPOLITAN TRANSIT FARE POLICY STUDY

## FINAL REPORT

MAY 2012





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# 1 EXECUTIVE SUMMARY

Mountain Metropolitan Transit (MMT) is the public transportation operator for the urban and suburban areas of Colorado Springs, the second largest city in Colorado, and is operated by the Transit Services Division of the City of Colorado Springs. The service was originally established in 1975 under the name "Springs Transit," with the network adopting a new "Metro" brand identity in 2005. MMT operates a variety of services, including 18 local routes, commuter bus service to the city of Denver (FREX) and Metro Mobility ADA service.

MMT serves the City of Colorado Springs and is the only provider of fixed-route bus service in the Pikes Peak region. In addition to bus routes within the City of Colorado Springs, MMT provides service to Manitou Springs and to parts of unincorporated El Paso County, as well as express commuter bus services to Denver. MMT also provides Americans with Disabilities Act (ADA) paratransit services to persons with disabilities who cannot use the fixed-route services; offers commuter vanpooling and automated carpool matching; and supports other human service transportation options. Currently, the City has two operator service contracts for its local, ADA, and express services.

MMT's existing fare structure reflects its current service types with different fares set for different types of service. In 2008, MMT increased local based fare from \$1.25 to \$1.50. Then in January 2009, it increased fares again, from \$1.50 to \$1.75. MMT was deeply impacted by a city budget crisis starting in 2009. With the City of Colorado Springs seeking to cut spending wherever possible, a good portion of MMT service was canceled in April 2009. On January 1, 2010, all evening and weekend bus service was discontinued. Most recently the Woodland Park service (Ute Pass Express) was eliminated in the fall of 2011. As is the case with transit systems throughout the country, MMT is under ever increasing financial pressure to keep pace with cost increases and declining sales tax revenues.

## PROJECT OBJECTIVES

To help understand the potential for changes to its fares and fare structure, MMT contracted Nelson\Nygaard Consulting Associates to review existing fares, fare structures and fare policies for fixed-route and ADA services. The study consists of both a technical analysis and input from key stakeholders including staff and operating personnel.

A series of objectives have been developed to guide this fare policy study and assist in the decision making process. The objectives are:

**Objective 1:** Simplify the fare structure to respond to both passenger and operator concerns.

**Objective 2:** Ensure that fares are equitable for different types of service.

**Objective 3:** Ensure that fares are affordable.

**Objective 4:** Ensure the fare structure addresses all markets.

**Objective 5:** Ensure fares and policies are "in line" with peer agencies.

**Objective 6:** Improve data collection on boardings and revenue by type.

## **MAJOR FINDINGS**

The study revealed several important findings that provide the basis for developing the fare recommendations.

### **Existing Fare Structure**

- MMT raised local fares twice in the last five years. Fares increased in 2008 and again on January 4, 2009. FREX fares were raised three times in the last five years.
- As of January 2009 the current adult cash fare on local fixed route service is \$1.75. Seniors, Medicare, youth, and children (6-11 years) pay a reduced fare of \$0.85. Also ADA riders can ride on the fixed route bus for free.
- The cash fare on FREX from Colorado Springs to Denver is \$11.00. Travel between Monument to Colorado Springs is \$5.00; and Monument to Denver is \$7.25.
- Metro Mobility fare for eligible users is \$3.00, less than the two times the base adult fare allowed under the ADA.
- Transfers on local fixed route service are free, are valid for a two-hour period and can be used twice for travel in one direction.
- To respond to rider needs and their travel patterns, MMT offers a variety of pre-paid fare media including a 31-Day Ticket that provides unlimited trips for 31 consecutive days (\$63), a 22-Ride Ticket for full fare adults (\$35), a half-fare 22-Ride Ticket for discounted passengers (\$17.50) and a summer pass for students (\$20).
- FREX does not currently allow any transfers to local MMT routes. Seniors and disabled riders can ride for ½ fare midday.

### **Trends in Ridership and Farebox Revenues**

- The farebox recovery ratio for MMT local service reached a four-year high of 26.1% in 2011. The farebox recovery ratio for FREX was nearly 45%.
- Cash fare revenue and ticket sales for MMT fixed route service each account for 50% of total revenue in 2011. Close examination of fare revenue shows that cash fares show a slight increasing trend in the last three years. The number of 31-Day Tickets sold in the last three years has been sharply declining.
- In the past four years, the Metro Mobility farebox recovery ratio has generally inched upward and was 11% in 2009.

### **Peer Review**

The peer review provides valuable information about the "state of the practice" with regard to fare levels, structures and policies. It includes eight transit agencies comparable in size and scope to MMT fixed-route local. The review also provides a scan of six long distance carriers that provide "high end" service similar to FREX.

### **MMT Local Service**

- MMT's base adult fare of \$1.75 is second highest among its peers.
- MMT's 2009 farebox recovery ratio was average among its peers at 19.9%, but was expected to climb to the second-highest spot in 2011 (23%).
- The average base fare monthly pass multiplier for peer agencies is approximately 33, MMT's is 36.
- Several agencies, including ValleyRide (Boise), ABQ Ride (Albuquerque), GET (Bakersfield), and MST (Monterey-Salinas) no longer offer transfers, but instead offer day passes for roughly two times the adult cash fare.
- There is a cautious move toward smart cards with both MST and STA (Spokane) committed to smart cards and others considering smart cards in the near future.
- MST and Denver RTD offer special passes and/or discounts to military personnel.
- Most agencies do not have formal policies about when to increase fares.

### **ADA/Metro Mobility Service**

- The majority of the peer agencies charge the full twice-the-base fare as allowed by ADA. Metro Mobility charges \$3.00, which is less than two times the local full adult fare (\$3.50).
- Of all the peers, only MST and Denver RTD allow ADA riders to ride for free on fixed-route transit and general public dial-a-ride.
- In 2010, Metro Mobility had the second highest farebox recovery ratio, at 11%. STA had by far the lowest farebox recovery ratio at 1.8%, whereas MST had the highest at roughly 20%.

### **Long Distance/Express Service**

- FREX's fares range from \$5.00 - \$11.00. Overall, FREX has a somewhat lower average fare per passenger compared to other commute services.
- All of the long distance carriers, except FREX, sell monthly passes. FREX is the only agency to offer 20 and 40-Ride tickets.
- FREX's fare per mile range from \$0.15 - \$0.26 per mile (average = \$0.19 per mile).
- Refunds are generally not accepted on high priced tickets for long distance service operators. Denver RTD is the only agency that accepts full refunds on their ValuPass.

### **Stakeholder Outreach**

The following major issues and common themes emerged from interviews with MMT staff, management and bus operators as well from members of the community.

- Many stakeholders feel a fare increase is not justified at this time given other recent service cuts and financial hardship due to the slowdown in the economy. Fares are affordable for the low income population and appropriately reflect MMT's ridership.
- Several stakeholders emphasized that it is important to regularly review fares and to consider modest increases to keep pace with inflation.

- Both operators and stakeholders expressed interest in a discounted monthly pass and are interested in transitioning to smart card technology.
- Several operators and stakeholders suggested they would prefer to eliminate transfers to reduce fare collection complexity and instead offer a one-day pass. However, members of both groups expressed concern that eliminating transfers may present hardships for riders who are dependent on multiple boardings to reach their destination. Both groups felt that a reduced price day pass would be a good option.

## **Special Pass Arrangements**

Transit services are increasingly turning to the private sector and large institutions to help fund transit services and to provide discount passes to encourage ridership. Potential partners can include employers, universities/colleges, merchants, military bases, and retail establishments. The fare study explored two kinds of potential partnerships for MMT: with colleges and universities and with military bases.

### **College /University Pass Programs**

Several case studies were investigated to learn the benefits from these partnerships, practical advice and lessons learned. The arrangements for special passes with universities and colleges are often referred to as “U-passes” or “Universal transit passes.” While specific agreements differ, financial arrangements that facilitate U-Pass programs can be beneficial to both universities and transit agencies. By ensuring the ease of transit use for those affiliated with universities, transit agencies are able to substantially increase ridership. Students, faculty, and staff of the universities benefit from unlimited rides for an overall reduced fare payment. The universities and their communities benefit from reduced automobile congestion, less pressure on limited parking facilities, and decreased automobile emissions to further university environmental goals. Other benefits include increased connections between universities and the surrounding communities as well as financial support for transit agencies that serve students, faculty, and staff as a major component of their ridership base.

### **Military Transit Agreements**

A major incentive for military personnel to use public transit is the Mass Transportation Benefit Program (MTBP) administered through the Department of Defense (DoD). The MTBP is intended to offset commuting costs for active duty military members and DoD civilian employees. The program’s goals include reducing traffic congestion and pollution while preserving the environment and expanding transportation alternatives. The study investigated the special pass arrangements at four transit agencies with large military bases in their service area. Lessons learned include the need to develop a strong relationship with a “key” contact at the military base, the challenges in serving military bases because of security issues and the benefits of tailoring service based on the unique needs of military personnel. For additional information, please refer to Chapter 6.

## **Smart Card Considerations**

As the transit industry has moved toward a broader use of smart card technology, MMT is also moving in this direction. Experience at other agencies clearly demonstrates the need for significant planning for and implementing the new technology. The recommended approach is for MMT to migrate toward a hybrid approach, employing the current magnetic strip fare collection

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technology and transition to smart cards in phases. A number of transit agencies operate a “hybrid” system where both smart cards and magnetic strip cards are used concurrently – often with magnetic strip cards for transfers and multi-ride passes with smart cards for university and employee programs as well as for store-value card users and unlimited ride monthly pass holders. More detail on the advantages and disadvantages on the hybrid approach and the recommended phasing for MMT, please see Chapter 9.

## Fare Structure and Policy Recommendations

Based on the findings outlined above, Nelson\Nygaard developed a recommended fare structure and fare policies for review and consideration. The recommended fare structure for the next two years for MMT local fixed route service, FREX (express) service and Metro Mobility are presented in Figures 1-1 and 1-2 below. A summary of these recommendations and recommended fare policies can be found in Figure 1-4.

Figure 1-1 Recommended Fare Structure - Local Service and Metro Mobility

Recommended Fare Structure 2013 and 2014 MMT Local Service and Metro Mobility		
	Recommended Fare Structure: 2013	Recommended Fare Structure: 2014 *
<b>MMT Local Service</b>		
<i>Cash</i>		
Adult (Full Fare)	\$1.75	\$2.00
Senior/Disabled – Special	\$0.85	\$1.00
Youth (6-18 years)	\$0.85	\$1.00
Child under 5 years (with fare paying adult)	Free	Free
Transfers	Free	Free
<i>Tickets/Passes</i>		
31-Day	\$63.00	\$65.00
20-Ride Adult (Replaces 22-Ride)	\$32.00	\$36.00
20-Ride Special (Replaces 22-Ride)	\$15.00	\$18.00
Day Pass	\$4.50	\$5.00
Summer Haul Pass (June 1 - Aug 31 for youth 6-18 years)	\$25.00	\$30.00
<b>Metro Mobility</b>		
Adult (Full Fare)	\$3.50	\$4.00
10-Ride (Inside City Limits)	\$35.00	\$40.00
40-Ride ( <i>New</i> )	\$140.00	\$160.00

\* Proposed Fare Adjustment in 2014 should be considered when evaluating farebox recovery ratios to determine if meeting 25% target for local MMT service.

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**Figure 1-2 Recommended Fare Structure – FREX (Express Service)**

Recommended Fare Structure Express Service	
Recommended Fare Structure: 2014	
One-Way Cash Fare	
<u>Colorado Springs</u>	
To/From Denver	\$12.00
<u>Monument</u>	
To/From Colorado Springs	\$5.00
To/From Denver	\$8.00
10-Ride Ticket	
To/From Denver	\$108.00
<u>Monument</u>	
To/From Colorado Springs	\$45.00
To/From Denver	\$72.00
20-Ride Ticket	
To/From Denver	\$216.00
<u>Monument</u>	
To/From Colorado Springs	\$85.00
To/From Denver	\$136.00
40-Ride Ticket	
To/From Denver	\$360.00
<u>Monument</u>	
To/From Colorado Springs	\$150.00
To/From Denver	\$240.00

No Fare Change in 2013.

\* Proposed Fare Adjustment in 2014 should be considered when evaluating farebox recovery ratios to determine if meeting 45% target for express service.

According to MMT staff, FREX service has budget constraints on an annual basis and continuation of the service is an issue each year. Given the uncertainty about the future of FREX service, it may not be practical to revise the fare structure at this time. However, there may be merit in eliminating the 40-Ride Ticket and replacing it with an unlimited monthly pass provided it can be priced to attract new riders, maintain existing riders and continue to achieve the high farebox recovery ratio. Most of the long distance bus services included in the Peer Review (See Chapter 4 – Long Distance Service Operators) offer an unlimited monthly pass with multipliers ranging from a low of 15 (MST) to a high of 35 Denver (RTD). To accommodate the three different origins/destinations, unlimited monthly pass prices could be set as shown in Figure 1-3

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below. To estimate the impacts on FREX ridership and farebox revenues a more detailed analysis would need to be conducted before finalizing the exact pass prices.

**Figure 1-3 FREX Fare Structure - Proposed Unlimited Monthly Pass**

	One-Way Cash Fare	Proposed Unlimited Monthly Pass	
		Low End	High End
Colorado Springs To/From Denver	\$11.00	\$242.00	\$330.00
Monument To/From Colorado Springs	\$5.00	\$110.00	\$150.00
To/From Denver	\$7.25	\$160.00	\$217.50

**Figure 1-4 Summary of Fare Structure and Fare Policy Recommendations**

Issue	Recommendations
MMT Local Service Fares	<ul style="list-style-type: none"> <li>▪ No fare increase in 2013. Consider a cash fare increase to \$2.00 in 2014 or in subsequent year when farebox recovery ratio is expected to drop below 25%.</li> <li>▪ Drop the multiplier used for 31-day pass price to 33. Pass price should increase to \$65 when cash fares increase to \$2.00.</li> <li>▪ Continue with transfers and introduce a Day Pass priced at 2.5 the local MMT cash fare. Monitor to see if ridership patterns change with day pass usage.</li> <li>▪ Eliminate 22-Ride ticket. Offer a 20-Ride ticket instead.</li> <li>▪ Eliminate zonal fares.</li> </ul>
Youth and ADA Fares	<ul style="list-style-type: none"> <li>▪ Increase the price of the Summer Haul Pass in 2013 and again in 2014. Increase marketing of the Pass.</li> <li>▪ Eliminate free fare rides for ADA riders. Charge the discounted fare of \$0.85.</li> </ul>
Military Pass and U- Pass	<ul style="list-style-type: none"> <li>▪ Further pursue a U-Pass program with local higher educational institutions.</li> <li>▪ Consider an onboard survey to establish “baseline” of student ridership patterns.</li> <li>▪ Foster relationship with Transportation Coordinator /Commanding Officer at local military bases and at universities.</li> <li>▪ Work with local military bases to encourage their participation in Mass Transportation Benefit Program (MTBP).</li> </ul>
Bulk Discounts and Refunds	<ul style="list-style-type: none"> <li>▪ Replace the Housing Authority ticket discount program with a bulk ticket discount program for all eligible non-profit and social service agencies and city departments. The discount should be 10% off the full price tickets. (See page 10-4 for additional information).</li> <li>▪ Continue practice of not offering refunds on all pre-paid tickets.</li> </ul>
Smart Cards	<ul style="list-style-type: none"> <li>▪ Proceed with a “hybrid approach” of using both magnetic strip cards and smart cards.</li> <li>▪ Begin with first phase by introducing Smart cards on express service and U-Pass.</li> <li>▪ Enhance distribution of smart cards by deploying additional TVMs.</li> </ul>

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Issue	Recommendations
Express (FREX) Fares	<ul style="list-style-type: none"><li>▪ Introduce a transfer between local and express service.</li><li>▪ No fare increase in 2013.</li><li>▪ Increase fares in 2014 or in subsequent year when farebox recovery ratio is expected to drop below 45%.</li><li>▪ Consider an unlimited monthly pass.</li></ul>
Metro Mobility Fares	<ul style="list-style-type: none"><li>▪ Implement a fare increase so fares are two times the local adult cash fare.</li><li>▪ Eliminate the 44-Ride ticket. Offer a 40-Ride ticket instead.</li><li>▪ Eliminate “outside city” ticket booklets.</li></ul>

## 2 MMT EXISTING FARE STRUCTURE

This chapter presents a detailed review of MMT's current fare structure. It covers all services including Mountain Metro local fixed route service, Front Range Express (FREX) and Metro Mobility ADA service, and all fare media such as passes, tickets and zone fares.

### MOUNTAIN METRO FIXED ROUTE SERVICE

Mountain Metro provides 18 local routes in Colorado Springs and the Pikes Peak region, accumulating 5,500 miles and 385 revenue service hours per day. Buses run Monday through Friday from approximately 5:30 am until 6:45 pm. Currently, no evening or weekend service is provided. Passenger fares are based on three criteria:

- Fare Media
- Passenger Type
- Service Type

### FARE MEDIA

MMT accepts a variety of payment methods including cash, time-duration passes, transfers, and tickets. Passes and tickets can be purchased online through the MMT website or through several retail outlets.<sup>1</sup> Transfers are issued with payment for the initial fare and are valid for a two-hour period. Discount multi-ride and monthly tickets offer regular, adult riders discounts of between nearly 10% and 20% on Mountain Metro fixed-route and Front Range Express (FREX). Special riders – children (6-11), students (12-18), seniors (60+), and Medicare/disabled passengers – all qualify for further reduced rates.

### PASSENGER TYPE

MMT has four fare categories listed below:

- Adult (ages 19 - 59 years old)
- Zone (additional fare applied to any travel within Fountain City limits)
- Special (includes)
  - Senior (60 and older)/Medicare Recipients
  - Children (6 to 11 years old based on the honor system)
  - Youth (ages 12 – 18)
  - Riders with a disability/Medicare

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<sup>1</sup>Tickets and passes can be purchased through Transit Administration - 1015 Transit Drive, the Downtown Terminal - 127 E. Kiowa Street (Mountain Metro Adult 22-Ride, Economy 22-Ride, 31-Day, and Ute Pass Express 20-Ride tickets only) and participating King Soopers and Safeway stores.

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- Free Rides (includes children 5 and under)

Seniors, riders with a disability, children, and youth all qualify for the reduced fare rate with proper identification. Mountain Metro accepts the following documented proof of permanent disability: a valid Medicare Card; or a Disabled Reduced Fare Authorization "Yellow Card" issued by the Independence Center. Youth must show a school-issued student ID or any photo identification with a birth date indicating that they are between the ages of 12 and 18. There is currently an additional fare applied to any travel within Fountain City limits. According to current policy, ADA riders can ride free on all local fixed-route buses.

## Fare Structure

Figure 2-1 shows the current local fare structure by fare type and passenger categories for Mountain Metro local fixed-route service. (Fares for FREX and Metro Mobility are presented later). This fare structure has been in place since the last fare increase which took place January 1st, 2009. A discussion of each fare type follows.

Figure 2-1 Existing Fare Structure

Fare	Price
Cash	
Adult (Full Fare)	\$1.75
Zone (Additional Fare) (Fountain)	\$1.00
Senior/Disabled (Reduced Fare)	\$0.85
Youth	\$0.85
Child (6-11 years)	\$0.85
Transfers* & Children 5 and under	FREE
Tickets/Passes	
31 - Day Ticket	\$63.00
31 - Day Ticket with Zone Fare	\$69.50
Adult 22 – Ride Ticket	\$35.00
Special (Economy) 22 – Ride Ticket	\$17.50
Summer Haul Pass	\$20/June 1 – Aug 31

\* Transfers are issued upon request with paid fare; good for up to 2 hours; valid only for one-way trips.

## Local Service

### Cash

The base cash fare is \$1.75 for adult full fare passengers. Those that qualify for the half-fare (or special or economy fare) rate; pay \$0.85, roughly half of the base fare. Children five or under ride free with a paid adult ticket. There is an additional charge of \$1.00 for any travel within Fountain City limits.

### Transfers

Transfers are paper slips that are provided to customers upon request when boarding the bus. Transfers are free and remain valid for two hours after the time of issue and are only valid for one-way trips and only in same direction of travel.

### Discount Tickets

Discount tickets can be purchased at the Transit Administration office or at participating King Soopers and Safeway stores. Special (or economy) riders must show proper ID or proof of eligibility upon request of the driver.

- **31-Day Ticket** provides unlimited one-way trips in a consecutive 31-day period. It sells for \$63.00.
- **31-Day Ticket with Zone Fare** provides unlimited one-way trips in a consecutive 31-day period, including additional Zone Fare for any travel within Fountain City limits. It sells for \$69.50.
- **Adult 22-Ride Ticket** provides 22 one-way trips. This ticket sells for \$35.00.
- **Special 22-Ride ticket** provides significant savings for individuals who meet specified age criteria or disability requirements. Users must have the required ID to use or ride with this pass. This ticket sells for \$17.50.



### Summer Haul Pass for Youth 6 - 18

The Summer Haul Pass is good for unlimited rides from June 1 - August 31 of purchase year for youth ages 6-18. The pass may be used on local Mountain Metro service and currently sells for \$20 (for all three months in summer).



## Front Range Express (FREX)



Front Range Express (FREX) is a commuter bus service that has been operating between Colorado Springs and Denver since October 2004. It is the first and only intercity commuter service connecting the Pikes Peak region with the Denver metropolitan area - the two largest employment markets in Colorado. Introduced as a Congestion Mitigation and Air Quality (CMAQ) demonstration project, FREX commuter service helps to improve mobility options and air quality by reducing traffic congestion along the I-25 corridor. This service is a popular alternative to driving along this congested corridor, and enjoys strong ridership and high customer satisfaction.

FREX provides weekday service to and from Colorado Springs, Monument, and Denver between 3:45 am and 9:22 pm, with 30-minute peak headways and stops in Colorado Springs, Monument, Arapahoe Park and Ride, and Denver. The predominant travel pattern of commuters is north towards Denver in the AM Peak, and south towards Colorado Springs in the PM peak, but reverse-commute service is available as well. Scheduled travel time between Colorado Springs and Denver is approximately 2 hours, covering almost 70 miles. FREX is administered by the Transit Services Division of the City of Colorado Springs. FREX buses have high-back cushion seats, luggage racks, individual reading lights, bike racks, and free wireless internet service. Because it is a commuter service, parallel paratransit service is not required, and not provided.

The base cash fare for adult full fare passengers from Colorado Springs to Denver is \$11; from Monument to Colorado Springs is \$5; and Monument to Denver is \$7.25. FREX service does not offer transfers. Cash fare for senior citizens (60 & over), children (ages 6-11), students (12-18), and Medicare/disabled passengers during non-peak hours (9:00am - 3:15pm) is 50% of the posted one-way cash fare. Proper ID or proof of eligibility required. Children 5 and younger ride free with an adult.

Figure 2-2 FREX Existing Fare Structure<sup>2</sup>

	One-Way Cash Fare	10-Ride Ticket	20-Ride Ticket	40-Ride Ticket
<b>Colorado Springs</b>				
To/From Denver	\$11	\$99	\$187	\$330
<b>Monument</b>				
To/From Colorado Springs	\$5	\$45	\$85	\$150
To/From Denver	\$7.25	\$65.25	\$123.25	\$217.50

<sup>2</sup> Effective January 5, 2009. Cash fare for senior citizens (60 & over), children (ages 6-11), students (12-18), and Medicare/disabled passengers during non-peak hours (9:00am - 3:15pm) is 50% of the posted one-way cash fare.

## Metro Mobility ADA Paratransit

Metro Mobility is an Americans with Disabilities Act (ADA) paratransit service provided for individuals who, because of their disability, are unable to use Mountain Metro fixed-route bus service. Specific, curb-to-curb service is provided within a ¾ mile radius of local fixed-route bus service for riders certified under ADA. Metro Mobility operates during the same days and hours as Mountain Metro fixed-route bus service, every Monday – Friday from 5:30 AM - 7:00 PM.

Door-to-door service and door-through-door service are available to certified riders through other area human service providers. A slightly more limited ADA service exists for the Saturday service currently in place.

The base fare for Metro Mobility-eligible users is currently \$3 for a one-way ticket. There is an additional charge of \$1.50 for any travel within Fountain City limits. ADA ten-ride (full fare) coupon booklets are available online.

Figure 2-3 Metro Mobility Existing Fare Structure

Fare	Price
<b>Cash</b>	
Adult (Full Fare)	\$3.00
Zone (Additional Fare)	\$4.50
<b>Passes</b>	
10 Ride Mobility Pass-Inside City Limits	\$30.00
10 Ride Mobility Pass-Outside City Limits	\$45.00
44 Ride Mobility Pass-Inside City Limits	\$132.00
44 Ride Mobility Pass-Outside City Limits	\$198.00

## Metro Rides

Metro Rides is a grant-funded program that offers free resources and incentives for transportation alternatives to driving alone. Services include free, automated carpool matching, company carpool and vanpool programs, school pool matching, and expanded bicycling tips and resources. Metro Rides offers free, automated carpool matching through RIDEPRO, an online ridematching database. When a user signs up, they are able to identify possible commuting partners who live and work nearby and have similar work schedules. Metro Rides also operates vanpools for groups of commuters who live and work near each other and travel more than 30 miles each way, to and from work. Passengers share the ride and pay a monthly fare for a minivan seating up to 7, or a full-size van seating up to 12. There are currently 35 vans in operation every weekday, which removes between 100 and 300 single-occupancy vehicle trips from commuter traffic weekdays. Metro Rides is dedicated to reducing the number of single-occupant vehicles on Colorado Springs' roads and highways, conserving fuel, reducing air pollution and making it



easier for commuters to get to and from work or school. Please see Chapter 3 for a comparison of Metro Rides fares with FREX.

## Special Events and Promotions

In order to promote the environmental and financial benefits of public transportation, Mountain Metropolitan Transit currently offers free rides every year on Earth Day. No fares are currently required on Mountain Metro fixed-route or FREX all day on April 22<sup>nd</sup> each year.

Mountain Metropolitan Transit's Metro Rides is also the title sponsor of “Metro Rides Bike Month,” an annual celebration of bicycling in Colorado Springs and the Pikes Peak region. Events include “Bike to Work Day,” featuring the Mayor’s Ride and Corporate Challenge, and various other events open to cyclists of all ages and skill levels. Since 2011, there have been 18 annual Metro Rides Bike to Work Day. In 2011, MMT did a “Military Appreciation Month” in May for in-uniform military to ride free with proper ID as a public relations promotion for the agency.

## HISTORY OF FARE INCREASES

Since 2006, MMT has increased fares two times; once in 2008 and most recently on January 4, 2009. Figure 2-4 shows the last three fare increases and percent change for the cash fare categories. As shown, increases in one-way basic cash fare for local bus service have fluctuated with a 20% increase in 2008 and an additional 17% increase in 2009. The basic cash fare is currently \$1.75 per trip for adults. Metro Mobility ADA cash fare increased by 25% in 2008, from \$2.00 to \$2.50. In 2009, fares increased by an additional 20% to the current price of \$3.00. Metro Mobility ADA fare still is less than the two times the base adult fare allowed under the ADA. FREX commuter fare had the largest fare increase between 2006 and 2008, with a 50% increase. There was an intermediary increase in 2007, in which fares increased by \$1.00 (17%). In 2009 FREX fare increased by an additional 22%, to the current price of \$11.00 for commuter service. Since 2006, FREX cash fares have nearly doubled.

Figure 2-4 MMT’s Fare History

MMT Fares	Years with Fare Increase				
	2006	2008	Percentage Increase	2009	Percentage Increase
Local MMT	\$1.25	\$1.50	20%	\$1.75	17%
Metro Mobility ADA	\$2.00	\$2.50	25%	\$3.00	20%
FREX (CS-DEN)	\$6.00	\$9.00	50%	\$11.00	22%

Figure 2-5 shows a more detailed comparison of MMT’s fare increase between 2008 and 2009. In 2009, the one-way fare for senior citizens, Medicare/disabled passengers, youth (aged 12 to 18), and children (aged 6 to 11) increased from \$0.75 to \$0.85, a 13% fare increase. As illustrated, all other fares for tickets and passes have changed an equal percentage to the basic fare (17%).

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**Figure 2-5 MMT's Fare Structure Comparison 2008 - 2009**

MMT Basic Fare Information	2008	2009	% Change
Basic Fare	\$1.50	\$1.75	17%
Express Fare *	\$2.50	N/A	N/A
Express Discount Fare (senior, Medicare, Disabled)	\$1.25	N/A	N/A
Student Fare (12-18 years)	\$0.75	\$0.85	13%
Child Fare (6-11 Years)	\$0.75	\$0.85	13%
Discount Fare (Seniors, Medicare, Disabled)	\$0.75	\$0.85	13%
Zone Fare (additional fare to/from Fountain)	\$0.75	\$1.00	33%
ADA Paratransit	\$2.50	\$3.00	20%
Discount Passes / Tickets	2008	2009	% Change
31-Day Pass	\$54.00	\$63.00	17%
31-Day Express Ticket	\$62.00	N/A	N/A
31-Day Ticket with Zone Pass	\$59.50	\$69.50	17%
22-Ride Express Ticket *	\$50.00	N/A	N/A
22-Ride Adult Ticket	\$30.00	\$35.00	17%
22-Ride Student Ticket	\$15.00	\$17.50	17%
22-Ride Discount (Child, Senior, Medicare, Disabled)	\$15.00	\$17.50	17%
Summer Haul Pass	\$20.00	\$20.00	0%

\*El Paso county area express routes and these fares were phased out in 2009.

## FARE COLLECTION EQUIPMENT

MMT has upgraded the fixed-route fleet fareboxes (GFI Genfare Odyssey units) to support both magnetic strip (TRiM<sup>3</sup> cards) and smart card technologies in addition to handling cash payments. While some of the units are approaching 12-years old and the use of smart cards is only in the planning phase, each has been upgraded with current hardware and software to support smart cards. The TRiM cards are used for all Mountain Metro and FREX passes. Metro Mobility vans currently accept cash and paper tickets. Current plans are to upgrade fleet with new fareboxes (GFI Genfare Cents-a-Bill units).



<sup>3</sup> TRiM (Ticket Reader/Issue Machine) is GFI Genfare 's brand name for their magnetic stripe ticket readers/encoder devices.

There is currently one Ticket Vending Machine (TVM) at the Downtown Terminal. This is a simple design that dispenses pre-encoded multi-ride tickets and passes, accepting cash or credit cards. The passes are encoded on a TRiM unit and distributed through the TVM, on-line sales or at one of the many retail sales outlets. MMT has recently procured a new TVM that will encode passes, including smart cards. This will be placed at the Downtown Terminal and the older TVM will likely move to MMT's administrative offices to offer self-service pass sales.



Current plans call for a rollout of smart cards for regular FREX and future local fixed route users. This market is being explored because they are frequent users and have the financial means to load larger amounts on their cards. The current on-line pass sales system, provided by the City, only supports the purchase of fixed price items. This will need to be modified to support the on-line charging of user smart cards – an often sought feature of this technology.

The current fare collection equipment provides benefits not currently used by MMT. The fareboxes can generate data based on the fare media used. Operators currently use manual buttons to track youth, senior/disabled, etc cash fares. Similar data can be tracked for pass holders, but this would require the issuance of discounted passes (TRiM card or Smart Cards) for these users. The entire fixed-route fleet has Automatic Vehicle Location (AVL) technology and this system could be integrated with the fareboxes allowing the fareboxes to generate boarding data at the bus stop level. This approach would benefit MMT as only 10% of the fleet is currently equipped with Automatic Passenger Counter (APC) technology to track stop-level boarding.

## **MMT Fare Policies**

MMT operates on an exact fare or ticket basis. A single cash fare or valid pass is required for each one-way passenger trip. MMT does not accept credit or provide free rides to passengers that are unable to pay the full fare price at the time of boarding. All fareboxes are posted with the following: 'Total fare required' or 'Please have the exact cash fare or ticket ready'.

If a driver encounters a problem with a passenger who refuses or is not able to pay the full fare, then he/she is supposed to contact the City Transit Dispatcher who in turn will contact the service contractor field supervisor to resolve the issue. If contact cannot be made with a field supervisor, then contact should be made with the service contractor window dispatching staff who will take care of the problem. The driver must identify any and all short fares in the GFI farebox using data keys 1-5 depending on the type of boarding passenger. The service contractor is responsible for total reimbursement to City Transit for the shortage of revenue not collected each month.

MMT also offers special discounts for City employees. Under this policy, General City, Police, Fire, and Colorado Springs Utilities employees receive a discount for passes if they do not participate in the monthly parking pass benefit. City employees receive a \$20.00 discount for all passes greater than \$40.00 or a ½ price discount for all prices less than \$40.00. For example, under this policy a 31-Day pass is \$34.00 (originally \$54.00) and a 22-Ride adult pass is \$15.00

(originally \$30.00). City employees can only receive one pass per month at the discounted rate. Currently this is the only transit discount offered to MMT administrative staff". Drivers, by current contract, also do not get off-duty transit riding privileges when not on duty".

## **Special Discounted Fares**

MMT has a limited number of Special Discounted Fare programs that provides employees, charities, and students with a reduced priced pass. Some of these programs are active and widely known, including the Summer Haul Pass and the City Employee Transit Passes, as described above. Other lesser known or inactive programs include:

- Public Schools - A few local high schools sell MMT regular youth passes at standard youth pass rates. This is similar to standard pass sales at area grocery stores. Military Posts (Peterson AFB, Schriever AFB, Ft. Carson Post) - Previous DoD Federal transit pass benefit purchases have ceased. Interest has waned due to a reduction of service onto the post.
- Federal transit pass benefits program - It was estimated in the past up to 5% of FREX riders may have been using the Federal transit pass benefits program and approximately 50% of vanpool riders (of 180 total clients) currently take advantage of the Federal pass benefit program.
- Summer Haul Pass (approximately 25,000 trips last summer)
- Earth Day (approximately 9,500 weekday trips)
- Military Appreciation Month (approximately 2,600 trips last May)
- City Employee Transit Discount
- Reduced rate local one-ride passes are being sold to City's Department of Housing (Approximately 20,000 in 2011)



## 3 ANALYSIS OF RIDERSHIP AND FAREBOX REVENUE TRENDS

This chapter reviews performance and farebox revenue trends for local fixed route service, FREX, and Metro Mobility. The analysis of local fixed route data is presented first, followed by FREX and Metro Mobility. Historical performance data covers 2008 through 2011 (projected). Farebox revenue data including cash and ticket sales is available for 2009 through 2011. Comparisons are drawn between appropriate years. Conclusions from the analysis are presented at the end of the chapter.

### LOCAL FIXED ROUTE SERVICE

Figure 3-1 below presents operating and financial statistics for MMT's local fixed route service for 2008 through 2011 (projected). Using this dataset, numerous statistics were calculated including the average fare per passenger, subsidy per rider and farebox recovery ratio. These are graphed in the following figures (Figure 3-2 through 3-4) to show ridership and revenue trends. The average fare per passenger fluctuated over the four-year period, with a high of \$0.85 in 2009 and a low of \$0.72 in 2011 (projected). That these figures are roughly half the cost of a full fare (\$1.75 from 2009-present) represents the combined impacts of people using deeply discounted fare media and reduced fare passengers. The farebox recovery ratio has shown a gradual upward trend with the highest percentage of costs recovered through the farebox in 2011 (projected) at 23%.<sup>4</sup> In 2010, the subsidy per passenger fell precipitously to \$2.79 as MMT reduced service by 32.5%. Although operating costs also fell in 2010 by 41.5%, ridership did not drop as much, falling by only 16.1%.

As shown below, operating costs and ridership fell significantly in 2009 as a result of major service cutbacks on local fixed route service. Several routes were eliminated in April 2009, including all low-ridership routes, five express routes, transfer stations, and the free downtown shuttle (DASH). In addition, headways were reduced from 30 minutes to 60 minutes on several routes. Passenger fares have ranged between 14% and 23% of operating costs for the last four years.

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<sup>4</sup> 23% farebox recovery ratio is for Local fixed route service only. In Chapter 4, the farebox recovery ratio of 26.1% includes both Local fixed route service and FREX.

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**Figure 3-1 MMT Local Fixed Route Service Financial and Operating Statistics**

Calendar Year	2008	2009	2010	2011 (Projected)
Revenue Service Hours	165,145	145,157	97,991	104,473
Total Ridership	3,199,647	2,911,448	2,443,681	2,694,740
Operating Costs	\$18,070,560	\$15,016,549	\$8,774,900	\$8,521,211
Farebox Revenue	\$2,601,006	\$2,482,307	\$1,953,109	\$1,941,318
Farebox Recovery Ratio	14.0%	17.0%	22%	23%
Cost/Passenger	\$5.65	\$5.16	\$3.59	\$3.16
Subsidy/Passenger	\$4.83	\$4.31	\$2.79	\$2.44
Average Fare/Passenger	\$0.81	\$0.85	\$0.80	\$0.72

Sources: MMT Financial Department and Nelson\Nygaard

**Figure 3-2 Average Fare Per Passenger (Local Fixed Route Service)**

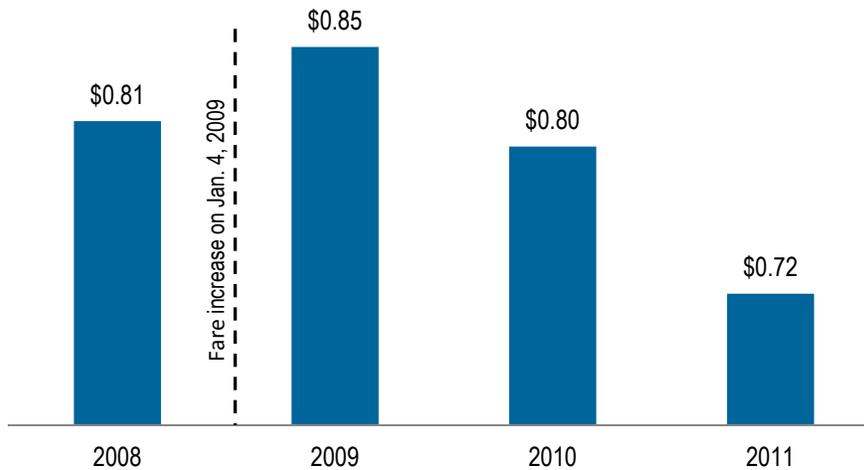


Figure 3-3 Farebox Recovery Ratio (Local Fixed Route Service)

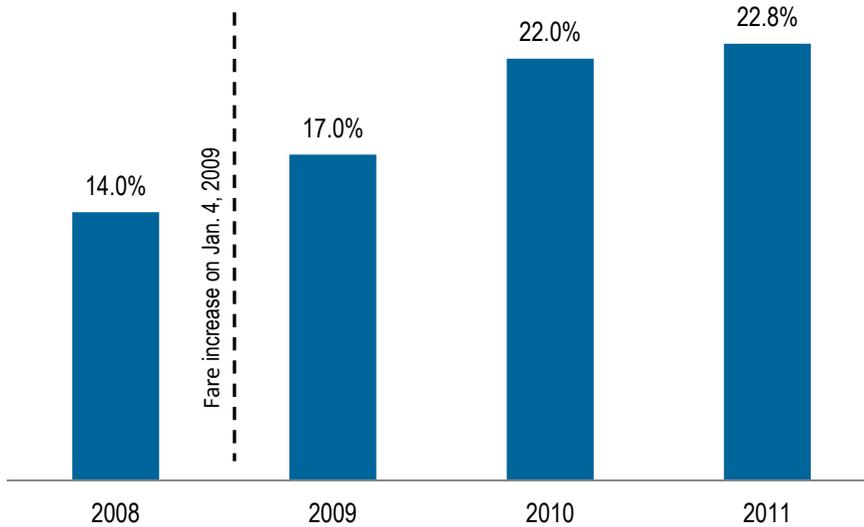
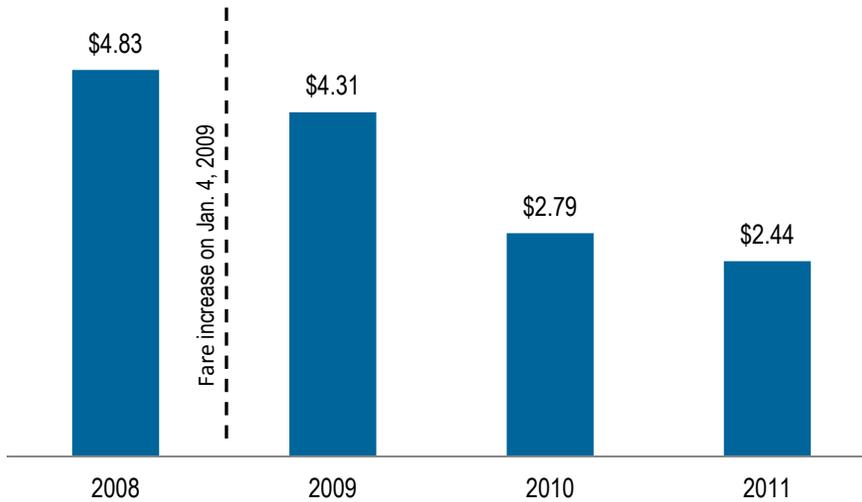


Figure 3-4 Subsidy Per Passenger (Local Fixed Route Service)



### Revenue by Fare Type

MMT offers its customers a variety of fare media including cash fares and several types of tickets. Figure 3-5 presents cash fares and ticket sales for MMT's local service (FREX and ADA services are not included in the information below). Information provided reflects MMT farebox data from 2009 through 2011. It shows the dollar amounts and percentage of total revenues. Cash fares represent between 48% - 50% of total passenger revenues. The percentage of riders paying with

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cash has increased since 2009, while the number of riders using tickets (22 Ride and 31-Day) has decreased.<sup>5</sup> The high prevalence of cash paying passengers suggests that there may be a large number of occasional riders, the cost of the 31-Day tickets may be prohibitive for some users, or that there is a lack of awareness about the availability of different types of tickets.

**Figure 3-5 MMT Fare Revenue (Dollar and Percentage) for Cash and Tickets**

Year	2009	% of Total	2010	% of Total	2011	% of Total
Cash Fares	\$1,182,452	48%	\$931,453	48%	\$1,018,943	50%
Ticket Sales	\$1,266,488	52%	\$1,021,444	52%	\$1,002,965	50%
Total	\$2,448,940		\$1,952,898		\$2,021,908	

Source: MMT Fare Revenue and Ridership Comparison. 2011 numbers were annualized based on actual first 7 months of data.

## Ridership by Ticket Type

Among the riders using tickets, the vast majority use MMT's 22 Ride ticket (Figure 3-6). In 2011, approximately three quarters of ticketed riders used the 22 Ride ticket. Of those using the 22 Ride ticket, 60% used the Special 22 Ride ticket (formerly called the Economy ticket) and 40% used the Adult 22 Ride ticket (Figure 3-7). 31-Day tickets make up a relatively small proportion of total ticket boardings. The number of youth who use the Summer Haul Pass has increased in 2011, but still makes up only roughly 4% of ticket sales.

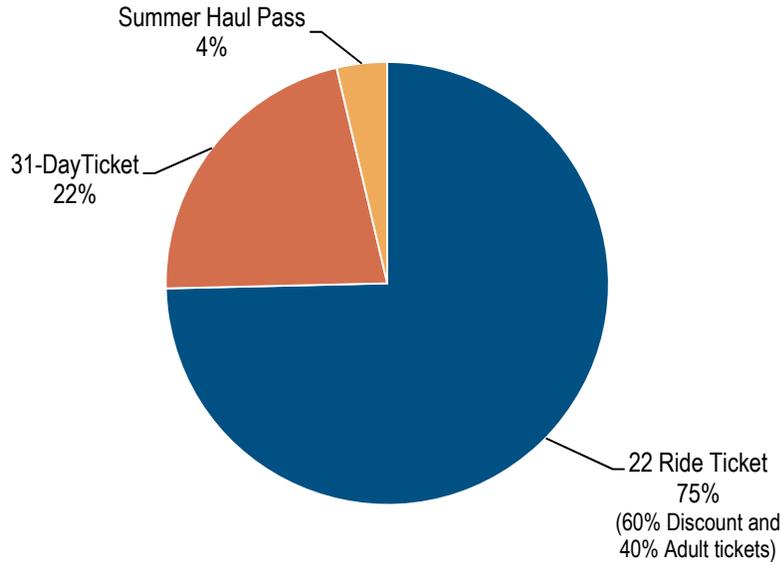
**Figure 3-6 MMT Local Annual Ticket Sales**

Ticket Sales	2009	% of Passes Sold	2010	% of Passes Sold	2011	% of Passes Sold
<b>22 Ride Ticket</b>						
Adult (\$35.00)	8,578		8,278		8,534	
Discount (\$17.50)	13,621		12,469		12,593	
Total	22,199	69%	20,747	72%	21,127	75%
<b>31-Day Ticket</b>						
Adult (\$63.00)	8,496		6,913		5,752	
Zone (\$69.50)	399		182		390	
Total	8,895	27%	7,095	25%	6,141	22%
<b>Summer Haul Pass</b>						
Summer Haul Pass	1,257	4%	841	3%	1,040	4%
Subtotal	32,351		28,683		28,309	

Source: MMT operating numbers from ticket sales. 2011 numbers were annualized based on actual first 10 months.

<sup>5</sup> Data on the use of transfers is not provided during this time period.

