



Item #10

July 13, 2018

MEMO TO: VENTURA COUNTY TRANSPORTATION COMMISSION

FROM: AARON B. BONFILIO, PROGRAM MANAGER

SUBJECT: VCTC INTERCITY FARE PRICING

RECOMMENDATION:

- Receive and file presentation.
- Proceed with Draft Fare Change Proposal and Timeline.

BACKGROUND:

At the April 2017 Commission meeting, the Commission reviewed VCTC intercity service levels, and in light of increasing service costs and underperforming routes, approved the first-ever systemwide service reduction. At that time, the Commission also discussed the need to look at fare pricing, to address potential cost-escalations. At the May 2018 Commission meeting, the Commission received a presentation regarding the recently completed passenger fare equity survey. The survey collected passenger demographic information in conjunction with their input about possible fare increase scenarios.¹ The Commission discussed the survey, current fare prices and the potential timing for such an adjustment.

The VCTC Intercity service is funded by a mix of federal, state, passenger fare and local funding from partner-agencies. The use of state revenues mandates that VCTC collect farebox revenues at a ratio that is equal to 20% of its operating cost.² Failure to meet this requirement could lead to a loss of funding. The relationship of fare revenue to operating expense is referred to as the *farebox recovery ratio*. The intent of the farebox recovery ratio requirement is to encourage cost-efficiency. In addition, there are other revenue sources that may be eligible to be considered as part of the farebox revenues.

Eligible “farebox” revenues include passenger fares, as well as locally-generated revenues, such as from advertising or local tax measures. In VCTC’s case, local funding is provided by Santa Barbara County Association of Governments (SBCAG) and California State University Channel Islands (CSUCI). To meet the mandated recovery ratio, the local revenues are typically applied in one of two ways, 1) as a “route guarantee” (i.e. funds dedicated for a specific route or set of routes), and/or, 2) through fare “buy-down” (i.e. for a third-party to subsidize fare payment for all or only a certain group of riders). SBCAG and CSUCI provide VCTC with route guarantees. In addition, CSUCI has historically provided a nominal fare buy-down for student riders on non-CSUCI funded routes (not included as part of the route guarantee).

¹ See Attachment #A, *VCTC Title VI Fare Equity Survey*

² VCTC utilizes Transportation Development Act (TDA) funds, State Transit Assistance or STA.

At the May 2018 Commission meeting, the Commission discussed the fact that it has been approximately seven (7) years since the last fare change (effective 2011). During that same time-period, ridership has overall been in decline and service costs have increased. As a result, the farebox recovery ratio has correspondingly declined over the years.

As mentioned, the Commission approved a service reduction at the April 2017 meeting to help reduce its operating cost. The changes were primarily to the ‘partner-funded’ services—the *CSUCI Oxnard* and *CSUCI Camarillo*, and the *Coastal Express*. In planning of annual service levels, each of the funding-partners communicated to VCTC their concerns regarding need for cost-containment, and which were then presented to the Commission as part of the May 2017 service modification package. In addition, the Coastal Express Policy Advisory Committee—which advises the Commission on matters of policy and service costs for the *Coastal Express*—recommended that the Commission consider raising the route’s fares to help increase revenues.

The following report covers the Commission with discussion of VCTC’s current fare structure; a draft fare proposal—including recommended fare pricing; and, a proposed implementation timeline. In addition, staff will provide a brief presentation at the Commission meeting. If approved by the Commission, per VCTC policy, staff will proceed with a formal notification and public comment process to collect feedback, which will be reported back Commission prior to any consideration for action.

CURRENT FARE STRUCTURE

The following tables reflect the historical fares charged by VCTC for intercity fixed route.³ VCTC intercity bus service has essentially two fare structures: one set of fares for routes which operate *within* Ventura County (“Zone 1”), and another set of prices for those routes which connect to Los Angeles County or Santa Barbara County (“Zone 2”).

History of VCTC Fares - within Ventura County (Zone 1)

<u>Single Trip - Cash Fare</u>	<u>1994</u>	<u>1998</u>	<u>2001</u>	<u>2011</u>
- Full	\$1.00	<i>no change</i>	<i>no change</i>	\$1.25
- Reduced (Sr./Disab.)	\$0.50	<i>no change</i>	<i>no change</i>	\$0.60
- Youth	\$0.75	<i>no change</i>	Eliminated	<i>n/a</i>
<u>Monthly or 31-Day Pass</u>	<u>1994</u>	<u>1998</u>	<u>2001</u>	<u>2011</u>
- Full	\$34.00	\$40.00	<i>no change</i>	\$50.00
- Reduced (Sr./Disab.)	\$15.00	\$20.00	<i>no change</i>	\$25.00
- Youth	\$26.00	\$30.00	Eliminated	<i>n/a</i>

Fares to/from Los Angeles or Santa Barbara (Zone 2)

<u>Single Trip - Cash Fare</u>	<u>2001</u>	<u>2009</u>	<u>2010</u>
- Full	\$2.00	\$2.50	\$3.00
- Reduced (Sr./Disab.)	\$1.00	\$1.25	\$1.50
<u>Monthly or 31-Day Pass</u>	<u>2001</u>	<u>2009</u>	<u>2010</u>
- Full	\$75.00	\$90.00	\$105.00
- Reduced (Sr./Disab.)	\$35.00	\$45.00	\$52.00

³ In addition, VCTC sells multi-trip tickets which provide a 10% discount. This was first introduced on VCTC’s smartcard system as pre-purchased trip credits, called “E-purse”.

