

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	08/22/16	Open	Action	08/16/16

Subject: Authorizing a Temporary "Group Event Pass" Program and a Temporary "Free Ride Event" Program to Encourage Ridership to Downtown Events

ISSUE

1. Whether to authorize a temporary "Group Event Pass" fare equivalent program to allow up to 4 people from any fare category to purchase a Group Event Pass to ride light rail with evidence of valid same day Golden 1 Center event tickets; and
2. Whether to authorize a temporary "Free Ride Event" fare equivalent program to accept, on up to 10 separate dates, valid same day Golden 1 Center event tickets as fare equivalent to ride light rail and delegate authority to the General Manager/CEO to select dates when Golden 1 Center event tickets will be accepted as fare equivalent.

RECOMMENDED ACTION

- A. Adopt Resolution No. 16-08-____, Authorizing a Temporary "Group Event Pass" Fare Equivalent Program to Allow up to 4 People from any Fare Category to Purchase a Group Event Pass to Ride Light Rail with Evidence of Valid Same Day Golden 1 Center Event Tickets; and
- B. Adopt Resolution No. 16-08-____, Authorizing a Temporary "Free Ride Event" Fare Equivalent Program to Accept, on up to 10 Separate Dates, Valid Same Day Golden 1 Center Event Tickets as Fare Equivalent to Ride Light Rail and Delegating Authority to the General Manager/CEO to Select Dates when Golden 1 Center Event Tickets Will Be Accepted as Fare Equivalent.

FISCAL IMPACT

Expense/Cost Impact

There will be no additional costs associated with implementing these programs under the terms outlined in the issue paper.

Revenue/Fare Impact

Note: Neither the Group Event Pass program nor the Event Free Ride program were assumed in the FY 2017 budget.

Group Event Pass Program

Implementing this program could generate an additional \$39,499 in fare revenues over the projected revenue collections of \$592,002 under the existing Fare Structure.

Approved:

Presented:

Final 08/17/16

General Manager/CEO

Acting Chief Financial Officer

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Free Ride Event Program

Assuming that RT will generate approximately \$9,568 in revenues for each major event from all fare options, implementation of this free pass on 10 separate dates could result in a fare revenue reduction of approximately \$95,680 from all fare options. However, the goodwill associated with this program should increase overall ridership and support for RT's services.

DISCUSSION

Group Event Pass Program

In an attempt to make it easier for families and groups to ride light rail to events at the new Golden 1 Center downtown, RT seeks to implement a pilot program that would allow a family or group of up to 4 riders of any fare category (basic fare or discount fare) to ride light rail for \$14. RT believes that offering an event day pass to families and groups could encourage new ridership by providing a cost effective alternative to driving and parking downtown.

RT staff has done extensive research in determining the optimal group size, pricing, and purchasing options for the Group Event Pass. Average vehicle occupancy data from the Kings database was used to determine that a group pass limit of 4 individuals would best serve our riders. With a \$14 fare price point and a \$1 RT parking charge (where applicable), this ensures that nearly all groups who take advantage of this program could see a reduction in their total fare amount. Assuming that parking downtown is around \$20 per event and assuming that the average rider spends \$3 for gasoline to and from the event, the cost savings for the rider taking transit would be approximately 35% or \$8 per round trip.

Offering this new program should generate additional revenue for RT. As noted in prior budget presentations, the FY2017 Operating Budget did not assume additional fare revenues resulting from riders who would use transit to attend Golden 1 Center events. Implementing this program with a recommended price point of \$14 should produce higher fare revenues than budgeted. Prior to arriving at the recommended price, staff ran scenarios using other pricing options higher and lower than \$14, but the data showed that \$14 per event would be the optimal price to increase fare revenues and yet still be reasonable for the riders of our system. The detailed analysis used can be found on Attachments 1 and 2.