**Figure 3-7 Percentage of Local MMT Tickets Sold by Fare Media (2011)**



### **MMT 2010 Local Onboard Survey**

An onboard survey was conducted in 2008 and 2010 in which passengers were asked to state their method of payment. Figure 3-7 illustrates the self reported method of payment for patrons in both 2008 and 2010. Please note that passengers reporting their method of payment may not necessarily be 100% accurate or consistent with MMT data especially in the cash and transfer categories. In September 2008, 41% of respondents indicated a payment using cash; in June 2010, the number of cash paying riders reported an increase to 47%. In 2008, half (50 percent) of the patrons indicated having a pass to pay for their trip and it dropped to 44% in June 2010. In 2010, 44% reported using a pass as their payment method, seven percent Seven percent of riders reported they used transfers and two percent claimed other forms of payment in both time periods.

**Figure 3-8 Method of Payment – Onboard Survey Results 2008 and 2010**

	September 2008	June 2010
Cash	41%	47%
Pass	50%	44%
Transfer	7%	7%
Other	2%	2%

Source: Mountain Metropolitan Transit 2010 Onboard Survey and Counts

## **FREX Commuter Service**

Figure 3-9 below presents operating and financial statistics for MMT's FREX service for 2008 through 2011 (projected). Using this dataset, numerous statistics were calculated including the average fare per passenger, subsidy per rider and farebox recovery ratio. These are graphed in the following figures (Figure 3-10 through 3-12) to show ridership and revenue trends. The average fare per passenger fluctuated between \$5.84 in 2010 and \$6.75 in 2009, and is projected to reach a high of \$8.05 in 2011. This high average fare reflects that a majority of FREX riders commute all the way to Denver; the one-way fare for this route is \$11. The lower number is also reflective of many riders who board at Monument (currently \$7.25 cash fare) Although the farebox recovery ratio has hovered around 40% for three of the four surveyed years, the indicator fell to a low of 25% in 2010 when ridership dropped significantly (by 43.8%) as a result of planned 2010 elimination of the service, which was restored at the last minute. Several trips were eliminated in April 2009, when FREX eliminated all service to Castle Rock. Ridership is projected to continue rebounding in 2011, which helps explain the corresponding increase in farebox recovery to 47%. The subsidy per passenger has fluctuated in the last four years with the highest per passenger subsidy at \$17.42 in 2010.

**Figure 3-9 FREX Financial and Operating Statistics**

Calendar Year	2008	2009	2010	2011 (Projected)
Revenue Service Hours	25,085	24,917	16,222	16,179
Total Ridership	175,935	141,316	79,444	101,282
Operating Costs	\$2,414,031	\$2,261,291	\$1,847,942	\$2,041,864
Farebox Revenue	\$1,032,403	\$954,055	\$463,823	\$815,000
Farebox Recovery Ratio	43.0%	42.0%	25.0%	41.0%
Cost/Passenger	\$13.72	\$16.00	\$23.26	\$20.16
Subsidy/Passenger	\$7.85	\$9.25	\$17.42	\$12.11
Average Fare/Passenger	\$5.87	\$6.75	\$5.84	\$8.05

Sources: MMT Financial Department and Nelson\Nygaard

Figure 3-10 Average Fare per Passenger (FREX)

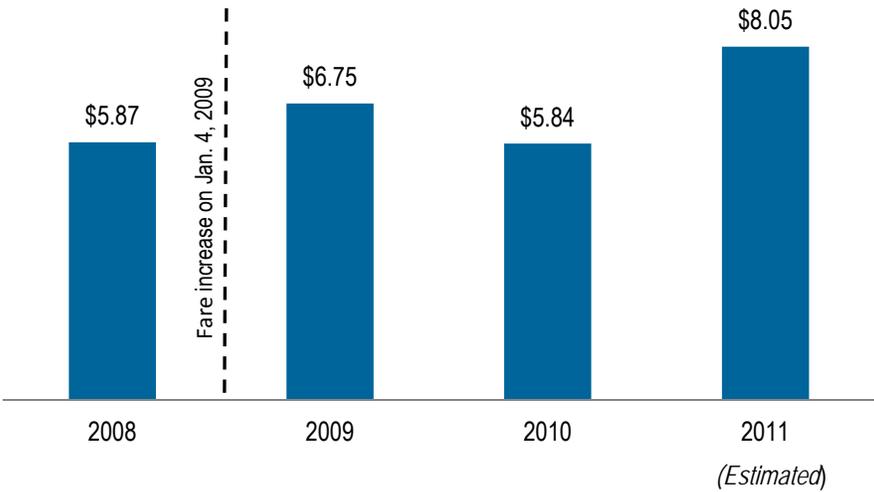


Figure 3-11 Farebox Recovery Ratio (FREX)

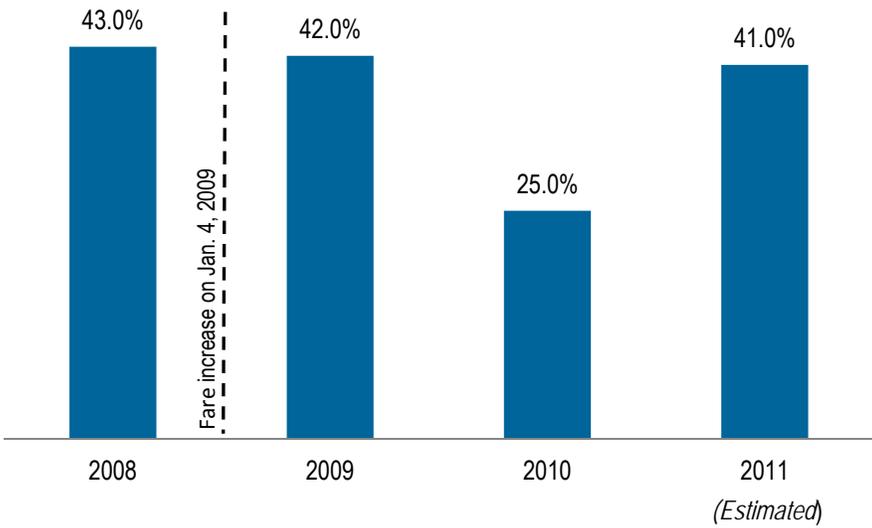
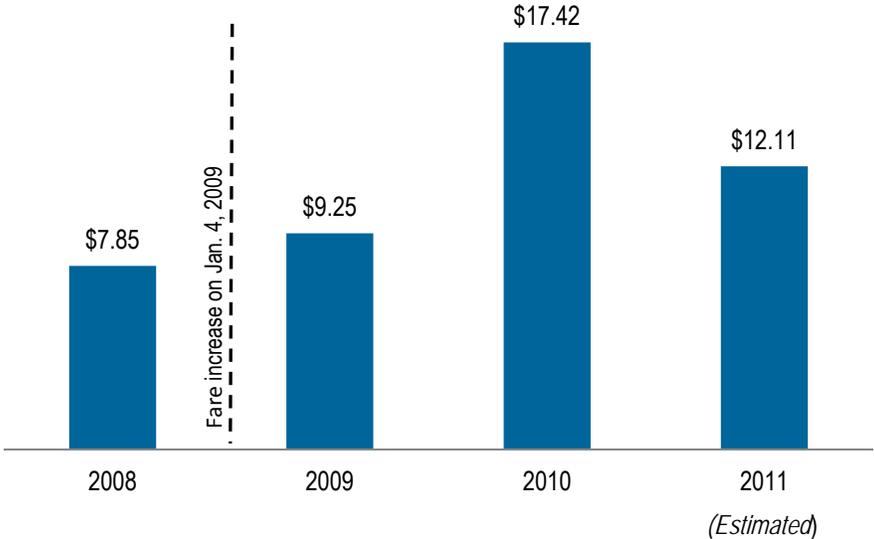


Figure 3-12 Subsidy Per Passenger (FREX)



## Revenue & Ticket Sales

FREX accepts several payment methods. Passengers can pay cash for a one-way fare when they board or use multi-ride tickets. Exact cash fare is required; drivers do not make change. Transfers are not currently available to connecting transit agencies, including the local MMT service in Colorado Springs and Regional Transit District (RTD) in the Denver Metro Area.

Figure 3-13 displays cash and ticket sales for FREX from 2009 through 2011. The dollar amounts and percentage share of farebox revenues are presented in the figure. In 2009, cash fares represented 37% of total passenger revenues; in 2010, cash fares represented 61% of total passenger revenue; and in 2011, approximately 43% of total revenue was from cash sales and 57% was from ticket sales. According to MMT staff, the 2010 dip in usage of advanced passes was tied to the service reduction at Castle Rock and planned elimination of service in early 2010.

**Figure 3-13 FREX Fare Revenue (Dollar and Percentage) for Cash and Tickets**

FREX	2009	% of Total	2010 (1)	% of Total	2011	% of Total
Cash Fares	\$350,170	37%	\$282,892	61%	\$318,939	43%
Ticket Sales	\$603,884	63%	\$180,932	39%	\$417,630	57%
Total	\$954,054		\$463,824		\$736,569	

Source: MMT Fare Revenue and Ridership Comparison. 2011 numbers were annualized based on actual first 7 months of data.

(1) In 2010 all service to Castle Rock was eliminated.

Figure 3-14 below shows information on multi-ride ticket sales (10-, 20-, and 40-ride increments). Tickets are not available for purchase on buses. Instead they can be purchased at the Downtown Terminal in Colorado Springs, on-line and through several grocery outlets. Overall, approximately half of passenger ticket sales for FREX are from 40-Ride tickets. Roughly one-quarter of ticket sales account each for the 20-Ride and 10-Ride tickets. In 2011, 47% of multi-ride ticket sales were from 40-Ride tickets, 28% from 20-Ride tickets, and 26% from 10-Ride tickets. The large percentages of riders who purchase 40-Ride tickets indicate that many of FREX passengers are regular riders.

**Figure 3-14 FREX Ticket Sales**

FREX	2009	% of Total	2010	% of Total	2011	% of Total
10-Ride	647	24%	448	31%	574	26%
20-Ride	665	24%	323	23%	626	28%
40-Ride	1,431	52%	663	46%	1,045	47%
Total	2743	100%	1434	100%	2245	100%

Figure 3-15 illustrates that the majority of FREX riders are traveling between Colorado Springs and Denver or Monument and Denver. Very few riders are traveling between Monument and Colorado Springs. In part, this could be because the current fare charged for the short distance is relatively high. In 2010, FREX stopped offering service to Castle Rock. MMT staff noted that the majority of riders who use FREX commute to Denver from the Colorado Springs metro area in the morning and complete the reverse commute in the afternoon.

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**Figure 3-15 FREX Annual Boardings by Ticket Type and Location**

FREX	2009	% of Tickets Sold	2010	% of Tickets Sold	2011	% of Tickets Sold
<b>Colorado Springs - Denver</b>						
10-Ride	241		243		300	
20-Ride	191		122		252	
40-Ride	320		299		502	
<b>Total</b>	<b>752</b>	<b>27%</b>	<b>664</b>	<b>46%</b>	<b>1,054</b>	<b>47%</b>
<b>Monument - Colorado Springs</b>						
10-Ride	-9		19		24	
20-Ride	19		-10		82	
40-Ride	8		-63		24	
<b>Total</b>	<b>18</b>	<b>1%</b>	<b>-54</b>	<b>-4%</b>	<b>130</b>	<b>6%</b>
<b>Monument - Denver</b>						
10-Ride	139		186		250	
20-Ride	196		211		293	
40-Ride	288		427		520	
<b>Total</b>	<b>623</b>	<b>23%</b>	<b>824</b>	<b>57%</b>	<b>1,062</b>	<b>47%</b>
<b>Castle Rock - Colorado Springs</b>						
10-Ride	94		--		--	
20-Ride	74		--		--	
40-Ride	185		--		--	
<b>Total</b>	<b>353</b>	<b>13%</b>		<b>0%</b>		<b>0%</b>
<b>Castle Rock - Denver</b>						
10-Ride	182		--		--	
20-Ride	185		--		--	
40-Ride	630		--		--	
<b>Total</b>	<b>997</b>	<b>36%</b>		<b>0%</b>		<b>0%</b>
<b>Subtotal</b>	<b>2,743</b>		<b>1,434</b>		<b>2,245</b>	

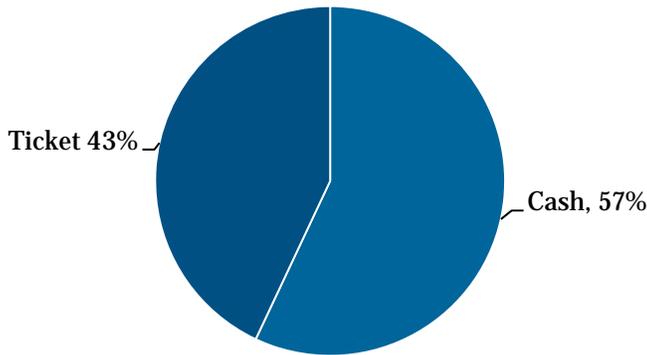
Note: Negative numbers reflect unsold tickets by vendors.

Source: FREX Bus Ticket Inventory for 2009, 2010, and 2011. 2011 numbers were estimated based on actual first 10 months.

## FREX 2010 Onboard Survey

An onboard survey of FREX riders was conducted by MMT in 2010 in which passengers were asked to report how they paid their fare, either in cash or with a multi-ride ticket. Figure 3-16 illustrates the self reported method of payment for patrons in 2010. A total of 57% reported cash payment with the remaining 43% of respondents claiming they used a multi-ride ticket. Even though tickets offer passengers a cost savings, cash provides a more flexible option, tickets are somewhat high priced and refunds are not available.

Figure 3-16 FREX Method of Payment – 2010 Onboard Survey Results



## METRO MOBILITY

Operating and financial statistics for Metro Mobility are presented in Figure 3-17 for 2008 through 2011 (projected). Using this dataset, numerous statistics were calculated including the average fare per passenger, subsidy per rider and farebox recovery ratio. These are graphed in the following figures to show ridership and revenue trends. Service hours dropped between 2008 and 2010 but are expected to increase slightly in 2011. In 2009 and 2010, the average fare per passenger exceeded the ticket price; possibly due to more tickets being purchased than redeemed and because Fountain residents pay a zone charge to use the service. Metro Mobility cash fares increased from \$2.00 to \$2.50 in 2008. In 2009, fares rose by an additional 20% to the current price of \$3.00. The average fare per passenger in 2009 was \$2.08. Metro Mobility fare still is less than the two times the base adult fare allowed under the ADA.

The farebox recovery ratio has declined slightly between 2008 and 2011, though the projected farebox recovery in 2011 (10.1%) is typical for ADA services. The subsidy per passenger has experienced an upward trend in the last four years.

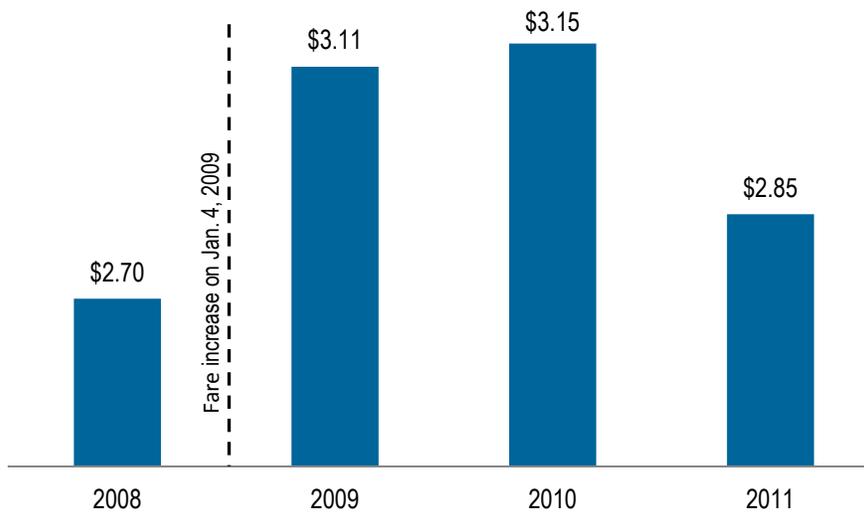
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**Figure 3-17 Financial and Operating Statistics: Metro Mobility**

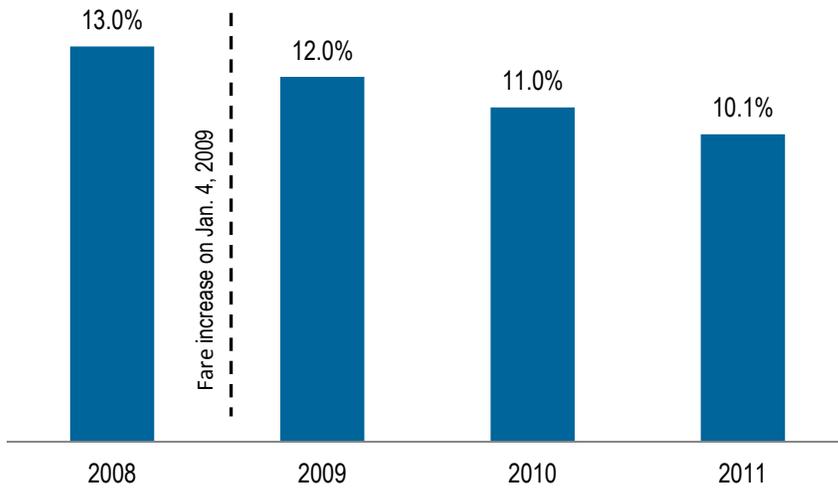
Calendar Year	2008	2009	2010	2011 (Projected)
Revenue Service Hours	96,326	71,538	70,336	72,428
Total Ridership	166,092	149,778	141,281	150,368
Operating Costs	\$3,538,860	\$3,886,026	\$3,875,225	\$4,235,844
Farebox Revenue	\$448,240	\$465,980	\$445,396	\$428,372
Farebox Recovery Ratio	13.0%	12.0%	11.0%	10.1%
Cost/Passenger	\$21.31	\$25.95	\$27.43	\$28.17
Subsidy/Passenger	\$18.61	\$22.83	\$24.28	\$25.32
Average Fare/Passenger	\$2.70	\$3.11	\$3.15	\$2.85

Source: Numbers from NTD On-Line Database

**Figure 3-18 Average Fare per Passenger (Metro Mobility)**



**Figure 3-19 Farebox Recovery Ratio (Metro Mobility)**



**Figure 3-20 Subsidy per Passenger (Metro Mobility)**

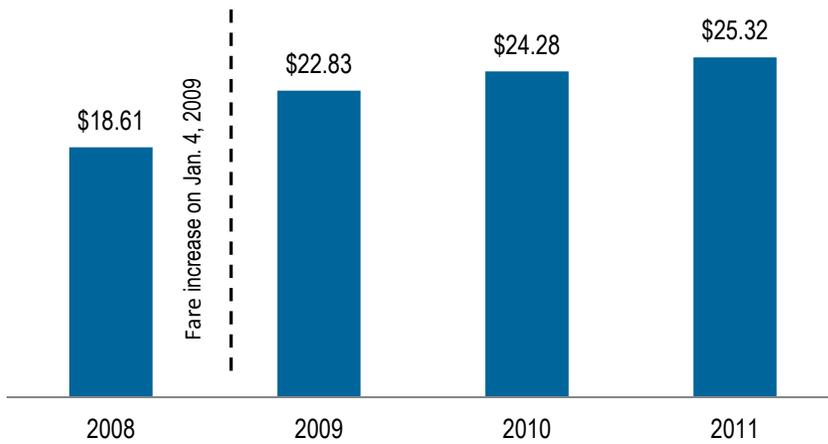


Figure 3-21 lists Metro Mobility cash and ticket sales in 2010. Cash fares represent a very small percentage of total passenger revenue; ticket sales represent 87% of total passenger revenues.

**Figure 3-21 Metro Mobility (Dollar and Percentage) for Cash and Tickets**

Metro Mobility	2010	% of Total
Cash Fares	\$56,125	13%
Ticket Sales	\$389,271	87%
Total	\$445,396	

## **SUMMARY AND CONCLUSIONS**

Based on the data presented herein, the following points summarize ridership and farebox revenue trends.

### **MMT Local Fixed Route Service**

- The local fixed route farebox recovery ratio was expected to reach a high of 23% in 2011.
- There is a 50-50 split between cash fare and tickets/pass usage in 2011. In the two previous years, the percentage of cash paying riders was slightly lower at 48%.
- The most popular pre-paid fare instrument is the 22-Ride discounted \$17.50 ticket (currently referred to as a Special ticket) although sales have declined in the last two years.
- The full fare 22-Ride ticket is the second most purchased ticket type.
- The number of 31-Day Tickets has been sharply declining in the last three years.
- The use of discounted fare media has resulted in an average fare per passenger of \$0.72 for fixed route service in 2011.

### **FREX (Express)**

- Farebox recovery was expected to reach over 45% in 2011.
- Cash fare revenue for FREX accounted for 61% of passenger revenue in 2010. According to an onboard survey conducted in 2010, a total of 57% of individuals reported that they used cash to pay for their trip, with the remaining 43% of respondents using a pass.
- The majority of riders who use FREX commute to Denver from the Colorado Springs metro area in the morning and complete the reverse commute in the afternoon.
- Approximately half of passenger ticket sales for FREX are from 40-Ride tickets. In 2011, 47% of multi-ride ticket sales were from 40-Ride tickets, 28% from 20-Ride tickets, and 26% from 10-Ride tickets.

### **Metro Mobility (ADA)**

- Metro Mobility ADA cash fare increased by 25% in 2008, from \$2.00 to \$2.50. In 2009, fares increased by an additional 20% to the current price of \$3.00. Metro Mobility ADA fare still is less than the two times the base adult fare allowed under the ADA.
- The vast majority of Metro Mobility riders prefer the convenience of ticket books to paying with cash.
- Although the average fare per passenger in 2011 was expected to be \$2.85, less than the \$3.00 fare, this indicator was greater than the actual ticket cost in 2009 and 2010, likely due to unredeemed tickets.
- Even though the farebox recovery ratio has been on a slight downward trend, the 10% ratio in 2011 is within industry standard for an ADA service.

## 4 PEER REVIEW

### INTRODUCTION

Peer reviews are a useful technique to understand the “state of the practice” with regard to fare levels, structures and policies. Nelson\Nygaard conducted two peer reviews for this fare policy study. The first peer review is a comprehensive evaluation of eight transit agencies comparable in size and scope to MMT fixed-route local service. The information collected in this peer review pertains specifically to fare policies and specific issues relevant to MMT. The second is a scan of the six long distance commuter routes that provide high quality express service similar to FREX. This chapter presents the results of these two peer reviews.

### Criteria for Selecting Peer Agencies

A critical first step was selecting appropriate agencies for this peer review. These peer agencies were chosen based on various attributes, including service area, service population, services offered and operating characteristics. In addition, other specific factors were considered when selecting appropriate peer agencies, including:

#### *Operating Environment*

- Population and population density
- Major Industries – focus on aerospace and information technology

#### *System Size*

- Number of routes and fleet size
- Operating costs

#### *Other*

- Many agencies included in the Future of Regional Transit Study
- Agencies that have military or employer passes

Given these criteria, we have selected seven agencies plus RTD (Denver) for the fixed route peer review. It is important to note that Denver RTD is significantly larger than all other peer agencies reviewed in this study, and in some comparisons is an outlier. Nonetheless, Denver RTD was included as a peer because of its operational connections with MMT (related to FREX) and as a request of agency staff. The eight agencies in this peer review are:

- Spokane Transit Authority (STA - Spokane, WA)
- Valley Regional Transit (VRT - Boise, ID)
- El Paso Mass Transit (Sun Metro - El Paso, TX)
- Tucson Transit (Sun Tran - Tucson, AZ)

- Monterey Salinas Transit (MST - Monterey, CA)
- Albuquerque Ride (ABQ Ride - Albuquerque, NM)
- Golden Empire Transit (GET - Bakersfield, CA)
- Denver Regional Transportation District (RTD - Denver, CO)

The peer review consisted of a two-step process. First, a questionnaire was developed to gather information about each agency (A copy can be found in the Appendix). To understand the key features of each agency's fare structure, background research was conducted on each agency's respective websites. Data was collected from a number of sources including the National Transit Database (NTD), agency websites, and other agency-related materials. The information was then sent to contacts at each of the peer review agencies to check for accuracy. Step two involved sending a questionnaire to a contact at each agency and then conducting a follow-up telephone interview. In many cases, interviews were conducted with staff in Planning, Operations and Maintenance and Financial Departments.

The primary purpose of this peer review is to compare and contrast characteristics between agencies and to understand their fare structure and policies and their experiences implementing new fares. This information provides a good benchmark for MMT to assist in fare restructuring and policy setting.

## **OVERVIEW OF TRANSIT AGENCIES**

A brief introduction about each transit agency follows.

### **Spokane Transit Authority (Spokane, WA)**

Spokane Transit Authority, more commonly Spokane Transit or STA, provides mass transit services in the Spokane County Public Transportation Benefit Area. It is one of seven local public transportation systems for urbanized areas (UZA) in the State of Washington. Buses run seven days a week over most of the service area, including local routes and commuter routes to outlying communities such as Cheney, Medical Lake, and Liberty Lake. STA operates 37 local routes and three express routes and complementary ADA service. .



### **Valley Regional Transit (Boise, ID)**

ValleyRide is the transit services division of Valley Regional Transit (VRT), the regional public transportation authority for Ada and Canyon counties in southwest Idaho. ValleyRide provides fixed-line public transportation services with 18 bus routes in the Boise and Garden City, four bus routes in Nampa and Caldwell and five intercounty bus routes between Ada and Canyon counties. ValleyRide also operates paratransit bus services, providing curb-to-curb transportation for disabled people in Boise and Garden City in addition to the Nampa and Caldwell area. Overall, ValleyRide operates 21 local routes, 2 Local Express, 5 intercounty routes.



### **ABQ Ride (Albuquerque, NM)**

ABQ Ride is the local transit service that serves Albuquerque, NM. The service includes fixed route, paratransit, and BRT. The BRT service is dubbed “Rapid Ride” and provides three separate routes with enhanced features such as optimized bus stop spacing, signal priority, and low-floor boarding vehicles. ABQ Ride provides local connections to several other transit services such as Rail Runner (commuter rail) and Rio Transit. ABQ Ride operates 29 Local, 3 Rapid, 3 Express, and 9 Commuter routes.



### **Sun Metro (El Paso, TX)**

Sun Metro Mass Transit Department, simply known as Sun Metro, is the public transportation provider that serves El Paso, Texas. Sun Metro is a department of the City of El Paso and the agency serves El Paso County and Sunland Park, New Mexico. The major hub is located at the Bert Williams Downtown Santa Fe Transfer Center in the surrounding block areas in Downtown El Paso. Sun Metro operates 57 local routes, six express routes and ADA service.



### **Sun Tran (Tucson, AZ)**

Sun Tran is the public transit system serving the city of Tucson, Arizona. Sun Tran is managed by Professional Transit Management, Ltd., and services approximately 20 million passenger trips annually to destinations in and around Tucson. Currently 100 percent of the fleet utilizes Compressed Natural Gas, Biodiesel or hybrid technologies. Sun Tran operates 27 local routes and 13 express routes with a fleet of 240 coaches. Sun Trans also operates complementary ADA service.



### **Golden Empire Transit (Bakersfield, CA)**

Golden Empire Transit (GET) provides fixed route and paratransit services in Metropolitan Bakersfield. Presently, GET operates 18 local routes that connect through one of several hubs throughout the city. The intercity fixed route provider is Kern Regional Transit (KRT) and operates 15 routes throughout Kern County with several connecting to GET in downtown Bakersfield. GET has an active fleet of 88 buses plus 19 GET-A-Lift buses which are all fueled with clean burning, compressed natural gas (CNG).



### **Denver RTD (Denver, CO)**

The Regional Transportation District, or RTD, was organized in 1969 and is the regional authority operating public transit services in eight of the twelve counties in the Denver-Aurora-Boulder Combined Statistical Area in Colorado. RTD is governed by a 15-member, publicly elected Board of Directors. RTD



currently operates a bus and light rail system that has a service area of 2,337 square miles. RTD operates 83 total routes, including a number of Limited Stop or weekday/weekend variations of base routes and ADA service.

### **Monterey Salinas Transit (Monterey, CA)**

Monterey-Salinas Transit (MST) provides bus service within a 280 square-mile area of Monterey County and Southern Santa Cruz County in California. Service is primarily to the greater Monterey and Salinas areas, but extends as far south as Paso Robles and Big Sur and as far north as Watsonville and San Jose.



Most lines follow a hub-and-spoke system, originating at the Monterey Transit Plaza or the Salinas Transit Center. MST serves many local shopping areas, places of employment, tourist sites, government buildings, and residential neighborhoods. MST operates 54 total routes including a number of express routes, local, primary, and commuter routes as well as ADA complementary service. MST serves an estimated 352,000 population based upon the area within 3/4 mile of established routes within the county.

## **COMPARISON OF TRANSIT AGENCIES**

The eight agencies selected for this peer review vary in terms of geography with some systems in the South, Midwest, Mountain West, and West Coast. However, other characteristics bind them together to be effective peer agencies. Among service area characteristics, the peer cities range from 66 square miles (ValleyRide) to 280 square miles (MST).<sup>6</sup> As a comparison, MMT is closer to the upper end of this range with a 200 square mile service area. The service area populations among the peer agencies range from 272,625 (ValleyRide) to 609,415 (Sun Metro). MMT's service area population fits well between these two bounds with a service population of 438,000. Compared to its peer agencies, MMT serves a fairly dense market with a density of 2,190 individuals per square mile. Several peer agencies have a lower population density, including Denver RTD (1,126 pop/sq mi.), MST (1,257 pop/sq mi.), and STA (1,589 pop/sq mi.). The basic demographic information for MMT and the peer agencies including the major industries is presented Figure 4-1 below. The figures on the following pages are intended to provide a snapshot of each transit agency and gauge relative similarities and differences to MMT.

Figure 4-1 also presents operating statistics by agency. The various peer agencies provide a wide range of fixed route service levels. ValleyRide operates the least number of revenue hours at approximately 90,570 per year while Denver operates the most at nearly three million annual hours. In 2009, MMT operated 170,074 hours per year; in 2011, MMT was projected to operate 120,652 hours per year. In terms of productivity, MMT's 2009 productivity is at the lower end of its peers at 17.9 passengers per revenue hour (but this ratio was projected to improve to 23.2 passengers per revenue hour in 2011). Only ValleyRide has lower productivity carrying 15.5 passengers per revenue hour. The most productive services are Sun Tran and ABQ Ride that serve 36.4 and 28.9 passengers per revenue hour.

MMT's 2009 costs on an hourly basis and per passenger basis tended to be higher than its peer agencies, though these measures were projected to improve in 2011, making MMT more competitive with its peers in these categories. Operating cost per revenue hour range from a low

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<sup>6</sup> As noted, Denver RTD is an outlier among the peer agencies, with a service area of 2,326 square miles and a population of 2,737,439.

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of \$69.27 for GET to a high of \$107.95 for RTD with an average of \$89.62. MMT's cost per hour in 2009 was \$101.59, but its projected 2011 cost per hour is lower, at \$87.55. Operating costs per passenger range from \$2.28 (Sun Tran) to \$5.66 (MMT, 2009) with an average of \$3.86. This is illustrated in Figure 4-3 and Figure 4-4 below.

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Figure 4-1 Peer Agency Transit Statistics

Fixed Route Local Service <sup>1</sup>	Mountain Metropolitan Transit (Local and FREX Service)		Spokane Transit Authority	Valley Regional Transit	Albuquerque Ride (ABQ Ride)	El Paso Mass Transit	Tucson Transit	Golden Empire Transit	Denver Regional Transit District	Monterey Salinas Transit (MST)
	2009	2011 (Projected)								
Service Area (square miles)	200		248	66	124	205	230	98	2,326	280
Service Population	438,000		394,120	272,625	498,000	609,415	544,000	452,671	2,619,000	352,000
Population Density (Persons/sq Mi)	2,190		1,589	4,131	4,016	2,973	2,365	4,619	1,126	1,257
Largest Incorporated City	Colorado Springs		Spokane	Boise	Albuquerque	El Paso	Tucson Transit	Bakersfield	Denver	Monterey
Major Industries <sup>2</sup>	Aerospace Defense, Information Technology		Natural Resources/Mining, biotech and high-tech, educational and healthcare industries	Technology Investment/high-tech as well as natural resources	High-tech, Air Force base and supporting contractors	Manufacturing, education, federal government, Fort Bliss military installation	University of Arizona, military installations	Agriculture, petroleum extraction and refining, and manufacturing.	Goods Distribution etc,	Medical center, higher education facilities, arts
Number of Routes	18 (local) & 29 daily round-trip express runs (2011)		37 Regular & 3 Express	21 Local, 2 Local Express, 5 Intercountry	29 Local, 3 Rapid, 3 Express, 9 Commuter	57 Local, 6 Express	27 Local, 13 Express	21 Routes	83 Total Routes, including a number of Limited Stop or Weekday/Weekend variations of base routes	54 Total Routes including a number of Express routes, Local, Primary and Commuter Routes.
Fleet Size / Peak Vehicles	63/96 (2011)		154/124	48/35	192/122	159/118	206/170	69/81	1073/955	97/72
Annual Operating Costs	\$17,277,840	\$10,563,075	\$41,537,202	\$6,777,710	\$33,999,283	\$39,049,060	\$49,188,121	\$19,847,381	\$295,516,466	\$23,950,433
Annual Passenger Revenue	\$3,436,363	\$2,756,318	\$7,127,521	\$895,598	\$4,294,880	\$8,147,525	\$10,208,497	\$4,714,667	\$72,908,699	\$6,973,761
Annual Ridership	3,052,764	2,796,022	11,152,841	1,405,568	10,760,389	12,179,796	21,575,374	7,514,503	77,222,047	4,399,711
Annual Revenue Miles	3,168,664	[Unavailable]	5,782,329	1,390,767	5,028,698	6,754,308	7,707,057	3,574,608	383,948,305	3,560,494
Annual Revenue Hours	170,074	120,652	418,247	90,570	372,538	535,846	592,737	286,516	2,737,439	224,920
Hours/Capita	850.37	approx. 800	1,686.48	1,372.27	3,004.34	2,613.88	2,577.12	2,923.63	1,176.89	803.29
Cost\Hour	\$101.59	\$87.55	\$99.31	\$74.83	\$91.26	\$72.87	\$82.98	\$69.27	\$107.95	\$106.48
Cost\Passenger	\$5.66	\$3.78	\$3.72	\$4.82	\$3.16	\$3.21	\$2.28	\$2.64	\$3.83	\$5.44
Subsidy per Passenger	\$4.53	\$2.79	\$3.09	\$4.18	\$2.76	\$2.54	\$1.81	\$2.01	\$2.88	\$3.86
Farebox Recovery Ratio	19.9%	26.1%	17.2%	13.2%	12.6%	20.9%	20.8%	23.8%	24.7%	29.1%
Passengers/Hour	17.9	23.2	26.7	15.5	28.9	22.7	36.4	26.2	28.2	19.6

Footnotes:

- (1) All Fixed Route operating statistics are from 2009 NTD data.
- (2) Economic information for cities was derived from wikipedia.org.
- (3) MMT statistics include both MMT local and FREX service because the peer agency statistics also combine local and express services.

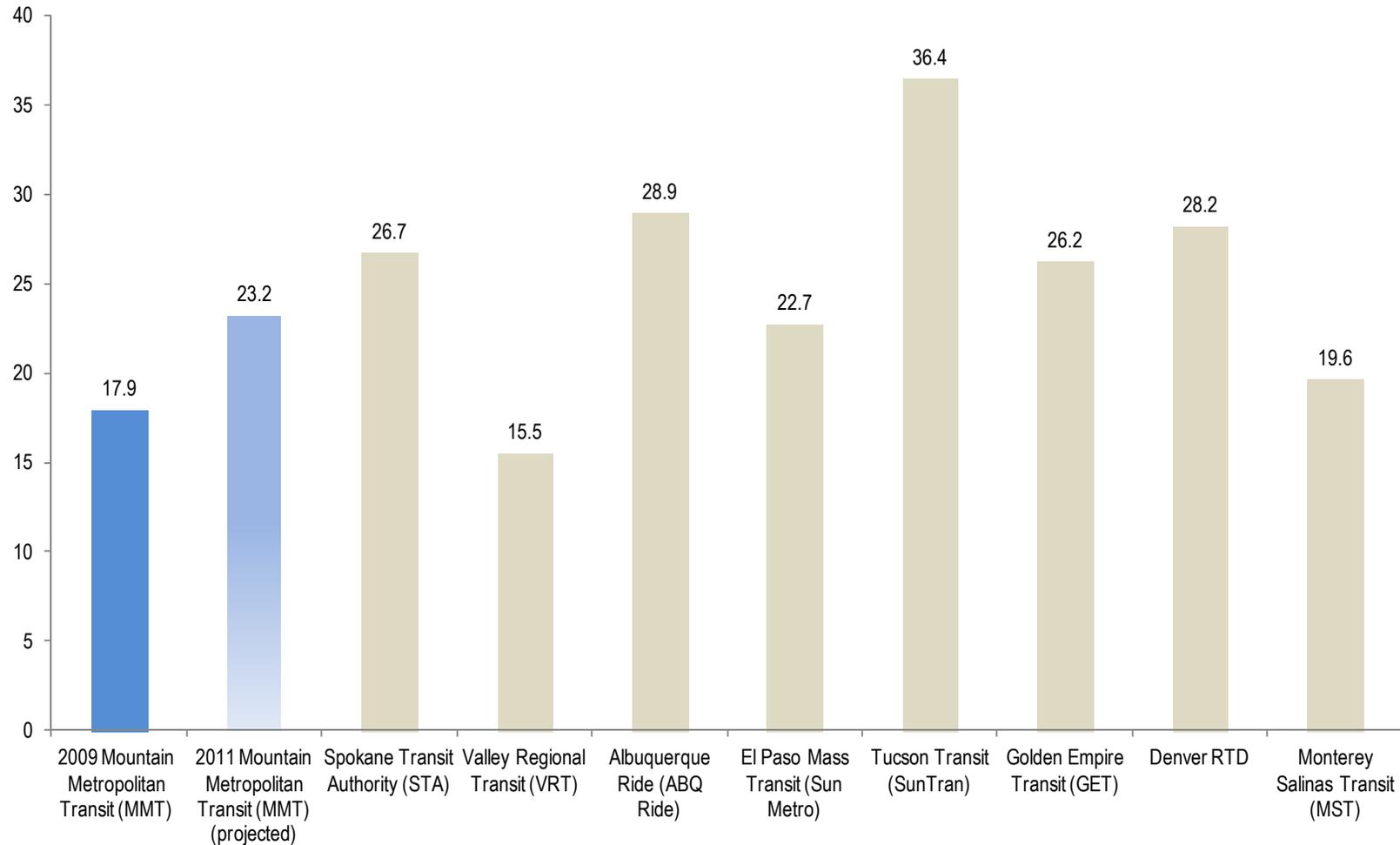
Source: MMT staff; June 2011 email

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Figure 4-2 below provides a comparison of passenger productivity for the eight peer agencies and MMT. Sun Tran carried the highest numbers of passengers per hour at 36.4, while ValleyRide carried the lowest at 15.5. The average number of passengers per hour for all agencies is 24.7. In 2009, MMT had the second lowest number of passengers per hour among the group, at 17.9 passengers per hour, but was projected to improve in 2011, when MMT's was estimated to carry 23.2 passengers per hour (including local and express routes).

Figure 4-2 Passengers per Hour for Peer Agencies

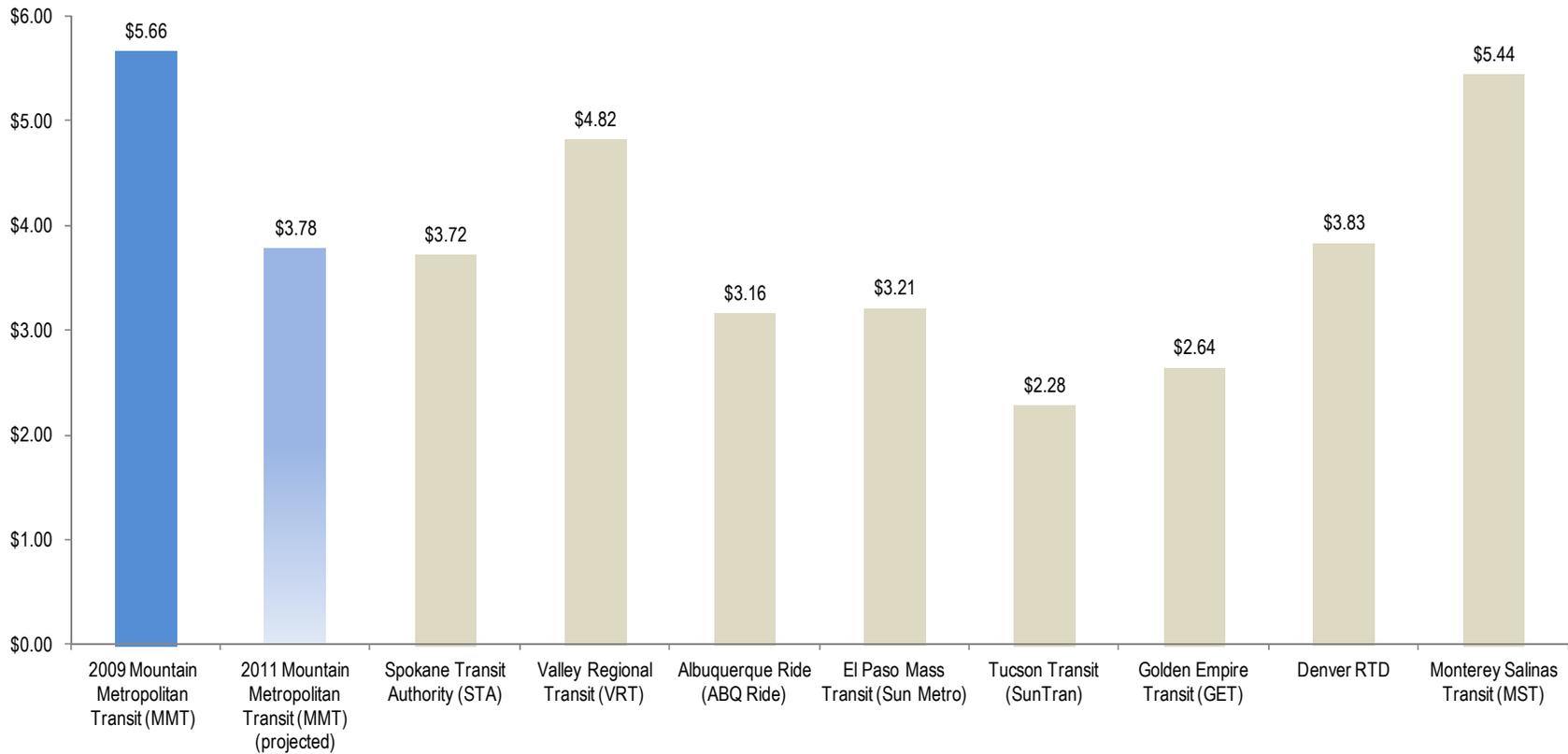


*Note: The above figure includes local and express routes.*

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Figure 4-3 provides a comparison of cost per passenger for the peer agencies and MMT. MMT (2009) had the highest passenger costs at \$5.48 while Sun Tran had the lowest cost per passenger (\$2.28). Monterey Salinas Transit had the second highest per passenger costs among the group at \$5.44. The average for all agencies is \$3.86. MMT's 2011 projected cost per passenger was estimated at \$3.78, which would make MMT much more competitive among its peers in this category.

Figure 4-3 Cost per Passenger for Peer Agencies

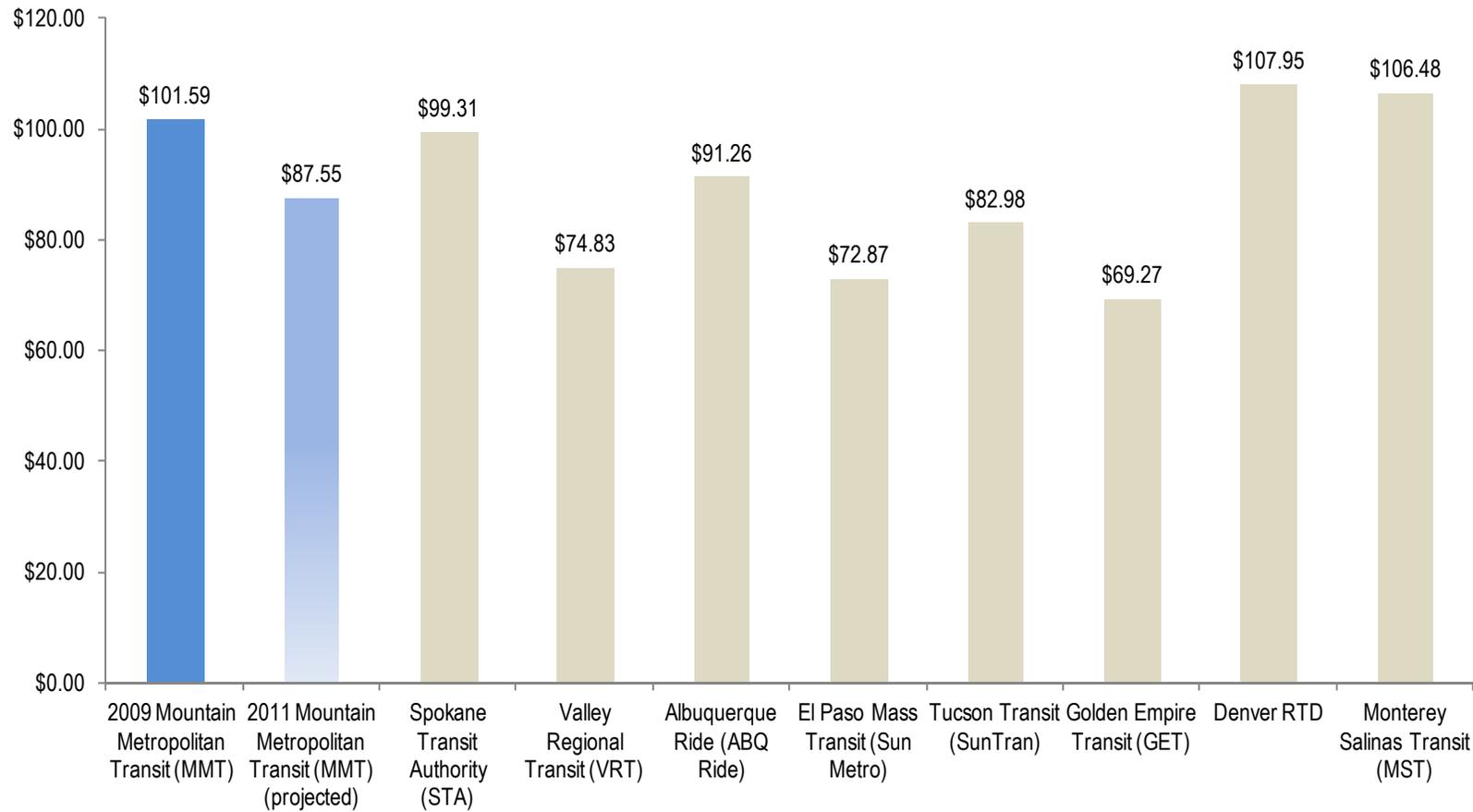


*Note: The above figure includes local and express routes.*

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Figure 4-4 provides a comparison of operating cost per revenue hour for the peer agencies and MMT. In 2009, MMT had the third highest operating costs at \$101.59 while GET had the lowest cost per revenue hour (\$69.27). RTD had the highest operating costs among the group at \$107.95, followed by MST at \$106.48. MMT's projected 2011 cost per revenue hour at \$87.55 drops it to the middle of the rankings among its peers. The average for all agencies is \$89.62.