As noted above, the cash fares charged for Zone 1 routes have been increased only once in 25 years of operation. Zone 1 pass prices have been modified *two* times. Similarly the Zone 2 cash fares were last adjusted in 2010, which was part two of two-part “phased approach”, with the prior adjustment effective the year before in 2009.

While the fare prices established by neighboring public transit agencies are dependent on those agencies’ internal operations and levels of service (and the budgetary decisions made by their boards), it is informative to understand the current transit marketplace for local and regional services.

The following tables reflect VCTC fares alongside other transit operators.

Current Fares: VCTC "Zone 1" and Neighboring/Local Services

	VCTC (Zone1)	Gold Coast Trans. Dist.	Valley Express (Fixed)	Ojai Trolley	Th. Oaks Trans.	Moorpark City Trans.	Simi Valley Transit	Santa Barb. MTD*
Single Trip - Cash Fare								
- Full	\$1.25	\$1.50	\$1.25	\$1.50	\$1.50	\$1.00	\$1.50	\$1.75
- Reduced (Sr./disab.)	\$0.60	\$0.75	\$0.60	\$0.75	\$0.75	Free	\$0.75	\$0.85
Monthly or 31-Day Pass								
- Full	\$50	\$50	\$20	N/a	\$42	N/a	\$50	\$52
- Reduced (Sr./disab.)	\$25	\$25	\$10	N/a	\$21	N/a	\$25	\$20
Multi-trip Ticket "1 Trip" Price								
- Full	\$1.10	\$1.33	N/a	\$1.20	\$1.20	\$0.91	\$1.19	\$1.15
- Reduced (Sr./disab.)	\$0.55	\$0.67	N/a	N/a	\$0.60	Free	\$0.60	\$0.55

VCTC "Zone 2" and Regional Services

	VCTC (Zone2)	Clean Air Express	LA Commuter Exp* (SFV-TO)
Single Trip - Cash Fare			
- Full	\$3.00	\$7.00	\$2.50
- Reduced (Sr./Disab.)	\$1.50	N/a	\$0.75
Monthly or 31-Day Pass			
- Full	\$105	\$150	\$80
- Reduced (Sr./Disab.)	\$52	N/a	N/a
Multi-trip Ticket "1 Trip" Price			
- Full	\$2.70	\$5.00	\$2.30
- Reduced (Sr./Disab.)	\$1.35	N/a	N/a

*SBMTD and LA Commuter Express utilize revenues from local transportation sales tax measures.

MEETING “TDA” FAREBOX RECOVERY REQUIREMENTS

Although VCTC’s fares are in some cases less expensive than neighboring transit agencies (including local operators which on average provide shorter trips⁴), VCTC has been able to generate enough fare revenue over the years with its existing fare structure necessary to meet the state-mandated farebox

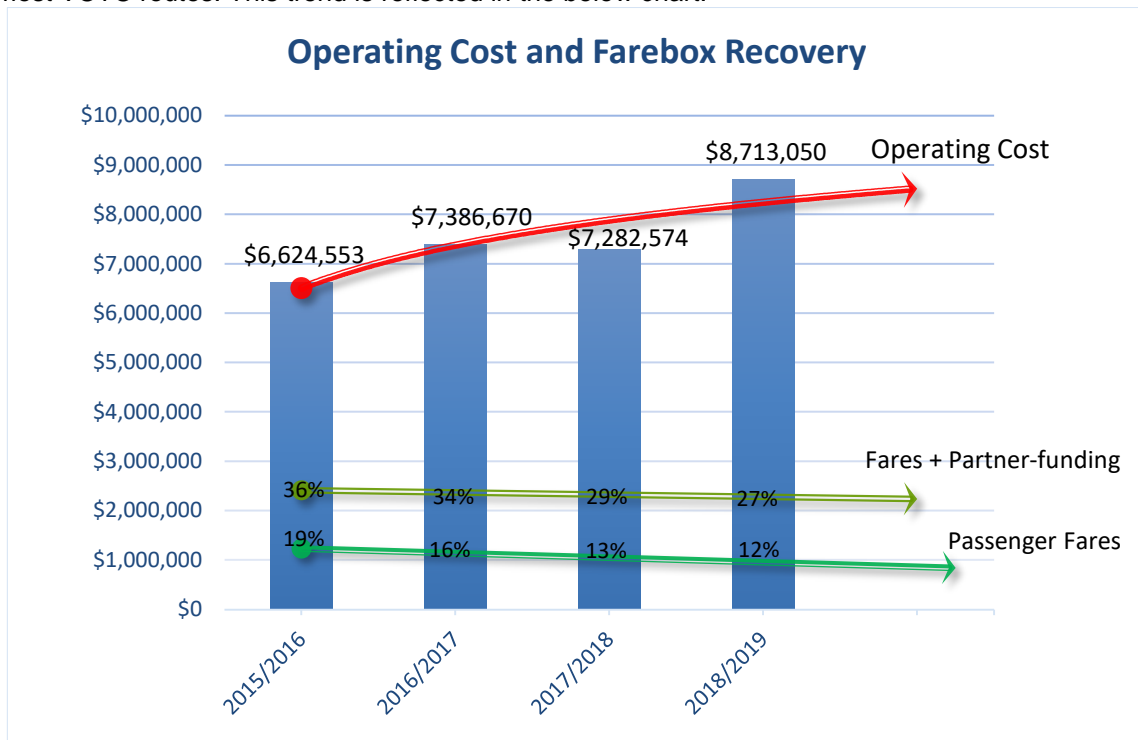
recovery ratios. Until recently this was achieved solely through the collection of passenger farebox revenues at current prices without need for additional funding.