From a purchasing standpoint, riders will have the opportunity to buy the Group Event Pass through RT's Mobile Fare Application and from the 29 new Parkeon Fare Vending Machines, which will be located at RT stations with park and ride lots. At this time, it is cost prohibitive to offer the Group Event Pass through the older existing fare vending machines, as it would require costly customizations. However, some of the significant benefits for instituting the new group event pass are: 1) it will be much easier to purchase this new ticket option, which should result in a more pleasant purchasing experience; 2) riders traveling in groups will be able to purchase one ticket prior to their initial boarding and use the same ticket for their return trip after the event; and 3) buying just one ticket will help speed up the purchasing process and

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provide an overall better customer experience. An additional benefit to RT is that consolidating ticket purchases should lower the transactional costs associated with the traditional ticket purchases.

Because the Group Event Pass is a pilot program, at this time staff is not proposing to amend the Fare Structure to permanently incorporate this new fare type. Instead, staff is requesting that the Board authorize, notwithstanding the existing Fare Structure, a 6 month Group Event Pass priced at \$14.00 for up to 4 riders with evidence of an event ticket to the Golden 1 Center.

Free Ride Event Program

To deliver a positive customer experience and increase ridership, RT staff is recommending that the Board grant authority to the General Manager/CEO to institute up to 10 Free Ride Events for Golden 1 Center event attendees. Staff anticipates that this program will promote new ridership among individuals and groups who may not normally consider RT a viable option. The Free Ride Event dates will be chosen well in advance, allowing time for marketing efforts to take place. Free Ride Events will enhance the customer experience on event days by not only providing free transportation to and from the event, but it will also eliminate lines at fare vending machines and ease the flow of traffic for staging purposes after the event. RT believes that the positive customer experience delivered with this program will play a major role in increasing the likelihood that these new riders become regular RT riders.

Because the Free Ride Event is a pilot program, at this time staff is not proposing to amend the Fare Structure to permanently incorporate this new fare type. Instead, staff is requesting that the Board authorize, notwithstanding the existing Fare Structure, Free Ride Events on up to 10 separate dates as determined by the General Manager/CEO, allowing riders to use a valid same day Golden 1 Center event ticket as fare equivalent to ride light rail.

ESC Group Pass Analysis

Baseline	RT Mode Split	RT riders	Fare collected per vehicle			Usage Split by Pass type			Revenue				
			Single ride (2)	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Grand Total	
1 person vehicles	25.0%	250	\$ 4.94	\$ 6.30	\$ -	90%	10%	0%	\$ 855.86	\$ 121.28	\$ -	\$ 977.13	
2 person vehicles	20.0%	1,650	\$ 9.60	\$ 12.25	\$ -	90%	10%	0%	\$ 5,488.56	\$ 778.18	\$ -	\$ 6,266.74	
3 person vehicles	9.0%	312	\$ 13.14	\$ 16.80	\$ -	90%	10%	0%	\$ 947.03	\$ 134.53	\$ -	\$ 1,081.56	
4 person vehicles	7.0%	162	\$ 16.96	\$ 21.70	\$ -	90%	10%	0%	\$ 476.01	\$ 67.67	\$ -	\$ 543.68	
5 person vehicles	4.0%	31	\$ 20.50	\$ 26.25	\$ -	90%	10%	0%	\$ 88.08	\$ 12.53	\$ -	\$ 100.61	
6+ person vehicles	0.2%	-	\$ 22.92	\$ 29.40	\$ -	90%	10%	0%	\$ -	\$ -	\$ -	\$ -	
	15.0%	2,405							Revenue Per game	\$ 7,855.53	\$ 1,114.19	\$ -	\$ 8,969.72
									Total revenue 66 major events	\$ 518,464.93	\$ 73,536.79	\$ -	\$ 592,001.72

Fare Type	Price
Single Ride Fare	\$ 2.75
Daily Pass Fare	\$ 7.00
Discount Single Ride	\$ 1.35
Discount Daily Pass	\$ 3.50
Group Pass	\$ -

Baseline Assumptions
 Calculations based on event attendance of 16,000
 15% of riders already own fare prior to boarding RT (pass holders)
 Fare evasion is set to 8%
 Most important factor in choosing fare type is price
 Baseline mode split for all models was set at 0.15
Group Pass not available.