**Figure 4-4 Operating Cost per Revenue Hour**

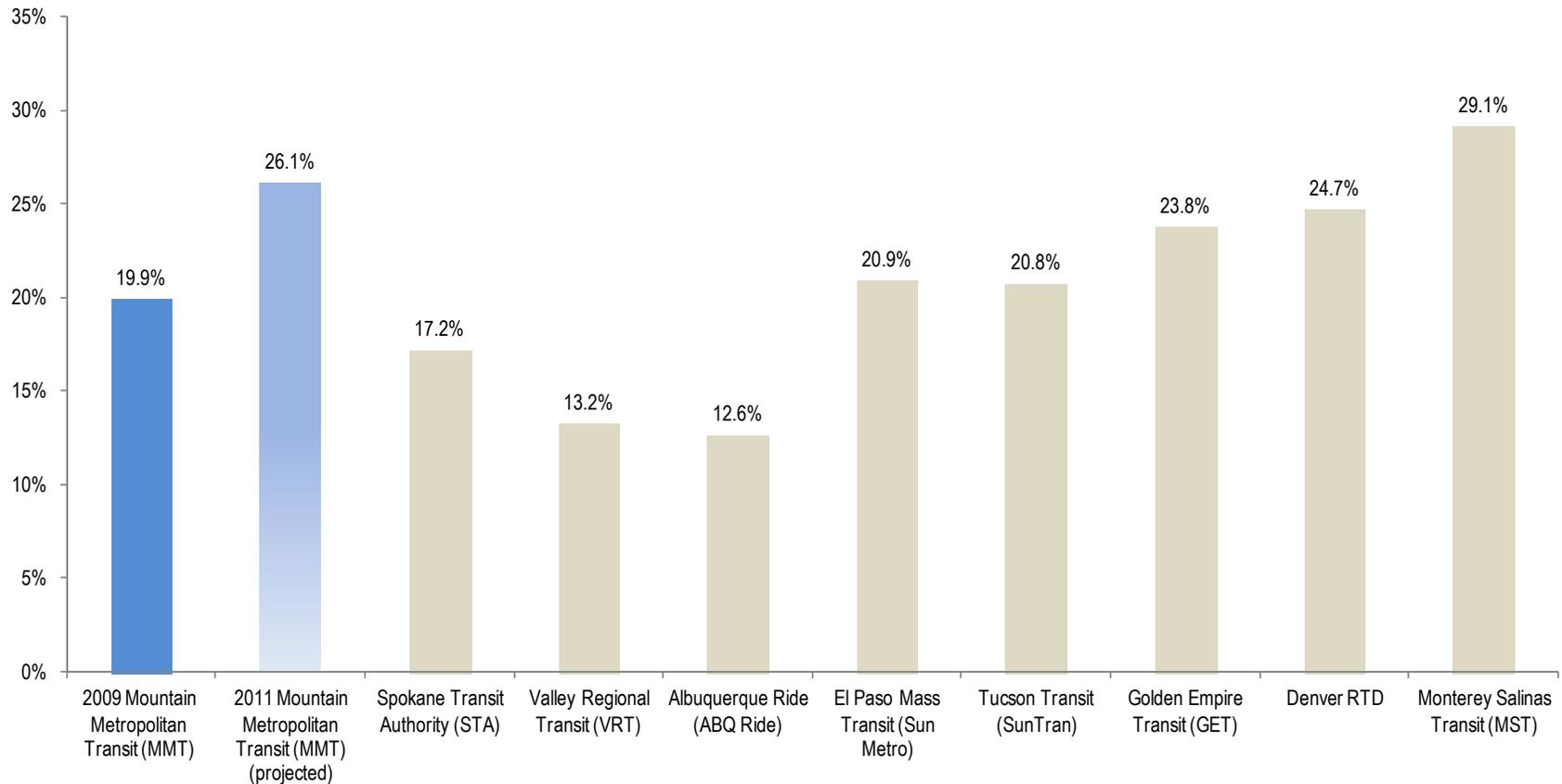


*Note: The above figure includes local and express routes.*

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In 2009, MMT's 19.9% farebox recovery ratio was just below the average farebox recovery ratio of its peers at 20.2%. MST had the highest recovery ratio of 29.1% followed by RTD at 24.7%. ABQ Ride had the lowest farebox recovery ratio at 12.6% (Figure 4-5). Again, MMT was projected to have a farebox recovery ratio of 26.1% in 2011, which would increase its standing among its peers to second-highest (under MST).

Figure 4-5 Farebox Recovery Ratio



*Note: The above figure includes local and express routes.*

## CASH FARE STRUCTURE AND PASSENGER DISCOUNTS

Figure 4-6 compares the fixed route fare structure for MMT and its peer agencies. While some agencies have complex fare structures which cannot be fully represented here, the figure provides a basic comparison between agencies. MMT has the second highest basic adult fare at \$1.75. Only Denver RTD has a higher adult fare at \$2.25. Albuquerque Ride and Monterey Salinas Transit offer the lowest base adult fare at \$1.00.<sup>7</sup>All of agencies with the exception of Sun Tran and GET offer a discounted cash fare for youth. The majority of the peer agencies offer service free of charge for children five years of age and under, as does MMT. All children must be accompanied by a fare-paying adult in order to ride free.

## EXPRESS AND ZONAL FARES

Among the peers, Spokane Transit Authority, ABQ Ride, and Sun Metro are the only agencies that do not have some type of express or zonal fare system. All other agencies charge a higher fare for express or regional service. On average, the express fare is between 2 and 2.5 times higher than the base fare. Monterey Salinas Transit charges a zonal fare based on the length of the route that is categorized into four types depending on distance: Local (\$1.00), Primary (\$2.00), Regional (\$3.00) and Commuter (\$10.00). ValleyRide offers a \$3.00 Universal Pass, which is 3 times more than the local service, and is good for both express service and all local routes. Denver RTD offers Express (\$4.00) and Regional (\$5.00) fares for travel in 3 adjacent light rail fare zones and beyond. Passengers with a valid Express ticket can receive a free transfer to local service.

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<sup>7</sup>MST's fares are based on the length of the route.

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Figure 4-6 Peer Agency Cash Fare Information

Fixed Route Local Service	Mountain Metropolitan Transit (Local Service) <sup>1</sup>	Spokane Transit Authority	Valley Ride	Albuquerque Ride (ABQ Ride)	El Paso Mass Transit (Sun Metro)	Tucson Transit (Sun Tran) <sup>2</sup>	Golden Empire Transit	Denver Regional Transit District	Monterey Salinas Transit (MST) <sup>3</sup>
<b>Cash Fares</b>									
Adult	\$1.75	\$1.50	\$1.00	\$1.00	\$1.50	\$1.50	\$1.25	\$2.25	\$1.00
Reduced	\$0.85	\$0.75	\$0.50	\$0.35	\$0.30	\$0.50	\$0.75	\$1.10	\$0.50
Student/Youth	\$0.85	\$1.50	\$0.50	\$0.35	\$1.00	N/A	N/A	\$1.10	\$0.50
Child	5 & Under ride free	5 & Under ride free when accompanied by person paying full fare	5 & Under ride free	9 & Under ride free	5 & Under ride free	5 & under ride free	5 & Under Ride free	5 & Under ride free	Children 46" tall and under are free.
Transfers (Requirements-one way, time period, etc)	FREE: Issued upon request with paid fare good for up to 2 hours; valid only for one-way trips.	Aka Two Hour pass: FREE with paid fare	N/A	N/A	FREE-Good n the date issue for a one-time use within a 2-hour limit. Only valid at designated transfer points, not valid on the issuing route or any returning routes.	Free for most routes, \$0.50 to Express routes. Transfers allow one to change buses from one route to another at any point, may be used twice within two hours and may not be used to reboard a bus on the same route for return trips.	N/A	Free: Good for 60 minutes or longer until next bus arrives. Generally good for only one-direction for travel, but a stop-over and "turn-back" option is available if marked on the transfer.	N/A
Express Fare	\$11/\$7.25/\$5		\$3/\$1.50	N/A	\$1.50	\$2.00	\$1.50	\$4.00	\$10/\$5

Data Source: Respective agency websites (2011, 2012)

Notes:

- (1) \$1.00 additional fare applied to any travel within Fountain City Limits. 31-Day pass w/Zone Fare: \$68.50.
- (2) Sun Tran's Economy Pass Program includes Low Income, Senior, Medicare Card and Disabled riders.
- (3) \$1.00 is applied for Primary and Regional Travel (\$0.50 for discount fare)

## TRANSFERS AND TRANSFER POLICIES

Currently, a wide variety of policies are being used to handle transfers at peer agencies. These policies can be quite complicated, and cannot be easily summarized without some level of detail. Yet, there are some similarities among the agencies. Half of the peer agencies offer free transfers with paid fare and half of the peer agencies offer day passes in lieu of transfers. Of the agencies that offer transfers, all of them allow certain time durations of validity, independent of the number of times they are used. For transfers to higher levels of service, most agencies charge the difference in cost between the base fare and the higher fare.

Denver RTD allows patrons to transfer free of charge within a 60 minute period provided travel is within the same direction. They do offer a “turn-back” option on stop-overs, if marked on the transfer. Spokane Transit Authority provides free transfers that are good for 2 hours on any route and in all directions (including return trips). They do not charge a premium for express service, however from the Downtown Shuttle and Southside/Medical Shuttle, an additional charge of \$0.75 is required to transfer to regular service. Sun Tran passengers can use the same fare products and transfer between Sun Tran (fixed route), Sun Shuttle (neighborhood circulator), Sun Express (express service), and eventually streetcar service. A charge of \$0.50 is required when transferring from Sun Tran or Sun Shuttle to Sun Express Routes. Sun Tran also offers transfers to neighboring service as part of the regional seamless system in Pima County.<sup>8</sup>

Four of the peer agencies have eliminated transfers and instead offer a day pass as an alternative. Monterey Salinas Transit eliminated transfers in April 2011 and switched to a smart card farebox. MST chose to eliminate transfers due to fraud and misuse and also because neighboring agencies (Santa Cruz and Santa Clara Counties) had eliminated transfers years ago. MST riders can transfer to Santa Cruz METRO without paying an additional fare. After the first three months since eliminating transfers, MST staff reported that ridership has remained stable despite a slight rate increase.

ABQ Ride eliminated transfers in November of 2008 in favor of day passes. As shown in Figure 4-6 above, the cost of a day pass is \$2.00 or the cost of two one-way trips (\$1.00 each). The primary objective in eliminating transfers was to reduce driver delays in issuing transfers, eliminate disagreements with passengers and the administrative burden of dealing with paper transfers. ABQ Ride staff noted that this change increased costs for some passengers while decreased the cost of a typical trip for others. ABQ Ride currently accepts transfers from neighboring transit systems including Rio Metro and the Rail Runner commuter train. Transfers are accepted through an agreement with Rio Metro and the regional transit district that operates the Rail Runner. Transfers from these services are financially supported by Rio Metro’s funding of connecting bus routes to Rail Runner and other parts of the metropolitan area. ABQ Ride staff noted that the additional fare revenue collected on these supplemental routes helps replace the fare revenue lost from Rio Metro and Rail Runner transfers.

GET currently does not offer transfers and sells a \$3.00 adult day pass for riders needing to transfer buses. GET made the decision to eliminate transfers several years ago, primarily for reasons of transfer abuse and other general complications of using paper transfers (transfers were

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<sup>8</sup>Sun Tran invoices the Regional Transportation Authority monthly for the number of rides taken on Sun Trans paid for by transfers that were issues to Sun Shuttle passengers according to their ridership report. As of July 2011, Sun Tran bills RTA at \$1.50 per ride.

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required to be hole-punched by operators for each use). If one chooses to not purchase a day pass, then a full fare is required for each boarding.

The figure below describes in greater detail, the differences in transfer policies among the peer agencies.

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**Figure 4-7 Peer Agencies Transfer Policies**

	Mountain Metropolitan Transit (Local Service)	Spokane Transit Authority	ValleyRide	Albuquerque Ride (ABQ Ride)	El Paso Mass Transit (Sun Metro)	Tucson Transit (Sun Tran)	Golden Empire Transit	Denver Regional Transit District	Monterey Salinas Transit (MST)
Local to Local Service	Free	Free	N/A	N/A	Free	Free	N/A	Free	N/A
Requirements	Good for 2 hours; valid for one-way trips only; must be used on next bus	Valid on any route; good for 2 hours; can continue in the same direction & make a return trip	N/A	N/A	May be used one time in 2 hours. Only valid at designated transfer points; not valid on the issuing route or return trips	May be used twice in 2 hours. May not be used for return trips	N/A	Good for 1 hour or until next bus arrives. Good for one-direction, but a stop-over and 'turn-back' option is available if marked on the transfer	N/A
Other Information	Time is stamped on card when issued by the driver	2-hour pass and Day Pass simplify the transfer process	No transfers, only Day Pass (local and universal)	Eliminated transfers Nov 2008. Replaced with Day Pass		Will launch smart card in 2012	Eliminated transfers. Replaced with Day Pass		Eliminated transfers April 2011. Replaced with Day Pass
Local To Express Service	Additional Fare	\$0.75	N/A	N/A	N/A	\$0.50	N/A	Varies	N/A
Requirements	No fare reduction is offered	Additional payment to transfer from Downtown Shuttle & Southside/Medical Shuttle to regular service	N/A	N/A	N/A	Surcharge when transferring to Express Routes 101X - 312X	N/A	Passengers must pay a premium fee when transferring to an upgraded service.	N/A
Transfers to neighboring system	N/A	N/A	No	Yes	No	Yes	No	No	Yes
Requirements	Separate Fare	N/A	N/A	Agreement with Rio Metro; can use Rail Runner tickets to board all ABQ Ride routes for free	N/A	Same fare products; regional seamless system in Pima County	N/A	N/A	Free transfers to Santa Cruz METRO
Revenue Sharing	N/A	N/A	N/A	No	N/A	Sun Tran invoices RTA \$1.50 per ride	N/A	N/A	No

## PASS TYPES

The following sections discuss passes including monthly, weekly, and daily passes as well as ticket books. Passes valid for longer than one month's duration (e.g., student semester passes, annual passes, etc.) are discussed later in this section under innovative fare policies.

### Monthly Passes

All agencies offer monthly or 31-Day passes. The cost of these passes range from \$30.00 (ABQ Ride) to \$79.00 (Denver RTD). Many agencies also offer monthly passes for express service, which range from \$50.00 to \$150.00. The FREX pass is priced significantly higher than these peer express services. Those peers with express fares charge a premium for express monthly passes equivalent to the premium charged on express cash fares. Similar to MMT, Spokane Transit Authority and GET offer a 31-day rolling pass as their monthly pass. All of the peer agencies offer discounted monthly passes to seniors and people with disabilities. Only two agencies offer a special pass for students/youth at a reduced price.

As illustrated in Figure 4-9, Sun Tran and Monterey Salinas Transit provide the deepest discounts on their monthly passes. The number of single trip fares required to pay off a monthly pass is reflected in the pass's multiplier.<sup>9</sup> Peer multipliers range from Sun Trans' 28 to MST's' 37.5.

### Weekly Passes

Four of the peer agencies offer a weekly pass. These agencies include Sun Metro, Sun Tran, Denver RTD, and MST. These agencies charge between 8 and 13.3 times the base fare for a weekly pass.

Figure 4-8 and 4-9 list the pass types, amounts and multipliers for day and monthly passes.

### Day Pass

All agencies, with the exception of MMT, offer day passes. These passes range in price from \$2 (ValleyRide and ABQ Ride) to \$8.00 (MST). Passes are structured to enable user savings at a minimum of three full-fare trip for all agencies except MST. Four-full-fare trips are needed to gain any cost savings for MST users. ValleyRide, GET and MST offer discounts on their day passes for eligible students, disabled, and the elderly. ABQ Ride is unique in the variety of day passes that are offered. Individuals can purchase one, two or three day passes. Day passes can all be purchased on board vehicles.

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<sup>9</sup>The term "multiplier" refers to the number that is multiplied by the cash fare to determine the price of a monthly pass. For example, a multiplier of 36 is currently used for MMT's \$63 31-day rolling pass with a base cash fare of \$1.75.

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**Figure 4-8 Peer Agency Pass Information**

	Mountain Metropolitan Transit (Local Service)	Spokane Transit Authority	ValleyRide	Albuquerque Ride (ABQ Ride)	El Paso Mass Transit (Sun Metro)	Tucson Transit (Sun Tran)	Golden Empire Transit	Denver Regional Transit District	Monterey Salinas Transit (MST)
<b>Passes</b>									
<b>Monthly</b>									
Adult	\$63.00 (31-day)	\$45.00 (31-day)	\$36.00	\$30.00	\$48.00	\$42.00	\$36.00 (31-Day)	\$79.00	\$75.00 (1)
Express	N/A	N/A	\$70.00	N/A	N/A	\$56.00	\$50.00	\$140.00	\$150.00
Senior/Disabled	N/A	22.50 (31-Day)	\$18.00	\$12.00	\$10.00	\$15.00	\$18.00	\$39.50	\$37.00
Student/Youth	\$17.50 (22 Ride Ticket)	\$37 Monthly Student; \$30 Youth 31-Day	\$18.00	\$12.00	\$30.00	N/A	N/A	\$39.50	\$37.00
<b>Weekly/Ten Ride, etc.</b>									
Adult	N/A	N/A	N/A	N/A	\$12.00 (\$2.50 Senior/ \$7 Student)	\$15.00 - 10 One-way Trips (\$5 Senior)	N/A	\$20.00 10-Ride (\$10 Senior/ Students)	\$40.00 (\$20 Senior/ Students)
<b>Daily</b>									
Adult	N/A	\$3.50	\$2.00	\$2.00	\$3.50	\$3.50	\$3.00	\$6.75	\$8.00
Senior/Disabled	N/A	N/A	\$1.00	N/A	N/A	N/A	\$1.50	N/A	\$4.00
Student/Youth	N/A	N/A	\$1.00	N/A	N/A	N/A	N/A	N/A	\$4.00
Multi-ride Passes	22-Ride ticket (\$35.00), Economy 22-Ride ticket (\$17.50)	N/A	3-month (\$93/46); 6-month (\$165); One Year (\$266)	Two-Day (\$4); Three-Day (\$6); Three-month (\$75/\$30 Reduced); Six-Month (\$125/\$50 Reduced); Twelve-Month (\$225/\$90 Reduced)		\$40 Aero Park Stored Value - express stored value		\$869 (ValuPass)	\$38.00 Summer Youth Pass

Data Source: Respective agency websites (2011)

Notes:

(1) Based on 31 Day Basic GoPass - valid on Primary/ Local routes

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**Figure 4-9 Monthly Pass Multiplier Rates**

	Mountain Metropolitan Transit (Local Service)	Spokane Transit Authority	ValleyRide	Albuquerque Ride (ABO Ride)	El Paso Mass Transit (Sun Metro)	Tucson Transit (Sun Tran)	Golden Empire Transit	Denver Regional Transit District	Monterey Salinas Transit (MST)
Adult Local Monthly Pass	\$63.00 (31-day)	\$45.00 (31-day)	\$36.00	\$30.00	\$48.00	\$42.00	\$36.00 (31-Day)	\$79.00	\$75.00 (1)
Multiplier	36.0	30.0	36.0	30.0	32.0	28.0	28.8	35.1	37.5
Adult Express Monthly Pass	N/A	N/A	\$70.00	N/A	N/A	\$56.00	\$50.00	\$140.00	\$150.00
Multiplier	N/A	N/A	23.3	N/A	N/A	28.0	33.3	35.0	75.0
Senior/Disabled Monthly Pass	N/A	22.50 (31-Day)	\$18.00	\$12.00	\$10.00	\$15.00	\$18.00	\$39.50	\$37.00
Multiplier	N/A	30.0	36.0	34.3	33.3	30.0	24.0	35.5	37.0
Adult Weekly / 10-Ride	N/A	N/A	N/A	N/A	\$12.00	\$15.00 (10-Ride)	N/A	\$20.00 (10-Ride)	\$40.00
Multiplier	N/A	N/A	N/A	N/A	8.0	10.0	N/A	9.0	13.0
Adult Day Pass	N/A	\$3.50	\$2.00	\$2.00	\$3.50	\$3.50	\$3.00	\$6.75	\$8.00
Multiplier	N/A	2.3	2.0	2.0	2.3	2.3	2.4	3.0	4.0
Discount Day Pass	N/A	N/A	\$1.00	N/A	N/A	N/A	\$1.50	N/A	\$4.00
Multiplier	N/A	N/A	2.0	N/A	N/A	N/A	2.0	N/A	4.0

Notes:

(1) Based on 31 Day Basic GoPass - valid on Primary and Local routes. Used \$2.00 Primary fare for multiplier

## **FARE POLICIES**

This section discusses how each peer agency addresses several different fare policies of interest to MMT. A sample of fare policies provided by the peer agencies are found in the Appendix.

### **Fare Evasion**

Fare evasion is a concern at all transit agencies although it is very difficult to quantify the percentage of fares not properly paid or the dollar amount of lost revenue. Strategies vary on how to minimize fare evasion. Sun Tran reported that fare evasion and fraud are issues for the agency, especially regarding their nonprofit pass program. According to the Sun Tran staff, individuals visit many nonprofit agencies and collect multiple passes that they then try to sell at the transit centers or on the buses. Sun Tran plans to transition to smart card technology to resolve these issues.

MST staff cite fare evasion as one of the main reasons for installing new fareboxes this year. In the past, MST used a secret shopper program in which a passenger intentionally presented the wrong fare to “test” how well drivers are performing. MST found a significant number of instances where coach operators were not verifying passes, tickets, and transfers. MST staff noted, “The driver’s role is to police the bus and ask for ID’s and they just were not doing that consistently.” Since installing smart card fareboxes in April 2011, their concerns about fare evasion have decreased significantly because smart cards are encoded with the discount. According to MST staff, fare evasion is now contained because their fareboxes only recognize valid magnetic stripe tickets. If a ticket or pass has expired or is not valid, the farebox will beep and a message is displayed notifying the operator of the invalid fare. Magnetic stripes require a minimal role for operators to determine the validity of fares. Since drivers no longer have to verify tickets, passes and transfers, fare evasion has been reduced according to staff.

While fare evasion was cited as a concern for GET, ValleyRide, Sun Metro and ABQ Ride, these agencies do not have any plans to change their current procedures which place the primary responsibility on drivers for collecting the appropriate fares. Identification is required for monthly passes for various passenger classes. “Spotters” are also placed on board on occasion to conduct spot checks to ensure proper fares have been paid. Denver RTD uses fare inspectors on light rail vehicles and buses to randomly check fares. GET estimates fare evasion through the system’s accounting department which runs fare reports on farebox information, although an actual fare evasion rate is not known. Spokane Transit Authority monitors fare evasion by assessing the share of non-revenue trips and reduced-fare trips to determine if pass sharing is taking place or fraudulent use of reduced fare is occurring. STA reports that they provide operators with flexibility in strictly enforcing short fares or requests for courtesy ride; however operators are required to record these instances using designated farebox keys.

### **Fare Increases**

MMT expressed interest in whether peer agencies have a formal policy for increasing fares and the factors considered when raising fares. There is wide variation in how the agencies address this issue. Golden Empire Transit had its last fare increase in August of 2010 when cash fares were raised from \$1.00 to \$1.25. After the price change, there was approximately a 6% decrease in ridership although it is difficult to conclude that fares were the only factor in the ridership decline. Over the past year, fare revenue has increased approximately 12.5%.

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The last fare increase for ABQ Ride was in 2002. Since it has been nearly a decade the last time there was a fare increase, ABQ Ride is investigating a potential fare increase mainly due to rising fuel prices. The agency does not have a policy or practice of regularly reviewing fares and does not have a farebox recovery goal. A recent major fare policy change occurred in 2008 with the elimination of transfers and transition to day passes.

Spokane Transit Authority’s most recent fare increase was implemented in two phases - the first phase was in January 2010 and the second phase was in January 2011 – and will continue to a third phase in January 2012. The adult cash fare increased from \$1.25 to \$1.50 in January 2011 (See Appendix). In 2010 STA experienced a 4% reduction in ridership. However, ridership has grown by 3% in 2011, even after service reductions in September 2010. STA staff believes the drop in ridership in 2010 was due more to economic factors (reduced jobs, less mobility, etc.) than to the fare change. According to one staff member, “this was validated because there was a corresponding reduction in single occupant vehicle traffic on our major arterials.”

The most recent fixed route fare restructuring for Sun Tran took place on July 1, 2011. Adult cash fares were raised from \$1.25 to \$1.50, senior fares were increased from \$0.40 to \$0.50, and ADA/Paratransit fares were increased from \$2.50 to \$3.00. Sun Tran also offers low income ADA fares which increased from \$0.80 to \$1.00. A Sun Tran staff member noted that they do not have enough compelling data or trends to conclude the ridership and revenue impact of this fare increase since they are comparing it to a period last year where they had a 7 day labor strike.

Figure 4-10 specifically addresses when, and to what scale, fare increases took place at MMT in comparison with peer transit agencies.

Figure 4-10 Recent Fare Increases

Peer Agency	Date of Fare Increase	Adult Cash (Former Fare)	Adult Cash (Current Fare)	Percentage Increase
MMT	Jan. 2009	\$1.50	\$1.75	17%
Tucson Transit (Sun Tran)	July 2011	\$1.25	\$1.50	20%
Monterey Salinas Transit (1)	April 2011	-	-	-
Denver RTD	Jan. 2011	\$2.00	\$2.25	12.5%
Spokane Transit Authority	Jan. 2011	\$1.25	\$1.50	20%
Golden Empire Transit	Aug. 2010	\$1.00	\$1.25	25%
El Paso Mass Transit (Sun Metro)	Sept. 2008	\$1.00	\$1.25	25%
Valley Ride (2)	June 2008	\$1.00	\$1.00	0%
ABQ Ride	2002	\$0.75	\$1.00	33.3%

(1) Fares were restructured to include zones, so difficult to compare to old fares. Average fare increased by 5 cents as a result of the restructure

(2) The price for a 31-day Universal Pass, which is good for all ValleyRide services, rose from \$50 from \$70.

## **Farebox Recovery Ratio Goals**

Both STA and GET have farebox recovery ratio goals of 20%. GETs 20% farebox recovery ratio goal is required by the State of California's Transportation Development Act (TDA) which sets targets for each transit agency in the State. GET has never fallen below this threshold and has local subsidies to help supplement fares in order to reach this goal. GET reviews its fare structure and policies on an annual basis, but there are no official policies with regard to regular fare price changes. The current CEO has suggested that fares should be reviewed each budget cycle. STA's farebox recovery target is set by Board policy. If the recovery ratio falls below 20%, it drives a review of the current fare structure to assess the needed fare increase judged against potential ridership impact. MST stated that they have a mandatory minimum of 15% set by the state of CA and they are currently around 30%. Denver RTD also stated that they have a minimum set by the state of Colorado, and if it's not met they have to look at fare increases and/or service adjustments. In recent years, Denver RTD has experienced positive operating surpluses, an increased farebox recovery of 23% (compared to 17% five years ago). ValleyRide, ABQ Ride, Sun Metro and Sun Tran all stated that they do not have a required or mandatory percentage for farebox recovery. Sun Tran stated that their farebox recovery ratio has been around 20% in recent years.

## **Innovative Fare Policies**

In addition to the traditional tickets and passes, peer agencies also offer several innovative fare media and special pass programs discussed below. Establishing partnerships with employers, schools, and military bases can lead to assistance with transit tax and revenue measures, increased marketing exposure, and attracting non-traditional and/or choice transit riders.

### **Employer Discount Programs**

Based on conversations with several agencies, it was found that employer discount programs and employer outreach has been an effective way of increasing pass sales and distribution channels to a large number of riders. Among the peer agencies, five of the eight have some type of employer discount or outreach program including MST, STA, Denver RTD, ABQ Ride, and ValleyRide. The level of discount and program complexity differs between programs. ABQ Ride offers a variety of discounts for bulk purchases, low-income individuals, various transportation management agencies (TMA), hospitals and college students. For volume discounts, ABQ Ride works with nearly 300 different organizations. Presently, there is no set minimum for eligibility. However, there is discussion of instituting a minimum of 10 passes per group for TMAs. ABQ Ride offer discounted passes to employers of other Transportation Management Associations (TMAs) as part of a countywide TDM program. Employees can purchase passes for \$20 through their employer. ABQ staff commented that this program is popular and widely successful. In FY 2010, 17,500 TMA passes were sold.

Spokane Transit Authority has a similar employer program that sells discounted passes to employers. The policy agreement for this program, known as the Employer Sponsored Bus Pass Program, can be found in the Appendix. Currently Spokane County and the City of Spokane are participating in this program.

Denver RTD has an EcoPass and a FlexPass program for employers. An EcoPass is a photo ID transit pass that a company can purchase for all full-time employees. It provides unlimited rides on Local, Express, and Regional bus and light rail service anywhere within RTD's fixed-route

service. The primary goals of the program are to increase ridership without loss of revenue and provide options to employers to meet their employees' transit pass needs. Eco Pass has increased employee ridership. The sales staff handles the administration of selling, pricing, issuing the passes, and processing the agreements. FlexPass is an annual pass program that can be customized to meet the needs of the employer and employees. The program's flexible nature enables employees to choose their service level, vary passes from month-to-month, and enter or leave the program at any time.

ValleyRide also offers several Special Pass Programs for employers. The Premium Pass is an employee benefit that employers can offer their employees to ease the cost and hassle of commuting. Employers purchase Premium Passes (either smart card or employee ID) for their employees through an annual contract with Valley Regional Transit. The employer has to pay \$400 for each employee who is a regular bus rider.<sup>10</sup> In return, the employer gets a Premium Pass for all employees. The passes are then given to employees as a free employee benefit. A Premium Pass is good for unlimited trips on all ValleyRide buses for the year. The thrust of the program is to reward those employees who are using public transportation and encourage other employees to give it a try. Another pass program is the Choice Pass Program, in which employees can get their bus passes delivered to their work site at a discounted rate.

### **Social Service/ Nonprofit Passes**

Two of the peer agencies, ABQ Ride and Sun Tran, offer special passes or tickets for social service purposes. ABQ Ride offers Indigent Assistance Monthly Passes, which are purchased by organizations that assist with stabilization or job placement of low-income individuals who earn 150 percent of the poverty line or less. These organizations, which typically provide social services and include food banks and homeless shelters, sell the passes for \$10. ABQ Ride delivers the passes to each location. ABQ Ride staff stated that there are no plans for phasing out the Indigent Assistance program.

Sun Tran offers discounts for social service/nonprofit agencies. The discounts vary depending on the type of pass purchased. For example, nonprofit agencies can purchase a 2-ride pass for \$1.20 versus \$3.20 full fare, a reduced stored value pass for \$5.20 versus \$15 full fare and a reduced fare monthly pass for \$15 versus \$42 full fare monthly. A \$0.20 administrative fee is included in the price of the 2-ride and stored value passes. The passes are sent to organizations via certified mail or organizations can pick up the passes at their administrative office. Sun Tran noted that there are no current plans to eliminate the nonprofit program, however no new organizations can join the program.

### **Military Passes**

Two of the peer agencies, RTD and MST, offer special fares for military personnel or special partnerships with military posts/bases.<sup>11</sup> RTD provides all active duty members of the armed forces with free transportation if they are in uniform or show active duty ID card. RTD has approved this program through December 31, 2011. Toward the end of the year the RTD Board of

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<sup>10</sup>For the first year, the number of regular bus riders at a participating workplace is determined by surveying all employees. A regular rider is an employee who commutes to work and from work via the bus at least three times a week during a typical work week. Bus ridership for the Premium Pass contract is then tracked by Valley Regional Transit during the contract year. This figure is used to determine the number of regular riders for the following year's contract.

<sup>11</sup> Sun Metro previously offered a discounted fare for military personnel; however as of January 1, 2011, the fare increased to the standard adult fare.

Directors will consider a resolution to extend the program for another year. “By extending the offer of free service, RTD is pleased to officially recognize the sacrifices our military personnel have to make every day. We hope that in some small way this helps reward their service to this country,” RTD Chairman Lee Kemp said.

Monterey Salinas Transit has partnered with military installations to help ease traffic congestion, using funds from the federal transit commuter benefit. The Department of Defense has implemented a Mass Transportation Benefit Program under Executive Order 13150 for its members. The purpose of this program is to offset commuting costs to active duty military members and DoD civilian employees, including non-appropriated fund (NAF) employees, to reduce pollution and traffic congestion, preserve the environment, and expand transportation alternatives. This program is open to all Active Duty Service Members, DoD Employees and NAF Employees who commute to work from outside of the Presidio of Monterey. As a result of this partnership, MST has received federal money and was able to create 11 new express routes providing peak hour service to local Army and Navy communities. Nearly 1,000 military personnel signed up for the program in its first months, and enrollment continues to grow. In July 2009 the partnership launched nine commuter routes carrying passengers from the Ord Military Community, La Mesa, several Monterey County cities and as far north as Gilroy and San Jose to the Presidio of Monterey and then home again. Since January 2010 a total of 12 routes have offered convenient access for passengers including direct links on weekends to local shopping centers. Boardings have jumped 330 percent since July 2009 from 8,000 to more than 25,000 per month. MST has carried over one-quarter million officers, enlisted personnel, Department of Defense contract employees, military students, instructors, faculty and staff to the Naval Postgraduate School, Presidio of Monterey and Fort Hunter Liggett. For additional information on military pass arrangements at other transit agencies, please see Chapter 6.

### **Special Passes for Elementary and High School Students**

ValleyRide has a contract with the Boise School District so that high school students can ride free with their student ID. The School District is billed monthly based on ridership. ValleyRide is also testing a Junior High School “My Ride” program giving passes to students at target schools who have limited transportation alternatives to after school activities. While Sun Tran does not have any special pass programs for elementary or high school students, they include some schools in the nonprofit program (described above). This allows these schools to purchase bulk 2-ride, stored value, and monthly passes at a discount. ABQ Ride allows middle school and high school students to purchase to purchase single-ride student fare tickets at \$0.35. And similar to MMT, MST has a Summer Youth Pass for students at \$38 for 3 months and ValleyRide offers My Ride, a three-month summer student bus pass for \$24. These passes are good for the months of June, July and August for those between the ages of 6 and 18.

### **Passes for College or University**

Six of the eight peer agencies offer special passes for local college or university students. Some agencies allow universities to purchase passes in bulk at a discounted rate, while others allow students to use their college ID to board the bus and then invoice the University for the number of rides taken. ABQ Ride allows universities, community colleges, and university hospitals to purchase passes in bulk at a deep discount and distributes the passes to students, faculty and staff for free. The University of New Mexico and Central New Mexico Community College pay ABQ Ride a fixed amount each year.

STA provides universal access to institutions that choose to participate in the organization-based Pass program (as described in the Tariff Policy in the Appendix). Currently, Eastern Washington University is the only university participating in this pass program. Sun Tran has a U-pass program at the University of Arizona (UA) which allows faculty and students to purchase, a subsidized pass. Currently Sun Tran sells a Semester and Express Semester pass to the UA. They also produce a separate semester pass for Pima Community College which is not subsidized. Sun Tran does not have a current agreement with either institution; they are invoiced for the passes they receive.

ValleyRide has a contract with Boise State University and with College of Western Idaho so that students/facility/staff can ride by simply displaying their ID. Each institution has an annual contract which charges them a monthly fee based on ridership. A sticker is put on the ID to show that it is current. Denver RTD has a similar program in which college students use their college ID with a current sticker as an RTD transit pass. Currently, over 60,000 college students at seven colleges in the metro area can use the IDs to ride RTD buses and light rail. There is an annual agreement between RTD and the college. Prices are based on boardings captured through the farebox or from student surveys. MST has a partnership with Cal State University Monterey Bay (CSUMB), in which students, faculty, and staff ride for free upon presentation of their student ID (no sticker necessary). CSUMB is getting a new magnetic stripe ID card system that will be implemented next year and will be readable by MST's new GFI fareboxes.

Presently, there are no discounts offered by GET for any group. GET staff is interested in a U-Pass and are beginning to explore this option with representatives at CSU Bakersfield and Bakersfield College. Sun Metro recently reopened the Route 70 University Express which runs to the University of Texas EL Paso and the El Paso Community College Rio Grande campus area. Students can purchase student weekly or monthly passes with a valid school ID.

**Passes for Transit Agency Employees**

Six of the peer agencies provide free system transit passes to its drivers and administrative personnel. Agency responses are depicted in the chart below.

Figure 4-11 Employee Pass Policy

Peer Agency	Employee Pass Policy
ABQ Ride	ABQ RIDE employees can ride City buses for free using their department issued badges.
Tucson Transit (Sun Tran)	Full-time Sun Tran and Sun Van employees can ride Sun Tran or Sun Express at no charge by boarding with their ID badge (currently a flash pass). The same benefit is also provided to dependents of the employee.
Spokane Transit Authority	All employees and family members receive a free pass.
ValleyRide	All ValleyRide and Valley Regional Transit employees and family ride free.
Denver RTD	RTD employees in regulation uniform or in civilian clothing who present an employee ID; employee spouses and/or dependents who present a spouse/child ID; retired employees presenting a retiree ID; and RTD Board members presenting a Board ID. All RTD IDs must have a current date sticker.
Monterey Salinas Transit	Free passes for employees, spouses, and dependents.

## **ADA Policies**

Peer agencies were asked if they have a policy where ADA riders can ride for free on local fixed-route service. Of all the peers, only MST and Denver RTD allow ADA riders to ride for free on fixed-route transit and general public dial-a-ride. An MST staff member stated that there was a rush of applications of people trying to qualify for ADA to get the free fare. He noted that fares on paratransit service are distance based and are double the local fixed route cash fare. Denver RTD said that all certified ADA riders with a valid Access-a-Ride card can ride free on fixed route service. An aide to a disabled passenger may also ride for free whether the disabled passenger is in a wheelchair or not.

## **SMART CARDS**

Among the agencies included in this peer review, all of them stated that they either have or plan to transition to smart cards. STA has recently transitioned to GFI smart card with GFI Odyssey fareboxes and ValleyRide stated that they currently have smart card capability, but at this point the cost of the card is prohibitive.

MST transitioned to smart card technology and a new fare structure in April 2011. According to MST staff, smart cards allowed their agency to structure a fare policy to best meet the needs of their ridership. While the MST staff member noted there was some initial confusion after the transition to new fare media and a new fare structure, riders quickly got used to the changes and ridership is up. One major challenge in transitioning to a smart card system is how to market and effectively distribute the new fare cards. MST provides a 10% additional value on the card to incentivize use (for example, if you load the smart card with \$50, MST gives you \$55 in transit value). They also did a lot of marketing, including creating brochures in Spanish and English, adding information on the website, and ads on the buses. MST noted that with increased use of smart cards compared to cash paying riders, there is a decrease in boarding times and improvement in on-time performance.

ABQ Ride is currently planning on conducting a pilot test of a smart card. The decision to transition to a smart card is based on a number of factors including their durability over magnetic stripe cards and reusability of the fare card itself. Additionally, it was noted that smart cards can help reduce driver error by automatically calculating and recording the appropriate fare. Finally, a smart card will likely be more convenient for passengers by reducing the number of cards needed for transit and providing the ability to autoloan funds by credit card or through a customer service agent. In addition to transitioning to smart cards, ABQ Ride is planning on adding three more ticket vending machines at each of its major transit centers.

Denver RTD is interested in transitioning to smart card technology in order to provide fare payment convenience to their passengers and to collect better trip usage data to improve pricing of the Eco Pass and College pass programs. Smart cards bring the added benefit of data collection with each use. Transit agencies can collect valuable information about fare type usage, ridership patterns, boarding locations and other important data. The level of data specificity largely rests on the usage rate of smart cards especially if riders are required to tap both on and off. Regardless, transit agencies using smart cards can effectively capture a greater amount of data with much less labor compared to paper tickets and passes.

Sun Tran also plans on transitioning to smart cards since their current fareboxes are nearly beyond their useful life. Sun Tran is now a part of a regional transit system, so they believe it is important to look at options to help with the regionalization of their community's transit options.

Sun Tran plans to launch smart card technology in 2012 all transit systems that are part of the regional system, which include Sun Tran, Sun Express, Sun Shuttle (community circulators), and the modern streetcar (to launch in 2013). For additional information on smart cards for MMT, please refer to Chapter 9.

## **PARATRANSIT OPERATIONS**

Figure 4-12 provides a comparison of paratransit operating statistics including fares and fare policies for Metro Mobility and the peer agencies. Data from peer agencies are from 2009 NTD reports; MMT data are from 2010, and projections for MMT in 2011 are also provided for reference. As shown below, the peer agencies provide a wide range of ADA service levels within their communities. As an example, ValleyRide provided approximately 23,000 annual revenue hours of ADA Paratransit service, while Denver RTD provided over 690,000. Metro Mobility ranked sixth in annual revenue hours in 2010, operating 70,336 that year. Projections indicate that Metro Mobility will increase their annual revenue hours to 72,428 in 2011. .

In terms of operating costs per revenue hour, Metro Mobility was just above the average of \$53.68 with an hourly rate of \$55.10. STA had the highest hourly costs at \$66.50 and GET had the lowest hourly cost at \$37.34. In 2011, MMT estimates that Metro Mobility's operating costs per hour rose to \$58.48. See Figure 4-13.