⁴ Average trip-lengths: VCTC = 11.6mi; GCTD = 4.1mi; SBMTD = 4.6mi. No trip-length data available for Ojai, Thousand Oaks or Simi Valley (source: FY16 NTD)

While VCTC continues to meet the mandated requirements, it is only through the mix of farebox revenues paid by the passengers *and* the eligible “route guarantee” revenues provided by VCTC’s funding partners, SBCAG and CSUCI.⁵ That is, VCTC can no-longer achieve the mandated 20% farebox recovery ratio without reliance on outside partner-funding.

As discussed, the route guarantees VCTC receives are utilized to the benefit of the farebox ratio for the entire VCTC system. However, the purpose of VCTC’s partner-funding, is for the support of two VCTC lines or services, the Coastal Express and CSUCI, and the funding is dependent on the agreements between the agencies and the policy and planning direction from each group. Should those services be again reduced per the direction of VCTC’s partners, for example, the ability for VCTC to leverage route guarantees in support of the overall VCTC system would become more and more difficult. In addition, per the agreement between VCTC and SBCAG, funding from SBCAG is constrained to \$850,000/annually for the Coastal Express service. The term of this agreement will expire at the end of fiscal year 2018/2019. Agency staffs are presently working on updated terms.

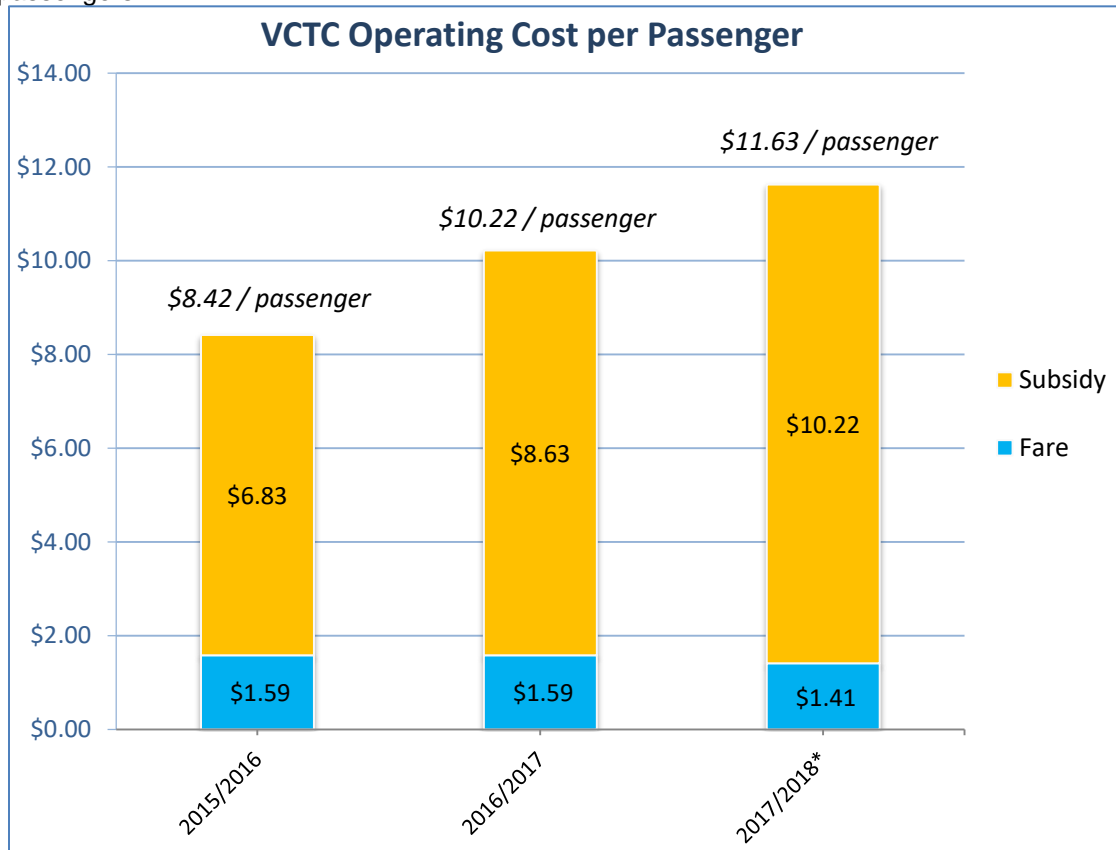
For this year, Fiscal Year 2018/2019, the anticipated farebox recovery ratio of the VCTC system is anticipated to be 27% including route guarantees, and 12% without. Pursuant to the contract with RATP Dev, the operating rates are set to increase between 2-3% annually for the remaining six-year contract term.⁶ Currently, the farebox recovery ratio is trending downward as ridership is generally flat or declining for most VCTC routes. This trend is reflected in the below chart.