Avg fare 1.86

Scenario #1	RT Mode Split	RT riders	Fare collected per vehicle			Usage Split by Pass type			Revenue				
			Single ride (2)	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Grand Total	
1 person vehicles	25.0%	250	\$ 4.94	\$ 6.30	\$ 20.00	90%	10%	0%	\$ 855.86	\$ 121.28	\$ -	\$ 977.13	
2 person vehicles	20.0%	1,650	\$ 9.60	\$ 12.25	\$ 20.00	90%	10%	0%	\$ 5,488.56	\$ 778.18	\$ -	\$ 6,266.74	
3 person vehicles	10.2%	354	\$ 13.14	\$ 16.80	\$ 20.00	90%	5%	5%	\$ 1,088.47	\$ 77.31	\$ 92.04	\$ 1,257.82	
4 person vehicles	10.2%	236	\$ 16.96	\$ 21.70	\$ 20.00	60%	5%	35%	\$ 474.30	\$ 50.57	\$ 326.27	\$ 851.15	
5 person vehicles	6.0%	46	\$ 20.50	\$ 26.25	\$ 24.00	90%	10%	0%	\$ 134.09	\$ 19.08	\$ -	\$ 153.17	
6+ person vehicles	0.2%	-	\$ 22.92	\$ 29.40	\$ 28.00	90%	10%	0%	\$ -	\$ -	\$ -	\$ -	
	15.9%	2,536							Revenue Per game	\$ 8,041.28	\$ 1,046.42	\$ 418.31	\$ 9,506.01
									Total revenue 66 major events	\$ 530,724.35	\$ 69,603.73	\$ 27,608.46	\$ 627,396.54

Fare Type	Price
Single Ride Fare	\$ 2.75
Daily Pass Fare	\$ 7.00
Discount Single Ride	\$ 1.35
Discount Daily Pass	\$ 3.50
Group Pass	\$ 20.00

Scenario #1 Assumptions
 Calculations based on event attendance of 16,000
 15% of riders already own fare prior to boarding RT (pass holders)
 Fare evasion drops to 7.6%
 Most important factor in choosing fare type is price
 Baseline mode split for all models was set at 0.15,
Group Pass price set at \$20
Vehicles with more than 4 riders will need to purchase additional fare media
(avg round trip fare of \$4 per additional rider was used)

Avg fare 1.87

Scenario #2	RT Mode Split	RT riders	Fare collected per vehicle			Usage Split by Pass type			Revenue				
			Single ride (2)	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Grand Total	
1 person vehicles	25.0%	250	\$ 4.94	\$ 6.30	\$ 12.00	90%	10%	0%	\$ 855.86	\$ 121.28	\$ -	\$ 977.13	
2 person vehicles	20.0%	1,650	\$ 9.60	\$ 12.25	\$ 12.00	70%	10%	20%	\$ 4,268.88	\$ 778.18	\$ 1,524.60	\$ 6,571.66	
3 person vehicles	11.0%	382	\$ 13.14	\$ 16.80	\$ 12.00	20%	0%	80%	\$ 267.71	\$ -	\$ 977.92	\$ 1,245.63	
4 person vehicles	11.0%	255	\$ 16.96	\$ 21.70	\$ 12.00	10%	0%	90%	\$ 86.50	\$ -	\$ 550.80	\$ 637.30	
5 person vehicles	6.6%	51	\$ 20.50	\$ 26.25	\$ 16.00	0%	0%	100%	\$ -	\$ -	\$ 130.56	\$ 130.56	
6+ person vehicles	0.2%	-	\$ 22.92	\$ 29.40	\$ 20.00	0%	0%	100%	\$ -	\$ -	\$ -	\$ -	
	16.2%	2,588							Revenue Per game	\$ 5,478.94	\$ 899.46	\$ 3,183.88	\$ 9,562.27
									Total revenue 66 major events	\$ 361,609.82	\$ 59,364.11	\$ 210,136.08	\$ 631,110.01