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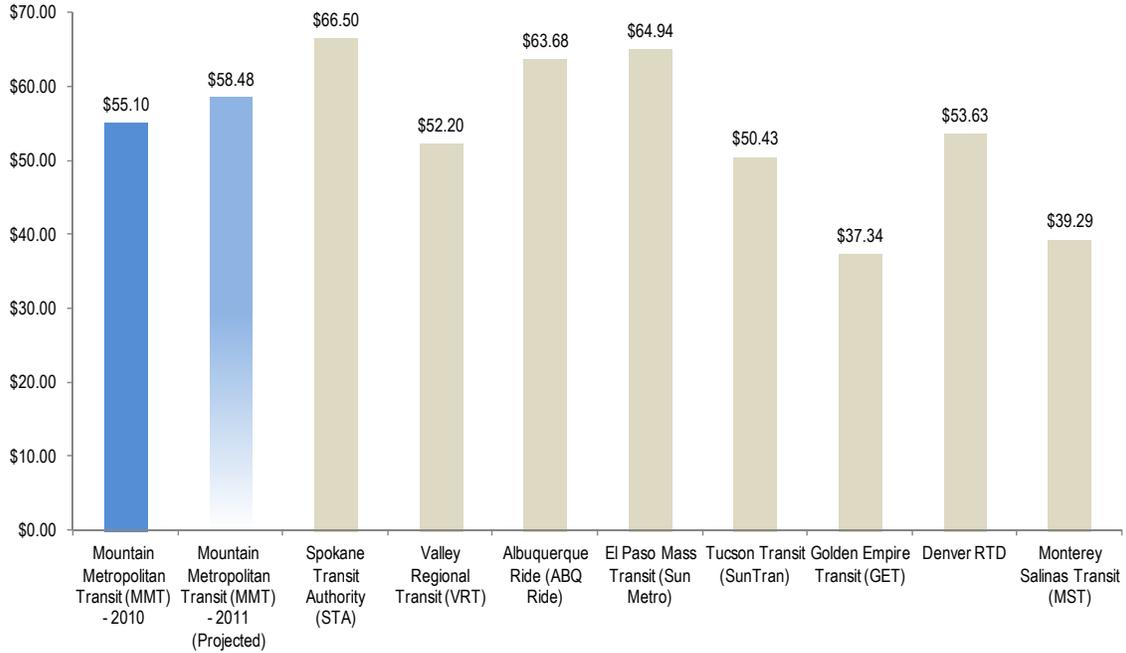
Figure 4-12 Paratransit Operating Statistics

	Mountain Metropolitan Transit (ADA Service)		Spokane Transit Authority	Valley Ride	Albuquerque Ride (ABQ Ride)	El Paso Mass Transit (Sun Metro)	Tucson Transit (Sun Tran)	Golden Empire Transit	Denver Regional Transit District	Monterey Salinas Transit (MST)
ADA /Paratransit Service	Metro Mobility - 2010	Metro Mobility - 2011 (Projected)	STA Paratransit	ACCESS	SunVan	The LIFT	Sun Van	GET-A-Lift	Access-A-Ride	RIDES
Fleet Size			121	11	63	90	121	19	402	26
Annual Operating Costs	\$3,875,225	\$4,235,844	\$11,643,613	\$1,174,639	\$6,664,714	\$7,484,013	\$12,780,489	\$1,175,466	\$37,128,022	\$2,303,660
Annual Passenger Revenue	\$445,396	\$428,372	\$206,078	\$73,922	\$372,041	\$547,300	\$560,922	\$106,174	\$2,617,311	\$453,188
Annual Ridership	141,281	157,572	521,578	39,088	197,547	244,237	468,895	63,820	1,223,751	113,829
Annual Revenue Miles	-	-	4,007,169	253,035	1,883,005	1,997,107	3,262,708	452,716	9,597,898	1,066,952
Annual Revenue Hours	70,336	72,428	175,081	22,504	104,656	115,253	253,417	31,480	692,280	58,626
Cost\Hour	\$55.10	\$58.48	\$66.50	\$52.20	\$63.68	\$64.94	\$50.43	\$37.34	\$53.63	\$39.29
Cost\Passenger	\$27.43	\$26.88	\$22.32	\$30.05	\$33.74	\$30.64	\$27.26	\$18.42	\$30.34	\$20.24
Subsidy per Passenger	\$24.28	\$24.16	\$21.93	\$28.16	\$31.85	\$28.40	\$26.06	\$16.75	\$28.20	\$16.26
Farebox Recovery Ratio	11.0%	10.1%	1.8%	6.3%	5.6%	7.3%	4.4%	9.0%	7.0%	19.7%
Passengers/Hour	2.0	2.2	3.0	1.7	1.9	2.1	1.9	2.0	1.8	1.9

Notes: All Fixed Route operating statistics are from 2009 NTD data.  
Metro Mobility figures for 2010 and 2011 (projected) were provided by MM directly.

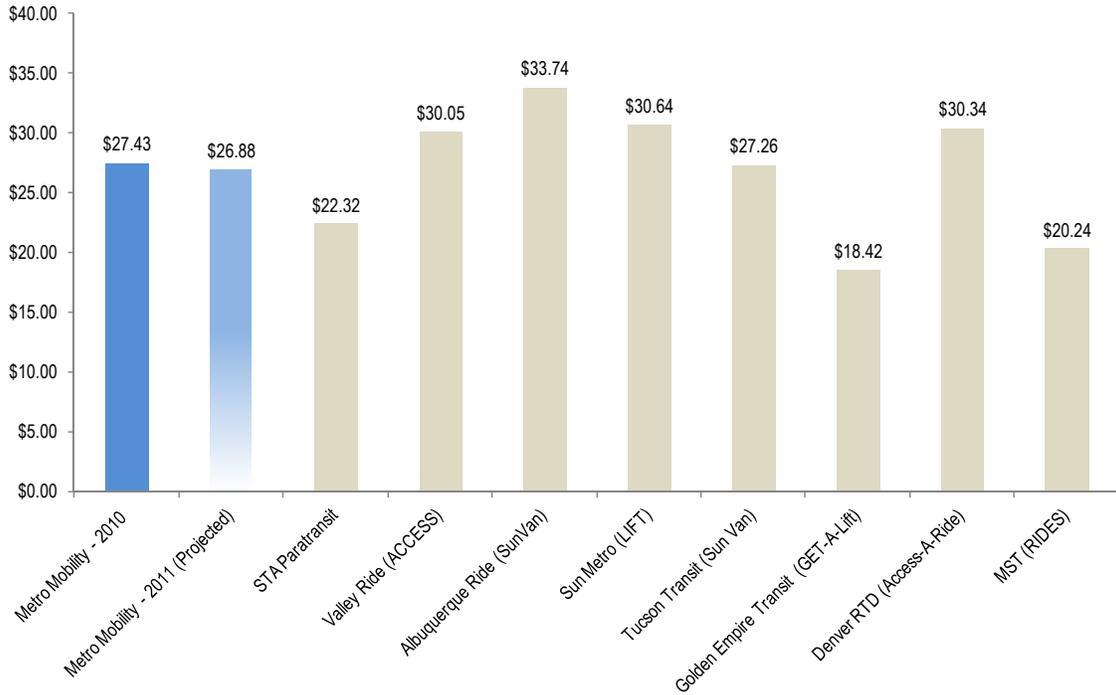
**MOUNTAIN METROPOLITAN TRANSIT FARE POLICY STUDY**  
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**Figure 4-13 Cost per Revenue Hour – Demand Response**



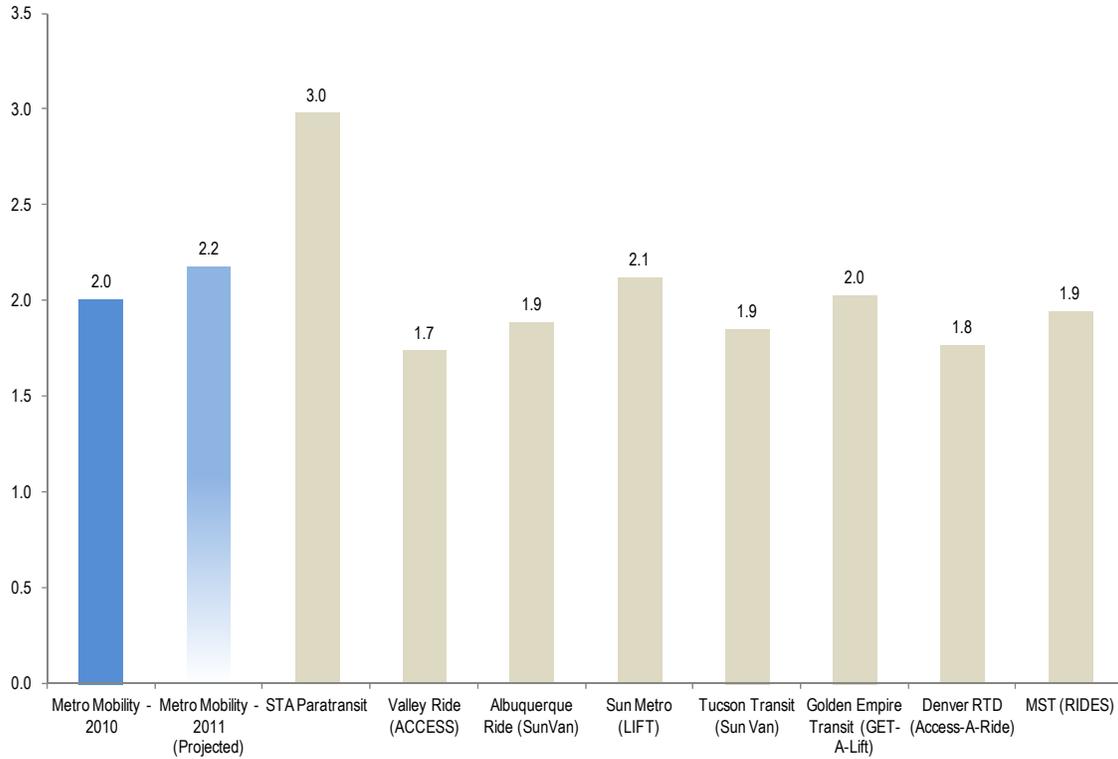
As with hourly operating costs, GET had the lowest among the peers in its cost per passenger at \$18.42. Metro Mobility had the fourth lowest operating cost per passenger at \$27.43 as shown in Figure 4-14. ABQ Ride had the highest costs per passenger at \$33.74. In 2011, Metro Mobility’s cost per passenger was projected to decrease slightly to \$26.88.

**Figure 4-14 Cost per Passenger – Demand Response**



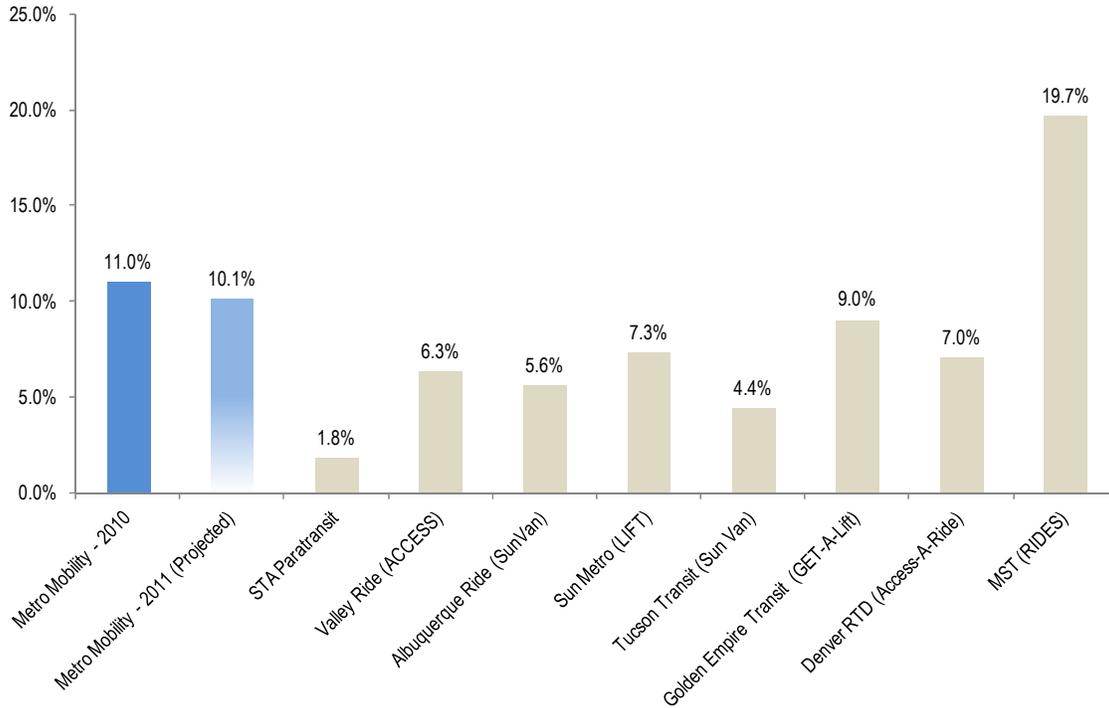
Among the peer agencies, most carried roughly the same number of passengers per revenue hour, ranging from 1.7 – 3 passengers per hour. Metro Mobility had the third highest (2.0) to Spokane Transit Authority (1st) and Sun Metro (2nd) (Figure 4-15). This level of productivity is typical in the industry for ADA services. According to MMT, Metro Mobility was expected to carry slightly more passengers per hour (2.2) in 2011.

**Figure 4-15 Passengers per Hour – Demand Response**



When examining farebox recovery ratios, there was wide variability. Metro Mobility had the second highest farebox recovery ratio of the peer agencies at 11%, while MST had the highest ratio at just under 20%. STA had by far the lowest farebox recovery ratio at 1.8%. As seen below, Metro Mobility’s farebox recovery ratio was expected to fall slightly to 10.1% in 2011. (Figure 4-16).

**Figure 4-16 Farebox Recovery – Demand Response**



Between the peer agencies, paratransit fares range between \$6.00/trip to as low as \$1.25/trip. Metro Mobility charges \$3.00 per trip which is close to the average price, as shown below in Figure 4-17. ADA allows fares to be two times the local full adult fare. The majority of the peer agencies, including ValleyRide, ABQ Ride, Sun Tran, and GET, charge this amount. It is interesting to note that only one agency – Spokane Transit Authority, charges less for paratransit riders than the local adult fare (\$1.50) which explains their extremely low farebox recovery ratio. Monterey Salinas Transit RIDES charges \$2.00 - \$6.00 based on distance, which is similar to their fixed route fare structure. Metro Mobility and GET-A-Lift offer a 10-Ride pass for riders as a convenience, with no discount provided.

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**Figure 4-17 Paratransit Fare Structure– Demand Response**

	Metro Mobility	Spokane Transit Authority (STA Paratransit)	ValleyRide (ACCESS)	Albuquerque Ride (SunVan)	Sun Metro (LIFT)	Tucson Transit (Sun Van)	Golden Empire Transit (GET- A-Lift)	Denver Regional Transit District (Access-A- Ride)	Monterey Salinas Transit (RIDES)
Paratransit Eligible - Cash Fare	\$3.00	\$1.25	\$2.00	\$2.00	\$2.50	\$3.00	\$2.50	\$4.50	\$2.00 - \$6.00 (3)
10 Ride Pass	\$30.00 (2)	N/A	N/A	N/A	N/A	N/A	\$25.00	N/A <sup>1</sup>	N/A

Data Source: Respective agency websites (2011)

(1) - There is mention of a 10-Ride ticket book for Access-A-Ride, but the website does not indicate a cost for each.

(2) Price for inside city limits. \$45.00 for outside city limits

(3) Based on mileage

## **LONG DISTANCE SERVICE OPERATORS**

As a special topic, a review of fare policies of long distance carriers was conducted, to provide valuable information to MMT about high quality express long distance commuter service similar to Front Range Express (FREX). FREX is a commuter bus service that has been operating between Colorado Springs and Denver since October 2004. This service is a popular alternative to driving along this congested corridor, with strong ridership and high customer satisfaction. It is the first and only public transit connection between the Pikes Peak Region and the Denver Metro Area, the two largest employment markets in Colorado.

This section presents the results of a peer review of similar commute services elsewhere in the United States. The primary objective of the review is to compare and contrast characteristics between agencies and to understand their fare structure and policies. This information provides a good benchmark for MMT, to assist in its fare restructuring for FREX and development of fare policies.

The fare structure and policies for similar operators were reviewed at the following six transit agencies:

- Clear Air Express – service from Lompoc and Santa Maria to Santa Barbara and Goleta, California
- San Joaquin Regional Transit District - interregional bus commuter service to Sacramento, Tracy, Livermore, Dublin and the Bay Area
- MAX BART Express – service from Modesto to Dublin/Pleasanton
- Antelope Valley Transit Authority (AVTA) - service from the Antelope Valley to Los Angeles, California
- Denver Regional Transit District – service from Longmont to Denver, Colorado
- Monterey Salinas Transit – service extends as far south as Paso Robles and Big Sur and as far north as Watsonville and San Jose.

Some agencies provide both long distance commuter and local service. This peer review specifically examines commute services only. Comprehensive data on operating characteristics was gathered to compare services, performance, and costs. Most peer agencies provide similar services to FREX, with a few commute routes serving similar distances.

Figure 4-18 shows a comparison of the fares for the long distance carriers. Cash fares range from \$5.00 (Denver RTD Regional Fare and FREX Monument to Colorado Springs) to \$16.00 (AVTA). All agencies offer a monthly pass and/or multi-ride tickets. AVTA and FREX both offer discounts to senior/disabled riders (FREX offers this discount during non-peak hours only). FREX is the only agency to offer 20 and 40-Ride passes; other agencies offer unlimited monthly passes.

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**Figure 4-18 Fixed Route Fare Structure for Commuter Long-Distance Bus Services**

	FREX	Clean Air Express	San Joaquin RTD	MAX BART Express	AVTA	Denver RTD	Monterey Salinas Transit
	Colorado Springs, CO	Santa Barbara, CA	San Joaquin, CA	Modesto, CA	Antelope Valley, CA	Denver, CO	Monterey, CA
Cash	\$5.00 - \$11.00	\$7.00	\$14.00	\$14.00	\$14.00 - \$16.00	\$5.00	\$10.00
Monthly Pass	N/A	\$150	\$134 - \$155	\$160	\$249 - \$310	\$176	\$150
					\$282 - \$326 EZ Pass (all MTA)		
<b>Tickets</b>							
10-Ride	\$45 - \$99	\$50	N/A	N/A	\$71 - \$88.50	\$45	N/A
20-Ride	\$85 - \$187	N/A	N/A	N/A	N/A	N/A	N/A
40-Ride	\$150 - \$330	N/A	N/A	N/A	N/A	N/A	N/A
Other	Cash fare for seniors (60+), children (6-11), students (12-18), & Medicare/disabled during non-peak hours (9:00am - 3:15pm) is 50% of the one-way cash fare.				Senior/Disabled 50% discount. EZ transit pass allows you to use more than one transit system without having to purchase additional tickets or transfers.	ValuPass: \$1,936	

The multiplier on monthly passes ranges from 10 up to 35 as shown in Figure 4-19 below. The multiplier is the number that is multiplied by the cash fare to determine the price of the monthly pass.

**Figure 4-19 Multiplier on Monthly Pass**

<b>Multiplier on Monthly Pass</b>	
FREX	N/A
Clean Air Express	21
San Joaquin RTD	10-11
MAX BART Express	11
AVTA	19
Denver RTD	35
MST	15

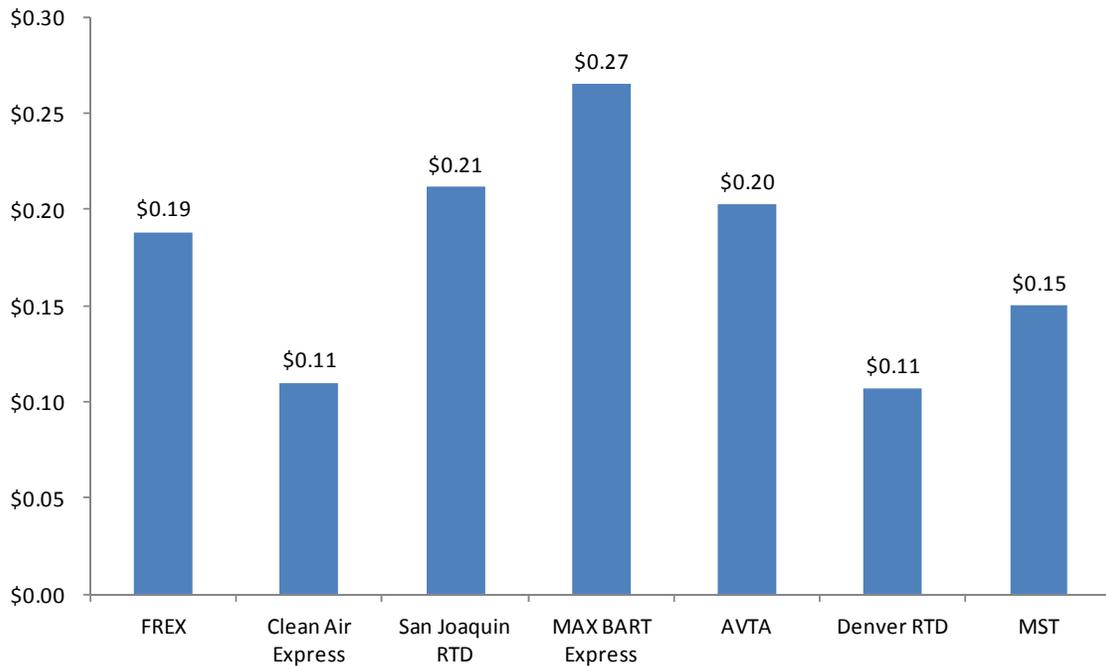
## Fare per Mile

Figure 4-20 compares the approximate fare per mile for each peer agency including FREX based on the full length of the route. Cash fares range from \$0.09 to \$0.27 per mile. The average fare per mile was about \$0.17.

Figure 4-20 Fare per Mile

Agency	Trip/Route	Distance (miles)	Fare (one way)	Fare per Mile
FREX	Colorado Springs / Denver	70	\$11.00	\$0.16
	Monument / Colorado Springs	19	\$5.00	\$0.26
	Monument / Denver	50	\$7.25	\$0.15
Clean Air Express	Lompoc / Goleta	61.2	\$7.00	\$0.11
	Lompoc / Santa Barbara	55.7	\$7.00	\$0.13
	Santa Maria / Goleta	79.5	\$7.00	\$0.09
	Santa Maria / Santa Barbara	64.2	\$7.00	\$0.11
San Joaquin RTD	154 / Manteca	73	\$14.00	\$0.19
	160 / Tracy	62	\$14.00	\$0.23
	163 / Lodi	91	\$14.00	\$0.15
	171 / Tracy	51	\$14.00	\$0.27
MAX BART Express	MAX / BART	52.8	\$14.00	\$0.27
AVTA	785 Los Angeles	74.7	\$14.00	\$0.19
	786 West Los Angeles	72.6	\$16.00	\$0.22
	787 San Fernando Valley	70	\$14.00	\$0.20
Denver RTD	Longmont / Denver	46.8	\$5.00	\$0.11
Monterey Salinas Transit	55 Monterey / San Jose Express	76.6	\$10.00	\$0.13
	79 Presidio / San Jose Express via Gilroy	78.2	\$10.00	\$0.13
	82 Salinas / Ft. Hunter Liggett Express	71.3	\$10.00	\$0.14
	83 Ft. Hunter Liggett / Paso Robles Express	49.8	\$10.00	\$0.20

Figure 4-21 Average Fare per Mile



## Refund Policies

Refunds are generally not accepted on high priced tickets for long distance service operators. Denver RTD is the only agency that accepts full refunds on their ValuPass. The ValuPass is a series of 12 consecutive monthly passes available for advance purchase rather than month-by-month. Each pass arrives by mail and saves the rider over 8% compared to the cost of individually purchased monthly passes. Passengers can get a full refund for any unused passes of the ValuPass before the first of the month (after the first of the month, there is a no-refund policy). The passes are also transferable to other passengers. The Clean Air Express has a no-refund policy that is printed on the back of their pass. The City of Santa Maria has the authority to give refunds on a case-by-case basis. San Joaquin RTD prints their no-refund or transfer policy on an information guide that is given to users when they purchase their first pass. San Joaquin RTD stated that they do occasionally consider refund requests for extenuating circumstances (such as loss of job or death), but only when these claims are presented early in the month of the pass. MAX BART Express' policy is printed on the back of the monthly pass, explaining that it is not refundable and non-transferable. AVTA does not offer refunds on the 10-Ride Pass, since it does not expire. The AVTA weekly pass loses value at a rate of \$1/month after 18 months elapse with no use.

## Metro Ride Vanpool Program

MMT offers a Metro Ride Vanpool program for groups of commuters who live and work near each other. Groups of 6 to 12 passengers share a ride in a mini-van or full-size van and pay a monthly fee based on the mileage and the number of passengers in the van. The program provides the van, maintenance and repairs, insurance, fuel, and emergency ride home.

Metro Ride’s Vanpool program currently charges \$0.36 per mile. The daily round trip mileage per vehicle ranges from 50 miles to 180 miles. The rate per mile is significantly higher than FREX commuter service, which charges between \$0.13 and \$0.19 per mile for travel between Colorado Springs, Denver, and Monument. The figure below compares the fare per mile between FREX service and the Metro Ride Vanpool program.

Figure 4-22 Average Fare per Mile – FREX and Metro Rides Vanpool

	Distance (miles)	Fare per Mile
FREX - Colorado Springs / Denver	70	\$0.16
FREX - Monument / Colorado Springs	19	\$0.26
FREX - Monument / Denver	50	\$0.15
Metro Rides Vanpool	50-180	\$0.36

## CONCLUSIONS

This peer review examined a broad range of agencies and their experiences with fare structure and policy. Based on their information and lessons learned, we can draw some conclusions about MMT’s fares which provides valuable input into developing strategies for new or modified fares and fare policies.



### Fixed Route Service

- MMT’s base adult fare of \$1.75 is second highest among its peers; Denver RTD is the only agency with a higher fare at \$2.25. MMT’s operating costs are the second lowest among its peers. In 2009, MMT had the third highest operating cost per revenue hour at \$101.59 and the highest operating cost per passenger at \$5.66. However, 2011 projections estimate that MMT became much more competitive with its peers in regard to these two factors.
- MMT’s 2009 farebox recovery ratio was average among its peers at 19.9%, but was expected to climb to the second-highest spot in 2011 (26.1% for combined local and express service).
- The average base fare monthly pass multiplier for peer agencies is approximately 33, MMT’s is 36.
- Six agencies offer monthly student or youth pass ranging from a low of \$12.00 (ABQ Ride) to a high of \$39.50 (RTD).
- Several agencies, including ValleyRide, ABQ Ride, GET, and MST no longer offer transfers, but instead offer day passes for roughly two times the adult cash fare.
- There is a cautious move toward smart cards with both MST and STA committed to smart cards and others considering smart cards in the near future.

- Both ABQ Ride and Denver RTD have implemented extensive employer outreach programs. MST and Denver RTD also offer special passes and/or discounts to military personnel.
- Most agencies do not have formal policies about when to increase fares.

## **ADA/Paratransit Service**

- The majority of the peer agencies, including ValleyRide, ABQ Ride, Sun Tran, and GET, charge the full twice-the-base fare as allowed by ADA. Metro Mobility charges \$3.00, which is less than two times the local full adult fare (\$3.50).
- Metro Mobility ranked sixth in annual revenue hours of ADA Paratransit service, operating 70,336 hours in FY 2010. ValleyRide provided approximately 23,000 annual revenue hours of ADA Paratransit service, while Denver RTD provided over 690,000. In 2011, Metro Mobility's annual revenue hours were expected to increase to 72,428.
- In 2010, Metro Mobility's demand response service costs were slightly above the peer averages for both cost per passenger (\$27.43, average = \$26.14) and cost per revenue hour (\$55.10, average = \$53.25).
- Of all the peers, only MST and Denver RTD allow ADA riders to ride for free on fixed-route transit and general public dial-a-ride.
- In 2010, Metro Mobility had the second highest farebox recovery ratio, at 11%. In 2011, it dropped slightly, to 10%. STA had by far the lowest farebox recovery ratio at 1.8%, whereas MST had the highest at roughly 20%.
- MMT carried 2.0 passengers per hour in 2010, which is about the average productivity among the peers (average = 2.1 passengers per hour). In 2011, Metro Mobility was estimated to carry 2.2 passengers per hour, slightly more than average.

## **Long Distance Express Service**

- Fares for commuter services range from \$5.00 (Denver RTD Regional Fare and FREX Monument to Colorado Springs) to \$16.00 (AVTA). FREX's fares range from \$5.00 - \$11.00. Overall, FREX has a somewhat lower average fare per passenger compared to other commute services.
- All of the long distance carriers, except FREX, sell monthly passes. FREX is the only agency to offer 20 and 40-Ride passes.
- Most of the agencies have separate fares for express service and three of the agencies offer transfers with additional payment when transferring from express to local service.
- AVTA and FREX both offer discounts to senior/disabled riders (FREX offers this discount during non-peak hours only).
- FREX's fare per mile range from \$0.15 - \$0.26 per mile (average = \$0.19 per mile). FREX appears to be providing cost-effective service.
- The Metro Rides Vanpool program charges \$0.36 per mile.

Refunds are generally not accepted on high priced tickets for long distance service operators. Denver RTD is the only agency that accepts full refunds on their ValuPass.

## 5 STAKEHOLDER OUTREACH

The identification of key stakeholder and community member insights and opinions of fare policy and practice is an important element of this study. One-on-one interviews were used to solicit input from the MMT staff, management and operators as well from members of the community. The stakeholder interviews identified important issues for the family of services provided by MMT and will be incorporated into the development of fare options, policies and strategies. They also provide insight and historical perspective that could not be gleaned from written reports or other background material. Individual and small group discussions with operators captured their concerns with the current fare system. This chapter presents the major issues and common themes that emerged from these interviews. The first section highlights feedback from interviews with community members and MMT staff and management and the second section summarizes themes from operators on the family of services provided by MMT.

### STAKEHOLDER INTERVIEWS

The consultant team developed a questionnaire with open-ended questions to help focus stakeholder interviews. The questionnaire along with a list of the stakeholders interviewed for this study is found in Appendix A. Even though the interviews followed a general guide, the format enabled stakeholders an opportunity to discuss their concerns in open-ended conversational style.

The major themes and issues that emerged from the stakeholder interviews are discussed below. These themes also mirror the issues raised by the operators. Each stakeholder provided further details on one or more issues based on their area of expertise and/or personal experiences. They are presented in the following sections.

### Major Strengths and Weaknesses

All stakeholders were asked to identify what they felt were the major strengths and weakness of the current fare system. Three major themes emerged from the stakeholder responses. The themes and an overview of each follow and are presented in greater detail throughout this chapter. Figure 5-1 presents a sample of comments from each category representing a cross section of stakeholders.

### Fare Structure and Pricing

Overall, stakeholders were positive about the current fare structure and pricing. Stakeholders stated that the discount levels were fair, fares are appropriately priced, and the fare structure is simple.

**Farebox Technology**

Many stakeholders noted farebox technology as one of the main strengths of the current MMT fare system. However, while many stakeholders acknowledged their appreciation for the new fareboxes and ticket vending machines, there was an overriding feeling that the new technology is not being fully utilized. Stakeholders identified the need for enhancing technology to continue to move towards smart cards and fully utilize new farebox capability.

**Passes**

Stakeholders generally view the current pass offerings favorably. Several stakeholders commented that the Summer Haul Pass is a positive addition to the pre-paid fare media, but should be further advertised and promoted to be made more widely known. Other stakeholders commented that the 31-Day pass is both a strength and weakness; while MMT does not offer a discounted monthly pass, the 31-Day pass and the “Discount” 22-Ride ticket allows users more flexibility than a pass limited to a specific month. Many stakeholders expressed interest in introducing a day pass.

**General Comments**

There were some interesting observations about the current fare structure, which are described at the end of Figure 5-1.

**Figure 5-1 Sample Comments on Strengths and Weaknesses of Existing Transit Services**

Category	Strengths	Weaknesses
Fare Structure and Pricing	<p>Services are affordable and appropriately priced</p> <p>Fairly low cost system and discounts are offered to seniors and youth</p> <p>Fare structure is simple, used to have 42 fare media in the past (8 years ago)</p> <p>Fares are set up in systematic way – discount levels are easy for people to understand</p> <p>Current fare structure – we are rocking and rolling – been around for 33 years</p> <p>Expected 3.4 million yearly revenue – good return</p> <p>Elasticity study years ago when fares went up – seemed to work</p>	<p>Fares should be a round number; for example \$0.75 or \$1.00 instead of \$0.85</p> <p>A lot of people pay cash and it slows things down</p> <p>Need a better fare system for daily riders, seniors, and students</p> <p>The fare and currency requirements should be posted outside the door</p> <p>Fares are too high – not attractive enough to encourage people to use it</p> <p>Price not reflective of service – service was cut, but fares did not drop</p> <p>Don't have a good policy of how to price everything</p>

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Category	Strengths	Weaknesses
Farebox Technology	<p>MMT has the “Cadillac” of fare boxes (Odyssey) in each vehicle</p> <p>Will be adding new GFI equipment and upgraded farebox and system software</p> <p>Have a brand new TVM from GFI – this will be the only one that can use smart cards</p> <p>Fareboxes now have the capability to read smart cards – all the programming is there</p>	<p>We have all bells/whistles, but not utilizing full farebox capability</p> <p>We do not have machines to sell uploads; can’t use smart cards until we have enough machines</p> <p>Mobility has old fashioned fareboxes – trying to get GFI fareboxes on paratransit buses</p> <p>Our contractors empty farebox every night</p> <p>Need to improve data from fare system. Currently use manual buttons on farebox to track students</p>
Passes	<p>31-Day pass provide people with more flexibility than a traditional monthly pass</p> <p>No waste for printing passes because 31-Day pass can be reused. It is the only pass that can be read through a magnetic reader</p> <p>Summer Haul Pass is awesome!</p>	<p>Discounted passes can slow drivers down because they have to regulate who is using the card</p> <p>Could advertise the Summer Haul Pass more</p> <p>Monthly economy pass is not available (\$31). Only have a 22 punch card now (\$17.50)</p> <p>Single-day/ride passes not available</p>
General Comments	<p>Farebox recovery is comparatively high and lower usage routes have been eliminated</p> <p>Transfer system is fair and reasonable</p>	<p>Card stock problems– will be resolved by using another vendor</p> <p>Lots of ticket sales at Safeway, but no formal agreement or policy. They do not buy at a discounted rate and they do not have good inventory</p> <p>Regulating card use and enforcement is not consistent</p> <p>Requests for ticket returns/refunds/exchanges – creates problems in the last 5 years</p> <p>Need better headways to encourage choice riders</p> <p>In order to attract more companies and jobs to El Paso County and keep the ones that we have, we must maintain a strong transit system that is flexible enough to meet the changing needs of the community.</p>

## Transfers

The majority of stakeholders observed that because MMT has an expansive service area, transfers are frequently needed to complete a trip and riders should not be “punished” for having to make a transfer. Several respondents said that they have not heard of any operational issues regarding transfers and the transfer policy should be kept as is. However, other stakeholders noted that “transfers are exchanged illegally” and acknowledged problems associated with transfers, although there was no consensus on the best strategy for dealing with them.

Transfer abuse is minimized by having the farebox check the issuing route and time encoded on the transfer card. Fareboxes will not accept transfers for return trips (i.e. trips in the opposite direction on the same route). Many stakeholders stated they would be in favor of eliminating transfers and introducing a day pass to provide an unlimited number of rides per day. If day

passes are appropriately priced, then it could be a viable alternative to transfers according to many stakeholders. Other stakeholders noted that “once MMT transitions to smart cards, the problems with transfers will be taken care of.” Another stakeholder echoed this sentiment and said he was in favor of doing away with the current transfer system and upgrading it with new smart card technology. He stated, “I used paper transfers a lot when I was younger. With today’s technology there has to be a better way.”

Another related issue mentioned by a few stakeholders was transferring between FREX and local fixed route service. One stakeholder emphasized that there should be free transfers from FREX to local service. The cost of transferring from FREX to a local bus is source of rider confusion and/or complaints.

*“I don’t think transfers should go away. The principle is that you are paying for a trip and a trip can take 2 buses. I have not heard of any operational problems with transfers.”*

## **New Fare Media**

The most frequently cited fare instrument that stakeholders thought passengers would welcome are discounted monthly and day passes. As previously mentioned, many stakeholders reported that visitors and other occasional riders are interested in purchasing day passes for unlimited use for a 24 hour period. They said that passengers who are not regular riders but need to travel to several places in one day would find a day pass very convenient. A day pass would also help reduce some of the concerns with transfers. One stakeholder suggested, “Single day passes should be available. This will help make the bus more economical for low income riders, reduce boarding time, and stop some of the short change riders.” Day passes could provide riders with more flexibility because they do not need to worry about the restrictions of transfers or hassle with paying a fare for their return trip. A \$4.00 price (\$2.00 economy) was mentioned as “fair” for a day pass.

Stakeholders were asked if MMT should offer special passes for seniors and how should it be priced. Currently, MMT offers a cash discount to seniors and students (\$0.85) and Special (Economy) 22-Ride Ticket (\$17.50). The majority of stakeholders felt that it is a good idea to offer senior discounts to encourage ridership. Several stakeholders suggested that college students should also be eligible for discounted fare media. When asked about how to price a discounted monthly pass, the most common responses were between \$30 and \$35; roughly half as much as an adult monthly pass. Stakeholders commented that a discounted monthly pass would be convenient for seniors and students, provided it was priced “right.”

Several stakeholders raised concerns about the operators’ ability to enforce proper use of any new discounted fare media. A few stakeholders noted that they did not think it was necessary to introduce a new discounted pass. Interestingly, in October 2011, this pass was renamed as a Special Ticket. Several stakeholders emphasized that if new fare instruments are introduced, such as a discounted monthly pass for seniors/students or day pass, the 22-Rideticket should still be maintained.

## **Employee Discounts**

Stakeholders were asked if special transit passes should be offered to MMT staff. The current policy, as described in Chapter 2, states that all city employees receive a discount on transit passes (\$20.00 discount for all passes greater than \$40.00 and ½ off all passes less than \$40.00).

Response to this question was mixed. Many stakeholders who work for MMT felt that they should receive free passes as part of a citywide benefit. Several stakeholders stated since they work for a transit agency, they should be able to ride the bus for free to see what's going on the bus and also encourage choice riders. According to one stakeholder, "MMT staff should ride the system to experience what riders do." They feel that city employees who ride the bus set a good example. However, the majority of citizen stakeholders felt that MMT staff should not receive special treatment and they should be required to pay the same fare that the general public pays. One MMT staff member noted, "no employee really rides the bus, so it's a non-issue."

*"MMT staff should ride the system to experience what riders do." It should be noted that MMT's contracted drivers do not have free ride privileges on MMT.*

## **Fare Collection Equipment**

Multiple stakeholders commented on the newly upgrade fare collection equipment. One stakeholder said, "MMT has the Cadillac of fareboxes in each vehicle" referring to the Odyssey farebox. The Odyssey is supported by a new GFI data system which is capable of processing all magnetic and smart card fares. Another stakeholder noted that "we have all bells and whistles, but we are not fully utilizing full farebox capabilities."

Several stakeholders said they would like to see more ticket vending machines (TVMs) and the ability to purchase passes online. One stakeholder noted that the current TVMs "do not give out change and they do not produce meaningful reports." However, the stakeholder added that MMT just purchased a new TVM to replace the old one in the downtown terminal, which will give out change and help improve reporting. There are also plans to purchase second TVM. Overall, stakeholders felt that their current farebox equipment works well, but there is always room for growth and improvement. One stakeholder stated: "I believe there could be more technology efficiencies that could be instituted, but in the current budgetary climate I believe what is being used is efficient."

*"As new technology comes available, MMT must evaluate what is new and upgrade if there is a positive Return on investment (ROI)."*

## **Support for Smart Cards**

When discussing the newly upgraded farebox equipment, many stakeholders commented that the new TVMs have smart card technology and many of the current problems will be resolved once MMT transitions to smart cards. Of the stakeholders who were familiar with this new technology, they were generally in favor of a transition to smart cards. They see this technology as addressing a number of the previously raised concerns with MMT's fare structure such as fare evasion and transfers. Overall, stakeholders want to see the new fareboxes used to their fullest capabilities. According to one stakeholder, "Smart cards are where we ultimately want to go."

Stakeholders cited the following benefits with SMART Cards:

- Reduces operator/rider conflict by providing an objective validation of a rider's fare instrument;
- Eliminates the need to handle transfer slips;
- Reduced injuries from the handling of cash boxes;

- Reduces fare evasion by negating the re-use of fare instruments (i.e. the passing of a pass out the window or to the person behind them in line); and
- Better data collection
  - Use of discounted fares
  - More accurate employer/student ridership counts

Stakeholders recognized that the development of such a new system raises a number of concerns that will require a well thought-out implementation plan and extensive driver training. They also acknowledged that it will take some time and effort to make all the riders comfortable with a change to smart cards and that they will need to be available for purchase throughout the community.

## **Fare Evasion**

Opinions differ on how much of a problem fare evasion is for MMT. Some stakeholders think it is a major issue, while others do not. It was noted that fare evasion has not been quantified so the extent of fare evasion is not known. Anecdotal information suggests that fare evasion isn't as big an issue as some may perceive it to be.

Transfers and discounted fares were given as a main reason for fare evasion. A number of stakeholders cited handing transfers outside the window and improper credentials for discounted fares as the key issues. A concern raised by a few stakeholders is what they called "fare leakage". It is not necessarily fare evasion but it addresses revenue loss and refers to the misuse of discounted passes. According to one stakeholder, "A lot of people try to pretend they are eligible for the economy ride, and they are not. Drivers have to guess the age. Many young people buy a Summer Hall Pass and older people use it." There is a particular concern for operators who are the sole enforcement agents and have to deal with misuse of fare instruments on a daily basis. One stakeholder noted that "operators often see a need to balance the checking of IDs with maintenance of their schedule." A number of riders forget or refuse to show the proper credentials when boarding, increasing boarding times and/or increasing operator/rider conflicts.

Another stakeholder noted there was some fare evasion with the Yellow Card, which allows ADA paratransit users to ride MMT local service for free. Yellow Cards do not contain a photo – they only list a name, so there is room for fraudulent use. Drivers are supposed to ask to check ID, but oftentimes they do not. To address this issue, one stakeholder suggested making sure the ADA screening process is more restrictive so only those who qualify for a Yellow Card are able to obtain it.

Several stakeholders feel that if passengers were issued a consistent and easy to verify photo ID's it would help operators verify that the appropriate riders are using discounted media. Some stakeholders feel that fare inspectors may help limit any losses from fare evasion and/or provide a deterrent to riders thinking about evading fares in the future, especially if MMT is able to fine violators.

## **Pricing**

Most stakeholders believe that a fare increase is not warranted at this time, since many commented that it may negatively impact ridership and will be "hard to justify" given the recent service reductions and fare increases over the last five years. At the same time many stakeholders acknowledged the need to achieve a "high" farebox recovery ratio. Ensuring that the MMT fare

structure is “in line” and comparable with other transit operators was expressed as an important consideration by many stakeholders. Other high priority considerations when setting fares is how will it impact ridership especially because many riders rely on the service as their only form of mobility. One stakeholder said she doesn’t want a fare increase to “drive away riders” and wants to be sure a fare increase is reasonable and not too burdensome on the largely transit dependent MMT ridership.

However, other stakeholders noted that it may be helpful to round up the cash fare to the nearest dollar in order to reduce issues with having correct change or requesting change back. For example, the \$1.75 adult cash fare could be rounded to \$2.00 and the \$0.85 economy fare could be rounded to \$1.00. This would address the need to handle odd amounts while boarding the bus.

Most stakeholders did not support automatic regular fare increases. Stakeholders said that fare revenues should be routinely monitored and an increase should be considered only if the service is not meeting its targeted farebox recovery ratio. One person noted that small incremental increases are favored over large infrequent ones. Also, a few stakeholders noted that fare increases need to be justified and explained to the public why they are needed. Several stakeholders emphasized that it is important to regularly review fares and to consider modest increases to keep pace with inflation.

## **ADA Fare**

Stakeholders were asked if they thought that ADA fares should be increased to the maximum allowable amount under the federal regulations which is two times the adult cash fare. Current ADA fare is \$3.00, whereas two times the adult cash fare would make it \$3.50. The responses to this question were mixed; the majority of MMT staff stakeholders were in favor of a fare increase, while all of the citizen stakeholders were not.

The stakeholders who were in favor of increasing the Metro Mobility fare to \$3.50 said it is necessary because paratransit is “such an expensive service.” One stakeholder noted that he would be OK with a two-step process for a fare increase. He mentioned that a survey on fares for Metro Mobility was recently completed and the results are forthcoming at the end of October.

Other stakeholders who oppose an ADA fare increase stated that prices are already too high for the financially strapped ADA riders. One stakeholder noted that, “although it costs more to transport ADA riders, I feel that this cost should be absorbed through the overall budget.” Many stakeholders noted that ADA riders are mainly low income and have very tight budgets. One stakeholder commented that “if you don’t raise fares on fixed route and do on Metro, there will be a huge outcry. People think the City is trying to get money off the backs of people who have the least money.” Many of the citizens who were interviewed had very strong opinions about not increasing ADA fares.

A few stakeholders felt that ADA riders should be required to pay the economy fare (\$0.85) to ride fixed route transit. Currently ADA eligible riders are entitled to ride for free on MMT. One stakeholder noted that because of this free ride policy, “a lot of transients are coming in and trying to qualify for ADA service.” The stakeholder feels that this results in revenue loss for MMT.

*“Riders that use ADA are usually financially strapped. Although it costs more to transport ADA riders, I feel that this cost should be absorbed through the overall budget.”*

*“Right now ADA fares are \$3.00 – double would be \$3.50. I think it is already too high. I am looking at the end user issue.”*

## **Promotions and Special Passes**

Stakeholders were asked to share their views on incentives to increase transit ridership through promotions, pass programs, and advertising. All of the stakeholders felt this was a good idea and more could be done to encourage choice riders to use transit. Many stakeholders expressed that special promotions should be targeted towards young riders and students to “get them hooked on riding the bus” and attract “the next generation to understand the value of transit.” According to one stakeholder, “Promotions for teaching young people how to ride and will pay off long term. We need to move toward a paradigm shift.”

Some innovative ideas and incentives include:

- Providing a discounted pass for high school and college students
- Having field trips on city buses to “demystify bus riding”
- Working with safe routes to school coordinator to encourage/educate kids about benefits of using the bus
- Downtown Partnerships to encourage choice riders to use transit
- Special programs with major employers to encourage commuters to use transit
- Increase advertising of the Summer Haul Pass program
- Park-n-ride to county and state fairs and to major league sporting events (such as Denver Bronco games)
- Promote transit for local sporting events and concerts to build awareness about the bus system
- Promote access to regional attractions
- Discounted fares for colleges and the military
- Increase advertising at military bases like Fort Mason and Schriever Air Force Base

*“Look for ways to tie the use of transit to other activities, such as shopping downtown or attendance at sporting events. Employers should be able to purchase discounted bus passes for employees. But system needs to be more robust – this will be good for everybody.”*

## **OPERATORS MEETINGS**

Operator interviews provide extremely valuable information about the fare structure and fare policy from their perspective as front line personnel and their experiences dealing with customers on a day-to-day basis. The consultant team developed a short survey with open-ended questions to help focus operator interviews. The questions are found in the Appendix. Informal interviews were conducted on-site at the transit center on September 21 and 22nd, 2011 with operators and dispatchers for the fixed-route service and Metro Mobility. While the interviews followed a general guideline, they often evolved into an open-ended discussion with in-depth explanations of specific challenges faced in the field on a daily basis. Operators were encouraged to offer their opinions about the current fare structure, and suggest ideas for improving fare collection. Many operators were very interested in this study and readily offered their comments. The major themes are summarized below.