⁵ CSUCI uses non-state funding derived from fees and forfeitures, and SBCAG from the Santa Barbara County voter-approved transportation sales tax measure, Measure “A”.

⁶ Excluding fuel payments.

In addition to the above table, staff presents the following *cost effectiveness* information. Cost-effectiveness is typically expressed in terms of operating cost per passenger or subsidy per passenger.⁷ The chart below reflects the recent divergence between the shares of operating costs paid by the agency and passengers.⁸



The challenge of meeting the farebox requirement and risk associated with declining eligible farebox revenues (over increasing costs), is demonstrated when viewed on a per-route basis. The below table reflects the per route data for the two fiscal years ended June 30, 2016 and 2017, as well as, through April 30, 2018 (“2017/2018”).

Farebox Ratio By Route		FY2015/2016	FY2016/2017	FY2017/2018
VCTC	Hwy 101	9.8%	8.0%	7.4%
	Conejo Connection	13.9%	11.3%	14.1%
	Hwy 126	18.2%	15.2%	14.1%
Partner	East County	10.4%	8.3%	6.3%
	CSUCI Camarillo	78.6%	72.9%	63.7%
	CSUCI Oxnard	64.1%	62.7%	74.9%
	Coastal Express	59.6%	53.5%	56.1%
Demo	Oxnard/Camarillo Connector	n/a	3.1%	4.1%
	East/West Connector	n/a	n/a	2.2%

⁷ VCTC “Ventura County Short Range Transit Plan” – Nelson/Nygaard 2015

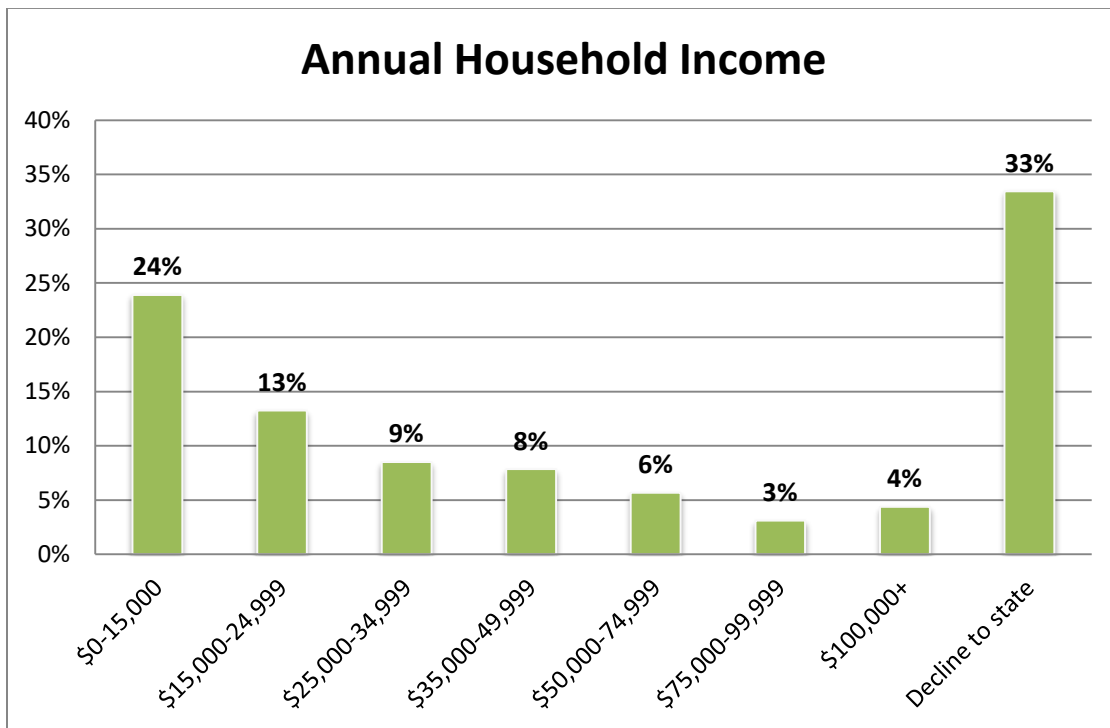
⁸ Not including Local Route Guarantee Revenue; * “2017/2018” = February – April 2018, i.e. post-Thomas Fire.

On their own, only those routes with substantial outside funding, such as CSUCI and Coastal Express, consistently make the 20% farebox recovery ratio.⁹ Lacking route guarantees, the only route to achieve the 20% farebox recovery ratio using passenger fare revenues is the Coastal Express, and the ratio is trending downward, (29%, 2015/2016; 24%, 2016/2017; and, 22%, 2017/2018). Separate from Coastal Express and CSUCI, the VCTC-funded routes achieved a 10.3% farebox recovery ratio this past fiscal year.¹⁰ Pursuant to TDA regulations, VCTC's route "HWY 126" could potentially be allowed a lower ("blended") farebox ratio, because the route serves both rural communities and an urbanized area. For that reason, the HWY 126 ratio could be adjusted downward depending on service costs associated with each area.

FARE PRICING AND HOUSEHOLD:

At the May 2018 Commission meeting the Commission received a presentation regarding the *VCTC Title VI Fare Equity Survey*. The survey sought information related to rider demographics in correlation to survey responses regarding potential fare increase scenarios. The survey was conducted over a series of weeks during calendar year 2017. The survey was provided in both English and Spanish with trained staff onboard the VCTC fleet to facilitate collection.¹¹

As noted at the May meeting, a large proportion of the VCTC ridership (approximately 46%) reported an annual household of \$35,000 or below. The following chart reflects the breakdown regarding annual household income for the 1,646 survey respondents.



Generally speaking, respondent answers regarding annual household income were similar across all VCTC routes, with East County, Coastal Express, CSUCI and Conejo Connection routes reporting the

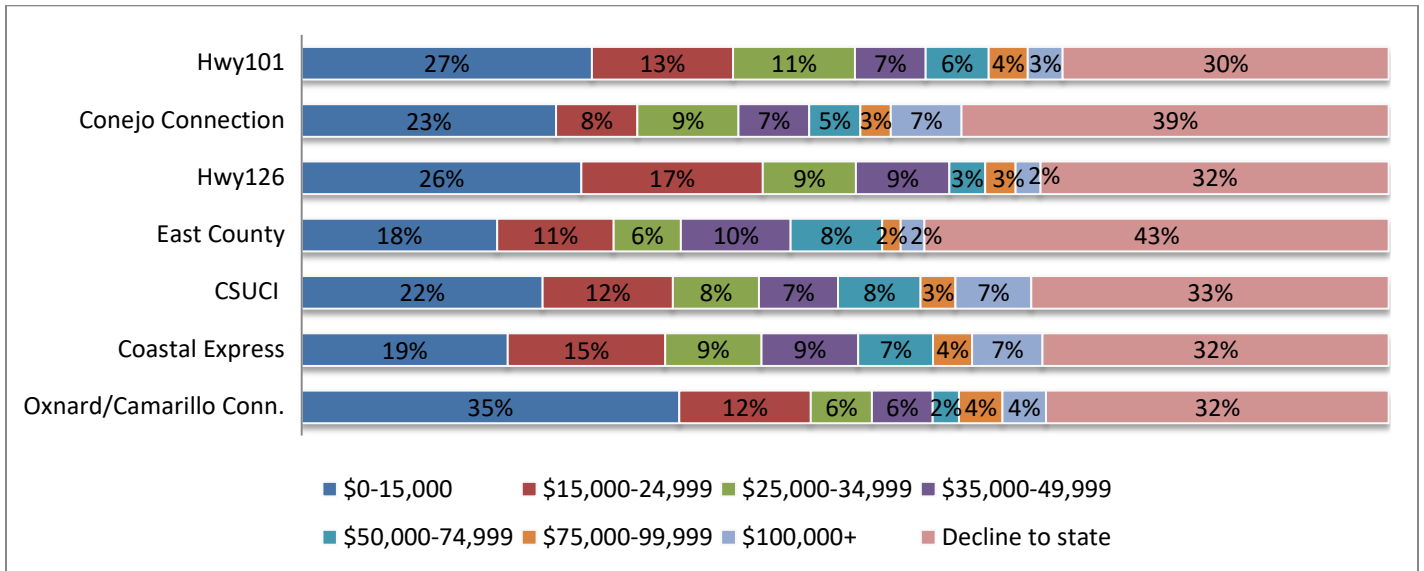
⁹ Moorpark College provides \$10,000 per year to the East County route.

¹⁰ Routes include: Hwy101, Conejo Connection, Hwy126, East County and Oxnard/Camarillo Connector.

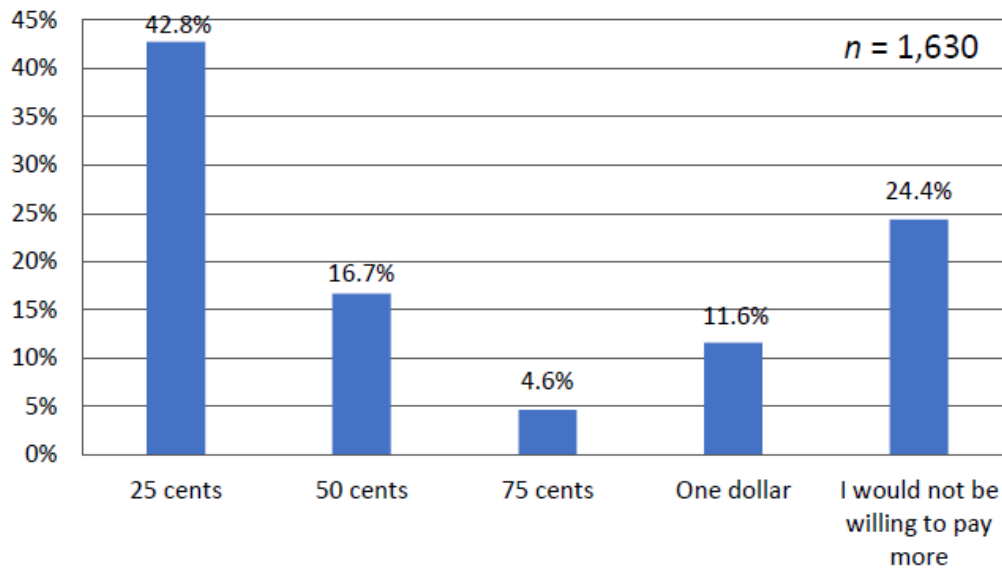
¹¹ See Attachment #A, *VCTC Title VI Fare Equity Survey (2017)*.

fewest passengers with an annual household income in the lowest income category of "\$0 – 15,000". The Coastal Express, CSUCI and Conejo Connection routes returned the highest share of riders with reported annual household incomes of at least \$50,000. The response rates per route are noted in the following chart.

Annual Household Income by Route



The survey asked riders about their willingness to pay more for transit service. Across all routes, the majority of riders (75.6%) would be willing to pay \$0.25 more. Approximately one-third of respondents (32.9%) would be willing to \$0.50 or more. One quarter (24.4%) stated that they would not be willing to pay more.



EXPERIENCE WITH FARE INCREASES: VCTC AND NEIGHBORING TRANSIT OPERATORS

The impact of fare increases experienced by transit operators can be instructive. The following was provided to VCTC by neighboring transit agencies. VCTC's experience during the last increase is noted below, as well.

Gold Coast Transit District (2011): Gold Coast last raised their regular adult cash fares in 2011 from \$1.25 to \$1.50. Ridership went up in 2011 because service that was cut in 2009 was restored. In 2013 GCTD adjusted some pass prices slightly to even dollar amounts when upgrading fareboxes. At the same time the transfer policy was simplified, the monthly pass was changed to a 31-day pass and a new 15-ride ticket replaced the 10-ride and 20-rides tickets. Initially, some riders did speak out about the fare increase proposal when it was originally proposed around 2009. In response, GCTD split the increase over two years. After implementation there were no complaints that the fare was too high, and GCTD staff does not see any lasting negative impacts from the fare increase. GCTD records show that ridership and fare revenue in FY2011-12 were each up about 4% over the prior year. Because of service changes, it is not possible to measure the impact of just the fare increases. Gold Coast may be considering raising fares during the next few years.

Thousand Oaks Transit (2011): Thousand Oaks Transit (TOT) raised fares on their fixed-route and dial-a-ride services in fall 2011. The fixed-route fares went from \$1 to \$1.50. DAR fares rose from \$1.50 to \$2.25 in 2011 and to \$3 on July 1, 2012. TOT had anticipated up to a 5% drop in ridership. Ridership dropped from 174,000 in FY11-12 to 154,000 in FY12-13, decrease of about 11%. At the same time as the fare change, there was a 20% cut in route miles and other minor changes. Because of the service changes it is not possible to determine how much of the ridership loss was due to the fare increase. By FY13-14 the City had added hours and Saturday service as well as a Metrolink shuttle. Ridership that year was 166,000, about 5% below FY11-12. TOT may be considering raising fares during the coming fiscal year.

Santa Barbara MTD (2009): The last general fare increase was 2009. The cash fare for regular adult riders went from \$1.25 to \$1.75. In the first six months following the fare increase, ridership decreased by 2.9%. That period of time coincided with the beginning of the decreases associated with the great recession. Typically, following previous fare increases, MTD saw little or no drop in ridership. SBMTD may be considering raising fares during the next fiscal year.

VCTC (2009/2010, 2011): The last fare increase was broken up into multiple parts. Full price fares for intercounty routes ("Zone 2") went from \$2.00 to \$2.50 or +25% (2009) and from \$2.50 to \$3.00, or +20% (2010). Intracounty ("Zone 1") fares were raised the following year, as the full price fare was raised from \$1.00 to \$1.25, or +25% (2011).

Experience with Intercity Routes (Zone 2):

During fiscal year 2009/2010 (the year immediately after the first increase), passenger productivity on affected routes decreased by approximately 10%. However, when looked at over time, the effect of the change is much lower. That is, while prices of Intercounty routes ultimately increased 50% between FY2008/2009 and FY2011/2012, ridership productivity only decreased 6.7%. What's more, following the second phase of the fare increase, passenger productivity *increased* 6.52%.

Experience with Intra-county Routes (Zone 1)

The last increase to VCTC fares for intra-county routes occurred August 2011. Similar to trends observed for intercounty routes, the intra-county routes passenger productivity increased between FY 2010/2011 at year-end of FY 2011/2012. Year over year, passenger productivity increased between 2%-42% (depending on the route) during the time-frame immediately following the fare increase to intra-county routes.

During the following year, however, ridership dropped precipitously as VCTC’s transit operator filed for bankruptcy and subsequently the question of the VCTC intercity service’s longevity was raised. Most notably, VCTC’s most productive route, the Coastal Express, saw ridership rates drop 22% between FY 2011/2012 and FY 2012/2013. The activities and variables associated with the bankruptcy and the immediate aftermath, sourcing an interim service provider, a change in fleet type, interruption in availability of smartcard fare media, and changes in direction by the VCTC governing board, all in conjunction with the down-turn in the economy makes it difficult to simply connect the fare increase of August 2011 to future service performance.

Since that time, i.e. during the last four years FY 2013/2014 –FY 2016/2017, passenger productivity has decreased 9.1% system-wide.

FARE PRICE PROPOSAL AND TIMELINE

Staff has developed the following recommended fare price proposal for the Commission’s consideration. The proposed fares, including pass prices were identified through analysis of those factors mentioned above, with the stated goal of increasing revenue and minimizing loss of ridership and hardship for passengers. In addition, staff will provide in its presentation at the meeting information which details the proposed fare pricing, including current utilization of each pass type, per route ridership and fare sales trends.

To mitigate impact, certain pass prices were left unchanged in the proposal, and it is recommended these passes remain priced “as-is.” This serves two goals: 1) offset the increase to the per-trip cash fare, and 2) to re-incentivize purchase of said fare media and thus repeat ridership. In addition, a new pass product was introduced in the proposal: an unlimited-use “5-Day Pass” for Zone 1 routes (intra-county). The intention of this lower-priced fare product is to further mitigate impact of per-trip cash rate increases for riders whom may have difficulty paying for longer-duration monthly pass fare products all-at-once. That is, the 5-Day Pass allows for regular riders with limited means to achieve similar discounts as those who utilize the unlimited-use monthly pass. If approved, VCTC would coordinate implementation of the 5-Day Pass at the same time as the implementation of Phase I changes.

DRAFT FARE STRUCTURE

Zone 1: Intra-county	Current	Phase 1 <i>January 2019</i>	Phase 2 <i>January 2020</i>
Single Trip - Cash Fare			
- Full	\$1.25	\$1.50	\$1.75
- Reduced (Sr./Disab.)	\$0.60	\$0.75	\$0.80
10-Ride Ticket			
- Full	\$11.00	\$13.00	\$15.00
- Reduced (Sr./Disab.)	\$5.50	\$6.50	\$7.00
31-Day Pass			
- Full	\$50.00	\$50.00 (no change)	\$50.00 (no change)
- Reduced (Sr./Disab.)	\$25.00	\$25.00 (no change)	\$25.00 (no change)
5-Day Pass			
- Full	n/a	\$10.00	\$10.00 (no change)
- Reduced (Sr./Disab.)	n/a	\$5.00	\$5.00 (no change)

Zone 2: Intercounty	Current	Phase 1 <i>January 2019</i>	Phase 2 <i>January 2020</i>
Single Trip - Cash Fare			
- Full	\$3.00	\$3.50	\$4.00
- Reduced (Sr./Disab.)	\$1.50	\$1.75	\$2.00
10-Ride Ticket			
- Full	\$27.00	\$32.00	\$36.00
- Reduced (Sr./Disab.)	\$13.50	\$16.00	\$18.00
31-Day Pass			
- Full	\$105.00	\$115.00	\$130.00
- Reduced (Sr./Disab.)	\$52.00	\$55.00	\$65.00

PROPOSED TIMELINE AND NEXT STEPS

The following high-level timeline itemizes VCTC's next steps:

- *July 13, 2018 - Commission Meeting: Commission reviews fare change proposal and authorizes public hearing*
- *August 1, 2018 - Advertise and provide public notices regarding public hearing and the detail of fare proposal, including prices and implementation, including online, onboard buses, at stops and with social and local media. (Begin formal comment period.)*
- *September 7, 2018 – Commission Meeting: Public hearing on Fare Increase and report of formal comments to-date.*
- *October 5, 2018 – Commission Meeting: Commission considers item related to adoption of fare changes.*
- *October - December 2018 – Staff, contractor and outreach firm prepare for new fare structure and publicize change accordingly.*
- *January 2019 – Phase I fare increase implemented*
- *January 2020 - Phase II fare increase implemented*

Attachments:

Attachment #A - VCTC Title VI Fare Equity Survey

July 13, 2018

VCTC Intercity *fare pricing*



The Farebox Challenge:

- Costs per hour increasing
- Ridership flat or declining
- Fare pricing unchanged since 2010/2011
- State-mandated farebox requirements

Current Fare Structure

	<i>Zone 1</i>	<i>Zone 2</i>
<u>Single Trip Cash Fare</u>	<u><i>(Intra-county)</i></u>	<u><i>(Intercounty)</i></u>
	\$1.25 Full	\$3.00 Full
	\$0.60 Reduced	\$1.50 Reduced
<u>10-Ride Ticket</u>	\$11.00 Full	\$27.00 Full
	\$5.50 Reduced	\$13.50 Reduced
<u>31-Day Pass</u>	\$50 Full	\$105 Full
	\$25 Reduced	\$52 Reduced
<u>Transfers</u>	Free	+\$1.50 (\$0.75 Red.)



VCTC Operating Cost per Passenger



* FY18/19 budget

Farebox Ratios: Route Analysis

Farebox Ratio by Route		FY2015/2016	FY2016/2017	FY2017/2018
VCTC	Hwy 101	9.8%	8.0%	7.4%
	Conejo Connection	13.9%	11.3%	14.1%
	Hwy 126*	18.2%	15.2%	14.1%
Partner	East County	10.4%	8.3%	6.3%
	CSUCI Camarillo**	78.6%	72.9%	63.7%
	CSUCI Oxnard**	64.1%	62.7%	74.9%
	Coastal Express**	59.6%	53.5%	56.1%
Demo	Oxnard/Camarillo Connector	n/a	3.1%	4.1%
	East/West Connector	n/a	n/a	2.2%

Overall system-wide Farebox Recovery **with** outside funding = 27%

Farebox Recovery without outside funding = 12%

TDA Minimum Requirement = 20%

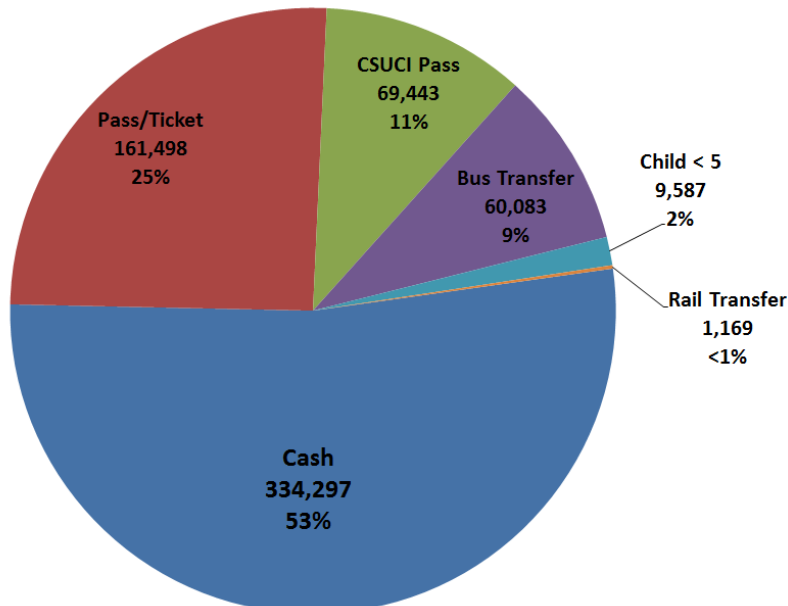
* Hwy126 serves both Urban and Rural areas,

**Coastal Express and CSUCI farebox revenues include partner funding, "Route Guarantee".

Fare Pricing Adjustment

- Goals & Objectives:
 - ✓ Phased implementation to be sensitive of potential cost impact to riders
 - ✓ Increase pass usage → repeat ridership
 - ✓ Increase revenues to address 2% to 3% annual cost increases

How people pay: Method of Payment



Payment Type	Riders	% Share
Cash - Full Fare	267,643	42.08%
Cash - Reduced Fare	66,654	10.48%
Pass - 10Ride	101,660	15.98%
Pass - 31-Day	53,164	8.36%
Pass - 1Ride (S. Svc Agcy)	6,674	1.05%
Transfer - VCTC	12,171	1.91%
Transfer - Other Bus	47,912	7.53%
CSUCI	69,443	10.92%
Child <5	9,587	1.51%
Rail - Amtrak	1,079	0.17%
Rail - Metrolink	90	0.01%

- *Similar trend for all routes:*
 - *Majority of riders pay cash. Of those, approximately 80% pay Full fare. (CSUCI & Oxnard/Camarillo routes more diversified)*
 - *Coastal Express heavy utilization of fare media (esp. 10-Ride Tickets)*

Fare Pricing Proposal: "Zone 1"

Intra-county / Zone 1

Routes in Ventura County

Current

Phase 1

January 2019

Phase 2

January 2020

Single Trip - Cash Fare					
- Full	\$1.25	→	\$1.50	→	\$1.75
- Reduced (Sr./Disab.)	\$0.60	→	\$0.75	→	\$0.80
10-Ride Ticket					
- Full	\$11.00	→	\$13.00	→	\$15.00
- Reduced (Sr./Disab.)	\$5.50	→	\$6.50	→	\$7.00
31-Day Pass					
- Full	\$50.00	→	\$50.00 (no change)	→	\$50.00 (no change)
- Reduced (Sr./Disab.)	\$25.00	→	\$25.00 (no change)	→	\$25.00 (no change)
5-Day Pass			NEW		
- Full	n/a		\$10.00	→	\$10.00 (no change)
- Reduced (Sr./Disab.)	n/a		\$5.00	→	\$5.00 (no change)

Fare Pricing Proposal: "Zone 2"

<u>Intercounty / Zone 2</u> Routes to/from LA, SB	<u>Current</u>		<u>Phase 1</u> January 2019		<u>Phase 2</u> January 2020
Single Trip - Cash Fare					
- Full	\$3.00	→	\$3.50	→	\$4.00
- Reduced (Sr./Disab.)	\$1.50	→	\$1.75	→	\$2.00
10-Ride Ticket					
- Full	\$27.00	→	\$32.00	→	\$36.00
- Reduced (Sr./Disab.)	\$13.50	→	\$16.00	→	\$18.00
31-Day Pass					
- Full	\$105.00	→	\$115.00	→	\$130.00
- Reduced (Sr./Disab.)	\$52.00	→	\$55.00	→	\$65.00

Estimated Impact: Ridership and Fares

Based on industry accepted principle (*Simpson-Curtin Rule*):

- Phase 1:
 - Ridership decrease -1% to -5%
 - Fare revenues increase +10% to +13%
- Phase 2:
 - Ridership decrease -1% to -4%
 - Fare revenues increase +8% to 10%

Overall improvement with TDA Farebox Recovery between +1% to +4%, depending on route

Next Steps: Timeline of Activities

- **8/1/2018** – Issue notices re: hearing and proposed implementation
 - ✓ Notices on buses, stops, newspapers, media, web & social.
 - ✓ Collect Formal comments up to and including at hearing.
- **9/7/2018** – Commission meeting / hold hearing, and report formal comments to-date.
- **10/5/2018** – Commission considers item related to adoption of fare changes
- **Oct to Dec 2018** –Conduct outreach and prepare operations.
- **January 2019** – Phase 1 implemented
- ❖ *Return to Commission regarding fare tracking and policy considerations, including adjustment to Single Ride Tickets, and Transfers.*
- **January 2020** – Phase 2 implemented

QUESTIONS?

Aaron Bonfilio
abonfilio@goventura.org