Fare Type	Price
Single Ride Fare	\$ 2.75
Daily Pass Fare	\$ 7.00
Discount Single Ride	\$ 1.35
Discount Daily Pass	\$ 3.50
Group Pass	\$ 12.00

Scenario #2 Assumptions
 Calculations based on event attendance of 16,000
 15% of riders already own fare prior to boarding RT (pass holders)
 Fare evasion drops to 7.2%
 Most important factor in choosing fare type is price
Group Pass price set at \$12
Vehicles with more than 4 riders will need to purchase additional fare media
(avg round trip fare of \$4 per additional rider was used)

Avg fare 1.85

Scenario #3 (Recommended)	RT Mode Split	RT riders	Fare collected per vehicle			Usage Split by Pass type			Revenue				
			Single ride (2)	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Single ride	Daily Pass	Group Pass	Grand Total	
1 person vehicles	25.0%	250	\$ 4.94	\$ 6.30	\$ 14.00	90%	10%	0%	\$ 855.86	\$ 121.28	\$ -	\$ 977.13	
2 person vehicles	20.0%	1,650	\$ 9.60	\$ 12.25	\$ 14.00	80%	20%	0%	\$ 4,878.72	\$ 1,556.36	\$ -	\$ 6,435.08	
3 person vehicles	10.5%	364	\$ 13.14	\$ 16.80	\$ 14.00	50%	0%	50%	\$ 637.73	\$ -	\$ 679.47	\$ 1,317.19	
4 person vehicles	10.5%	243	\$ 16.96	\$ 21.70	\$ 14.00	10%	0%	90%	\$ 82.43	\$ -	\$ 612.36	\$ 694.79	
5 person vehicles	6.5%	50	\$ 20.50	\$ 26.25	\$ 18.00	0%	0%	100%	\$ -	\$ -	\$ 144.00	\$ 144.00	
6+ person vehicles	0.2%	-	\$ 22.92	\$ 29.40	\$ 22.00	0%	0%	100%	\$ -	\$ -	\$ -	\$ -	
	16.0%	2,557							Revenue Per game	\$ 6,454.73	\$ 1,677.64	\$ 1,435.83	\$ 9,568.19
									Total revenue 66 major events	\$ 426,012.09	\$ 110,724.08	\$ 94,764.56	\$ 631,500.72

Fare Type	Price
Single Ride Fare	\$ 2.75
Daily Pass Fare	\$ 7.00
Discount Single Ride	\$ 1.35
Discount Daily Pass	\$ 3.50
Group Pass	\$ 14.00

Scenario #3 Assumptions
 Calculations based on event attendance of 16,000
 15% of riders already own fare prior to boarding RT (pass holders)
 Fare evasion drops to 7.2%
 Most important factor in choosing fare type is price
Group Pass price set at \$14 (twice the daily pass rate)
Vehicles with more than 4 riders will need to purchase additional fare media

Avg fare 1.87

Current Fare Costs vs. Group Pass Option

Ridership Breakdown	Daily Pass	Single Fares on Mobile Fare App	Group Pass
Two Adults	\$14.00	\$11.00	\$14.00
Two Adults + Child	\$17.50	\$13.70	\$14.00
Two Adults + Two Children	\$21.00	\$16.40	\$14.00
Three Adults	\$21.00	\$16.50	\$14.00
Three Adults + Child	\$24.50	\$19.20	\$14.00
Four Adults	\$28.00	\$22.00	\$14.00