## **Fixed Route Service**

### **Communication of Policies/Procedures**

Many operators felt there were problems with the public and other drivers not fully understanding the policies. According to dispatchers, the official policy is that if a rider does not have full fare, then they don't get to ride. Several mentioned wanting this policy posted on the bus so passengers can read and understand it is the official policy. Operators feel it puts them in danger by having to be on the front line and to explain the policy to irate riders and having to enforce the policy. There is no consensus among operators on how this policy should be handled. Some operators want a strict policy backed by the City with no exceptions while others prefer to be allowed some discretion in the matter. Based on the interviews it appears this is no uniform way this is handled with operators dealing with fares in the following methods:

- Operators enforce the policy to the fullest
- Operators occasionally make exceptions for riders that almost have the full fare or are daily riders that normally have the full fare
- Allow riders on board if they have a "short fare" if they are not trying to scam the system
- Operators feel it isn't their job to enforce the policy when their safety may be at risk if they confront a rider

Most operators agree that this lack of consistency creates problems with the fare structure. Passengers are unaware of the official policy and some to become irate when operators insist on collecting the full fare. A few operators mentioned they have noticed that some riders will decline to ride their bus, choosing to wait for an operator that has been more lenient with the policy. There is no overall agreement on how this problem needs to be addressed.

### **Transfers**

There were many differing opinions regarding transfers. Some operators felt transfers worked well and passengers understood the rules regulating transfers. Other operators cited rampant abuse of transfers. Examples include:

- Boarding a bus and then stepping off to pass the transfer to another rider
- Boarding a bus immediately before the route changes from inbound to outbound or vice versa, allowing use the transfer on the same route
- Attempting to use expired transfers

Another problem mentioned was that passengers do not understand that transfers are not allowable with the zone fare and that they will owe additional money.

Overall there seem to be agreement among operators that allowing transfers in only one direction of travel (inbound or outbound) is confusing to many passengers and creates problems. Many suggested allowing transfers on any route in any direction to avoid confusion. Another suggestion was to completely get rid of transfers and offer a one-day pass as an alternative.

### **Discounts and Fare Media**

The most significant problem cited by operators was with the economy card. The economy card is intended for seniors, disabled, children ages 6-11, and youth ages 12-18. Passengers are supposed to provide proof that they meet the eligibility requirements when boarding. Operators feel the

name “economy” is extremely misleading and implies that the ticket is discounted because it is for multiple rides. They believe that when passengers buy these tickets they are unaware of the eligibility requirements and then get upset when drivers request IDs. Some colleges think they are eligible for the student discount even though they are college students and over 18 years of age. Drivers suggested several solutions to this problem:

- Change the name of the pass from “economy” to “special”
- Print economy pass qualifications on the ticket
- Eliminate the economy pass
- Require riders prove they qualify for the pass when purchasing
- Change the qualification of “student” to “youth”
- Divide the pass into three separate passes: Disabled, Senior, and Youth.

Another problem mentioned regarding the economy pass is that they are often provided by welfare and food stamp offices and the eligibility requirements are not explained when distributing them. Some operators accept economy passes from passengers that may not be eligible and simply swipe the card twice for the fare. They cited two problems with this approach: the rider count is not accurate and two swipes of an economy ticket is still \$0.05 short of full fare.

Operators mentioned several other types of passes they would like to see offered. These include the following:

- One-day pass
- Three-day or five-day passes.
- Ten-ride pass

### **Fare Collection and Fare Evasion**

Operators discussed many issues with the fareboxes such as transfers and 22-ride tickets getting mutilated and the farebox is unable to read them. Cash sometimes gets stuck in the farebox and has trouble accepting crumpled bills.

The current fares are \$0.85 for economy and \$1.75 for adult riders. Many passengers just pay with \$1 or \$2, but the system offers no change. Operators felt it would be better to adjust the fares to \$1 and \$2 or to set up the farebox to allow it to print change tickets that could be used for future fares. Some operators also mentioned the situation when one passenger overpays by \$0.25, and then trying to enforcing the full fare policy by not letting the next passenger ride when they are \$0.15 short.

The most common types of fare evasion are:

- Not having full fare
- Misuse of transfers
- Misuse of economy passes

### **Support for Smart Cards**

Operators are generally supportive of a move to smart cards and many prefer to go to a completely cashless system. They feel with a smart card only system there will be fewer issues with mutilated cards that the farebox will be unable to read. They expressed frustration with the large number of 22-ride passes being mutilated and where the farebox cannot read requiring

operators to call in to verify the ticket. Both operators and dispatchers cited this as a large problem that slows down the buses and creates unnecessary work.

Operators felt that a smart card system would eliminate or cut down on fare evasion, and could be easily used with additional pass types, such as one-day passes.

## **ADA Service**

### **Operator Interviews**

Separate interviews were held with operators and dispatchers for Metro Mobility. Overall the responses were very positive, with only a few problems mentioned and described below.

### **Communication of Policies/Procedures**

Most operators thought communicating policies and procedures to both drivers of passengers was very good. Several mentioned that the policy requiring exact fare is not widely known which can be especially problematic for first time passengers.

Another policy that some operators said was confusing was that a companion pays a fare, whereas a personal care assistant (PCA) rides for free. Some felt that the free ride is being abused and individuals are occasionally riding as a PCA, when they should be paying a fare.

### **Fare Media**

The single ride, 10-ride, and 44-ride tickets were all considered to be convenient for passengers. The only complaint voiced by operators is that the 44-ride tickets are not carried by operators, so when a passenger wants to purchase one it becomes a hassle and requires contacting dispatch and arranging for their delivery on a later pick-up.

## **Summary and Conclusions**

There is general agreement on the major strengths and weaknesses with the current fare structure. Most stakeholders support the concept of smart cards and think they create an opportunity to build upon the strengths and address many of the weaknesses with the current fare structure. A summary of the feedback provided by the stakeholders and operators follows:

- Many stakeholders feel a fare increase is not justified at this time given other recent service cuts and financial hardship due to the slowdown in the economy. Fares are affordable for the low income population and appropriately reflect MMT's ridership. Several stakeholders emphasized that it is important to regularly review fares and to consider modest increases to keep pace with inflation.
- Both operators and stakeholders expressed interested in a daily pass and/or a discounted monthly pass and are interested in transitioning to smart card technology. The overall biggest problem cited by operators was with the economy card. The economy card is intended for seniors, disabled, children 6-11, and students 12-18. Operators and several stakeholders felt the name "economy" is extremely misleading and implies that the ticket is discounted because it is for multiple rides. MMT is aware of this problem and just recently, in October 2011, changed the name to Special Ticket.
- Regarding transfers, stakeholders and operators had mixed opinions. Both stakeholders and operators acknowledged that the transfer system works well. Many operators

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- commented that transfers that are valid in only one direction of travel (inbound or outbound) is confusing to many passengers and creates problems. Several operators and stakeholders suggested they would prefer to eliminate transfers to reduce fare collection complexity and instead offer a one-day pass. However, members of both groups expressed concern that eliminating transfers may present hardships for riders who are dependent on multiple boardings to reach their destination. Both groups felt that a reduced price day pass would be a good option if transfers were eliminated.
- Fare collection was an important topic for both operators and stakeholders. Operators discussed the problems they encounter with transfers and passes being too mutilated to read, which then have to be called in to use. Cash also can get stuck in the farebox and sometimes it has trouble accepting crumpled bills. Stakeholders noted that it would be beneficial to allow users to buy their passes online. Several stakeholders commented that these problems will be resolved with a transition to smart cards.

## 6 TRANSIT AGENCY PARTNERSHIPS AND SPECIAL PASS ARRANGEMENTS

### INTRODUCTION

Transit services are increasingly turning to the private sector and large institutions to help fund transit services. Potential partners can include employers, universities/colleges, merchants, military bases, and retail establishments. In general, partnerships between public transit agencies and large employers or institutions such as universities are beneficial to both parties, increasing transit ridership and funding for transit while offering greater mobility to students, faculty, and staff at a discounted fare. As this chapter describes, entering into formal written agreements is an effective method of structuring these partnerships to ensure the transit agency is getting its “fair share” of revenue and that those affiliated with the private party are receiving good service and a discounted fare.

This chapter presents information on two kinds of potential partnerships for transit agencies: with universities and with military bases.

### COLLEGE/UNIVERSITY PASS PROGRAMS

This section provides an overview of the benefits and administrative policies associated with university and college transit passes, often referred to as “U-passes” or “Universal transit passes.” While specific agreements differ, financial arrangements that facilitate U-Pass programs can be beneficial to both universities and transit agencies. By ensuring the ease of transit use for those affiliated with universities, transit agencies are able to substantially increase ridership throughout their system. Students, faculty, and staff of the universities benefit from unlimited rides for an overall reduced fare payment. The universities and their communities benefit from reduced automobile congestion, less pressure on limited parking facilities, and decreased automobile emissions to further university environmental goals. Other benefits include increased connections between universities and the surrounding communities as well as financial support for transit agencies that serve students, faculty, and staff as a major component of their ridership base.

This chapter describes reasons for implementing a U-Pass program, presents several case studies of universities that have successfully implemented a program and of several transit agencies that have formed partnerships, summarizes some key lessons, and provides general guidelines for negotiating U-Pass agreements.

## Benefits of U-Pass Programs

U-Pass programs do not only benefit students or a university; formal partnerships between universities and transit providers have the potential to benefit many segments of the community. Figure 6-1 below provides a general overview of benefits to various groups.

Figure 6-1 U-Pass Program Benefits

To Transit Riders	To Transit Operators
<ul style="list-style-type: none"> <li>▪ Reduced or free access to transit</li> <li>▪ Rewards existing riders, attracts new ones</li> <li>▪ Particularly beneficial to low-income students</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provides a stable source of income</li> <li>▪ Increases transit ridership, helping to meet agency ridership goals</li> <li>▪ Helps improve cost recovery, reduces agency subsidy, and/or funds service improvements</li> </ul>
To the Community	To the University
<ul style="list-style-type: none"> <li>▪ Reduces traffic congestion and increases transit ridership</li> <li>▪ May increase transit frequency within the area, depending on student ridership patterns</li> <li>▪ Increases “town-gown” integration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduces existing and unmet parking demand</li> <li>▪ Reduces future growth in parking demand</li> <li>▪ Provides a tax-advantaged transportation benefit that can help recruit and retain students and employees</li> <li>▪ Increases “town-gown” integration</li> </ul>

Additionally, scholarly research confirms that U-Passes have had significant impacts in discouraging private automobile use as well as encouraging transit ridership growth, as shown below in Figure 6-2 below.

Figure 6-2 Effects of U-Pass Introduction

Location	Drive to work		% Change	Transit to work		% Change
	Before	After		Before	After	
UCLA (faculty and staff)	46%	42%	-4%	8%	13%	+5%
Univ. of Washington, Seattle	33%	24%	-9%	21%	36%	+15%
Univ. of British Columbia	68%	57%	-11%	26%	38%	+12%
Univ. of Wisconsin, Milwaukee	54%	41%	-13%	12%	26%	+14%
Univ. of Colorado, Boulder (students)	43%	33%	-10%	4%	7%	+3%

As can be seen from the figure, universities in a selection of cities experienced a significant decline in the percentage of University workers commuting by private automobile: in the year after a U-Pass was introduced in 1994 at the University of Wisconsin, Milwaukee, the percentage of students and staff driving to work dropped by 13 percent. A nearly identical increase (14%) in

students and staff taking transit to work also occurred during this period. Transit mode share gains in all these cases were relatively large, ranging from an additional five to an additional 15 percent.

These data show that free transit passes can be an effective means of reducing the number of car trips in an area. With cost barriers removed and with no need to think about per-trip costs, people become much more likely to take transit for both work and non-work trips.

As seen in Figure 6-3 below, U-Passes have been a catalyst for significant student transit ridership gains, especially during the first year of implementation. Although growth rates for subsequent years are not as great as the first year, continued growth rates are a sign that the passes continue to encourage transit ridership among students.

**Figure 6-3 Transit Ridership Growth from U-Pass Programs**

University	Year began	First year increase in student ridership			Subsequent growth rate (% per year)
		Before	After	Change	
California State University, Sacramento	1992	315,000	537,700	+71%	+2%
University of California Davis	1990	587,000	1,054,000	+79%	+10%
University of Illinois, Urbana-Champaign	1989	1,058,000	3,102,000	+193%	+8%
University of Colorado, Boulder	1990	300,000	,900,000	+200%	+8%

Source: "Unlimited Access," Jeffrey Brown, Daniel Baldwin Hess, and Donald Shoup. Transportation 28: 233–267, 2001.

### **Parking**

One of the benefits to universities and communities of a successful U-Pass program is lessened pressure on overcrowded parking lots within and around campuses. This can create significant cost savings for universities that provide parking, as they may find they have to build less parking to accommodate growing student and staff populations.

Just as a U-Pass program can affect parking policies, the availability of parking can also affect the success of a transit pass program. For example, where parking is in high demand and spaces are limited, transit can be a more convenient and efficient way to arrive on campus than driving and having to search for parking. Where the cost of parking is high, the relative cost of taking transit is also more attractive than if parking is free. In short, where parking is free and readily available, the convenience and perceived low cost per trip may encourage people to drive even if they have a U-Pass. Conversely, where parking is difficult to find and expensive, transit and the U-Pass become more attractive to potential riders.

### **Colleges in Colorado Springs**

Three college campuses in Colorado Springs add a considerable student population to the city. Pikes Peak Community College (PPCC) has a total of 22,000 students at four campuses scattered throughout the city. The University of Colorado Springs, located north of downtown, has 8,900

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students. Colorado College, in downtown, has a student population of 2,040. Every campus has some MMT transit service to or near it with the exception of the Falcon campus of PPCC.

Both the University of Colorado Springs and Colorado College provide parking facilities, and students, faculty, and staff must buy permits to be able to park on campus. PPCC has plentiful free parking available at three of its four campuses; at the downtown campus parking is available and free, but restricted to those who obtain a tag.

For reference, Figure 6-4 summarizes basic information about local colleges in the Colorado Springs area.

**Figure 6-4 Local Campus and Parking Information**

Educational Institution	Student Population	Parking on Campus?	MMT Service to campus	Comments
Pikes Peak Community College (PPCC)	22,000 (all four campuses)	Free of charge on all campuses. <i>Centennial:</i> Four lots including one with meters for short-term business at the college. <i>Downtown Studio:</i> Palmer Center Garage. Students must obtain a free-of-charge hang-tag from the Campus Life Office. Metered spaces available on the street. <i>Rampart Range:</i> Available near campus. <i>Falcon:</i> Unknown at this time.	<i>Centennial:</i> Lines 15, 25, 10, 11  <i>Downtown Studio:</i> Lines 1 and 7  <i>Rampart:</i> Line 25  <i>Falcon:</i> none	In 2010, students voted in a “green fee” of \$31 per credit to fund the Office of Sustainability. Its goal is to encourage students, faculty, and staff to reduce the college’s carbon footprint through various sustainability initiatives.
University of Colorado at Colorado Springs (UCCS)	8,900	One parking structure, several parking lots and sites located throughout campus. Valid permits are required to park on campus. Permits cost \$165/semester for full-time students.	Lines 9, 14	According to UCCS website: “Parking on the UCCS campus is limited and in great demand.”  A free shuttle service provides internal circulation on campus.
Colorado College	2,040	Available for students, faculty, and staff on campus. Requires an application and permit. Fees vary. Undergraduate student parking fees are \$225 per year.	Lines 8, 9	Shuttle services operate around campus and downtown Wednesday through Friday from 9 PM to 2 AM, and on Saturday until 5 PM with extra destinations at the Broadmoor Towne Center, Wal-Mart, Old Colorado City, and Uintah Gardens.

Nelson/Nygaard staff contacted Pikes Peak Community College to further investigate its transit and parking policies.<sup>12</sup> PPCC sells MMT tickets on campus through the financial aid office, solely as a convenience to students. No discounts are offered, and no advertising is done to let students know that they can purchase tickets on campus.

Most PPCC students drive alone to campus and park free of charge. Not only is parking free of charge, there is ample parking available, although occasionally the downtown campus experiences a shortage.

It should be noted that PPCC has an active sustainability office that is promoting “green lifestyles.” Encouraging transit usage could be incorporated into their activities.

To move forward with exploration of a U-Pass with PPCC, the next steps would be to:

1. Survey students to get an understanding of their transportation needs and preferences.
2. Conduct a ridership survey to help PPCC understand how many students are currently riding MMT to and from PPCC campuses and establish a baseline ridership.

## **University Case Studies**

The following case studies examine in detail how the implementation of U-Passes at the University of California, Santa Cruz, at Chico State University, and at the University of Michigan has led to benefits for the universities as well as the partnering transit agencies.

### **University of California, Santa Cruz (Santa Cruz, CA)**

The University of California, Santa Cruz (UCSC) is located in the hills northwest of downtown Santa Cruz. The campus is home to 16,070 students and 508 faculty and staff. On-campus parking for students is available, but constrained. Annual graduate student parking permits range in price from \$174 to \$792, depending on how many days a week the permit is used and whether it is for a single driver or a carpool vehicle. Upper class undergraduates may purchase permits for \$577.50 (single driver) or \$432.50 (carpools). Permits are not available for freshman or sophomore undergraduates, nor for the approximately 45% of all students that live in campus residence halls.

Students have access to a six-route intra-campus bus system. A university-owned and subsidized vanpool is heavily utilized by faculty, students, and staff, and the Zipcar car-sharing service is becoming very popular. The university also offers several bicycle programs, such as 0%-interest loans to faculty and staff to purchase bikes, storage and parking at all major buildings, and a free bicycle shuttle.<sup>13</sup> The UCSC Downtown Bike Shuttle, a university-owned and operated van and bicycle trailer, makes several weekday trips from downtown Santa Cruz to campus. Since the UCSC campus is significantly uphill from downtown, this one-way shuttle service is very popular among bicycle commuters.

UCSC also has a formal agreement with the Santa Cruz METRO transit agency that allows students to ride any Santa Cruz METRO bus without paying. Students must show the driver their UCSC ID card, affixed with a valid METRO sticker, to board the bus. Drivers manually count student and faculty boardings, and the university is then invoiced monthly for \$1.21 per ride

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<sup>12</sup> Information from a phone conversation with Lorelle Davies, Director of Auxiliary Services, Pikes Peak Community College, in March 2012.

<sup>13</sup><http://www2.ucsc.edu/taps/index.html>

taken (regular fare is \$1.50). Students are assessed a quarterly transit fee of \$111.66, which was approved by student referendum. Faculty and staff can purchase a quarterly transit pass for \$110 from the university.<sup>14</sup>

Seven Santa Cruz METRO routes serve campus, and UCSC students are able to ride without paying on any METRO bus throughout the system. Over 29% of all students commute to campus by METRO bus, and student riders as a whole represent close to 60% of total METRO ridership.

### **Chico State University (Chico, CA)**

Chico State University, in central Chico, California, serves 16,934 students and employs 1,668 faculty and staff. Student parking is limited on campus, and permits are difficult to obtain. Permits for campus residents cost \$102 and are distributed by lottery, while a limited number of general permits are put on sale the first day of classes for \$88, and quickly sell out.

Due to parking constraints, and the environmental goals of the university, alternative transportation is strongly encouraged by Chico State. A free shuttle service is available for students who commute from residential facilities separated from the main campus. The university offers carpool programs to faculty, students, and staff, with priority parking spaces and discounts. Bicycle use is also encouraged by the university, which provides resources such as free bike maps and guides and free bike licensing.<sup>15</sup>

Chico State University currently has a formal contract with Butte Regional Transit, or “B-Line,” to provide free bus transit to students, faculty, and staff, which together comprise close to 25% of overall B-Line ridership. Under the agreement, those with valid Chico State ID Cards are allowed to board B-Line buses for free after swiping cards through a fare box scanner. The fare boxes record and total the number of free boardings, and B-Line sends the university an annual invoice. The University’s student association is responsible for a portion of the cost, while the University covers the remainder through student fees.

The regular fare for local transit service is \$1.40, and the student (K-12) discounted fare is \$1.00. However, Chico State is invoiced only \$0.82 per boarding, creating a significant discount for the university and leading to increased ridership for B-Line. Over 6,600 unique university IDs were recorded during the 2008/09 fiscal year, indicating that close to 40% of Chico State students utilized the free service.<sup>16</sup>

Although current policies allow students, faculty, and staff to ride the B-Line systemwide, there are two routes (8 and 9) that are specifically designed to serve the University and operate only during the school year. B-Line staff is responsible for all route planning and operations, but university feedback is continually sought when changes to routes 8 and 9 are being considered.

### **University of Michigan (Ann Arbor, MI)**

The University of Michigan (U of M) is a major academic and research institution located in Ann Arbor, Michigan, within the metropolitan Detroit region. Its several campuses and medical centers are intermixed throughout the city, and are home to over 40,000 students and 38,000 faculty and staff. Student parking is extremely limited and available only to commuting graduate students and undergraduates in their junior and senior years. All commuter lots are offsite and

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<sup>14</sup> Larry Pageler, Transportation and Parking Services, UCSC. *Phone Interview*

<sup>15</sup>[http://www.csuchico.edu/taps/sustainable\\_transportation.php](http://www.csuchico.edu/taps/sustainable_transportation.php)

<sup>16</sup>Jim Peplow, Senior Planner, Butte Regional Transit (B-Line), *Phone Interview*

connected to campus by bus. Annual permits, good for specific parking lots, range in price depending on the proximity of the lot to the campus core. “Blue” permits, which are closest to the central campus, sell for \$629, “Yellow” for \$145, and “Orange” for \$72.

The university operates an 11-route intra-campus bus service that transports students, faculty, and staff between the several campuses, medical centers, and research parks. U of M also offers other alternative transportation resource, such as 8,500 bike parking spaces, indoor storage lockers at major campus buildings, a subsidized vanpool for faculty and staff, and several on-campus Zipcar sites.

In addition to its own programs, U of M has a five-year contract with the Ann Arbor Transportation Authority (AATA) to allow all U of M students, faculty, and staff to ride city buses free of charge. U of M ID cards must be presented to drivers in order to board buses. University students, faculty, and staff represent the majority of AATA bus ridership.<sup>17</sup>

The contract agreement is valued at close to \$1.8 million per year. The bulk of the funds (\$1.1 million) are provided by federal funds allocated to U of M Transit Operations. The remaining \$700,000 is paid out of U of M general funds. Students are not charged a transit fee as part of tuition.

Of the 27 bus routes operated by the AATA, 12 of them directly serve U of M campus sites. Because of the close proximity of the city and university campus sites, AATA and U of M Transit Operations staff consult each other often on system planning and route changes.<sup>18</sup>

### **Summary of Case Studies**

As evidenced by the case studies above, there are multiple ways to approach U-Pass agreements. The most common arrangement is that eligible passengers are able to board public transit buses free of charge, after either presenting a valid university ID card to a driver or swiping it through a farebox. The university or college is then either invoiced directly by the transit agency based on the number of boardings, or makes an annual payment to the transit agency based on ridership.

Some programs offer benefits to students and some also make them available to faculty and staff. Research indicates that extending benefits to all university staff reaps significant benefits in terms of increased transit ridership and reduced private automobile use.

To cover costs incurred by the university, a student transit fee may be charged as part of regular tuition or other fees. At some California public universities such as UC Santa Cruz, these fees were established per student referendum and majority vote. California legislation allows college student bodies to vote on whether to charge themselves fees for public transportation; Colorado agencies and colleges also allow student referendums, however the detailed requirements for the student approval process should be clarified during preliminary negotiations. For example, in Colorado Springs, if Pikes Peak Community College took on a student vote to get approval to increase activity fees, students on all four campuses would be allowed to vote; however, one of the campuses is not even served by MMT and another one has minimal service. This would present a challenge in getting the fee passed.

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<sup>17</sup>[http://pts.umich.edu/taking\\_the\\_bus/mride.php](http://pts.umich.edu/taking_the_bus/mride.php)

<sup>18</sup>Chris White, Senior Planner, Ann Arbor Transportation Authority, *Phone Interview*

## Agency Perspectives

In addition to the case studies above, Nelson\Nygaard staff spoke with representatives at four transit agencies to explore their experiences, both positive and negative, with their U-Pass agreements. The agencies were the Sacramento RT, Santa Cruz METRO, AC Transit in the San Francisco Bay Area, and Chico’s B-Line. With the exception of RT, each agency was relatively satisfied with their agreements with local colleges and universities. B-Line explained that the “agreement is mutually beneficial and relatively simple to administer,” and METRO characterized the relationship with UCSC as more of a “partnership,” later noting that the agency and the university are, in essence, building a partnership “to make the system better.”

Figure 6-5 below presents the duration of the contract agreements for each of the four transit agencies. All of the transit agencies are relatively pleased with the timeframe of their agreements with the exception of RT, which sees the lack of a termination date as a major flaw in its agreement, one that it would change if it could.

Figure 6-5 Duration of Contract Agreements by Agency

Agency	Sacramento RT	B-Line	AC Transit	Santa Cruz METRO
Contract Length	None	5 years, with a review at year 3; no extensions without renegotiations	1-year pilot for new community colleges with extension thereafter; 7-10 years for larger universities	5-7 years

AC Transit usually begins with a one-year “pilot” program for new community colleges; after the second year, the agency and the college work out a longer-term agreement together. With bigger universities, such as UC Berkeley, AC Transit tries to establish longer agreements (seven to ten years) to avoid additional cost- and time-intensive student referendum processes (as required by California law, state university students must approve additional fee assessments through school referendum). The agency also believes that longer-term agreements help establish continuity for students and provide useful student travel patterns for planning purposes.

## Ridership and Revenue Considerations

The four agencies provided insights into the impacts on ridership and farebox recovery ratios of their U-Pass agreements. Responses were mixed. Sacramento RT noted that their agreements with two local schools, the Los Rios Community College District and Sacramento State University (CSUS), contributed to increased ridership but negatively affected farebox recovery. Regarding Los Rios in particular, RT noted that the mandatory fee levied on students is “priced too low.” This price (\$2.50 to \$15 per semester), combined with guaranteed pass eligibility for anyone who has signed up for a class at Los Rios, creates a loophole that has encouraged widespread fraud and abuse of the system.<sup>19</sup>

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<sup>19</sup> RT described the extent of the problem as follows: RT’s Los Rios Community College District pass program is a universal program where all Los Rios students pay a mandatory fee and all are entitled to the pass, which provides unlimited rides for the semester. Making the fee mandatory kept it very low (\$2.50 to \$15 per semester), whereas if it were optional students might get 50% off (and the fee would cost \$250 per semester). The problem is that the cost of a half-unit class plus the transit fee is very small, compared to the cost of the equivalent, which would be five monthly passes for \$100 each. So it makes sense for people to sign up for classes just to get the pass. This makes it, essentially, a

The B-Line in Chico explained that its contract “provides us guaranteed fare revenue, and the unlimited rides for [Chico State University] passengers account for up to 28% of B-Line’s annual ridership.” AC Transit also acknowledged that having a U-Pass program helps provide it with a guaranteed stream of revenue over time, which means not having to rely solely on fluctuating property tax and fare revenues. Santa Cruz METRO similarly noted that UCSC ridership accounts for much of the agency’s total ridership (six million rides per year in a county of only 250,000 people), and that revenue from the university accounts for roughly 11% of its annual revenue (\$4M out of \$36M). Still, when asked how it might improve its current U-Pass agreement, METRO suggested that a revised contract should include a clause allowing the transit agency to make proportional changes to its per-ride billing rate in the event that fares are increased. For example, although the agency instituted a fare increase in August 2011, its reimbursable amount from the university per student ride has not increased proportional to these fares; instead, the agreement stipulates that any increases to the billing rate rely on annual CPI increases alone. Unfortunately, because this methodology only takes into account purchasing power (inflation), it cannot accurately reflect transit cost increases necessitated by budget constraints.

### **Beneficial Features**

All four agencies found their U-Pass agreements to be beneficial. B-Line explained that “the fact[s] that routes are open to the general public and that CSUC users get unlimited rides” are especially beneficial in Chico. AC Transit identified its access to students through online and in-person outreach as perhaps the most useful and helpful feature of its agreement.

Santa Cruz METRO drew attention to the simplicity of its agreement with UCSC. First, the premise of the contract is based on billing the university by ridership, which is useful in that the agency does not need to constantly recalculate costs. Next, the ‘payment’ process for students is also very simple: a METRO bus operator simply checks whether a student’s ID has the proper sticker affixed. The operator then hits a dedicated counter button on the farebox, which compiles a total count of student riders, and this ridership count is used to calculate how much UCSC will reimburse METRO for service provided.

RT offered a more muted assessment of its program’s success, acknowledging simply that the agreement “increases ridership.”

### **Transportation Demand Management (TDM) Program and Services**

Three of the four agencies reported offering various Transportation Demand Management (TDM) services and amenities. B-Line explained that even though it isn’t required to do so in its agreement, it is “in the process of implementing real-time information and trip planning amenities.” AC Transit also provides real-time information at many stops, including those near UC Berkeley, and also offers information via e-News, in-person forums, and customized giveaways. The agency has also worked with UC Berkeley to install real-time displays at other locations on campus.

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scam for many people to get around paying regular transit fares and ride almost for free, especially if they drop their classes before tuition is due. There is no mechanism to confiscate transit passes in this event. The \$2.50 to \$15.00 fee is non-refundable, but tuition has to be refunded if the student drops the class. This scam is well-known to regular riders and many state workers are even known to take part in it, even though the state subsidizes their monthly passes, because the Los Rios pass is still much cheaper.

Santa Cruz METRO outlined several TDM services that the agency has provided in the past. One service is built into their U-Pass agreement with UCSC: the “supplemental service” clause allows UCSC to pay METRO additional funds to increase service on lines frequented by students. Prior to the agency’s recent revenue challenges, METRO offered a “night owl” service that operated from midnight to 3 AM, was marketed to UCSC students, and was partly financed by the university. Another victim of recent budget cuts was an on-demand bus service for large groups of students.

## **Lessons Learned**

The agencies provided several practical suggestions based on their experiences with U-Passes, which are summarized below:

- **Keep it clear and simple.** Transit agencies should avoid creating complex pass administration and billing processes by explicitly detailing in the U-Pass agreement who is responsible for distributing passes, who a contact person will be, and how the agency will bill the university. Although the sticker system works well at UCSC, this is primarily because the agreement specifies that the university provide the stickers, thus allowing METRO to simply count how many students have the correct pass. Likewise, AC Transit cautioned against using a sticker system, which can be difficult for a transit agency to administer and relatively easy to defraud. Because UC Berkeley student ID cards does not expire, some individuals have bought counterfeit stickers and ID cards to avoid paying full fare. The agency’s solution to this problem (and its methodology at schools other than UC Berkeley) is to provide U-Passes on Clipper Cards (smart cards). In this case Clipper provides customer service, allowing AC Transit to simply disseminate the cards. Finally, AC Transit also recommended that a U-Pass agreement identify a “site coordinator” at each college or university, perhaps a representative from the university’s marketing or transportation office, to be the point person for communication with the agency.
- **Allow for flexible or additional transit service.** The U-Pass agreement should include provisions for adding supplemental service that the university may request. The agreement between Santa Cruz METRO and UCSC, for example, includes a “supplemental service” clause that allows the university to fund additional service where needed. According to the METRO representative, this clause came in handy recently when one route experienced higher ridership than expected as a result of more off-campus students living along its route. METRO also noted that U-Pass agreements that base university reimbursement on ridership (or a per-ride rate) should include a provision to allow a proportional increase in case of agency fare increases.
- **Ensure that the billing rate or method is fair and equitable to all parties.** B-Line offered the following advice: “Don’t let the university state [that] they are broke and cannot afford to pay a meaningful rate which will benefit the agency.” The optimal agreement will take into account the abilities, limitations, and needs of the agency, the university, and students. RT offered the following advice: (1) Require that students be enrolled in at least six, if not twelve, units. (2) Make the U-Pass good only for a month. (3) Consider offering 25-50% off a normal monthly pass instead of charging a mandatory fee and giving unlimited rides for the entire semester for all students. Santa Cruz METRO said that if it were able to revise its contract, it would include a clause allowing per-rider billing rate increases proportional to general fare increases.
- **Conduct outreach.** The U-Pass agreement should identify a process for communication between the agency and students, faculty, and staff. AC Transit was particularly proud of

its outreach with local university and college students, both in person and by email. Other forms of AC Transit's outreach include offering a destination guide, a pass holder, and contests and giveaways tailored to each college (e.g. lanyards/pass holders in the colors of the college). AC Transit also recommended conducting generous outreach to university students, faculty, and staff in preparation for establishing a U-Pass agreement; in particular, they advised forming a partnership with student government. They recommended gaining a clear understanding of any referendum process and requirements, and begin preparations at least a year in advance.

- **Provide transportation demand management (TDM) services.** Three of the four agencies provide additional services to boost transit ridership and encourage use of alternate transportation modes among student populations. A U-Pass agreement should include an agency pledge to provide a package of TDM services, such as real-time information, improved bus stop amenities, and enhanced outreach. In general, agency representatives emphasized the importance of real-time information for students who may be especially reliant on frequent and timely service to manage their on- and off-campus responsibilities.
- Additionally, Santa Cruz METRO suggested that U-Pass programs be coordinated in conjunction with other transportation elements on campus, such as parking. The METRO representative recommended focusing on the “push/pull” factors that get students to take the bus. For example, UCSC has stringent parking requirements, including fees and strict rules about who may have a car on campus such as not allowing any freshman to have private automobiles. These guidelines “push” students to evaluate alternatives to driving alone, which makes the bus an attractive “pull” factor. Because METRO provides frequent, reliable, late night, and easy-to-ride service, it is a very attractive and viable alternative. Agencies setting up U-Pass programs should work closely with the school to develop incentives to encourage and promote ridership.

## **Guidelines for U-Pass Agreements**

This section presents an overview of the basic elements contained in the U-Pass agreements and identifies the advantages and disadvantages of each.

### **Key Contract Elements**

Formal agreements between universities and transit operators vary in length and content. Most formal U-Pass agreements include the following elements:

- **Recitals:** This section typically contains several clauses outlining the mutual goals shared by the university and the transit provider in implementing a U-Pass program.
- **Scope of Agreement:** A brief summary of the agreement that identifies the primary responsibilities of each party.
- **Financial Arrangement/Compensation:** May simply identify a reimbursement amount to be paid annually or biannually, or may outline more detailed arrangements such as an annual recalculation based on CPI adjustments (as found in the UCSC agreement).
- **Term and Termination:** Identifies the length of the contract term, its effective date, and any instances when termination of the agreement may be allowed. A termination

date, allowing both parties to reevaluate the agreement based on experience, may also be included.

- **Insurance/Liability:** Identifies the legal responsibilities of each party in event of accident. Both parties should consult with legal counsel to determine relevant liability coverage.
- **Optional Sections:** May include details about how the pass is to be produced and issued, how the contract may be modified, and service modifications options.

**Reimbursement**

Numerous methods can be used to determine the level of reimbursement from universities to transit providers, including:

- Defined as a ratio of current student, faculty, and staff populations as reported by universities
- Determined by ridership counts
- Determined by cost per service hour

Figure 6-6 below offers an overview of advantages and disadvantages associated with these three methods.

**Figure 6-6 Advantages and Disadvantages of U-Pass Reimbursement Methods**

Reimbursement Method	Advantages	Disadvantages
Determined by ridership (+/- percentage)	Reimbursement is proportional to actual boardings from each institution.  Reimbursement proportional to a normal fare per boarding based on student fare. Ridership data is typically already available, making this method somewhat simple to use.	May involve moving averages or percentage increases/decreases which may not be very accurate.  Tracking actual boardings requires tracking and recording at bus stop level.  Could use ridership projections rather than actual ridership data.  Could require an annual per-rider amount to be determined and approved upon by all stakeholders.
Determined by service hours (level of service) at the campus	Can be set to a rate proportional to the actual level of service provided.  Planned (scheduled) service hours are already known through the annual budget process.	Service hours provided to campus may not be reflective of actual student/faculty/staff ridership.  Would require an annual cost-per-service-hour contribution to be determined and approved in advance.
Determined by number of students, faculty, staff	Population figures are known by the university/college.	Contribution may not be commensurate with the level of service provided.  Actual percentage of student/faculty/staff usage is not included in calculation.

## **MILITARY TRANSIT AGREEMENTS**

Across the country, military installations serve as major employers and transportation demand generators in the communities where they are located. For communities that provide local public transportation service, it is common for local agencies to provide service to these military facilities. This section discusses the experiences of public transit agencies serving military facilities in five different locations across the country.

A major incentive for military personnel to use public transit is the Mass Transportation Benefit Program (MTBP) incentive, administered through the Department of Defense (DoD). The MTBP is intended to offset commuting costs for active duty military members and DoD civilian employees. The program's goals include reducing traffic congestion and pollution while preserving the environment and expanding transportation alternatives. More information on this program is presented below.

### **Federal Mass Transportation Benefit Program**

The MTBP provides funds to offset commuting costs to active duty military members and employees. Contractors, dependents, and retirees are not eligible. The program is required in any military location where there is employee or member interest (there is no minimum requirement of number of enrollees per location). It is authorized only for individuals using a "qualified means of transportation," which includes public transportation of any type.

Administration and eligibility for the program are handled at the local military facility by a program manager, a reviewing officer, and their supervisor. It is the responsibility of program participants to adhere to all program criteria and to enroll themselves in the program.

Depending on the location, MTBP benefits for public transit may be administered in different ways. Based on federal guidance, participants are allotted reimbursement funds or vouchers for transit benefits based on their estimated monthly commuting expenses, up to a maximum of \$125 per month (down from \$230 per month as of January 2012).<sup>20</sup> Any eligible transportation costs above \$125 must be paid out of pocket. Participants are also required "to purchase the most cost-effective combination of fare media available." For example, if a monthly pass costs less than four weekly passes or 21 daily passes, the participant must purchase the monthly pass. It is understood, however, that some transit agencies may only offer transit passes in certain fixed denominations. Thus in some cases, participants may receive slightly more "transit benefit" than what appears on their submitted monthly transportation expense. Based on our understanding of the program, transit agencies are only paid for MTBP participant's estimated transportation expenses, not the actual cost of transit fare media. The difference is to be absorbed by the local transit system. However, based on Monterey Salinas Transit's (MST) experience (described below), this may not always be the case.

For further information:

- Federal guidance for the Mass Transportation Benefit Program can be found through the Department of Defense here:  
<http://www.dtic.mil/whs/directives/corres/pdf/100027p.pdf>

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<sup>20</sup> \$125 per month is based on Internal Revenue Procedure 2011-52. The maximum monthly limit was raised in March 2009 by the American Recovery and Reinvestment Act (ARRA). However, that legislation set an expiration date of December 31, 2010, which was extended through December 31, 2011.

- Monterey-Salinas Transit (included in the below peer review) has provided specific instructions on their website regarding military passes. The website can be found here: <http://www.mst.org/fares/passes/military/>

## Transit Agency Peer Review

Depending on the proximity, size, and nature of a military facility, levels of transit service and programs differ between agencies. This brief peer review discusses special passes and other incentives offered at transit agencies in cities with a military facility located in or near it.

Each of the five agencies included in this study, listed in Figure 6-7, were contacted and provided with a list of specific questions pertaining to their service and their interactions with the local military facility. These particular agencies were selected based on their geographic diversity and various types of interactions that exist with their respective local military facilities. Figure 6-7 provides other notable characteristics of the five transit agencies.

Figure 6-7 Transit Services Covered in Peer Review

	Fayetteville Area System of Transit (FAST)	Flint Hills Area Transportation Agency	Hampton Roads Transit (HRT)	Jacksonville Transit <sup>21</sup>	Monterey-Salinas Transit (MST)
Service Area Population	276,368	52,281	1,394,439	81,612	125,503
Annual Service Hours	84,570	N/A	1,019,617	14,763	297,359
Annual Service Miles	1,076,677	N/A	14,681,406	238,996	4,809,531
Ridership	1,265,576	N/A	15,847,184	76,605	4,353,000
Number of Local Military Facilities	2 (Fort Bragg, Pope Army Airfield)	Fort Riley	Numerous (Fort Eustis, Langley Air Force Base, Norfolk Naval Shipyard, others)	3 (Marine Corps Base Camp Lejeune, Marine Corps Air Station New River, Camp Johnson)	3 (Presidio of Monterey, Fort Hunter Liggett, Naval Postgraduate School)
Types of Service	Fixed Route, Demand Response	Demand Response	Fixed Route, Demand Response, Ferry (Seasonal), Vanpool, Light Rail	Fixed Route, Demand Response	Fixed Route, Demand Response

Source: 2010 National Transit Database; Note Service Populations do not include stationed military personnel

<sup>21</sup> Jacksonville Transit System Development Plan (2011), Service Area Population is based on 2009 Jacksonville population

## **Fayetteville Area System of Transit (FAST)**

Fayetteville, NC, in the south-central part of the state, is most well known for its proximity to Fort Bragg, a major US Army installation that is adjacent to the City. FAST provides fixed route transit service within Fayetteville, and the majority of FAST service is within that city. One FAST route serves Fort Bragg and nearby Springs Lake, and is the only public transportation connection to the military installation. However, within Fort Bragg an extensive shuttle system serves a high numbers of individuals “on-post” at Fort Bragg (upwards of 285,000 people at its peak).

### **Coordination with Fort Bragg**

Presently, FAST transit vehicles do not enter the facility, instead stopping just outside the facility perimeter. However, Fort Bragg and FAST staff are currently working on an agreement that will allow the vehicles to come onto the base to help streamline connections and make the service more attractive to riders on the base. A major hurdle in this effort is defining a space and process by which a transit vehicle can undergo appropriate security clearances before entering Fort Bragg. Under the proposed agreement, any person riding a FAST vehicle would be allowed to come “on-post” if they have a valid photo ID and undergo basic screening.

Although many Fort Bragg residents participate in the Mass Transportation Benefit Program, they do so through vanpools. Very few, if any, receive subsidized transit passes through FAST. Despite the limited service connectivity and usage between Fort Bragg and FAST, staff at the two agencies have a strong working relationship, which was noted to be very important in terms of improving service and rider’s experience.

Marketing to military personnel has been primarily driven from the military side, and FAST has not conducted any specific outreach to the military (largely due to financial constraints and limited resources). In addition, FAST does not provide any fare discounts for members of the military.

Within Fort Bragg itself, there is a very extensive shuttle program, operated through the military, that provides inter-facility transportation. It was noted that the military prefers to have control over these service operations for a number of reasons, primarily due to security issues and the ability to make decisions (e.g., procurement, service alternatives) more quickly.

### **Lessons Learned**

The information received from Fort Bragg comes from military transportation contacts, which presents a slightly different perspective than the other peer reviews presented here. One key takeaway was the importance of fostering a good relationship between the military and the city. A strong relationship between military and city staff can help illuminate opportunities for better coordination of existing transportation services. This may be more of a challenge from the city’s perspective. Military staff working on transportation can be housed in different divisions and may have differing levels of interest in improving transportation links to outside destinations.

## **Flint Hills Area Transportation Agency (ATA Bus)**

Fort Riley is located near Junction City, KS, sixteen miles from Manhattan, KS. To enable transportation between Fort Riley and nearby Manhattan, KS, a new partnership with the Flint Hills Area Transportation Agency (ATA Bus) was recently established.

In the past, riders predominately used vanpools to make trips between Fort Riley and Manhattan, with the MTBP subsidizing their costs. Fort Riley had 25 vanpools with approximately 170 riders.

### **Focus on Military Needs**

Recent arrangements with ATA Bus resulted in new demand-response service from Junction City and Manhattan to Fort Riley. The cost to riders is \$2 each way within a three-mile radius of Manhattan and \$4 for trips beyond that. Service is offered between 6 AM and 7 PM.

ATA Bus operates two 20-passenger vehicles for this service. Service began at the end of April 2011 and is quite popular. To address security concerns, ATA Bus drivers check IDs of passengers when they board. Since this is a demand-response service, passenger information has already been logged when they request a ride, so drivers must only ensure that the person boarding is properly identified. This also means that the military installation does not have to require ID scans when the buses enter its gate.

5311 Funds and State Highway Funds in the amount of \$388,000 have been allocated to the program by Kansas DOT through April 2012, but its future beyond this date is uncertain. The base will likely have to begin paying some of the cost, but DoD funding streams have many restrictions, so it's not clear where the funds will come from.

Riley Ride is a shuttle service started in June 2008 to provide soldiers with an alternative to driving home late at night. The service operates between Fort Riley and Aggieville. Buses depart Leisure Travel Center (which is on post) at 9:30 PM on weekends, picking soldiers up at barracks and other buildings and taking them to Aggieville. The shuttle makes two trips back to post, one at 11:00 PM, and the last leaving Aggieville at 2:30 AM.

From Aggieville, a ride is \$2.50. Soldiers can purchase punch cards good for several trips; unit leaders can also buy and distribute the cards. The program is very popular.

### **Lessons Learned**

Setting up the partnership with ATA Bus required several years of planning. ATA Bus can serve unofficial parts of the installation that the post shuttles were not able to serve, including residential areas. Fort Riley checked with other military facilities during the planning process, including Monterey (MST, see below), which guarantee the local transit system a certain number of passengers per month. Fort Riley is not able to commit the same level of ridership, but the demand-response service is a good alternate solution.

A major hurdle for the current partnership will be accessing funding after the pilot funds expire in April 2012.

### **Hampton Roads Transit**

Hampton Roads Transit (HRT) provides general public transportation service in six cities in the Norfolk-Virginia Beach metropolitan area. Within this urbanized region, there are numerous military facilities that include all branches of military service. HRT is a somewhat unique agency, the result of a 1999 merger between two local transit agencies. Throughout the agency's service area, service levels are dictated by funding provided by each specific locale.

Despite the high number of military facilities served directly or indirectly by HRT service, there currently are no fare policies, discounts, or services specific for military personnel. However, HRT does offer wholesale discounts for private and public entities, with a minimum of \$4,000 per month.

Currently, service levels to individual military facilities are based on funding levels decided by cities that contribute to HRT funding.

## **Jacksonville Transit**

Jacksonville, NC, located in the southeast portion of the state, is home to three major facilities of the United States Marines: Camp Lejeune, Marine Corps Air Station New River, and Camp Johnson. All three are within close proximity of Jacksonville and are home to a considerable number of military personnel at any given time. Local public transportation is provided by Jacksonville Transit, a relatively new service that began operating in 2007. Today, the service operates four different routes, two local and two express services. The express services are unique in that they are designed primarily to serve the military facilities during Fridays evenings and weekends, shuttling military personnel between the military installations and downtown Jacksonville.

### **Focus on Military Needs**

Jacksonville Transit's service is unique in its focus on providing for military patrons. Weekday fixed-route service in Jacksonville provides local connectivity to major destinations such as City Hall, social services, a major hospital, and shopping centers, as well as two of the three military installations. Weekday fares for local service are \$1.25 for adults (no discounts for military personnel). Discussions with local transit staff noted that there are not many commuter transit trips made to or from the base and thus high-frequency service to the base is not warranted. However, the existing service is very convenient, since Jacksonville Transit is one of the few public transit agencies allowed to travel on post regularly. This relationship was established through a memorandum of understanding between the military and the City of Jacksonville. Only passengers with active Department of Defense or military identification are allowed onto the base, and civilians without proper ID must disembark and wait off post until the bus returns from its loop within the base.

Jacksonville Transit's express service is quite unique compared to other transit agencies. The express service runs only on evenings and weekends, and is designed to cater to military staff leaving the base for recreational trips into Jacksonville during the weekend. The service is considered an express because it covers large distances within the base. Express services cost \$3.00 per trip.

At this time, Jacksonville Transit does not participate in the MTBP, nor does it provide a discount for military personnel. From the transit agency staff perspective, most patrons believe the fare is already a great value (compared to alternatives, e.g., taxis). Jacksonville Transit would be interested in participating in the MTBP, but the incentive and the "push" would need to come from the military.

### **Lessons Learned**

Agency staff offered several recommendations. A primary issue is developing lines of communication and trust with military staff. Having a solid working relationship can help with many aspects of transit planning, including targeted marketing, base access for transit vehicles, and timely updates about base road closures. A second recommendation was to strongly consider the different needs of military personnel compared to the general public. Jacksonville Transit's express service was developed because of a keen understanding of military personnel travel needs, and is now the system's most productive service.

## **Monterey-Salinas Transit**

Monterey-Salinas Transit (MST) primarily provides service to the cities of Monterey and Salinas, CA, including portions of Santa Clara, Santa Cruz, and San Luis Obispo counties. The most notable military facility within the service area is the Presidio of Monterey, which is served by numerous MST bus routes. The Naval Postgraduate School, also in Monterey, is served by many of the same routes. Further to the south, Fort Hunter Liggett, a training facility in rural Monterey County, is served by two MST express routes that travel as far south as Paso Robles (San Luis Obispo County). Fort Hunter Liggett is in a primarily rural area, while the other two facilities are in urbanized areas and thus relatively easier to serve by transit.

### **Providing a Long-Distance Military Service**

The Fort Hunter Liggett service is among the most unique among routes designed to serve military installations. The round trip is over 110 miles. Since the facility is designed for military patrons, vehicles are allowed to travel on post; however, civilians without proper identification must de-board buses before they enter the base. Despite the relatively high cost to run this long distance service, operations were 100% funded through the MTBP program. Prior to January 1, 2012, the maximum benefit allowed through the program was \$230. This \$230 was collected by MST every month for each participating individual in the program. To enroll, a participant would complete the MTBP paperwork, which would then be processed by the military. Each month, the person would continue to be enrolled in the program unless they made a proactive decision to opt out. In return those riders would receive an equivalent MST Pass which could be used on the service. The pass is offered to the general public for \$150 per month whereas military personnel enrolled in this program do not incur any cost.<sup>22</sup>

However, since January 1<sup>st</sup>, 2012, MTBP benefits have been reduced to \$125 per month. As a result, MST is only able to invoice the federal government \$125 per program participant. Given this reduction in funding, MST has been required to use other funds to cover the full costs to operate the Fort Hunter Liggett service. Prior to January 1, 2012, MST was invoicing the MTBP program the full \$230 that was allowable for transit.

### **Military-Specific Fare Policies**

MST provides detailed information on their website geared towards members of the military, and also provides a discount on fare media to active military personnel. A 50% discount is offered for cash-paying customers and for purchasing passes, with a valid form of identification or proof of eligibility. Passes can be purchased at MST outlet locations and some civic buildings and grocery stores.

In addition to providing fare discounts for active members of the military, MST also provides information on the MTBP on its website, such as who qualifies and how to apply. Eligible program participants are issued a 31-Day Super GoPass (accepted on all routes, including regional and express). MST also offers a unique benefit for participants in the MTBP program: all dependents of eligible participants are given a 35% discount on 31-day passes. More information can be found on the MST Military website at <http://www.mst.org/fares/passes/military/>.

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<sup>22</sup> The MST experience is unique since they were able to demonstrate the MTBP program could be used to leverage up to 100% of the maximum federal contribution for transportation services.

**Lessons Learned**

MST staff noted that developing relationships with military facilities took time and required initiative from both the transit agency and military personnel. Security continues to be a major issue for operating service to military facilities. Depending on the facility, security standards and requirements may differ. Working out these issues and establishing processes and procedures takes time.

MST staff noted that for agencies considering leveraging the MTBP, an additional staff member may be required to handle increased administrative responsibilities in addition to program marketing.

**Summary**

Figure 6-8 below summarizes key findings on special arrangements between transit agencies and military services.

Figure 6-8 Summary of Transit Services Characteristics

	Fayetteville Area System of Transit (FAST)	Flint Hills Area Transportation Agency	Hampton Roads Transit (HRT)	Jacksonville Transit	Monterey-Salinas Transit (MST)
Type of service to military facility	Fixed Route	Demand Response	Fixed Route	Fixed Route	Fixed Route
Standard Adult Fare	\$1.00	\$2.00	\$1.50	\$1.25	\$2.00 <sup>23</sup>
Offers Military Discount?	No	No	No	No	Yes / 50%
Military-Specific Services <sup>24</sup>	No	Yes	No	Yes	Yes
Participates in MTBP for Transit Purposes <sup>25</sup>	No	Yes	No	No	No

While the five agencies are quite different in geographic location and service offered, there were several other key takeaways, summarized below, that are worthy of MMT’s consideration.

- **Differences exist among military facilities in terms of screening clearances and security requirements.** The level of effort to bring a public transit vehicle “on post” varies and is dependent upon communications and relationships between base leadership and transit agency staff.

<sup>23</sup> “Primary” Fare Category

<sup>24</sup> Military-specific service refers to routes that have been designed or structured to focus on military needs

<sup>25</sup> This category refers to transportation programs that utilized the MTBP program for transit funds (as opposed to vanpools, etc.)

- **Challenges may exist in identifying appropriate military contacts.** Depending on the facility, there will likely be only one or two individuals who can represent the military on public transit issues and transit access on the base, and titles and job functions vary from base to base. Furthermore, communication between military divisions may also be “siloes,” presenting further challenges.
- **Military needs are specific and unique.** Some transit agencies have made efforts to identify the unique transit needs of military facilities. Those that have done so may find they are able to provide highly productive services, such as Jacksonville Transit’s weekend express route and MST’s long-distance service to Fort Hunter Liggett.
- **Transit fares are reasonably priced for military personnel.** Military riders are typically not daily commuters; instead they are usually discretionary riders making shopping or recreational trips, using the service only once or twice a week. Compared to the transportation alternatives (rental car, taxi) for these discretionary trips, the transit fares seem to be reasonably priced. For military facilities that have high levels of daily commuters, this may not be the case.
- **Military personnel are often young, transient, and in a new environment.** While not true for all military facilities, many have large populations of young, transient soldiers who are likely not experienced transit riders nor familiar with local service. In addition, military personnel are frequently transferred or deployed to other locations, so there are always newcomers who need information. Thus, working with base staff is key to being able to provide up-to-date and easy-to-understand information about transit service options to the people who need it. Furthermore, the information and marketing materials should be presented in a fashion appealing to the younger generation.

## 7 MAJOR FINDINGS AND CONCEPTUAL FARE ALTERNATIVES

The major findings provide the basis for developing alternative fare options for MMT's fixed-route, Metro Mobility ADA services and FREX. The first part of this chapter summarizes the major findings about the current fare structure and fare policies, ridership and revenue trends, findings from the peer review and feedback from key stakeholders and operators. The second section of this chapter presents a series of fare concepts based on findings from this first phase as well as the consultant's team experience with fare systems at other transit agencies. The concepts consist of pricing strategies, revising or introducing new fare instruments and revisiting fare policies.

### MAJOR FINDINGS

The major findings drawn from each chapter are summarized below.

#### Existing Fare Structure

- MMT raised local fares twice in the last five years. Fares increased in 2008 and again on January 4, 2009. FREX fares were raised three times in the last five years.
- As of January 2009 the current adult cash fare on local fixed route service is \$1.75. Seniors, riders with a disability, students and children (6-11 years) pay a reduced fare of \$0.85.
- The cash fare on FREX from Colorado Springs to Denver is \$11.00. Travel between Monument to Colorado Springs is \$5.00; and Monument to Denver is \$7.25.
- Metro Mobility fare for eligible users is \$3.00, less than the two times the base adult fare allowed under the ADA.
- Transfers on local fixed route service are free, are valid for a two-hour period and can be used twice for travel in one direction.
- To respond to rider needs and their travel patterns, MMT offers a variety of pre-paid fare media including a 31-Day Ticket that provides unlimited trips for 31 consecutive days (\$63), a 22-Ride Ticket for full fare adults (\$35), a half-fare 22-Ride Ticket for discounted passengers (\$17.50) and a summer pass for students (\$20).
- FREX offers riders 10-Ride, 20-Ride and 40-Ride Tickets. Prices are based on distance and range from a low of \$45 for travel between Colorado Springs and Monument to a high of \$330 between Colorado Springs and Denver.
- Tickets and passes can be purchased on-line, at the Transit Administration office, various outlets and through the Ticket Vending Machine at the downtown terminal. There are no refunds or exchanges.

- FREX does not currently allow any transfers to local MMT routes (nor any fare offsets).

## **Trends in Ridership and Farebox Revenues**

- The farebox recovery ratio for MMT local service reached a four-year high of 23% in 2011.
- Cash fare revenue and ticket sales for MMT fixed route service each account for 50% of total revenue in 2011. Close examination of fare revenue shows that cash fares show a slight increasing trend in the last three years.
- Based on the number of MMT tickets and passes sold, the 22-Ride Ticket accounts for three-quarters of all sales. Of the 22-Ride Tickets sold, about 60% are discounted.
- The 31-Day Ticket accounts for nearly one-quarter of MMT pre-paid fare instruments with the summer haul pass sales representing about five percent. The number of 31-Day Tickets sold in the last three years has been sharply declining.
- FREX Cash and ticket sales have fluctuated tremendously in the last three years. In 2011, 43% paid cash and 57% bought tickets. Of the three ticket types, the 40-Ride is the most popular accounting for approximately half of the sales with the 10-Ride and 20-Ride almost equally split for the remaining 50% of ticket sales.
- The Metro Mobility farebox recovery ratio has hovered between 10% and 13%, and has generally inched downward in the past four years.
- The vast majority of Metro Mobility riders prefer the convenience of ticket books to paying with cash.

## **Peer Review**

The peer review provides valuable information about the “state of the practice” with regard to fare levels, structures and policies. It includes eight transit agencies comparable in size and scope to MMT fixed-route local service (Please refer to Chapter 5 for background information on the eight agencies). The review also provides a scan of six long distance carriers that provide “high quality express” service similar to FREX.

## **MMT Performance and Fare Policy**

- MMT’s base adult fare of \$1.75 is second highest among its peers.
- The average base fare monthly pass multiplier for peer agencies is approximately 33, MMT’s is 36.
- Six agencies offer monthly student or youth passes ranging from a low of \$12.00 (ABQ Ride) to a high of \$39.50 (RTD).
- Several agencies, including ValleyRide, ABQ Ride, GET, and MST no longer offer transfers, but instead offer day passes for roughly two times the adult cash fare.
- There is a cautious move toward smart cards with both MST and STA committed to smart cards and others considering smart cards in the near future.
- Both ABQ Ride and Denver RTD have implemented extensive employer outreach programs. MST and Denver RTD also offer special passes and/or discounts to military personnel.
- Most agencies do not have formal policies about when to increase fares.

## **ADA/Paratransit Service**

- The majority of the peer agencies charge the full twice-the-base fare as allowed by ADA. Metro Mobility charges \$3.00, which is less than two times the local full adult fare (\$3.50).
- Of all the peers, only MST and Denver RTD allow ADA riders to ride for free on fixed-route transit and general public dial-a-ride.
- Metro Mobility has the second highest farebox recovery ratio of the peer agencies at 10% (in 2011), with MST having the highest ratio at just under 20%. STA has by far the lowest farebox recovery ratio at 1.8%.

## **Long Distance Service**

- Fares for commuter services range from \$5.00 (Denver RTD Regional Fare and FREX Monument to Colorado Springs) to \$16.00 (AVTA). FREX's fares range from \$5.00 - \$11.00. Overall, FREX has a somewhat lower average fare per passenger compared to other commute services.
- All of the long distance carriers, except FREX, sell monthly passes. FREX is the only agency to offer 20 and 40-Ride tickets.
- AVTA and FREX both offer discounts to senior/disabled riders (FREX offers this discount during non-peak hours only).
- FREX's fare per mile range from \$0.13 - \$0.19 per mile (average = \$0.17 per mile). The Metro Rides Vanpool program charges \$0.34 per mile.
- Refunds are generally not accepted on high priced tickets for long distance service operators. Denver RTD is the only agency that accepts full refunds on their ValuPass.

## **Stakeholder Outreach**

The following major issues and common themes emerged from interviews with MMT staff, management and operators as well from members of the community.

- Many stakeholders feel a fare increase is not justified at this time given other recent service cuts and financial hardship due to the slowdown in the economy. Fares are affordable for the low income population and appropriately reflect MMT's ridership.
- Several stakeholders emphasized that it is important to regularly review fares and to consider modest increases to keep pace with inflation.
- Both operators and stakeholders expressed interest in a discounted monthly pass and are interested in transitioning to smart card technology.
- Fare evasion is somewhat a concern among stakeholders although many believe it can be addressed with tighter controls around discounted fares.
- Stakeholders and operators had mixed opinions about transfers. Both stakeholders and operators acknowledged that the transfer system works well, however many operators commented that since transfers are valid in only one direction of travel (inbound or outbound) it is confusing to many passengers.
- Several operators and stakeholders suggested they would prefer to eliminate transfers to reduce fare collection complexity and instead offer a one-day pass. However, members of both groups expressed concern that eliminating transfers may present hardships for

riders who are dependent on multiple boardings to reach their destination. Both groups felt that a reduced price day pass would be a good option if transfers were eliminated.

## **PRELIMINARY FARE CONCEPTS**

Based on the major findings outlined above, Nelson\Nygaard has identified several preliminary concepts for your review and consideration. The concepts consist of pricing strategies, transfers, new fare instruments and consideration of changes to fare policies and practices. The concepts address MMT local service, FREX and Metro Mobility.

### **Pricing Concepts**

Since cash fares were raised for all services in 2008 and 2009 plus the farebox recovery ratio reached nearly 24% for MMT local service, an increase in cash fares may not be warranted at this time. Furthermore, the peer review revealed that MMT local service at \$1.75 was the highest among its peers with the exception of Denver RTD, which is not a peer agency, but included because it is a nearby transit agency. Even though the cash fare on FREX is a bit lower than other long distance carriers, an increase in the cash fare is not recommended at this time.

At 10%, the farebox recovery ratio on Metro Mobility is higher than all of the peer agencies (with the exception of MST). Fare increases on Metro Mobility should be phased over time to be two times the base local fare allowed under ADA.

### **Decrease Multiplier for 31-Day Pass**

The current multiplier for the 31-Day Pass is 36. Research and the peer review indicate that the pass multiplier is higher than many of MMT's peers and elsewhere in the industry. A multiplier ranging between 32-35 is more in line with peers. At \$63, this pass may be priced too high and may be the reason less than one-quarter of MMT riders purchase this pass. It is not recommended to reduce the price of the pass at this time; instead MMT should maintain the 31-Day Pass Price "as is" through the next fare increase and then bring the multiplier into parity with MMT's peers.

### **Eliminate Youth Cash Fare and Offer Multi-Ride Tickets or Monthly Pass**

The youth cash fare is \$0.85, roughly half of the adult fare and the same as the discount rate for seniors and people with disabilities. Not all of the peer agencies offer a discounted cash fare for students/youth but many sell a student pass, good for unlimited rides for a one month period. Under this concept, the student fare (or youth under the age of 18, essentially kindergarten through high school) would be the same as the adult fare and to encourage students to ride the bus more frequently and become regular riders, only pre-paid fare instruments would be offered. This could include a student monthly pass, 22-Ride Tickets and new 10-Ride Tickets as well as the Summer Haul Pass. To verify age and minimize abuse, the tickets and passes should be sold at high schools. Options to consider are shown in Figure 7-1 below.

Figure 7-1 Youth Fare Options

Fare	Current	Option 1	Option 2
Cash	\$0.85	----	----
22-Ride Ticket	\$17.50	\$17.50	----
10-Ride Ticket (1)	----	\$8.50	\$8.50
31-Day Monthly Pass(2)	----	----	\$25.00

(1) See section below for more information on 10-Ride Tickets

(2) Based on a multiplier of 25

## Transfers

Transfers are complex and feedback from MMT staff, operators and community members reveals there is some confusion about their proper use. Transfers are currently free of charge for travel in one direction and valid for a two hour period. *The purpose of transfers is to enable passengers to complete a one-way trip. They are not supposed to be used for round-tripping.*

There are various opinions among MMT staff and management about what to do with transfers. The consultant’s observations and stakeholder feedback reveals the following major problems with transfers:

- Improper transfer usage
- System design often requires multiple transfers
- Boarding delays due to time it take operators to validate transfers
- Operator and passenger conflicts

If transfers were eliminated and a full fare charged for each boarding, then these issues could be eliminated (for example, on-time performance could be improved by reducing passenger queues), however it could mean a fare increase for passengers that need to transfer to complete a trip.

Options to further explore the potential impacts on ridership and revenues and reducing confusion surrounding transfers are:

1. Eliminate transfers and reduce the cash fare.
2. Eliminate transfers and introduce a Day Pass for unlimited travel within a 24-hour period. This may require selling these passes on-board. (See section below on Day Passes)
3. Charge small amount for a transfer (\$0.10 or \$0.25) and allow it to work like a “two-hour pass” for travel in any direction

## New Fare Media

### Consider Offering 20-Ride Tickets

To encourage more riders to purchase pre-paid instruments and reduce cash payment, a 20-Ride Ticket should be considered. To address the concern about proliferation of new fare types, a 20-Ride Ticket would replace the 22-Ride Ticket as a more convenient option and it would cost slightly less. Ideally, the 20-Ride tickets would be sold through the TVMs.

**Introduce College U- Pass**

Many transit agencies are entering partnerships with local colleges and universities to implement transit pass agreements that provide a University Pass (U-Pass) which benefits students, transit agencies and the community as a whole. MMT has begun to explore partnerships with Pikes Peak Community College and is encouraged to explore partnerships with the University of Colorado, Colorado College and other institutions of higher learning. These types of passes typically are eligible to any college or university student regardless of age. Research has shown that in communities where there is a U-Pass that is free to students (faculty and staff too), transit ridership increases significantly and there a corresponding reduction in the number of auto trips in the area. For additional information on U-Pass programs, their benefits and lessons learned from other transit agencies please refer to Chapter 6.

**Explore Partnerships with Employers**

The peer review revealed that many transit agencies have entered into partnerships with employers that offer special discounted passes to their employees. The major benefit of these arrangements is increased pass sales and distribution channels to a large number of riders. Although there are many ways to structure these programs, from bulk discounts to on-site sales, MMT is encouraged to consider an EcoPass program, similar to the one offered by Denver RTD. Other transit agencies offer EcoPass programs such as Valley Transportation Authority (VTA) in the San Jose area, and OC Transpo in Ottawa, Canada. These types of programs vary, but typically, employers purchase passes (or stickers) for their employees at a given worksite for a discounted price, based on the number of employees and other factors. Employees have unlimited use of transit for a set period at a fraction of the full pass price. This type of arrangement may be appropriate for any employer including the military, small businesses within one business park or a standalone large employer.

**Consider a Day Pass With Possible Elimination of Transfers**

A growing trend in the transit industry is to eliminate transfers and instead offer a day pass. Several of the peer agencies, including ValleyRide, ABQ Ride, GET, and MST no longer offer transfers, but instead sell day passes for approximately 2.5 two times the adult cash fare. A day pass is valid for a 24-hour period. It allows one passenger unlimited riders for an entire day at one low price. If MMT elects to eliminate transfers, then a day pass should be introduced. A day pass could also be offered as a convenience without eliminating transfers although it may not be as popular depending on its pricing. A day pass can be attractive to occasional users who bundle their trips and ride the bus several times in a 24-hour period. Assuming current local fare of \$1.75, optional prices for a day price are presented in Figure 7-2 below.

Figure 7-2 Day Price and Multiplier Options

Cash	Current Fare	Option 1 Multiplier	Proposed Day Pass Price	Option 2 Multiplier	Proposed Day Pass Price
Full Fare	\$1.75	2.3	\$4.00	2.5	\$4.50

Pass Prices rounded to nearest whole number

## **Other Considerations**

### **Continue Exploration of Smart Cards**

MMT has equipped fixed-route vehicles and system software to use Smart Cards and is considering an initial use of this technology for FREX users. The broader use of smart card will realize a number of benefits, but will also raise some issues that will need addressing. An analysis of peer systems highlighted the following reasons for choosing one technology over the other, and issues raised by each technology. SMART card considerations and a recommended approach is presented in Chapter 9.

### **Fare Policies**

MMT expressed interest in how to address fare policies regarding when and how to deal with fare increases, what to do about special discounts, whether or not to establish farebox recovery goals including “reasonable targets” and ADA fares. MMT has also expressed interest in the pros and cons of transitioning to smart cards and how to roll them out to ensure a logical implementation process.

## **SUMMARY AND CONCLUSIONS**

Several concepts were introduced for MMT’s consideration. MMT staff met internally and with the Mayor’s Office to review and discuss these concepts. Some ideas were embraced and others may be considered at a later date. Proposed fare adjustments including pricing changes and new fare instruments for the next two years (2103 and 2014) were recommended for staff consideration. The two-year fare proposal and the projected impacts on ridership and passenger revenues are outlined in Chapter 8.



## 8 IMPACTS OF RECOMMENDED FARE STRUCTURE ON RIDERSHIP AND REVENUE

Based on the feedback provided on the conceptual fare alternatives outlined in Chapter 7, a recommended fare structure has been selected for continued analysis. This chapter first presents the recommended fare structure and then describes the methodology used to estimate the impacts on ridership and passenger revenues.

### RECOMMENDED FARE STRUCTURE

The recommended fare structure has been developed for a two year period (2012-2014). This strategy will enable a gradual increase in fares and selected fare instruments enabling time for riders to adjust to price increases. Recommended new or modified fare products are:

- MMT Local 20 Ride Ticket (to replace the existing 22-Ride ticket)<sup>26</sup>
- MMT Local Day Pass (to cater to riders taking multiple trips per day)
- Metro Mobility 40 Ride Ticket (to replace existing 44-Ride Ticket)

The recommended fare structure for 2013 has only modest changes over existing fares. A fare increase is proposed for 2014 or a future year when the farebox recovery ratio on local MMT service drops below the 25% target. Zone fares and zone passes are recommended for elimination. Riders instead will use a standard fare which may actually result in a reduction for those who are currently paying zone or “outside city limit” fares. A two-step fare increase is recommended for Metro Mobility. A comparison of the existing fares and the recommended fare structure for MMT local service and Metro Mobility for 2013 and 2014 is found in Figure 8-1 below.

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<sup>26</sup> The 20-ride pass will be introduced in 2013. The 10-ride pass will be introduced in 2014.

**MOUNTAIN METROPOLITAN TRANSIT FARE POLICY STUDY**  
City of Colorado Springs

**Figure 8-1 MMT Local Service and Metro Mobility Recommended Fare Structure**

Proposed Fare Adjustments								
Three Year Proposal: 2012, 2013 and 2014: MMT Local Service and Metro Mobility								
	Existing Fare Structure - 2012		Proposed Fare Structure: 2013			Proposed Fare Structure: 2014 *		
	2012	Multiplier or % Discount	2013	Multiplier or % Discount	% Change (2012 versus 2013)	2014	Multiplier or % Discount	% Change (2013 versus 2014)
<b>MMT Local Service</b>								
<b>Cash</b>								
Adult (Full Fare)	\$1.75		\$1.75		0%	\$2.00		14%
Zone (Additional Fare)	\$1.00		Eliminate Zone Fare			Eliminate Zone Fare		
Senior/Disabled - Special	\$0.85		\$0.85		0%	\$1.00		18%
Youth (6-18 years) - Special	\$0.85		\$0.85		0%	\$1.00		18%
Child: 5 years & under (with fare paying adult)	Free	N/A	Free		N/A	Free		N/A
Transfers	Free	N/A	Free		N/A	Free		N/A
<b>Tickets/Passes</b>								
31-Day	\$63.00	36	\$63.00	36	0%	\$65.00	33	3%
31-Day with Zone Fare	\$69.50	25	Eliminate Zone Fare			Eliminate Zone Fare		
22-Ride Adult	\$35.00	9%	Eliminate 22-Ride Ticket			Eliminate 22-Ride Ticket		
22-Ride Special (Youth, Senior & Disabled)	\$17.50	6%	Eliminate 22-Ride Ticket			Eliminate 22-Ride Ticket		
20-Ride Adult	N/A	N/A	\$32.00	9%	New	\$36.00	10%	13%
20-Ride Special (Youth, Senior & Disabled)	N/A	N/A	\$15.00	12%	New	\$18.00	10%	20%
Day Pass	N/A	N/A	\$4.50	2.6	New	\$5.00	2.5	11%
Summer Haul Pass (Youth: 6/1-8/31)	\$20.00	N/A	\$25.00	N/A	25%	\$30.00	N/A	20%
<b>Metro Mobility</b>								
Adult (Full Fare)	\$3.00		\$3.50		17%	\$4.00		14%
Zone (Additional Fare)	\$4.50		Eliminate Zone Fare			Eliminate Zone Fare		
<b>Passes</b>								
10 Ride (Inside City Limits)	\$30.00	10	\$35.00	10	17%	\$40.00	10	14%
10 Ride (Outside City Limits)	\$45.00	10	Eliminate Outside City booklets			Eliminate Outside City booklets		
44 Ride (Inside City Limits)	\$132.00	44	Eliminate 44-Ride Ticket			Eliminate 44-Ride Ticket		
44 Ride (Outside City Limits)	\$198.00	44	Eliminate Outside City booklets			Eliminate Outside City booklets		
40 Ride (New)	N/A	N/A	\$140.00	40	New	\$160.0	40	14%

\* Proposed Fare Adjustment in 2014 should be considered when evaluating farebox recovery ratios to determine if meeting 25% target for local MMT service.

Over the next two years, it is recommended that all existing FREX fare offerings remain the same (e.g., cash, 10, 20, 40 ride tickets). In 2013, it is suggested that FREX fare media should migrate

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to smart card fare media. Once this change is in place, a fare increase is recommended for 2014 for most existing fare products. Figure 8-2 presents the recommended fare for FREX (express service).

**Figure 8-2 FREX (Express Service) Recommended Fare Structure**

Proposed Fare Adjustments Three Year Proposal: 2012, 2013 and 2014					
	Existing Fare Structure - 2012		Proposed Fare Structure: 2014		
	Fare	Fare/Mile or % Discount	Fare	Fare/Mile or % Discount	% Change
<b>One-Way Cash Fare</b>					
<i>Colorado Springs</i>					
To/From Denver	\$11.00	\$0.16	\$12.00	\$0.17	9%
<i>Monument</i>					
To/From Colorado Springs	\$5.00	\$0.26	\$5.00	\$0.26	0%
To/From Denver	\$7.25	\$0.15	\$8.00	\$0.16	10%
<b>10-Ride Ticket</b>					
To/From Denver	\$99.00	10%	\$108.00	10%	9%
<i>Monument</i>					
To/From Colorado Springs	\$45.00	10%	\$45.00	10%	0%
To/From Denver	\$65.25	10%	\$72.00	10%	10%
<b>20-Ride Ticket</b>					
To/From Denver	\$187.00	15%	\$216.00	10%	16%
<i>Monument</i>					
To/From Colorado Springs	\$85.00	23%	\$85.00	0%	0%
To/From Denver	\$123.25	15%	\$136.00	0%	10%
<b>40-Ride Ticket</b>					
To/From Denver	\$330.00	25%	\$360.00	0%	9%
<i>Monument</i>					
To/From Colorado Springs	\$150.00	9%	\$150.00	0%	0%
To/From Denver	\$217.50	25%	\$240.00	0%	10%

No change in fares in 2013. Begin to implement Smart Cards.  
Include local transfer to MMT to/from FREX at time of next fare increase.

## IMPACTS OF FARE STRUCTURE ON RIDERSHIP AND REVENUE

As a means to determine potential ridership and revenue impacts of a fare structure change for MMT, Metro Mobility and FREX, a fare model was developed that takes into consideration the following characteristics:

- Ridership sensitivity to fare increases/decreases (fare elasticity)
- Potential shifts in fare product usage
- Existing MMT, Metro Mobility and FREX ridership and revenue information (2011)

### Model Assumptions

The following assumptions were used in developing the fare model. These assumptions are based on industry standards that are also appropriate for Colorado Springs and the Pikes Peak region as well as information gleaned throughout this fare study. Key assumptions are:

- Elasticity for MMT and FREX cash fares and passes: -0.3
- Elasticity for Metro Mobility cash fare and passes: -0.2
- Estimated daily trips for day pass riders 3.0

Elasticities of -0.3 and -0.2 are used as a mechanism to capture ridership response as a result of fare changes. The lower elasticity for Metro Mobility reflects a more inelastic population that is less sensitive to price changes (e.g., it is understood that ADA/Paratransit service riders are less likely to change existing habits in response to an increase in fares).

For the purposes of consistency, all figures are presented in present day dollars (2012) and there is assumed to be no natural change (growth or decline) in ridership.

### Ridership Impacts

The following figures provide a summary of ridership impacts on MMT, Metro Mobility and FREX. The ridership numbers below reflect the change in ridership as a result of the fare structure presented in the above figures.

#### MMT and Metro Mobility

In 2013, MMT is projected to see a slight increase in ridership assuming existing routes with zone fare remain in existence. <sup>27</sup> (+0.1%). This increase is expected because of the elimination of the Zone Fares. In 2013, previous zone fare passengers will receive the same service for a reduced price, resulting in a slight uptick in ridership. In addition, 22-ride tickets will be eliminated in 2013, switching instead to 20-ride tickets. The price per ride for the reduced (special) fare category is lower for this fare offering as compared to the previous 22-ride ticket, resulting again in an increase in ridership.

When fares are adjusted (in 2014 or subsequent year), MMT is expected to experience a decline in ridership (-2.9%) because of the increase in cash fares and all fare instruments including 31-day passes, and 20-ride tickets. In 2014, local fixed route ridership is projected at 2.5 million trips as a result of this fare increase.

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<sup>27</sup> For MMT ridership calculations, 2011 ridership figures were used. However, previous "short fares" are not included as part of this projection. Short fares totaled approximately 105,000 boardings in 2011.

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Metro Mobility ADA service is projected to experience a slight decrease (-1.6%) in ridership in 2013 based on the proposed fare increase. structure. While some ridership is gained as a result of the elimination of zone fares and “outside city limit” fares, this increase is offset by a larger decrease in ridership from the overall fare increase. In 2014, a larger ridership decline is anticipated (-2.9%) as a result of a +14% with a second fare increase on Metro Mobility. The elasticity factor for Metro Mobility is assumed to be -0.2 to reflect a population that is more resistant to ridership changes in response to fare increases.

Figure 8-3 provides an estimate of MMT and Metro Mobility ridership impacts.

**Figure 8-3 MMT and Metro Mobility Ridership Impacts**

	Existing	2013	2014
<b>MMT Local Service</b>			
Cash	1,327,395	1,317,140	1,264,222
Tickets/Passes	1,243,319	1,257,364	1,234,855
Total MMT Local Service	2,570,714	2,574,504	2,499,077
<i>Change in Ridership</i>		0.1% *	-2.9%
<b>Metro Mobility</b>			
Cash	39,607	38,456	37,357
Passes	103,888	102,753	99,817
Total Metro Mobility Service	143,495	141,209	137,174
<i>Change in Ridership</i>		-1.6%	-2.9%

\*Assuming existing routes with zone fares remain in place.

**FREX**

Between 2012 and 2013, there are no proposed fare changes for FREX. Instead, 2013 would be used to help implement a smart card if grant funding is available. As a result, there is no estimated change in ridership in 2013. In 2014, a slight decline in ridership (-2%) is projected based on the recommended fare increases across numerous FREX fare types. Most notably, the 20-ride ticket to/from Denver and Colorado Springs is proposed for an approximate 16% increase while many others are projected to increase between +9% and +10%. Figure 8-4 presents the estimated FREX ridership impacts.

**Figure 8-4 FREX Ridership Impacts**

FREX Services	Existing	2013	2014
Cash Fare	44,902	44,902	43,720
Ticket	56,435	56,435	55,592
<i>Change in Ridership</i>		0%	-2.0%

**Revenue Impacts**

The following figures provide a summary of the projected revenue impacts on MMT, Metro Mobility and FREX as a result of the recommended fare change.

**MMT and Metro Mobility**

In 2013, MMT local service is expected to experience a decrease in revenue (-0.3%). There are numerous reasons for this slight decline in revenue including:

- Increase in fare for the Summer Haul Pass (from \$20 to \$25)
- New fare products (Day Pass, 20-Ride Ticket) – the “Special” 20-Ride Ticket on a per trip basis is now less expensive as compared to when it sold as a Special 22-Ride Ticket
- Additional revenue is no longer being collected on the 31-Day Pass with Zone Fare (those passes are now simply sold at the price of a 31-Day Pass)

In 2014, MMT is expected to achieve a slight increase in revenues (+2.4%) as a result of across the board fare increases. The only fare product that remains the same in 2014 is transfers, which will remain free of charge. Farebox revenue in 2014 is projected to be approximately \$1.8M. The farebox recovery ratio is projected to remain at 23.7% in 2013 and to increase to 24.2% in 2014.

Metro Mobility should see solid gains in farebox revenue in both 2013 and 2014. In 2013, an increase of revenue of +7.2% is expected. This increase is largely due to the approximate +17% increase in price in 2013. In 2014, revenues are expected to increase an additional +11% as a result of a uniform +14% increase in fares across all Metro Mobility fare products. These figures are presented in Figure 8-5 below.

Figure 8-5 MMT and Metro Mobility Revenue Impacts

	Existing	2013	2014
<b>MMT Local Service Revenue</b>			
Cash	\$1,018,943	\$1,011,071	\$970,450
Tickets/Passes	\$1,002,965	\$1,004,256	\$1,092,609
<b>Total MMT Local Revenue</b>	<b>\$2,021,908</b>	<b>\$2,015,327</b>	<b>\$2,063,058</b>
<i>Change in Revenue</i>		<i>-0.3%</i>	<i>2.4%</i>
<i>Farebox Recovery Ratio</i>	<i>23.7%</i>	<i>23.7%</i>	<i>24.2%</i>
<b>Metro Mobility Revenue</b>			
Cash	112,716	123,378	136,975
Passes	320,694	341,452	379,081
<b>Total Metro Mobility Revenue</b>	<b>\$433,410</b>	<b>\$464,830</b>	<b>\$516,056</b>
<i>Change in Revenue</i>		<i>+7.2%</i>	<i>+11.0%</i>
<i>Farebox Recovery Ratio</i>	<i>10.2%</i>	<i>11.0%</i>	<i>12.2%</i>

**FREX**

Revenues are estimated to remain flat between 2012 and 2013 as there are no proposed fare changes next year. In 2014, there will be an estimated increase in revenues (+4.7%) based on the recommended fare increases across numerous FREX fare types. Figure 8-6 shows the estimated impact on fare revenues and the farebox recovery ratio.

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**Figure 8-6 FREX Revenue Impacts**

FREX Revenue	Existing	2013	2014
Cash Fare	\$368,196.08	\$368,196.08	\$378,681.66
Ticket	\$462,767.00	\$462,767.00	\$491,662.14
<b>Total FREX Revenue</b>	<b>\$830,963</b>	<b>\$830,963</b>	<b>\$870,344</b>
<b>Change in Revenues</b>		<b>0%</b>	<b>+4.7%</b>
<i>Farebox Recovery Ratio</i>	<i>40.7%</i>	<i>40.7%</i>	<i>42.6%</i>

## SUMMARY OF RIDERSHIP AND REVENUE IMPACTS

Figure 8-7 below highlights the overall ridership, revenue impacts and farebox recovery ratio for each service. Generally, there will be an increase in revenues for all services and gains in farebox recovery ratios. Figures 8, 9, and 10 present this information in graphical format.

**Figure 8-7 Summary of MMT, Metro Mobility, and FREX Ridership and Revenue Impacts**

	2012	2013	2014
<b>MMT</b>			
Ridership	2,570,714	2,574,504	2,499,077
Change in Ridership		+0.1%	-2.9%
Revenue	\$2,021,908	\$2,015,327	\$2,063,058
Change in Revenue		-0.3%	+2.4%
Estimated Farebox Recovery Ratio	23.7%	23.7%	24.2%
<b>Metro Mobility</b>			
Ridership	143,495	141,209	137,174
Change in Ridership		-1.6%	-2.9%
Revenue	\$433,410	\$464,830	\$516,056
Change in Revenue		+7.2%	+11.0%
Estimated Farebox Recovery Ratio	10%	11%	12%
<b>FREX</b>			
Ridership	101,337	101,337	99,312
Change in Ridership		0.0%	-2.0%
Revenue	\$830,963	\$830,963	\$870,344
Change in Revenue		0.0%	+4.7%
Estimated Farebox Recovery Ratio	40.7%	40.7%	42.6%

Notes: Estimated farebox recovery ratio is based on 2011 operational costs for each service.

Figure 8-8 Changes in MMT Ridership and Revenue (2012-2014)

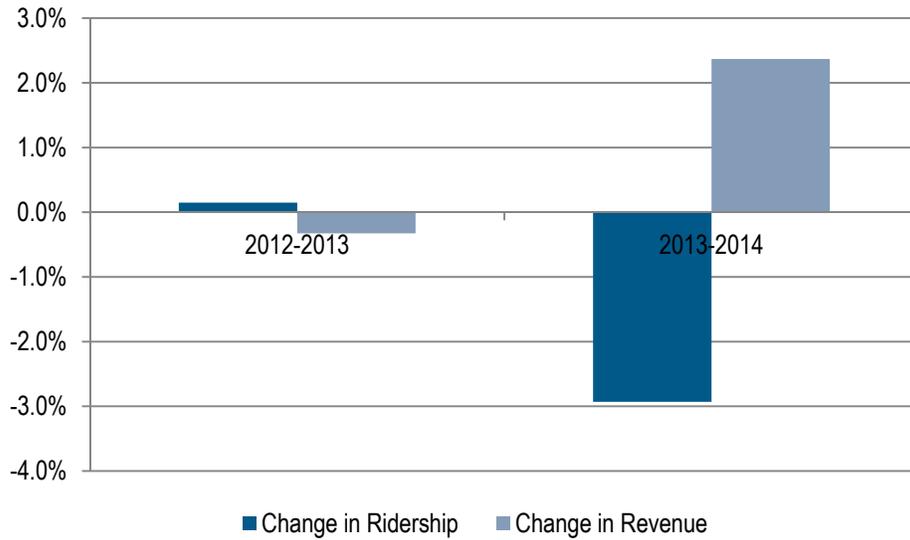
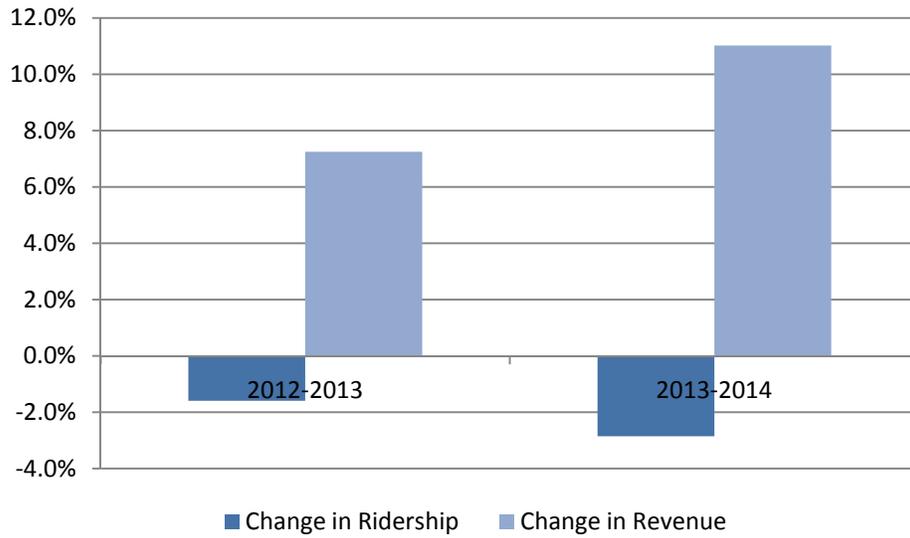
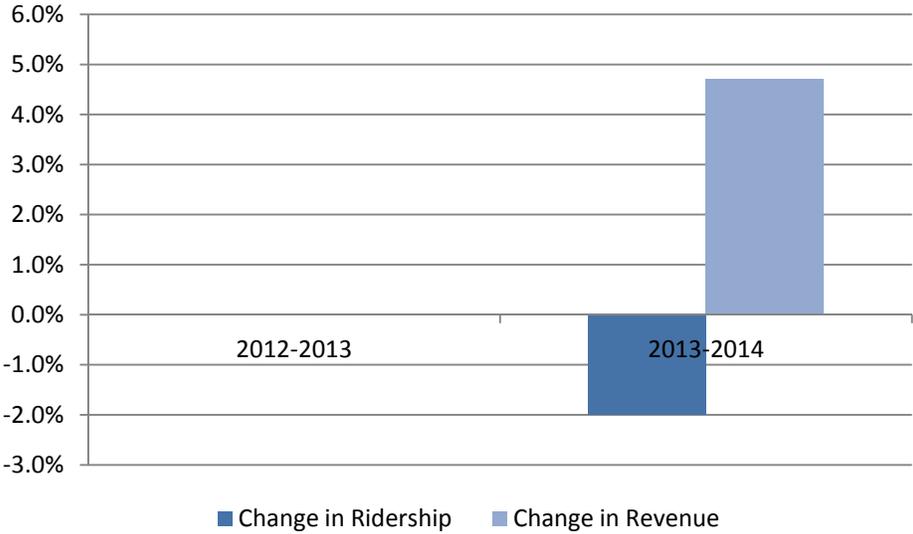


Figure 8-9 Changes in Metro Mobility Ridership and Revenue (2012-2014)



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Figure 8-10 Changes in FREX Ridership and Revenue (2012-2014)





## 9 SMART CARD CONSIDERATIONS

### FARE SYSTEM TECHNOLOGY

The transit industry is trending toward a broader use of smart card technology. This method for collecting fares can realize a number of benefits, but can also raise issues that require addressing when planning for, or implementing the new technology. The following sections summarize the differences between the magnetic stripe card technology, currently employed at MMT, and the smart card technology that MMT is embracing.

#### Magnetic Stripe Cards

Magnetic strip cards (or tickets) have been the mainstay of automated fare collections systems for some time. Cards can be made from paper or plastic stock and store data on a thin magnetic tape stripe on the back of the card. The ability to read and write data onto these cards has provided a number of benefits including:

- Provision of broad range of fare media including day passes, multi-ride passes, stored-value cards, and time-period passes
- Encoding of fare media at Ticket Vending Machines (TVMs), at card stock vendors, and/or at fareboxes onboard buses
- Issuance and validation of transfers
- Lowered fare evasion levels and reduced level of operator / passenger conflicts
- Capturing of improved ridership data
- Production using low-cost paper stock
- Production of custom cards printed with agency developed designs and pre-encoded for specific fare instruments

While magnetic strip cards are fairly reliable in the transit industry, the reading of magnetic stripe cards is a highly mechanical process, requiring the card to be physically inserted into the reader unit where the card is passed by magnetic heads. The tracks storing data can be corrupted by long-term exposure to high magnetic fields, or more often physical damage, especially when involving thin paper stock cards.

#### Smart Cards

Smart cards can be considered as the next generation transit fare collection instrument. These store data on a memory chip embedded in the card instead of the magnetic tracks on the surface of magnetic stripe cards. For most transit applications, radio frequency identification (RFID) technology is employed to allow the reading and writing of data without requiring the card to be in physical contact with TVMs or farebox equipment. Smart cards realize similar benefits to those associated with magnetic stripe card as well as the following:

- Greater data storing capability

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- Contact-less operation eliminates the need to physically insert or swipe card at the farebox, speeding up boarding time
- Card registration to individual riders facilitating the replacement of lost cards, enabling the on-line recharging of cards; and the management of individual passenger’s participation in university or corporate pass programs
- Interoperability allowing the use of common cards across multiple transit agencies as well as opportunities to use credit / debit cards, or existing identification cards for transit fare collection

Smart cards are available on thinner plastic card stock for limited use passes or on thicker cards for long-term pass/card holders. Costs for smart cards are higher than those associated with magnetic strip cards, but the costs are coming down, especially for the limited-use cards. Card costs are often mitigated by the charging of customers for cards or replacement cards. The enhanced features associated with a smart card system often present new or increased complexities. As a result, both agency staff and the riding public will need education on how to use smart cards at the time the technology is implemented.

Figure 8-1 below lists the major advantages and disadvantages of smart cards relative to magnetic stripe cards.

Figure 9-1 Smart Card Advantages and Disadvantages

Aspect	Impact	Description
Enhanced Data Collection	+	Embedded memory chips have higher capacities and data is transferred quickly. In addition to tracking data on pass types, smart card application typically track data on rider groups such as students participating in a university pass program.
Reduced Dwell Time	+	Contact-less operation reduces the customer transaction time at the farebox
Durability	+	The embedded memory chip is protected from minor physical damage and not impacted by magnetic fields
Card Cost	-	The per-unit cost of smart cards is high relative to paper magnetic stripe tickets. Thin, limited use smart cards are less expensive and available for transfers, day passes etc.
Point of sale complexities	-	Smart cards are typically encoded for specific uses requiring the registration of a card to a user or the loading with a requested number of trips or dollar amount – typically done at Ticket Vending Machines or at agency encoding devices. Magnetic stripe cards are often used when doing mass distribution of pre-encoded cards to retail locations.
Agency Staff Learning Curve	-	Taking full advantage of the smart card feature set will require staff training on fare collection system software as well as on the farebox and TVM equipment.
Passenger Learning Curve	-	Customers will require training on how to procure and maintain (adding trips or value) smart card instruments, and how to use them when boarding a bus.

Smart card impact relative magnetic stripe: - Negative Impact [-----] O Neutral [-----] + Positive Impact

### Smart Card Aspects

#### Stored Value versus Stored Ride

Many smart card systems make cards available as stored-value “debit” cards. Customers in these systems load their cards with a dollar amount of their choice and the fare collection system deducts the appropriate fare amount from their balance for each ride taken. Transit agencies find this approach

attractive as it eliminates the need to administer a number of multiple-ride fare instruments – simplifying the overall fare structure. Allowing customers to load cards in small dollar amount increments addresses affordability concerns. And frequent-use incentives can be achieved by offering cash discounts when loading cards (e.g. only charging the customer 90% of the value added). Stored value cards also facilitate the transfer between systems with varying fare requirements. In MMT's case, transfers between MMT local service and Express service could result in a deduction of the appropriate fare for the initial leg of a trip and any additional charges when upgrading to the premium service.

Alternatively, smart cards could be used as stored-ride cards where customers load the card with a specific number of trips. This may be easier to understand for customers used to purchasing multiple ride tickets. In addition, smart cards can be configured as unlimited-use, time period passes. The GFI system used by MMT can operate with stored-value cards, or with stored-ride cards, but not both concurrently (noting that it can accept stored-value cards in conjunction with unlimited ride time period passed (e.g. a 31 day rolling pass). Therefore, MMT will have to decide on an approach before implementing smart cards.

### **Card Registration**

Smart cards can be registered to individual riders or left as anonymous fare media. Registration is often an essential part of university or employee pass programs to make sure participant cards are only valid while the individual is enrolled in class or working at the partner company / organization. The registration of non-pass program smart cards can benefit customers by allowing them to report cards as lost or stolen and have the agency disable them ahead of issuing a replacement card. Some systems allow on-line uploading of value via a web-based e-store. This feature can only work when cards are registered to users of the on-line system. But some customers have privacy concerns and do not want to have their card registered in their name. Agencies often support unregistered cards in these situations but do not disable/replace cards for this individual and these cards can only have value added at TVMs.

### **Point of Sale and Adding of Value**

TVMs are the primary means for adding value to smart cards. These units can also sell unregistered smart cards. TVM's accept cash and can process credit/debit cards transactions, communicating directly with a clearinghouse gateway for transaction authorization and acceptance – reducing an agency's back-office administrative requirements. As detailed in the Implementation Considerations section, TVMs should be installed at locations where a high number of riders board buses and will benefit from the ability to buy or recharge cards. These can either be at major transfer locations, high-volume bus stops, or Park-n-Ride facilities. In addition TVMs may be appropriate at major retail locations, even if they are not immediately adjacent to a bus stop as long as they service large numbers of bus riders. When possible, the physical location of the TVM should be in area that has a lot of all-day foot traffic and/or where support personnel are present to minimize the potential for vandalism.

While the technology can also support the sale and recharging of smart cards at fareboxes, such transactions should not be supported or should be discouraged (e.g. charging a premium at the farebox) in order to speed up boarding times. System administrators (transit agency staff or administrative staff at academic / employer partners) can also issue and update smart cards via desktop encoding devices.

On-line transactions and retail sales outlets provide additional means of selling and recharging smart cards, but the GFI system currently in place at MMT does not support such operation. GFI is piloting a system that can support these features but the updated system software is expected to cost around \$250,000 (versus \$45,000 for the standard system software in place at MMT) and retail-based charging stations are expected to cost a couple of thousand dollars each (compared to TVMs which run around \$50,000).

### **Peer Smart Card Startup Issues**

Peer experiences with smart cards primarily point to the need for staff and customer training along with adequate testing of equipment, software and processes. When asked about customer training, peer agencies point to the need for a comprehensive public information campaign.

RTD in Denver is currently in the process of rolling out a smart card program but has faced several delays in terms of implementation. Based on a recent discussion with RTD staff, smart cards will be deployed to a very limited test group within the next six months. As a result, there are no “lessons learned” at this time. However, an emphasis was placed on the importance of having a range of staff at the table as part of an implementation task force. This included staff from finance, IT, human resources, fare collection and service planning. After initial deployment of smart cards, RTD’s goal is to move towards an open payment system by 2014. Staff noted that some of their initial challenges were related to the complexity of their system and fare structure. Staff also noted that Nashville, TN’s recent efforts to implement a smart card may be a relevant case study and model for Colorado Springs.

The Utah Transit Authority highlighted the retaining and expansion of its Operations and IT staff during the rollout of its new fare collection system, but they were also an early implementer of an open payment system, accepting credit and debit cards as fare instruments. UTA staff said a mistake they made was that they did not include IT in the process at the outset, which resulted in delays and unanticipated operational issues. They also said they could have benefited from more testing and user acceptance before going live with new features. UTA also noted that an increase in overall revenue collection costs due to implementation, although staff expects there to be some cost savings when smart cards are fully integrated.

### **Promoting Smart Cards with the Public and Policy Makers**

The use of smart cards can bring additional benefits to a transit agency and should encourage their use by customers when and where available. In all cases customers will need education on new fare media, collection equipment and fare payment procedures. This will reduce any anxiety on the customer’s behalf when using something new and increase the use of the new technology, especially if cash fares and/or magnetic stripe or paper instruments are available as options. The following elements should be considered as part of a customer promotion program:

- Updated “How to Ride” documentation in print and on line (with how-to videos)
- Promotional pieces describing customer benefits (particularly in terms of: greater flexibility when purchasing fares; greater protection against lost or stolen passes; and better planning to meet customer needs) and new procedures at fare media point of sale locations, on vehicles and in regular customer communications
- Customer service or travel training staff in the at major boarding locations during implementation of smart cards
- Increased or additional discounts during initial rollout of smart cards
- Training of vehicle operators to respond to new users

Smart card-based fare collection systems are often promoted to policy makers ahead of making an investment in the required equipment and software. MMT has already upgraded fixed-route fareboxes, the Downtown Terminal TVM and the system software over the last few years, but it may still need to keep policy makers and stakeholders informed, especially during the transition to smart cards and City staff and customers will have to accommodate changes in fare collection system. The following points should be conveyed to policy makers in order to maintain their support and/or answer some potential concerns:

- MMT fareboxes already have the required equipment and system software is in place.

- MMT is looking to use core smart card functionality and should not be exposed to the startup risks associated with: being a technology innovator; integrating with a larger regional system; or processing complex financial transactions (e.g. accepting open-system credit/debit cards as a form of payment).
- MMT should see better efficiencies with respect to farebox maintenance, planning data, passenger boarding times and therefore schedule adherence, and fare instrument reliability.
- MMT should realize improved protection against fare evasion.

## RECOMMENDED APPROACH

MMT currently employs magnetic strip fare collection technology and should migrate toward the use of smart cards in phases. A number of transit agencies operate a “hybrid” system where both smart cards and magnetic strip cards are used concurrently – often with magnetic strip cards for transfers and multi-ride passes with smart cards for university and employee programs as well as for store-value card users and unlimited ride monthly pass holders. The following section details an implementation strategy where MMT can incrementally add smart card functionality for:

- Express riders
- University U-Pass participants
- Local MMT fixed-route service
- Metro Mobility ADA paratransit service

## IMPLEMENTATION CONSIDERATIONS

The suggested evolution from a magnetic stripe card-based system to one solely using smart cards should be implemented in phases over a multi-year period. This section details three suggested implementation phases for MMT to consider when planning future fare collection systems. Figure 9-2at the end of this section summarizes the suggested changes to the fare collection system.

MMT has the required hardware and software in place to support smart cards so staff support for the new features should be minimal. During initial startup, MMT’s information technology, financial, and operations staff will need to understand the capabilities of the new features and how to process the additional financial transactions and available operational data. The customer service and marketing staff will need to prepare and deliver educational materials and messages to the public as the new features are rolled out. These training efforts may be the most labor intensive element for the smart card implementation. MMT should plan for a temporary increase of two FTEs or re-allocation in staffing over a six month period during initial implementation.

### Phase 1 (0 - 2 years)

#### Smart Card Functionality

For the short term, MMT should pursue the roll out of smart cards for its Express markets and for any new university/college partner passes as a pilot program. This will allow MMT staff to understand the new technology and focus on a specific market of riders that should desire the benefits of maintaining a store of Express trip fares on their card, and on participants of the university/college partner programs.

During this initial phase, Express riders will use stored-value smart cards, multi-ride magnetic stripe cards or cash fares. University/college partner program participants will use smart cards as long-term passes (typically valid for academic year). MMT local users will still use multi-ride magnetic strip cards and magnetic stripe transfers in addition to cash fares.

## **Point Of Sale Considerations**

Existing retail outlets will remain in place for the sale of multi-ride magnetic stripe cards. Express users will need to obtain a smart card from MMT and recharge them at one of the available and proposed TVM locations.

- MMTs Downtown Terminal
- County Building
- Express Park-n-Ride facilities (Qty 4)

## **Phase 2 (2 - 3 years)**

### **Smart Card Functionality**

After operating the smart card “pilot” with Express users and the university/college partner participants, MMT should make smart cards available to additional riders. MMT local service should offer the hybrid system of both magnetic stripe instruments (multi-ride passes and transfers) as well as stored-value smart cards.

To incentivize the use of smart cards and address the need for multiple fares when traveling with both Express and MMT local service, MMT should introduce an upgrade for local riders transferring to Express service. Smart cards would have the cost of an upgrade (delta between the local fare and that for the Express) deducted when boarding the Express during the valid transfer time period. When transferring between Express and local, the Express fare will be considered as a valid local fare.

Stored-value smart cards should also be used for the Metro Mobility paratransit services at this junction. Initially, these should be offered in conjunction with the existing multi-ride ticket books until riders and their care givers become comfortable using smart cards.

## **Point Of Sale Considerations**

Existing retail outlets will remain in place for the sale of multi-ride magnetic stripe cards. Additional TVMs will be needed at locations throughout the MMT system to facilitate adding value. The following locations are considered high boarding locations and/or a significant retail location for passes and should have a TVM:

- Pikes Peak Community College
- UCCS
- The Citadel Mall
- Kings Super at Hancock Plaza
- 2nd Kings Super and/or Safeway near high boarding stop
- Chapel Hill Mall
- Library on east side of town

## **Phase 3 (3 - 4 years)**

### **Smart Card Functionality**

To fully take advantage of the benefits associated with smart cards, MMT should eventually eliminate the use of magnetic stripe cards for passes and transfers. MMT has a number of options when considering the future of transfers in a smart card-only system including:

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- Maintain current policy and issue transfers on limited use smart cards for cash paying customers (customers with stored-value smart cards do not need a separate transfer as the farebox will know when riders are making a valid transfer)
- Charge cash paying customers for transfers to cover the cost of the limited use smart cards and to provide an incentive for moving to a stored-value smart card
- Eliminate the use of transfers, requiring a full fare for each boarding and therefore providing an incentive to purchase the day pass or to use a stored-value smart card. As the farebox will no longer have to dispense transfers in this case, it could dispense day passes using the limited-use smart cards.

**Point Of Sale Considerations**

The elimination of the magnetic stripe fare media will impact MMT's retail sale of fare instruments. Customers will look for the ability to recharge smart cards where they currently buy passes and tickets. And those with registered smart cards will benefit from the ability to add value via an on-line transaction. GFI is currently piloting an e-pay feature in Jacksonville FL, and expects to offer support for retail outlets and on-line transactions in the future. This will require the deployment of recharging stations (similar functionality to TVM with respect to the ability to add value to cards) at the popular retail outlets and an upgrade to the fare collection system software.

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**Figure 9-2 Implementation Phasing Summary**

	Phase 1	Phase2	Phase 3
Fare Collection Technology Changes	<ul style="list-style-type: none"> <li>▪ Add smart card media for Express service</li> <li>▪ Initiate University Pass Program with smart cards</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Local MMT use of smart cards</li> <li>▪ Metro Mobility use of smart cards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eliminate use of magnetic stripe media</li> </ul>
Timeframe	<ul style="list-style-type: none"> <li>▪ 0 – 2 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2 – 3 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ 3 – 4 years</li> </ul>
Fare Structure and Media	<ul style="list-style-type: none"> <li>▪ Add stored-value smart card option for Express service</li> <li>▪ Develop registered smart cards with photo IDs for participants in U-Pass programs</li> <li>▪ Maintain existing magnetic stripe fare instruments</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> <li>▪ Add stored-value smart card option for MMT local and Metro Mobility users</li> <li>▪ Maintain existing magnetic strip fare instruments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Use of stored-value smart card for all non-cash, non-unlimited use pass transactions</li> <li>▪ Convert 31-day rolling pass to smart card</li> <li>▪ Possible addition of limited use smart card day pass</li> </ul>
Point of Sale	<ul style="list-style-type: none"> <li>▪ TVMs at Downtown Terminal and County Building</li> <li>▪ Additional TVMs at Tejon, Woodmen, Monument, and Arapahoe P&amp;Rs</li> <li>▪ Continued sale of magnetic stripe media at retail locations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Additional TVMS at high ridership/pass sales locations <ul style="list-style-type: none"> <li>– Pikes Peak Community College</li> <li>– UCCS</li> <li>– The Citadel Mall</li> <li>– Kings Super at Hancock Plaza</li> <li>– 2nd Kings Super</li> <li>– Chapel Hill Mall</li> <li>– Library on east side of town</li> </ul> </li> <li>▪ Add smart card readers to paratransit vans</li> <li>▪ Continued sale of magnetic stripe media at retail locations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support for adding value to smart cards at third-party retail locations.</li> <li>▪ Support for on-line recharging of stored value</li> <li>▪ Possible sale of limited use smart card day pass onboard buses</li> </ul>
Policy Decisions	<ul style="list-style-type: none"> <li>▪ Update fare structure adding a discount for smart card users when loading their cards.</li> <li>▪ Determine customer costs, if any, for the acquisition and/or replacement of smart cards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Update fare structure adding upgrade/transfer charge when transferring from local to Express service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Update fare structure to limit or eliminate the uses of transfers</li> </ul>

## 10 RECOMMENDED FARE STRATEGY

This chapter presents a recommended fare structure for MMT for the next two years. The first section summarizes the key features of the simpler fare structure for MMT local service, Metro Mobility and FREX (express) service. The next section discusses a series of existing MMT fare policies and procedures and drawing on the peer review and experiences at other agencies, makes recommendations for revising or clarifying them.

### RECOMMENDED FARE STRUCTURE

Chapter 9 presented a comparison of the existing fare structure with the recommended fare structure for the next two years. Figures 10-1 and 10-2 present a simplified version of the recommended fare structure for the next two years. It meets all of the objectives for this study. It is simplified, remains affordable, offers fare media to address all markets, is “in line” with peer agencies and the fares are equitable for MMT’s family of services.

Figure 10-1 Recommended Fare Structure - Local Service and Metro Mobility

Recommended Fare Structure 2013 and 2014 - MMT Local Service and Metro Mobility		
	Recommended Fare Structure: 2013	Recommended Fare Structure: 2014 *
<b>MMT Local Service</b>		
<i>Cash</i>		
Adult (Full Fare)	\$1.75	\$2.00
Senior/Disabled - Special	\$0.85	\$1.00
Youth (6-18 years) – Special	\$0.85	\$1.00
Child: 5 years & under (with fare paying adult)	Free	Free
Transfers	Free	Free
<i>Tickets/Passes</i>		
31-Day	\$63.00	\$65.00
20-Ride Adult	\$32.00	\$36.00
20-Ride Special (Youth, Senior, Disabled)	\$15.00	\$18.00
Day Pass	\$4.50	\$5.00
Summer Haul Pass (June 1 - Aug 31 for youth 6-18 years)	\$25.00	\$30.00
<b>Metro Mobility</b>		
Adult (Full Fare)	\$3.50	\$4.00
<b>Passes</b>		
10 Ride (Inside City Limits)	\$35.00	\$40.00
40 Ride ( <i>New</i> )	\$140.00	\$160.00

\* Proposed Fare Adjustment in 2014 should be considered when evaluating farebox recovery ratios to determine if meeting 25% target for local MMT service.

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Figure 10-2 Recommended Fare Structure – FREX (Express Service)

Recommended Fare Structure Express Service	
Recommended Fare Structure: 2014	
One-Way Cash Fare	
<u>Colorado Springs</u>	
To/From Denver	\$12.00
<u>Monument</u>	
To/From Colorado Springs	\$5.00
To/From Denver	\$8.00
10-Ride Ticket	
To/From Denver	\$108.00
<u>Monument</u>	
To/From Colorado Springs	\$45.00
To/From Denver	\$72.00
20-Ride Ticket	
To/From Denver	\$216.00
<u>Monument</u>	
To/From Colorado Springs	\$85.00
To/From Denver	\$136.00
40-Ride Ticket	
To/From Denver	\$360.00
<u>Monument</u>	
To/From Colorado Springs	\$150.00
To/From Denver	\$240.00

No Fare Change in 2013.

\* Proposed Fare Adjustment in 2014 should be considered when evaluating farebox recovery ratios to determine if meeting 45% target for express service. Include local transfer to MMT to/from FREX at time of next fare increase.

According to MMT staff, FREX service has budget constraints on an annual basis and continuation of the service is an issue each year. Given the uncertainty about the future of FREX service, it may not be practical to revise the fare structure at this time. However, there may be merit in eliminating the 40-Ride Ticket and replacing it with an unlimited monthly pass provided it can be priced to attract new riders, maintain existing riders and continue to achieve the high farebox recovery ratio. Most of the long distance bus services included in the Peer Review (See Chapter 4 – Long Distance Service Operators) offer an unlimited monthly pass with multipliers ranging from a low of 15 (MST) to a high of 35 Denver (RTD). To accommodate the three different origins/destinations, unlimited monthly pass prices could be set as shown in Figure 10-3 below. To estimate the impacts on FREX ridership and farebox revenues a more detailed analysis would need to be conducted before finalizing the exact pass prices.

Figure 10-3 FREX Fare Structure - Proposed Unlimited Monthly Pass

	One-Way Cash Fare	Proposed Unlimited Monthly Pass	
		Low End	High End
Colorado Springs To/From Denver	\$11.00	\$242.00	\$330.00
Monument To/From Colorado Springs	\$5.00	\$110.00	\$150.00
To/From Denver	\$7.25	\$160.00	\$217.50

## RECOMMENDED FARE POLICIES

MMT expressed interest in how to address fare policies regarding when and how to deal with fare increases, what to do about special discounts, ADA fares and other issues. A brief background on each topic is provided along with recommended fare policy guidelines.

### Guidelines for Fare Increases

MMT has increased fares three times in the last six years; in 2006, 2008 and 2009. The percent increases in local cash fares have fluctuated; ranging between 17% and 20% for adult and discounted passengers and between 20% and 25% for Metro Mobility. Even though fare revenues do not account for the majority of MMT’s local service revenues, they are a very important revenue stream. Since operating costs increase each year with the rising cost of labor, insurance and fuel, fare revenue must also increase on a regular basis. At the same time, many staff and operators would like fares to remain affordable for Colorado Springs’ low income riders.

Express (FREX) fares increased approximately 50% and 20% respectively in 2008 and 2009, depending on the destination. Express service is designed for long distance commuters who have a different profile and tend to be higher income riders than MMT’s local service.

The peer review provides some insight in how other transit agencies approach fare adjustments although there are no one way agencies address this issue. Most agencies do not follow a strict schedule when adjusting fares. Some agencies review their fare structure and policies on an annual basis when budgets are developed while others state that fares and farebox recovery ratios are monitored as a benchmark for fare adjustments.

### Recommended Guidelines for a Fare Increase

Several factors need to be considered when raising fares, ranging from how fares are perceived by the transit riding public, whether they are “in line” with peer agencies, to what is the “appropriate” ratio between passenger fares and operating costs. The following guidelines are recommended for MMT’s consideration:

- Review the average fare and subsidy per passenger, and the farebox recovery ratio when developing the annual operating budget. If all three ratios are declining and costs to operate the service are increasing, consider a fare adjustment.
- Monitor the local CPI and if increases are greater than 5% in any given year, consider increasing fares to keep pace with inflation.

- Monitor farebox recovery goals. A 25% farebox recovery goal is recommended for MMT's local fixed route service based on its recent performance and is in line with the performance of peer agencies.
- Farebox recovery ratios tend to be higher for long distance carriers because there are fewer daily runs, no weekend service and typically charge a higher fare than local service. Although many agencies do not separately track local and express service farebox recovery ratio goals, it is recommended for MMT to continue this practice and strive for a 45% farebox recovery ratio.

## **Discounts for ADA Riders**

Currently, ADA eligible riders are allowed to ride free of charge on local MMT service. While there is considerable cost difference to carry riders on fixed route service versus Metro Mobility service, MMT wants to revisit this free fare policy. MMT has a rigorous process for determining eligibility for Metro Mobility to ensure that only "truly eligible" can use this high priced service. Eligibility for ADA service is based on an individual's *inability* to use fixed route service because of a cognitive or physical limitation.

### **Recommended Guidelines for Reduced Fare for ADA Riders**

Of the eight peer agencies, only MST and Denver RTD allow ADA riders to ride for free on fixed-route transit and general public dial-a-ride. One agency not included in the peer review, the Livermore Amador Valley Transportation Authority (LAVTA) in the San Francisco Bay Area, recently eliminated free fares for ADA riders. Some agencies allow free rides during off-peak periods only although this can be confusing to riders and drivers alike. To collect some revenue and encourage ADA riders to use fixed route service when they are able to do so, it is recommended that MMT charge \$0.85, consistent with its local discounted fare. Charging seniors and people with disabilities and ADA riders the same discounted fare on local fixed route service is a fair and equitable approach while also providing MMT modest farebox revenues.

## **Discounts on Bulk Tickets**

MMT has been selling one-ride tickets with a deep discount to the City's Housing Authority for the past three years. MMT sold approximately 8,600 tickets in 2009, 1,700 tickets in 2010 and 20,000 tickets in 2011. If MMT had collected the full amount for these tickets, it would have been about \$95,000; instead MMT received just under \$40,000 representing an approximate 51% discount off the full price.

### **Recommended Guidelines for Discounted Bulk Tickets**

While selling tickets in bulk at a discounted price to the Housing Authority that in turn sells them at a discount or gives them free of charge to their clients, addresses social equity and environmental goals, it may not be fair and equitable for MMT to limit deep discounts to one deserving agency. Instead, MMT should eliminate the discount program for the City's Housing Authority and replace it with a program that offers a "10% bulk discount" rate and offer it to all eligible agencies and organizations including schools, other city agencies and non-profit social service agencies. The program should establish a minimum number of tickets ranging between 50-200 to be eligible for the program and receive the discount. A 10% discount is reasonable since it is not financially feasible to offer deeply discounted tickets to all worthy non-profit agencies. By broadening the number of agencies that can buy discounted tickets, MMT will be offering a public service to agencies and clients that truly are eligible for discounted transit fare.

## **Transfers between Local and Express Service**

Currently passengers that transfer between MMT local and express (FREX) service are required to pay two separate fares. Transfers issued on MMT local routes and are not valid on express service. This practice is a big disincentive for the transit riding public to use both local and express service. This is not consistent with the policy of the peer agencies. The peer review revealed that of the agencies that offer transfers, an “up charge” is required when transferring from local to express service. The charge is sometimes the difference in cost between the base fare and the higher fare and others offer a modest discount. While Spokane Transit Authority does not have a separate fare for its express service, there is a \$0.75 charge to ride the downtown shuttle. In Tucson, Sun Tran charges \$0.50 when transferring from local to regional service.

### **Recommended Guidelines for Local and Express Transfers**

MMT should introduce a transfer upgrade for local riders transferring to express service. The amount charged should be the delta between the local fare and the Express Fare. For example, if a cash paying patron is traveling to Denver and transfers from local to express service, the upgrade should be \$9.25. When transferring from express to local service, the express fare should be considered as a valid local fare. When smart cards are introduced, it will be easier for passengers and drivers alike because the card will deduct the proper amount.

## **Refund Policies**

No refunds or exchanges are permitted on tickets and passes purchased for MMT local and express service and Metro Mobility. Since passengers request refunds from time to time it is desirable for MMT to have a formal policy on refunds that supports their day-to-day practice.

The peer review shed some light on this topic. Generally, most agencies do not offer refunds on their passes especially with high priced express passes. The exception is RTD which provides full refunds on their ValuPass which is a series of 12 consecutive monthly passes available for advance purchase. It is common for agencies to have a statement on the pass itself that refunds are not offered.

### **Recommended Guidelines on Refunds**

MMT should adopt a formal policy stating that no refunds will be provided on any of its pre-paid tickets and passes. A statement should be printed on the back side of all tickets and passes so passengers are fully informed of the policy.

## **ADA Fares**

The cash fare on Metro Mobility ADA increased by 25% in 2008, from \$2.00 to \$2.50. In 2009, fares increased by an additional 20% to the current price of \$3.00. Metro Mobility ADA fare still is less than the two times the base adult fare allowed under the ADA. With a local fixed route fare of \$1.75, Metro Mobility could charge \$3.50.

The trend in the transit industry is to increase ADA fares up to two times the local adult cash fares. The peer agencies mirror this trend. ValleyRide, ABQ Ride, Sun Tran, and GET all charge the full twice-the-base fare as allowed by ADA.

### **Recommended Guidelines on ADA Fares**

A two-step fare increase is recommended for Metro Mobility to bring the fare to \$4.00 when MMT local service fare is \$2.00. The reason for a two-step increase is to avoid a significant percent increase in one

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year especially if the percentage increase in fixed route fares is lower. As shown in Figure 10-1 above, the fare would increase to \$4.00 in a two-step process with the percentage increase of 17% and 14% respectively.

## SUMMARY

Figure 10-4 below provides a summary of fare structure and fare policy recommendations made as part of this study.

Figure 10-4 Summary of Fare Structure and Fare Policy Recommendations

Issue	Recommendations
MMT Local Service Fares	<ul style="list-style-type: none"> <li>▪ No fare increase in 2013. Consider a cash fare increase to \$2.00 (\$4.00 ADA) in 2014 or in subsequent year when farebox recovery ratio is expected to drop below 25%.</li> <li>▪ Drop the multiplier used for 31-day pass price to 33. Pass price should increase to \$65 when cash fares are \$2.00</li> <li>▪ Continue with transfers and introduce a Day Pass priced at 2.5 the local MMT cash fare. Monitor to see if ridership patterns change with day pass usage.</li> <li>▪ Eliminate 22-Ride ticket. Offer a 20-Ride ticket instead.</li> <li>▪ Eliminate zonal fares.</li> </ul>
Youth and ADA Fares	<ul style="list-style-type: none"> <li>▪ Increase the price of the Summer Haul Pass in 2013 and again in 2014. Increase marketing of the Pass.</li> <li>▪ Eliminate free fare rides for ADA riders. Charge the discounted fare of \$0.85.</li> </ul>
Military Pass and U- Pass	<ul style="list-style-type: none"> <li>▪ Further pursue a U-Pass program with local higher educational institutions.</li> <li>▪ Consider an onboard survey to establish “baseline” of student ridership patterns.</li> <li>▪ Foster relationship with Transportation Coordinator /Commanding Officer at local military bases and universities.</li> <li>▪ Work with local military bases to encourage their participation in Mass Transportation Benefit Program (MTBP)</li> </ul>
Bulk Discounts and Refunds	<ul style="list-style-type: none"> <li>▪ Offer a bulk ticket discount of 10% to all eligible non-profit and social service agencies and city departments.</li> <li>▪ Continue practice of not offering refunds on all pre-paid tickets.</li> </ul>
Smart Cards	<ul style="list-style-type: none"> <li>▪ Proceed with a “hybrid approach” of using both magnetic strip cards and smart cards.</li> <li>▪ Begin with first phase by introducing Smart cards on express service and U-Pass.</li> <li>▪ Enhance distribution of smart cards by deploying additional TVMs.</li> </ul>
Express (FREX) Fares	<ul style="list-style-type: none"> <li>▪ Introduce a transfer between local and express service.</li> <li>▪ No fare increase in 2013.</li> <li>▪ Increase fares in 2014 or in subsequent year when farebox recovery ratio is expected to drop below 45%.</li> <li>▪ Consider an unlimited monthly pass.</li> </ul>
Metro Mobility Fares	<ul style="list-style-type: none"> <li>▪ Implement a two-step fare increase so fares are two times the local adult cash fare.</li> <li>▪ Eliminate the 44-Ride ticket. Offer a 30-Ride ticket instead.</li> <li>▪ Eliminate “outside city” ticket booklets.</li> </ul>

## **APPENDIX A**

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### Peer Review Questionnaire



# Survey Questionnaire

## Mountain Metropolitan Transit (MMT) Peer Review

### *Fare Structure and Policy Study*

Agency Name \_\_\_\_\_

Contact Person \_\_\_\_\_

Telephone/Fax No. \_\_\_\_\_

Email Address \_\_\_\_\_

#### *I. System/Service Area Characteristics*

<b>Characteristic</b>	<b>Fixed Route Service</b>	<b>Paratransit /ADA Service</b>	<b>Commuter/ Express</b>	<b>Other Service (Military/Base Post Service shuttle, express, etc.)</b>
Service Area Population				
Service Area Size (Sq. Miles)				
Service Day and Duration				
Weekday				
Saturday				
Sunday				

#### *II. Operating Statistics (FY 2009)*

<b>Category</b>	<b>Fixed Route</b>	<b>Paratransit /ADA Service</b>	<b>Comments</b>
Annual Revenue Hours			
Annual Revenue Miles			
Annual Boardings (Ridership)			
Annual Operating Cost			
Passenger Fares			
Farebox Recovery Ratio			
Number of Routes			
Peak Vehicles			

*Data Source(s):*

### III. Cash Fare (Fixed Route)

A.

Fare Type	Eligibility/Age for Discounted Fare	Cash/ Dollar Amount	Comments
Adult			
Senior/Disabled			
Youth/Student			
Child			
Other (e.g., Discount Fares) <i>(please specify)</i>			
Transfers <i>(specify time duration and other requirements)</i>			
Peak/Off-Peak Fares <i>(specify times)</i>			
Zonal Charges <i>(number of zones)</i>			

### IV. Intra-System Transfers (applicable only if transfers are used)

A. If you offer transfers, are they accepted from regular fixed route to express (premium) services?

Yes \_\_\_\_\_ No \_\_\_\_\_ Yes, with additional payment \_\_\_\_\_

B. If you offer transfers, are they good for a set period in all directions (unlimited travel for a specified period of time)?

Yes \_\_\_\_\_ No \_\_\_\_\_

C. If you offer transfers, are they good *only* in one direction?

Yes \_\_\_\_\_ No \_\_\_\_\_

D. Please generally describe your transfer policy, including the maximum number of transfers allowed, time window and whether or not riders may transfer to the same route and direction. If you ***eliminated*** transfers, please explain why and if you replaced with a Day Pass, what did you consider in setting a price and what has been the impact on ridership?

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### V. Inter-System Fare Policy

A. Are transfers and fares accepted from a neighboring system?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, are there conditions for accepting them?

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B. If yes, do you have a revenue-sharing agreement with this agency?

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, can we please get a copy?

Any Comments:

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VII. Passes/Fare Media (Fixed Route bus)

Pass Duration	Fare Category	Price	Grace Period	Fare Technology (e.g., magnetic stripe, flash pass, etc...)
<b>Monthly (please note if traditional or 31-day rolling pass)</b>				
	Adult			
	Senior/Disabled			
	Youth/Student			
	Child			
	Other			
<b>Weekly</b>				
	Adult			
	Senior/Disabled			
	Youth/Student			
	Child			
	Other			
<b>Day Pass</b>				
	Adult			
	Senior/Disabled			
	Youth/Student			
	Child			
	Other			
<b>Other (e.g.</b>				

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\* Please note all zone charges as appropriate.

- A. Do you offer a bulk discount of your passes to social service agencies, hospitals or other institutions? If yes, what is the discount and what is the minimum number of passes sold to be eligible for the discount?

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**VIII. Innovative/Special Fares**

- A. Do you offer any special employer fare strategies? This could include such fare schemes as “Discounted Passes to employers” or “Employer EcoPass”?

Yes \_\_\_ No \_\_\_

If yes, please explain. What was the impetus for the program? Could we please get a copy of any employer agreement? Is this program considered successful? How have you defined success? What are the administrative requirements?

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- B. Do you have partnerships with or offer any other special passes or tickets (for social service purposes or other non-profit institutions)?

Yes \_\_\_ No \_\_\_

If yes, what do they cost and what is the discount offered? How are they distributed? Are there plans for phasing these out?

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- C. Do you offer a special pass for elementary and high school students? What is the fare? What are the requirements to purchase this pass (photo ID, or proof of student status, etc)? Do you have a written agreement with the school district? If yes, can we get a copy?

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- D. Do you have a separate U-Pass or other special arrangement with a local college or university? Is there a separate physical pass or do students get a sticker that adheres to their student ID card?

Do you have a written revenue agreement with the university or other education institution to pay for the passes? If yes, what is the basis and can we get a copy?

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E. Do you now have *or* do you have plans to transition to a SMART card?

Yes \_\_\_ No \_\_\_

If are planning to do so, can you explain the reasons for moving in this direction??

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E. Do you have special fares for area military posts/bases? (DOD Pass Benefits program, etc.)

Yes \_\_\_ No \_\_\_

If yes, please explain.

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F. Does you agency provide free system transit passes to its drivers and administrative personnel?

Yes \_\_\_ No \_\_\_

If yes, please explain.

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G. Does your agency's express ticket include a transfer to local buses as part of the express pass?

Yes \_\_\_ No \_\_\_

If yes, please explain.

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H. Does your agency have a policy where ADA riders can ride for free on local fixed-route buses?

Yes \_\_\_ No \_\_\_

If yes, please explain.

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Do you offer any other innovative fare strategies?

Yes \_\_\_ No \_\_\_

If yes, please explain.

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IX. Fare Restructuring

A. Many transit systems have raised fares in the last year or two.

**When was your last fixed route fare restructuring? \_\_\_\_\_ ADA fare restructuring?**

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Fare Category	Cash Fares		Pass Fares						Tickets/Tokens	
	Old	New	Daily		Weekly		Monthly		Transfers	
			Old	New	Old	New	Old	New	Old	New
Adult										
Senior/Discount										
Youth/Student										
Child										
Other										
ADA/Paratransit										

A. What was the impact on fixed-route ridership and revenue in the year after fare restructuring? How did ridership change by fare type and rider category?

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B. Other than the fare restructuring, what other factors, if any, contributed to the ridership and revenue impacts you just described.

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**X. Fare Evasion**

A. Is fare evasion a concern at your agency? Do you formally estimate it? If yes, what is it and what steps do you take to prevent fraud? What is the operator's role in enforcing properly paid fares?

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**XI. Miscellaneous**

A. Do you have an overall revenue target for achieving a specified farebox recovery ratio for fixed route services? Is the required farebox recovery ratio mandatory? If so, how was it set? What steps do you take if not met?

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B. Does your agency have a policy for reviewing or adjusting fares at set intervals? For example, some agency have a policy of adjusting fares every two years or increasing fares at set times to keep pace with inflation?

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C. Is there any advice or suggestions you would want to offer to MMT as it evaluates fare prices and policies?

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## **APPENDIX B**

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### Sample Fare Policies





## General Transfer Policy

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There will always be a need for transfers from bus to bus or bus to some other mode. RTD's transfer policy affects passenger convenience, operating costs, revenue generation, ridership, fares, operator disputes, fraud, and other factors. RTD's current transfer policy is summarized below.

### ***RTD's transfer rules:***

- Transfers are free (See example on page 2)
- Transfers are issued at time of payment to operator
- Valid for 60 minutes (or the next greater 20 minute time interval) after the time of the first bus or train's scheduled arrival at end of the trip.
- Validated light rail tickets may also serve as an initial transfer when continuing a one-way trip by bus.
- Good for unlimited number of transfers in same direction
- Good for discount on higher fare service equal to original payment to operator.
- Transfers are not valid for round trips on the route of issue in the opposite direction.
- When applicable, cash, token, monthly pass, and 10-ride passengers must pay a premium fee when transferring to an upgraded service.

### ***Bus operator transfer procedures:***

- Division clerk puts an estimated number of transfers (pads of 50) in the driver's mailbox each day.
- Driver checks the transfers for the correct date – the day of the month is pre-printed on the transfer in bold type.
- Punches the type of service (Local, Express, Regional, skyRide, call-n-Ride)
- Punches the route number or letter
- Punches the current month
- When issuing the transfer, the operator cuts the transfer for the expiration time. Also punches the AM or PM expiration time.
- Marks the direction the route is traveling and gives to passenger.
- When the passenger boards a second bus, he shows his transfer to the driver. The driver should visually inspect the transfer for validity. If the transfer is invalid, the driver advises the passenger of the policy and reports the violation.
- The driver then punches the transfer key on the farebox.
- The operator places all used transfers received from passengers in a transfer envelope and turns it in after his run. He also returns the unused transfers.

cnR	LOC	RTD - 2011				
EXP	REG	1	1	1	JAN	JUL
A	H	Q	2	2	2	FEB AUG
A	I	R	3	3	3	MAR SEP
B	J	S	4	4	4	APR OCT
C	K	T	5	5	5	MAY NOV
C	L	U	6	6	6	JUN DEC
D	M	V	7	7	7	AB LOC
E	N	W	8	8	8	BC LOC
F	O	X	9	9	9	CD LOC
G	P	Y	Z	0	0	ABC EXP
N D	CPN	T B	BCD EXP			
DIA skyRide					ANCD REG	
I	II	III	EXD			
AM	NE	SW	PM			
12			0			
1			20			
2			40			
3			0			
4			20			
5			40			
6			0			
7	20					

## 2011 TERMS AND CONDITIONS - NEIGHBORHOOD ECO PASS

This Agreement is made between the Applicant named herein (hereafter referred to as the "Applicant") and the Regional Transportation District, a district organized pursuant to the Regional Transportation District Act, Section 32-9-101, et seq., C.R.S. (hereinafter "RTD"). The purpose of this Agreement is to provide RTD annual "**NEIGHBORHOOD ECO PASSES**" which will be distributed by RTD to all of the Applicant's eligible residents. Neighborhood Eco Passes are provided at a rate based upon the policy and pricing formula provided to the Applicant plus documentation required of the Applicant. This contract contains the entire Agreement between the parties for the term stated and cannot be changed or altered except by written agreement signed by all parties hereto.

1. **ELIGIBILITY:** To be eligible a neighborhood must be represented by either a county or city government entity, or a registered homeowners/neighborhood association (Applicant) and neighborhood must be within the Regional Transportation District boundaries. There must be designated individual(s) assigned as contacts for RTD and residents. Residents must be approved by the association and are eligible as long as they reside in the eligible neighborhood. In any participating residential block, all housing units within that residential block must be included when calculating the price. All children age 5 and under ride the bus free and will not be issued a Neighborhood Eco Pass. Neighborhood Eco Passes may not be provided or resold to anyone outside the residential location.

2. **REQUIRED DOCUMENTATION:** The Applicant must submit the following documentation for approval before an Agreement is prepared: (1) A detailed map showing every residential block and house covered by the Agreement together with a typed numerical listing with the address for each housing unit on the residential block. If an apartment building or buildings constitutes a residential block for purposes of this Agreement, the location must be shown. (2) A typed alphabetical roster of each eligible resident and his/her address. Copy of proof of residency of each participating resident, i.e., utility bill, rental agreement, drivers license, etc., must be submitted to obtain the pass or decal. Each participating resident's drivers license or other photo I.D. and a second I.D. must be submitted at the time a pass or decal is issued. **RTD will provide a pre-numbered tracking log to the Applicant.** The Applicant is required to track the issuance of Eco Pass decals. The Applicant is required to submit copies of their completed tracking logs twice annually, no later than January 31, and July 31.

3. **PAYMENT TERMS:** Payment in full, for all passes shall be made when this Agreement is submitted by the Applicant to RTD **unless** a payment addendum is approved. Deposit of the check does not constitute acceptance of the Agreement. In the event the Agreement is not approved, a refund check will be sent within 30 days of refusal. No contract will be accepted for a period of less than three months. The period of validity of each pass shall be from January 1 through December 31 of the calendar year in which it is issued. The Applicant may not resell the Neighborhood Pass to residents for a profit.

4. **ISSUANCE OF NEIGHBORHOOD ECO PASSES:** RTD will issue decals only for the amount of residents on the roster. Additional decals for residents added for paid housing units who were originally non-participating, not on original roster, will be issued upon presentation of alphabetical roster by address and block number. No additional decals will be issued throughout the year unless passes are turned in or either lost or stolen, or additional blocks are added, see paragraph #5 and #7. Residents may obtain their passes at an RTD photo location, or RTD may depending available staff time and equipment, provide a one-time Neighborhood Pass photo session at a designated location for 50 or more residents at no additional charge. If less than 50 resident photos are taken, the Applicant will pay a \$100 service fee per hour for the photo session. The neighborhood coordinator has the option of transferring resident photos electronically. In the event these photos cannot be transferred to and/or received by RTD for any reason including RTD equipment failure, the coordinator agrees to make arrangements for the residents to obtain their passes at an RTD photo location. At any time, if the number of eligible housing units is found to vary from the contracted amount, the Applicant agrees to pay for those housing units. The Applicant will maintain an inventory of Neighborhood Eco Pass decals issued for renewals and their serial numbers. For renewals, an authorized agent of the Applicant must affix RTD decals to the photo I.D. at the time of distribution to each individual resident. RTD reserves the right to audit or survey the Applicant records on the number of eligible housing units and residents.

5. **CANCELED PASSES:** RTD reserves the right to cancel any or all passes if it has reason to believe that the information provided by the Applicant or resident has been falsified and/or passes have been given to ineligible persons. Any canceled passes must be returned to RTD immediately upon cancellation. In the event passes are not returned pursuant to this Agreement, the Applicant or any person or entity legally responsible shall be held liable for the price of all passes not returned. The amount of liability for each unreturned pass may be the cost of a Regional monthly pass for each month remaining in the calendar year.

6. **ADDING ADDITIONAL BLOCKS:** New blocks may be added to existing neighborhoods as long as they are contiguous. A survey is required in order to determine the per household price which may vary from the existing neighborhood. .

7. **CONFISCATION OF PASS:** RTD has the right to confiscate the Neighborhood Eco Pass and pursue claims or demands against, or seek prosecution of any ne who duplicates, alters, or commits unauthorized use of the Neighborhood Eco Pass with intent to defraud. RTD agrees not to pursue any claims or demands against the Applicant for issuing the Neighborhood Eco Pass based on any counterfeiting or alleged counterfeiting of the Neighborhood Eco Pass, unless the counterfeiting is the result of the Applicant's gross negligence or willful misconduct.

8. **LOST OR STOLEN PASSES OR DECALS:** Lost or stolen passes or decals by the pass holder or Applicant will be replaced the first time for a \$25 fee **PER** pass or decal. The fee to replace a lost pass the second time is \$50, no replacement for the third time. Those stolen passes which have an accompanying police report will be replaced for a \$5.00 processing fee. In the event the pass or decal is lost or stolen a second time, the fee will be \$50 **PER** pass or decal regardless of whether a police report is provided. No replacement for a third time. All police reports must be signed by a police officer, have a case number, police officers printed name and station phone number for verification, **NO EXCEPTIONS.** In the event that a replacement I.D. is provided and then the original "lost" I.D. is found, **RTD will not provide a refund.**

9. **HOW THE PASS MAY BE USED:** RTD shall allow each resident displaying a valid Neighborhood Eco Pass to ride free on all parts of its regular route transportation system, and a \$5.00 additional fee will apply on SkyRide service to Denver International Airport, but not limited to, parts which are operated by contractors to RTD, as well as on any fixed guide way rapid transit system which RTD operates. Neighborhood Eco Pass is not valid on any special service as designated by RTD such as RockiesRide or BroncosRide, including special services operated pursuant to the American's with Disabilities Act (ADA).

10. **SMART CARD:** During the term of this Agreement RTD expects to transition to a smart card fare system and, in so doing, would replace the current pass system described in this Agreement with a smart card system. The smart card system would result in employees being issued a smart RTD ID card to travel on the RTD system, with the smart card being deactivated by the employer when the employees are no long eligible for RTD service under the program. Applicant understands and agrees that RTD shall have the right to transition to a smart card system, and to undertake all activities reasonably associated with such transition. In such event the parties will cooperate to implement the smart card system and to amend this Agreement accordingly. The transition to the "smart card" will not result in an increase to the total cost of the current year's contract under this Agreement.

11. **CAPTIONS OR HEADINGS:** The captions or headings on any paragraphs to this Agreement are for reference only and do not affect any of the terms and conditions contained herein.

12. **TERMINATION OF AGREEMENT:** This Agreement shall continue in full force and effect through the expiration date specified, unless it is terminated by either party. Either party may terminate this Agreement at its sole discretion by giving the other party written notice at least 60 days prior to the termination date. In either case, the Applicant or any person or entity legally responsible shall return all Neighborhood Eco Passes or decals immediately or be **held liable** for each unreturned pass or decal. **The amount of liability will be the same as in Paragraph #5.** Upon return of all passes and decals, the RTD shall issue a pro-rated

refund for any period of available use.

Without waiving any privileges and immunities conferred by the Colorado Governmental Immunity Act, each party agrees to be responsible for any claims, demands, or suits arising out of its own negligence. No person not a party to this Agreement shall have any rights or entitlement of any nature under it. IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth herein. (Revised 10/10)

# Neighborhood Agreement

## Eco

## Pass



Date of Issue:

**Applicant:** \_\_\_\_\_  
*Neighborhood*

**Contact(s):** \_\_\_\_\_ *Name(s)*  
*Telephone #* *Email address* *Fax #*

\_\_\_\_\_ *Contact Address*  
 \_\_\_\_\_ *Billing Address (if different)*

# BLOCKS	# RESIDENTS	# HOUSEHOLDS	RATE PER HOUSEHOLD	AMOUNT
	687	342-4 vacant 338	\$113.00	\$38,194.00
	<b>Pro-Rated Pass Adjustment:</b>	30% Discount		\$11,458.20
			<b>TOTAL:</b>	<b>\$26,735.80</b>

**Contract Payment Terms:**

- The Applicant agrees to pay to the order of the Regional Transportation District the total sum listed above prior to the issuance of the Neighborhood Passes, unless payment addendum is attached and signed.
- The Neighborhood Eco Passes will be valid from January 1, 2011 through December 31, 2011
- This offer may become null and void if not signed and dated within 30 days of issuance.
- MAIL TO: RTD, Attn: Theresa Sabrsula, 1600 Blake Street, Denver, CO 80202

The Applicant, acting through the undersigned who represents that he is duly authorized by the Applicant, agrees to the payment(s) as stated herein. The undersigned has read this Agreement, including the terms and conditions on the reverse side, and by his signature acknowledges that he has received a copy of this application, read same, and agrees to the terms and conditions as stated. The Applicant understands and agrees that this Agreement becomes a contract upon signature of the Applicant and countersigned and approval by RTD. Any modifications or alterations to the Agreement must be made in writing and signed by RTD. This Agreement cannot be canceled except as stated herein.

RTD Approval

Signature \_\_\_\_\_ Date \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

by: \_\_\_\_\_

Reviewed

**EXHIBIT A**  
**Spokane Transit Authority Tariff Policy and Procedures**  
**for**  
**Fixed Route and Paratransit Services**

- I. **Effective Date:** At the beginning of the service day on January 1, 2011, Phase 2 of the Tariff Policy approved by the Board of Directors in June 2009 goes into effect. Phase 3 goes into effect on January 1, 2012. Phase 3 will continue until further written notice or revised.
- II. **Applicability:** This policy applies to all STA fixed route and paratransit services within the STA's service area.
- III. **Tariff Policies:** The Comprehensive Transit Plan articulates the following fare policies.
- A. **Tariff Philosophy:** Spokane Transit Authority's philosophy is to encourage increased ridership by providing a convenient and reasonably priced method for citizens to enjoy the advantages of public transportation.
- B. While the fare structure will provide value to our riding customers, a fixed route farebox return<sup>1</sup> objective of 20% of the fully allocated costs<sup>2</sup> of this service is maintained.
- C. Spokane Transit's operating cost per passenger compares favorably to the Washington State statewide average of urban transit systems. To maintain this favorable comparison, increasing the fixed route ridership component of this metric will be emphasized.
- D. Minimize complexity – emphasize a simple and easily understood system.
1. Sustain a flat rate fare structure<sup>3</sup> throughout the Public Transit Benefit Area with fixed fares for regular route/service and a differential rate for shuttle routes.
2. Customers use time-limited passes (two hour, day, monthly, etc.) to accomplish multi-route/directional trips. Transfers are not used.
- E. Increase pre-payment and reduce the use of cash.
1. By contract, monthly billing and post-payment may be allowed for employers, institutions and other groups participating in special pass programs.
2. When possible, existing identification cards (the EWU Eagle Card, etc.) containing appropriate technology (magnetic stripes, chips, etc.) may be used to develop and implement pass programs for groups.
- F. STA supports opportunities for low-income individuals to use public transportation at a discounted cost. These opportunities should be made available through community programs that subsidize the purchase of standard fare instruments rather than as direct STA discounts or special fare structures. This strategy helps manage eligibility challenges and supports other strategic objectives.

VI. **Fare Types**

- A. **Single Ride** – direct travel from one origin to one destination on a single vehicle.

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<sup>1</sup> **Farebox return** is measured as the percentage of total operating costs recovered through user fares.

<sup>2</sup> **Fully allocated costs** include all administrative, maintenance, and operational costs applied to delivery of service. This cost is usually reflected as a total cost per hour that a vehicle is in service.

<sup>3</sup> **Flat rate fare structure** means that the fare structure is consistent throughout the entire service area. There is no premium cost based on trip distance or peak service period. The alternative to a flat rate structure is a zonal fare structure in which a system of transit zones are established and different fares are charged for travel within and between zones, or different times of day.

- B. Fixed Route Two-Hour Pass – unlimited travel during a consecutive two-hour period on fixed route services.
- C. Paratransit One Ride Pass – unlimited travel during a consecutive two-hour period between paratransit and fixed route services or fixed route service only.
- D. Day Pass – unlimited travel on fixed route service during a given service day.
- E. Fixed Route 31-Day Pass – unlimited travel on fixed route service during a rolling 31-day period effective on first use or on day of purchase depending on fare media.
- F. Paratransit Calendar Monthly Pass – unlimited travel on paratransit or fixed route service during a given calendar month.
- G. City Ticket Pass – unlimited travel on shuttle vehicles during a given calendar month.
- H. Student Calendar Monthly Pass - unlimited travel on fixed route service during a given calendar month.

**VII. Fare Programs**

- A. Fixed Route Reduced Fare – This program is available to people who are: 1) 65 years of age or older; or 2) have a qualifying disability; or 3) have a valid Medicare card issued by the Social Security Administration. An STA-provided reduced fare or paratransit identification card must be shown to the bus operator each time the bus is boarded and the reduced fare paid.
- B. Paratransit Fare - Paratransit eligibility is determined through an application process. Once eligibility is established, individuals are entitled to pay STA's existing reduced fare rate on fixed route services and the paratransit fare on paratransit services. The STA paratransit identification card must be shown to the operator each time the vehicle is boarded and the fare paid when using fixed route services.
- C. Employer Sponsored Bus Pass – Passes are made available, on a contractual basis, to employers with five or more employees, at a discount of up to \$3.00 per monthly pass. The employer must pass on the discount to their employees and offer a discount that at least matches the STA discount.

If an employer has a minimum of 100 participants in the program, the employer may make passes available to all employees at no cost to the employee. If so, STA will sell passes to the employer at 25% discount. This discount is not available on City Ticket Passes.

- D. Organization-Based Pass – An annual program made available on a contractual basis to organizations with 100 or more employees/members in which all members of the organization have unlimited access to STA services. The organization pays a fee that allows all identified members of their organization to use STA services for the contracted time period. Eligible participants must be identifiable by an identification card that is readable by STA fare collection equipment. The number of these programs is dependent on the capacity of STA's fare collection equipment.

The fee is based on ridership and the system-wide average fare for fixed route service. For the first contract year, the fee would assume 10% of the organization's population would be active riders. Active riders are assumed to use the system an average of 44 times a month. The first year formula would be:

$$\text{Total organization population} \times 10\% \times 44 \times \text{months in contract period} \times \text{system-wide average fare} = \text{contract price.}$$

In subsequent years, the fee would be based on actual ridership from the previous year. The subsequent year formula would be:

$$\text{Organization's total ridership for the previous contract period} \times \text{system-wide average fare} = \text{contract price.}$$

- E. Student Pass – This program provides reduced cost access to public transportation for individuals enrolled in post-secondary education, technical, or job/career training institutions.

Eligible educational and training institutions are institutions that either:

1. are qualified providers of federal financial aid and have obtained a Federal School Code; or
2. have obtained a vocational school license issued by the Washington State Workforce Training and Education Coordinating Board.

Any individual who possesses a valid proof of enrollment in a registered institution is eligible for a Student Pass. The price of the Student Pass is the full 31-day adult fare discounted by \$8.00 through Federal and State Grant funding. If grant funding for this program is eliminated, the continuation of the Student Pass program will be re-evaluated.

- F. Summer Youth Pass – The program provides a youth customer (6-18 years of age) the opportunity to purchase a discounted three month bus pass for June, July and August).
- G. City Ticket – City Ticket is a cooperative effort with the Downtown Spokane Partnership and the Public Facilities District that allows pass holders to park at the Arena Park and Ride lot and use the Plaza-Arena Shuttle and the Southside Medical Shuttle.
- H. Pass Outlet Program – Adult, Youth, and Reduced Fare 31-Day Passes are made available to authorized Pass Outlets in quantities of at least 100. Passes will be provided to the Pass Outlet at a discount of \$3.00 per pass.

#### VIII. Accepted Fare Media

- A. Cash – Exact fare required in cash or coin, no change will be given, no pennies will be accepted.
- B. Magnetic Stripe Media – These are read by making the appropriate contact between the card and the farebox card reader. Paratransit van operators may record fare use of these for the paratransit rider as needed.
- C. Proximity Smart Cards – Smart Cards are chip-embedded cards holding data that allows a vast array of potential fare opportunities. A one-time fee for this re-useable card will be charged to the customer. The fee will be based on STA's cost to provide the cards. Smart cards can also serve as an identity card (by adding a photo and other basic information). They can be reloaded with additional value or time and reused indefinitely. They are read by passing the card near or "within proximity" of the Smart Card reader on the farebox or mobile data computer on paratransit.
- D. Identification Card – Combination ID/Smart Card issued to current participants in the STA pass programs.
- E. Free Ride Tickets or Coupons – These are coupons given to customers as STA personnel deem appropriate. They are good for one free ride on either fixed route or paratransit service.
- F. Employee Passes – All employees shall, after 10 days of service, receive free transportation on fixed route/paratransit service operated by STA. Employee Smart Card/ID Cards serve as this pass.
- G. Dependent Passes – Upon request, Smart Cards for free transportation will be issued to dependents of all active employees. These passes are renewed every two years. They are issued per STA established dependent pass criteria and must be surrendered upon the employee leaving STA employment.
- H. Retiree Passes – Upon request, Smart Cards for free transportation will be issued to employees separating from STA service at 65 years of age and older or with 25 years or more of service. An eligible employee's spouse is also eligible for this benefit. These passes are renewed every two years.
- I. Easy Park Coupons – Coupons distributed by downtown Spokane businesses that are good for a free ride on STA service or \$1 off of parking downtown. This is a partnership with Downtown Spokane Partnership and they reimburse STA for all Easy Park Coupons accepted on STA service.

**Phase 1**  
(effective 1 January 2010)

Category	Cash	Two-Hour Pass	Day Pass	Monthly Pass	Summer Youth Pass (1)	Student Pass	City Ticket (3)
Adult	\$1.25	\$1.25	\$3.00	\$40.00		\$32.00	
Youth (6 – 18 years)	\$1.25	\$1.25	\$3.00	\$28.00	\$40.00		
Reduced Fare	\$0.60	\$0.60	\$3.00	\$20.00			
Paratransit	\$0.75	\$0.75		\$25.00			
Shuttle Service	\$0.75	\$0.75					\$25.00
Special Events (4)	Determined by Special Event Plan						
Children (5) (up to 3 children under age 6 with an adult, youth, student, reduced fare, or paratransit passenger)	FREE						
Personal Care Attendant (PCA) (needs no identification; however the person with whom they are traveling must have "PCA" on their ADA paratransit identification card)	FREE						

**Phase 2**  
(effective 1 January 2011)

Category	Cash	Two-Hour Pass	Day Pass	31-Day Rolling Pass	Monthly Pass	Summer Youth Pass (1)	City Ticket (3)
Adult	\$1.50	\$1.50	\$3.50	\$45.00			
Youth (6 – 18 years)	\$1.50	\$1.50	\$3.50	\$30.00		\$45.00	
Reduced Fare	\$0.75	\$0.75	\$3.50	\$22.50			
Paratransit	\$1.25	\$1.25			\$35.00		
Student (2)					\$37.00		
Shuttle Service	\$0.75	\$0.75					\$30.00
Special Events (4)	Determined by Special Event Plan						
Children (5) (up to 3 children under age 6 with an adult, youth, student, reduced fare, or paratransit passenger)	FREE						
Personal Care Attendant (PCA) (needs no identification; however the person with whom they are traveling must have "PCA" on their ADA paratransit identification card)	FREE						

**Phase 3**  
(effective 1 January 2012)

Category	Cash	Two-Hour Pass	Day Pass	31-Day Rolling Pass	Monthly Pass	Summer Youth Pass (1)	City Ticket (3)
Adult	\$1.50	\$1.50	\$3.50	\$45.00			
Youth (6 – 18 years)	\$1.50	\$1.50	\$3.50	\$30.00		\$45.00	
Reduced Fare	\$0.75	\$0.75	\$3.50	\$22.50			
Paratransit	\$1.50	\$1.50			\$45.00		
Student (2)					\$37.00		
Shuttle Service	\$0.75	\$0.75					\$30.00
Special Events (4)	Determined by Special Event Plan						
Children (5) (up to 3 children under age 6 with an adult, youth, student, reduced fare, or paratransit passenger)	FREE						
Personal Care Attendant (PCA) (needs no identification; however the person with whom they are traveling must have "PCA" on their ADA paratransit identification card)	FREE						

Notes:

- (1) Summer Youth Pass is a three-month instrument covering June, July, and August
- (2) Monthly Student Pass is priced as a 31-day adult pass with discount applied.
- (3) City Ticket transit pass includes parking at the Arena east lot, as per Arena specified rules
- (4) Spokane Transit Authority CEO, with Board approval, can implement reduced special fare structures and/or alternate payments for selected community ever
- (5) A responsible individual must accompany children under six (6) years of age or the child will not be allowed to board the bus or van

**INSTRUCTIONS TO CANDIDATE INSTITUTIONS  
FOR PARTICIPATION IN SPOKANE TRANSIT AUTHORITY'S  
STUDENT PASS PROGRAM**

Spokane Transit Authority (STA) developed a new fare instrument for students over the age of 18 (post high school) called the Student Pass. An individual enrolled in post secondary schooling or job/career training in an institution registered with STA may purchase a Student Pass. The eligibility of each student is defined by the institution and provided to STA for verification purposes.

**Registration for the program**

A candidate institution will complete a registration request stating its qualifications for the program and detail the methodology to identify current students. The registration request will also include whether the institution desires to sell Student Passes on consignment and if they desire to further subsidize any of their students' cost.

The attached "Application and Agreement With Candidate Institution for Participation in Spokane Transit Authority's Student Pass Program" is the mechanism to register your institution in the program. Please return a completed form to:

**Customer Service/Plaza Manager  
The Plaza / Customer Service  
701 West Riverside Avenue  
Spokane, WA 99201**

**Pass sales**

Passes will be sold by calendar month. At the point of purchase, students must show proof of current enrollment in a registered institution. Point of purchase will either be an STA customer service location or your institution.

**Fare structure**

The pass will cost \$37 for eligible students. This discounted cost from the Adult Pass is made possible through federal/state grant funds. If grant funding is discontinued, the Student Pass program will be reevaluated for continuation.

For more information on this program, contact the Customer Service Manager at **(509) 325-6087**.

**AGREEMENT FOR PARTICIPATION IN  
SPOKANE TRANSIT AUTHORITY'S  
STUDENT BUS PASS PROGRAM**

**INSTITUTION INFORMATION**

**Institution Name:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_

**Address:**  
\_\_\_\_\_

**Phone Number:** \_\_\_\_\_ **Fax Number:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Date of Application:** \_\_\_\_\_

**Total Anticipated Students:** \_\_\_\_\_

**Sample of registration form or verification of student registration:**

Please provide a sample of student registration or verification of student enrollment. This is for STA staff to ensure that the student buying the pass at the STA Plaza or the Bus Shop Too (at STA's Boone Street location) is a registered student at your institution.

Student must present the type of verification for proof of registration within the institution at the point of sale in order to purchase the Student Pass.

**Consignment Agreement:**

As a Consignment location, after completing an agreement to become a consignment location, you would order the number of passes that you believe you will sell during a month. Once you have completed selling the passes, you will send back what is not sold and you would be charged only for the passes sold. If your institution would sell the Student Pass; STA would not sell the pass at its locations.

Does your organization want to sell passes on consignment at your location? \_\_\_ Yes \_\_\_ No

**Discounting the Student Pass:**

As a consignment location, you have the option to discount the pass to your students. The cost would be assumed by your organization. The pass will be sold to you at \$37. If your organization has the ability, you may discount the pass further to your students (i.e. \$20)

*Include in Packets:*

*Sample of registration form or verification of student registration*

*Student Pass consignment agreement*

**APPLICATION AND AGREEMENT WITH CANDIDATE INSTITUTION  
FOR PARTICIPATION IN SPOKANE TRANSIT AUTHORITY'S  
STUDENT PASS PROGRAM**

This document is the application for \_\_\_\_\_  
(referred to as Institution) to participate in Spokane Transit Authority's (STA) Student Pass Program.

When completed in full, this document also constitutes an Agreement between STA and the Institution for participation in the Student Pass Program.

**Certification of Eligibility**

An institution is eligible for this program if it satisfies at least one of the following two criteria:

1. Institution is a qualified provider of federal financial aid and possesses a Federal School Code.
  - Your Federal School Code is: \_\_\_\_\_
2. Institution is licensed by the Washington State Workforce Training and Education Coordinating Board.
  - Attach a copy of your vocational school license and the letter that outlines your eligible programs.

**INSTITUTION INFORMATION**

**Institution Name:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_ **Fax Number:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Date of Application:** \_\_\_\_\_

**Total number of students anticipated to purchase a student pass:** \_\_\_\_\_

**Will you further discount the Student Pass?** \_\_\_\_\_ **YES** \_\_\_\_\_ **NO**

**Do you wish to sell passes on consignment at your institution?** \_\_\_\_\_ **YES** \_\_\_\_\_ **NO**

**(If YES, complete the "Agreement for Participation in Spokane Transit's Student Pass Consignment Program.")**

Spokane Transit Authority  
Application and Agreement for Participation STA's Student Pass Program

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**Sample of registration form or verification of student registration**

Please provide a sample of student registration or verification of current student enrollment. Spokane Transit staff will use the sample provided to ensure that the student buying the pass at The Plaza or the Bus Shop Too is currently enrolled in your institution. When purchasing the Student Pass, the student must present identical verification for proof of current enrollment.

Approved by:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SPOKANE TRANSIT AUTHORITY

By: \_\_\_\_\_  
(Authorizing Signature)

By: \_\_\_\_\_  
E. Susan Meyer  
Chief Executive Officer

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Please consign the following number of passes:

\_\_\_\_\_

Return completed Agreement to:

**Customer Service Manager  
STA Plaza / Customer Service  
701 West Riverside Avenue  
Spokane, WA 99201**

AGREEMENT FOR PARTICIPATION IN  
SPOKANE TRANSIT AUTHORITY'S  
EMPLOYER SPONSORED BUS PASS PROGRAM

This letter constitutes an agreement between Spokane Transit Authority (STA) and **Employer** (referred to as Company) pursuant to which the Company will make monthly STA bus passes available to employees at a discount.

Use of the passes is restricted to the proper holder as identified on the pass, and the holder is subject to STA's general rules and regulations for public transportation service. Passes are non-transferable, non-refundable and non-replaceable. Passes will not be prorated for sale for portions of a month.

The terms and conditions regarding the production, distribution, promotion, costs, accountability, and payment for the STA passes shall be as follows:

**General**

1. STA will sell monthly passes to the Company at a discount of \$3.00 per pass provided that the Company agrees to pass that savings on to the employees and offer an additional discount of not less than \$3.00 per pass. The Company may request Adult, Youth, Paratransit or Reduced Fare passes.
2. Each month the passes are to be paid for by check from the Company or by bankcard. Checks should be made payable to:

**Spokane Transit Authority  
701 West Riverside Avenue  
Spokane, WA 99201**
3. The Company agrees to accept custodial responsibility for passes in their possession and must make full payment for any passes lost, stolen or destroyed.
4. The Company will distribute passes to the employees. Collection of the appropriate payment for the pass is the responsibility of the Company. Passes may be distributed to employees from the 25th of the preceding month until the 10th of the current month.
5. If any employer has a minimum of 100 people who wish to participate in the program, and the employer will make passes available to all employees at no cost, then STA will sell passes to the employer at a 25 percent discount.
6. At the Company's request, STA will assist the Company in publicizing the Employer Sponsored Bus Pass Program and work with the Company to encourage the program's growth and success.
7. If the Company sells four (4) or less passes per month, the Company will be responsible for picking the passes up at The Plaza, 701 West Riverside, or at 1230 West Boone Avenue. Payment is required when the passes are picked up.
8. STA passes are considered "delivered" to the Company, and the Company hereby accepts responsibility for the full cash value of each pass, upon STA's delivery of the passes to a Company designated carrier for delivery to the Company or its designee.

**ESBPP Consignment (5 or more passes per month)**

1. If the Company sells five or more passes per month, the Company may choose to enter into a consignment arrangement with STA.
2. Passes for the current month are paid for at the time of delivery of the passes for the next month.
3. The Company will complete a consignment form that indicates how many passes have been sold. The Company may return any unsold passes without obligation.
4. If the total amount of sales falls below five passes, the consignment program may be canceled.
5. If the Company does not have the consignment material completed on time, the consignment will not be issued for the following month.
6. If the Company is in downtown Spokane, passes will be available to pick up at The Plaza beginning on the 16th of the month. The consignment form, the Company check for passes sold for the current month, and any unsold passes must be brought to The Plaza at the same time the passes for the upcoming month are picked-up.
7. If the Company is outside of downtown Spokane, the passes will be delivered to the work site on a monthly basis. The consignment form, the Company check for passes sold for the current month, and any unsold passes must be ready for pick-up when the passes for the upcoming month are delivered. The Company agrees to have the consignment forms completed and full payment ready for pickup at the start of business on the 16th of the month.

**Approved By:**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**COMPANY** \_\_\_\_\_

**SPOKANE TRANSIT AUTHORITY**

By: \_\_\_\_\_  
(Authorizing Signature)

\_\_\_\_\_  
E. Susan Meyer  
Chief Executive Officer

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Please consign the following number of passes for the month of \_\_\_\_\_.

\_\_\_\_\_ Adult  
\_\_\_\_\_ Youth

\_\_\_\_\_ Reduced Fare Pass  
\_\_\_\_\_ City Tickets

\_\_\_\_\_ City Tickets

**ESBPP Consignment (5 or more passes per month)**

1. If the Company sells five or more passes per month, the Company may choose to enter into a consignment arrangement with STA.
2. Passes for the current month are paid for at the time of delivery of the passes for the next month.
3. The Company will complete a consignment form that indicates how many passes have been sold. The Company may return any unsold passes without obligation.
4. If the total amount of sales falls below five passes, the consignment program may be canceled.
5. If the Company does not have the consignment material completed on time, the consignment will not be issued for the following month.
6. If the Company is in downtown Spokane, passes will be available to pick up at The Plaza beginning on the 16th of the month. The consignment form, the Company check for passes sold for the current month, and any unsold passes must be brought to The Plaza at the same time the passes for the upcoming month are picked-up.
7. If the Company is outside of downtown Spokane, the passes will be delivered to the work site on a monthly basis. The consignment form, the Company check for passes sold for the current month, and any unsold passes must be ready for pick-up when the passes for the upcoming month are delivered. The Company agrees to have the consignment forms completed and full payment ready for pickup at the start of business on the 16th of the month.

**Approved By:**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**COMPANY** \_\_\_\_\_

**SPOKANE TRANSIT AUTHORITY**

By: \_\_\_\_\_  
(Authorizing Signature)

\_\_\_\_\_  
E. Susan Meyer  
Chief Executive Officer

Name: \_\_\_\_\_  
(Please Print)

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Please consign the following number of passes for the month of \_\_\_\_\_.

\_\_\_\_\_ Adult  
\_\_\_\_\_ Youth

\_\_\_\_\_ Reduced Fare Pass  
\_\_\_\_\_ City Tickets

\_\_\_\_\_ City Tickets

AGREEMENT

THIS AGREEMENT is between the CITY OF SPOKANE, a Washington State municipal corporation, as "City," and SPOKANE TRANSIT AUTHORITY, a Washington State municipal corporation whose address is 1230 West Boone Avenue, Spokane, Washington 99201, as "STA," jointly referred to as "Parties."

WHEREAS, the Parties share the desire to reduce single occupant vehicle (hereinafter referred to as "SOV,") commute trips and improve the mobility of City employees to and from the workplace of the City of Spokane; and

WHEREAS, STA is authorized to provide public transportation and generally promote alternatives to SOV community in Spokane City; and

WHEREAS, the City desires to continue providing incentives and benefits to its employees which promote non-SOV commuting to and from the City workplace; and

WHEREAS, the Parties desire to continue a pass program that is used by City employees to access STA services; -- Now, Therefore,

The Parties agree as follows:

1. PURPOSE. The purpose of this Agreement is to continue a pass program authorizing City employee use of STA services upon presentation of a valid City picture identification card in accordance with the terms and conditions of this Agreement.

2. RESPONSIBILITIES.

A. City's Responsibilities.

1) Eligible Recipients. For purposes of this Agreement "Eligible Recipients" shall be defined as any City of Spokane employee who qualifies for and receives a valid fare instrument to use on STA services.

2) The City will utilize fare media for use on STA vehicles. The City will provide each employee with a valid fare instrument that the employee will utilize to ride the vehicles.

3) Worksite Activities. The City will inform STA of upcoming worksite activities that may affect the level of rider services delivered by STA. Notice will be provided at least thirty (30) days in advance and no less than on a monthly basis to the STA designated representative.

- 4) The City will provide a listing to STA each month, identifying all eligible recipients for that month. This listing will be generated using the official employee roster for the City and will be forwarded to the designated representative for STA. The City will be responsible for monitoring employee abuse of the City's designated fare media. It is the responsibility of the City to notify STA of a valid fare instrument that needs to be cancelled due to employees not being eligible to use them.

B. STA's Responsibilities.

- 1) All eligible employees who possess and display a current City issued valid fare instrument will be allowed to ride STA regular service buses and ADA comparable paratransit service vans (hereinafter referred to as "services") without paying a fare from January 1, 2011, through the contract term, upon validation from the farebox providing the service. This Agreement excludes use of the City's designated fare media as fare for any special transit service such as *Bloomsday*, *Artfest*, *Hoopfest*, and other designated special fare services offered by STA.
- 2) Information and Distribution. STA will supply and maintain information racks throughout the Spokane service area and the workplace of the City with transit service schedules. The costs for any additional information distribution service requested by the City and not currently provided by STA will be shared by the Parties.
- 3) Service Not Guaranteed. The service provided by STA is that service being provided to the public as determined by the STA Board from time-to-time in the normal course of operations. A pass does not guarantee a ride. Service is subject to weather, mechanical interruptions, full vehicles, passenger conduct, and other causes determined in the sole discretion of STA as established in STA's Transit Development Plan.
- 4) Reporting.
  - a. STA will provide a monthly report to the City utilizing the City's designated fare media numbers that have been purchased / assigned to the City that identifies the number of rides provided to Eligible Recipients.
  - b. STA will provide an estimate of the upcoming year's contract cost in November preceding the new calendar year.
  - c. STA will provide the actual contract cost for the calendar year by January 25<sup>th</sup>.

2. AGREEMENT TERM. The Agreement shall begin January 1, 2011, and run for through December 31, 2011, unless terminated sooner by either party.

3. PAYMENT AND BILLINGS.

- A. Payment. In accordance with the STA Tariff Policy, the fee for the City of Spokane Bus Pass program is based on ridership and the system-wide average fare for fixed route service during the previous calendar year (*Organization's total ridership for the previous Agreement period x system-wide average fare = Agreement price*).

For the 2011 Agreement, the annual fee shall be FIFTY FOUR THOUSAND THREE HUNDRED EIGHTEEN AND 96/100 DOLLARS (\$54,318.96). The annual fee shall be paid in monthly installments in the amount of FOUR THOUSAND FIVE HUNDRED TWENTY-SIX AND 58/100 DOLLARS (\$4,526.58) and remitted to STA within ten (10) business days of the beginning of the month.

- B. Late Payment Penalty. If any scheduled payments are not made by the due dates, at STA's sole discretion, the entire amount due under this Agreement shall become immediately due and payable. Any late payment shall be subject to penalty accruing at the maximum rate allowable by state law for each month the payment remains due.

4. COMMUNICATIONS AND DESIGNATED REPRESENTATIVES.

- A. Any changes, modifications, amendments, or extensions, to this Agreement shall be made in writing and directed to the following:

<u>City of Spokane</u>	<u>Spokane Transit Authority</u>
City Administrator	Mark Curtis
7 <sup>th</sup> Floor, City Hall	Customer Service Manager
808 West Spokane Falls Blvd.	701 West Riverside Avenue
Spokane, Washington 99201	Spokane, Washington 99201

A Party may change its designated representative by providing written notice to the other Party.

- B. Notices. Any notice required to be given under the terms of this Agreement shall be directed by certified mail, return receipt requested, to the persons signing this Agreement, with copies to the Parties' designated representative at the addresses listed above, as may be revised from time-to-time. Notice shall be considered issued and effective upon receipt by the addressee.

5. COMPLIANCE WITH LAWS. Each Party shall comply with all applicable federal, state, and local laws and regulations.

6. SUCCESSORS AND ASSIGNS. This Agreement shall be binding on the Parties hereto and their successors and assigns. Both Parties however, agree that they will not assign or delegate the duties to be performed under this Agreement without prior, written approval from the other Party.

7. ENTIRE AGREEMENT AND AMENDMENT.
  - A. Entire Agreement. This Agreement and its attachments constitute the entire Agreement between the Parties and supersede all prior negotiations, representations and agreements between the Parties relating to the subject matter hereof.
  - B. Amendments and Modifications. This Agreement may be amended or modified only by written instrument signed by the Parties hereto.
8. ANTI-KICKBACK. No officer or employee of the City of Spokane, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person involved in this Agreement.
9. TERMINATION FOR DEFAULT. Any Party may terminate this Agreement for default in the event the other Party fails to perform a material obligation under this Agreement. Termination shall be effected by serving a *Notice of Termination* by certified mail, return receipt requested, on the other Party setting forth the manner in which the Party is in default and the effective date of termination, which shall not be less than fourteen (14) calendar days after the date of the notice; provided, however, the termination shall not take effect if the default has been cured within seven (7) calendar days after the date of the notice of termination.
10. SEVERABILITY. In the event any provision of this Agreement should become invalid, the rest of the Agreement shall remain in full force and effect.
11. APPLICABLE LAW, FORUM. This Agreement shall be governed by and construed according to the laws of the State of Washington. Nothing in this Agreement shall be construed as altering or diminishing the rights or responsibilities of the Parties as granted or imposed by state law. In the event that any litigation may be filed between the Parties regarding this Agreement, the City and STA agree that personal jurisdiction and venue shall rest in the Superior Court of Spokane County.
12. NONDISCRIMINATION. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.
13. AUDIT / RECORDS. STA and its subcontractors shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Agreement. STA and its subcontractors shall provide access to authorized City representatives, including the City Auditor, at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Agreement, the federal law shall prevail.

14. LEGAL RELATIONS.

A. No Partnership and No Third Party Beneficiaries. It is agreed by the City and STA that this Agreement does not create a partnership or joint venture relationship between the Parties and does not benefit or create any rights in a third party.

B. Remedy. The sole remedy for either Party is termination. No other remedy in damages or equity is intended by this Agreement.

15. SAVINGS CLAUSE. Should any provision of this Agreement be deemed invalid or inconsistent with any federal, state, or local law or regulation, the remaining provisions shall continue in full force and effect. Both Parties agree to immediately attempt to renegotiate such provision that is invalidated or superseded by such laws or regulations.

Dated: \_\_\_\_\_

CITY OF SPOKANE

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

Dated: \_\_\_\_\_

SPOKANE TRANSIT AUTHORITY

E-Mail address, if available: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Chief Executive Officer

Attest:

\_\_\_\_\_  
Clerk of the Authority

## Spokane Transit Authority and Spokane County Agreement

THIS AGREEMENT is between the Spokane County, a Washington State municipal corporation, as "County," and SPOKANE TRANSIT AUTHORITY, a Washington State municipal corporation whose address is 1230 West Boone Avenue, Spokane, Washington 99201, as "STA," jointly referred to as "Parties."

WHEREAS, the Parties share the desire to reduce single occupant vehicle (hereinafter referred to as "SOV,") commute trips and improve the mobility of County employees to and from the workplace of the County of Spokane; and

WHEREAS, STA is authorized to provide public transportation and generally promote alternatives to SOV community in Spokane County; and

WHEREAS, the County has a desire to provide incentives and benefits to its employees which promote non-SOV commuting to and from the County workplace; and

WHEREAS, the Parties have participated in a transit pass system for County employees in the past; and

WHEREAS, the Parties desire to continue a pass program that is used by County employees to access STA services; -- Now, Therefore,

The Parties agree as follows:

1. PURPOSE. The purpose of this Agreement is to continue a pass program authorizing County employee use of STA services upon presentation of a valid County picture identification card in accordance with the terms and conditions of this Agreement.
2. RESPONSIBILITIES.
  - A. County's Responsibilities.
    - 1) Eligible Recipients. For purposes of this Agreement "Eligible Recipients" shall be defined as any County of Spokane employee who qualifies for and receives a valid fare instrument to use on STA services.
    - 2) The County will utilize fare media for use on STA vehicles. The County will provide each employee with a valid fare instrument that the employee will utilize to ride the vehicles.
    - 3) Worksite Activities. The County will inform STA of upcoming worksite activities that may affect the level of rider services delivered by STA. Notice will be provided at least thirty (30) days in advance and no less than on a monthly basis to the STA designated representative.
    - 4) The County will provide a listing to STA each month, identifying all eligible

recipients for that month. This listing will be generated using the official employee roster for the County and will be forwarded to the designated representative for STA. The County will be responsible for monitoring employee abuse of the County's designated fare media. It is the responsibility of the County to notify STA of a valid fare instrument that needs to be cancelled due to employees not being eligible to use them.

B. STA's Responsibilities.

- 1) All eligible employees who possess and display a current County issued valid fare instrument will be allowed to ride STA regular service buses and ADA comparable paratransit service vans (hereinafter referred to as "services") without paying a fare from January 1, 2011, through the contract term, upon validation from the farebox providing the service. This Agreement excludes use of the County's designated fare media as fare for any special transit service such as *Bloomsday*, *Hoopfest*, and other designated special fare services offered by STA.
- 2) Information and Distribution. STA will supply and maintain information racks throughout the Spokane service area and the workplace of the County with transit service schedules. The costs for any additional information distribution service requested by the County and not currently provided by STA will be shared by the Parties.
- 3) Service Not Guaranteed. The service provided by STA is that service being provided to the public as determined by the STA Board from time-to-time in the normal course of operations. A pass does not guarantee a ride. Service is subject to weather, mechanical interruptions, full vehicles, passenger conduct, and other causes determined in the sole discretion of STA as established in STA's Transit Development Plan.
- 4) Reporting.
  - a. STA will provide a monthly report to the County utilizing the County's designated fare media numbers that have been purchased/assigned to the County that identifies the number of rides provided to Eligible Recipients.
  - b. STA will provide an estimate of the upcoming year's contract cost in November preceding the new calendar year.
  - c. STA will provide the actual contract cost for the calendar year by January 25<sup>th</sup>.

2. AGREEMENT TERM. The Agreement shall begin January 1, 2011, and run for consecutive years unless terminated sooner by either party.

3. PAYMENT AND BILLINGS.

A. Payment. In accordance with the STA Tariff Policy, the fee for the Spokane County Bus Pass program is based on ridership and the system-wide average fare for fixed route service during the previous calendar year (*Organization's total ridership for the*

*previous Agreement period x system-wide average fare = Agreement price*). The annual fee shall be paid in monthly installments provided to STA within 10 business days of the beginning of the month.

- B. Late Payment Penalty. If any scheduled payments are not made by the due dates, at STA's sole discretion, the entire amount due under this Agreement shall become immediately due and payable. Any late payment shall be subject to penalty accruing at the maximum rate allowable by state law for each month the payment remains due.

4. COMMUNICATIONS AND DESIGNATED REPRESENTATIVES.

- A. Any changes, modifications, amendments, or extensions, to this Agreement shall be made in writing and directed to the following:

Spokane County  
Spokane County Representative  
Employee Transportation Coordinator  
1229 West Mallon  
Spokane, WA 99201

Spokane Transit Authority  
Mark Curtis  
Customer Service Manager  
701 W Riverside  
Spokane, WA 99201

A Party may change its designated representative by providing written notice to the other Party.

- B. Notices. Any notice required to be given under the terms of this Agreement shall be directed by certified mail, return receipt requested, to the persons signing this Agreement, with copies to the Parties' designated representative at the addresses listed above, as may be revised from time-to-time. Notice shall be considered issued and effective upon receipt by the addressee.

- 5. COMPLIANCE WITH LAWS. Each Party shall comply with all applicable federal, state, and local laws and regulations.

- 6. SUCCESSORS AND ASSIGNS. This Agreement shall be binding on the Parties hereto and their successors and assigns. Both Parties however, agree that they will not assign or delegate the duties to be performed under this Agreement without prior, written approval from the other Party.

7. ENTIRE AGREEMENT AND AMENDMENT.

- A. Entire Agreement. This Agreement and its attachments constitute the entire Agreement between the Parties and supersede all prior negotiations, representations and agreements between the Parties relating to the subject matter hereof.

- B. Amendments and Modifications. This Agreement may be amended or modified only by written instrument signed by the Parties hereto.

- 8. ANTI-KICKBACK. No officer or employee of the County of Spokane, having the power or duty to perform an official act or action related to this Agreement shall have or acquire any interest in the Agreement, or have solicited, accepted or granted a present or future gift, favor, service or other thing of value from or to any person in-

volved in this Agreement.

9. TERMINATION FOR DEFAULT. Any Party may terminate this Agreement for default in the event the other Party fails to perform a material obligation under this Agreement. Termination shall be effected by serving a *Notice of Termination* by certified mail, return receipt requested, on the other Party setting forth the manner in which the Party is in default and the effective date of termination, which shall not be less than fourteen (14) calendar days after the date of the notice; provided, however, the termination shall not take effect if the default has been cured within seven (7) calendar days after the date of the notice of termination. This agreement will runs until terminated by either party on 7 days notice.
10. SEVERABILITY. In the event any provision of this Agreement should become invalid, the rest of the Agreement shall remain in full force and effect.
11. APPLICABLE LAW, FORUM. This Agreement shall be governed by and construed according to the laws of the State of Washington. Nothing in this Agreement shall be construed as altering or diminishing the rights or responsibilities of the Parties as granted or imposed by state law. In the event that any litigation may be filed between the Parties regarding this Agreement, the County and STA agree that personal jurisdiction and venue shall rest in the Superior Court of Spokane County.
12. NONDISCRIMINATION. No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with this Agreement because of age, sex, race, color, religion, creed, marital status, familial status, sexual orientation, national origin, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability, or use of a service animal by a person with disabilities.
13. AUDIT / RECORDS. STA and its subcontractors shall maintain for a minimum of three (3) years following final payment all records related to its performance of the Agreement. STA and its subcontractors shall provide access to authorized County representatives, including the County Auditor, at reasonable times and in a reasonable manner to inspect and copy any such record. In the event of conflict between this provision and related auditing provisions required under federal law applicable to the Agreement, the federal law shall prevail.
14. LEGAL RELATIONS.
  - A. No Partnership and No Third Party Beneficiaries. Nothing in this Agreement is intended to give, or shall give, whether directly or indirectly, any benefit or right, greater than that enjoyed by the general public, to third persons. It is agreed by the County and STA that this Agreement does not create a partnership or joint venture relationship between the Parties and does not benefit or create any rights in a third party.
  - B. Remedy. The sole remedy for either Party is termination. No other remedy in damages or equity is intended by this Agreement.
15. SAVINGS CLAUSE. Should any provision of this Agreement be deemed invalid or inconsistent with any federal, state, or local law or regulation, the remaining provisions shall continue in full force and effect. Both Parties agree to immediately attempt to

renegotiate such provision that is invalidated or superseded by such laws or regulations.

SPOKANE TRANSIT AUTHORITY

By: \_\_\_\_\_  
E. SUSAN MEYER  
Chief Executive Officer

Attest:

\_\_\_\_\_  
JAN WATSON  
Clerk of the Authority

BOARD OF COUNTY COMMISSIONERS  
OF SPOKANE COUNTY, WASHINGTON

\_\_\_\_\_  
COMMISSIONER

\_\_\_\_\_  
COMMISSIONER

\_\_\_\_\_  
COMMISSIONER

Attest:

By: \_\_\_\_\_  
DANIELA ERICKSON  
Clerk of the Board



## **APPENDIX C**

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### Stakeholder Outreach



**Mountain Metropolitan Transit (MMT), FREX and Metro Mobility  
Fare Structure and Policy Study  
Stakeholder Interview Guideline**

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The fare study is being conducted to identify ways to improve the fare structure for all of MMT's transit services including fare policies, fare payment methods, and fare structure and pricing. We would like to discuss with you fare policy objectives, the strengths and weaknesses of the current fare structure, and the opportunities and challenges for implementing fare changes.

The questions on this outline address many aspects of existing fare structure and policy. The purpose of this outline is to provide general guidance for our discussion. We may have other questions, and you may have answers to questions that are not on this outline.

Individuals can speak to us in confidence. Any quoting of outcomes will be done anonymously. Our main purpose is to allow individuals to speak freely about their concerns so we gain a broad understanding of issues and priorities for this fare study.

---

1. What do you believe should be the key objectives for MMT's fare policy? How would you prioritize them?
  
2. What are the strengths of your current fare system?
  
3. What are the weaknesses of your current fare system?
  
4. Is a policy that provides for automatic, regular fare increases desirable? How should the amount of such fare increases be determined?
  
5. How well does the existing fare collection equipment (fareboxes, Ticket Vending Machines) meet the needs of MMT and its operators and riders?
  
6. Is fare evasion a concern? What is the nature and frequency of fare evasion? Do you have suggestions for addressing fraud?
  
7. What is most important to you with this fare study?
  - The bottom line – i.e., increasing the farebox recovery ratio?
  - Fare equity among different users?
  - Equitable fares between different services?
  - Something else? Please be specific.
  
8. There is a growing trend in the transit industry to eliminate transfers because some agencies feel they lose revenue or there are operational problems with paper transfers. As part of this study, we will consider whether transfers should be continued as is,

modified in some way or discontinued. Do you have opinions about how transfers should be handled?

9. Should MMT offer special passes for seniors? If yes, how do you think they should be priced?
10. Should MMT offer special passes to MMT staff?
11. Should the ADA fare be increased to the allowed maximum to off-set costs? ADA fares can be two times the adult cash fare.
12. Should MMT adopt a policy to increase transit ridership through promotions, pass programs, and advertising? If yes, what types of incentives do you feel are most appropriate?
13. Are there aspects of the fare structure on your family of services (i.e., pricing, discounts, fare payment options, fare enforcement, fare distribution channels, rider discount eligibility, and special programs) that you believe should be changed? What features, if any, of the current fare system should definitely be retained?
14. What is the one particular thing that is most important to you? Please explain why this is such a high priority.
15. Is there anything else we should consider when evaluating fare alternatives? Is there something we have not covered that is important to you