RESOLUTION NO. 16-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 22, 2016

AUTHORIZING A TEMPORARY “GROUP EVENT PASS” FARE EQUIVALENT PROGRAM TO ALLOW UP TO 4 PEOPLE FROM ANY FARE CATEGORY TO PURCHASE A GROUP EVENT PASS TO RIDE LIGHT RAIL WITH EVIDENCE OF VALID SAME DAY GOLDEN 1 CENTER EVENT TICKETS

WHEREAS, by Resolution No. 09-10-0174, the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, RT desires to implement, on a pilot basis, a Group Event Pass allowing up to 4 riders to purchase a group pass to ride light rail with evidence of valid same day Golden 1 Center event tickets (e.g. physical or electronic event ticket, confirmation of purchase of event ticket); and

WHEREAS, RT desires to temporarily create a new type of pass for the duration of this program.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in addition to the other fare and pass types identified in Resolution No. 09-10-0174, a new pass entitled “Group Event Pass” is hereby established on a temporary basis for a six-month period from first implementation.

THAT, the Group Event Pass may be purchased through the mobile application implemented by RT and at approximately 29 recently installed Parkeon fare vending machines located at RT’s park and ride stations.

THAT, the fare for the Group Event Pass will be \$14.00 per group, regardless of the fare category for each rider in the group.

THAT, the Group Event pass will be valid for up to 4 riders of any fare category on RT’s light rail on the day of the Golden 1 Center event.

THAT, for the fare to be accepted, each rider in the group must present evidence of valid same day Golden 1 Center event tickets (e.g. physical or electronic event ticket, confirmation of purchase of event ticket).

THAT, upon expiration of the six-month pilot period, the Group Event Pass will no longer be valid fare media.

THAT, in the event of a conflict between this Resolution and Resolution No. 09-10-0174 this Resolution will govern as to the terms of use of the Group Event Pass.

THAT, in all other respects, Resolution No. 09-10-0174 remains in full force and effect.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 16-08-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 22, 2016

AUTHORIZING A TEMPORARY “FREE RIDE EVENT” FARE EQUIVALENT PROGRAM TO ACCEPT, ON UP TO 10 SEPARATE DATES, VALID SAME DAY GOLDEN 1 CENTER EVENT TICKETS AS FARE EQUIVALENT TO RIDE LIGHT RAIL AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO SELECT DATES WHEN GOLDEN 1 CENTER EVENT TICKETS WILL BE ACCEPTED AS FARE EQUIVALENT

WHEREAS, by Resolution No. 09-10-0174, the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, RT desires to implement, on up to 10 separate dates, a Free Ride Event allowing riders to use a valid same day Golden 1 Center event ticket or evidence of event ticket (e.g. electronic event ticket, confirmation of purchase of event ticket) as fare equivalent to ride light rail; and

WHEREAS, RT desires to temporarily create a new type of pass for the duration of this program; and

WHEREAS, RT desires to delegate authority to the General Manager/CEO to select up to 10 dates when valid same day Golden 1 Center event tickets or evidence of event tickets (e.g. electronic event ticket, confirmation of purchase of event ticket) will be accepted as fare equivalent for light rail.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, in addition to the other fare and pass types identified in Resolution No. 09-10-0174, a new pass entitled “Free Ride Event” is hereby established on a temporary basis for up to 10 separate dates.

THAT, for the Free Ride Event pass to be accepted, each light rail rider must present a valid same day Golden 1 Center event ticket or evidence of event ticket (e.g. electronic event ticket, confirmation of purchase of event ticket).

THAT, the General Manager/CEO is hereby authorized to select up to 10 dates when a valid same day Golden 1 Center event ticket or evidence of event ticket (e.g. electronic event ticket, confirmation of purchase of event ticket) will be accepted as fare equivalent for light rail.

THAT, after 10 selected dates, the Free Ride Event pass will no longer be valid fare media.

THAT, in the event of a conflict between this Resolution and Resolution No. 09-10-0174 this Resolution will govern as to the terms of use of the Free Ride Event.

THAT, in all other respects, Resolution No. 09-10-0174 remains in full force and effect.

JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary