

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	08/13/18	Open	Action	08/07/18

Subject: **SmaRT Ride Group Discounts**

ISSUE

Whether to temporarily authorize free rides on SmaRT Ride service for groups of 5 or more with a common origin and destination.

RECOMMENDED ACTION

Adopt Resolution No. 18-08____, Temporarily Authorizing Free Rides on SmaRT Ride Service for Groups of 5 or More with a Common Origin and Destination through Modification of the Definition of Fare Equivalent.

FISCAL IMPACT

Because of the relatively recent implementation and expansion of SmaRT ride, the fiscal impact of this action is difficult to predict. However, given SacRT's current average fare and historical frequency with which groups of 5 or more booked SmaRT Ride trips, the estimated fare revenue loss of this offering is \$4,446. It's possible that, as the service becomes more popular, additional groups of 5 or more would choose to ride without the discount, increasing the potential for receiving less fare revenues. However, given much of the cost is funded with STA dollars, this loss in revenues should be minimal. On the other hand, individuals that experience the service during a free group ride may later book individual rides, thereby generating new fare revenue.

DISCUSSION

The SmaRT Ride program is an innovative new service that has been successful in increasing ridership among individuals who previously used Dial-a-Ride type services. SmaRT Ride provides services similar to the prior Citrus Heights City Ride service, but in a much more efficient and customer friendly manner. Customers using the old City Ride system were forced to book rides a day in advance. SmaRT Ride customers can book and schedule same day rides. Wait times are typically 20 minutes or less and customers pay the same amount on SmaRT Ride as they do on SacRT's traditional fixed-route service. Customers love the convenience of booking trips via the Microtransit app, online or with a customer service representative. Ridership levels in Citrus Heights have tripled with the introduction of SmaRT Ride, in comparison to the previous City Ride system.

SmaRT Ride provides a more-affordable alternative for individual riders when compared to private Transportation Network Companies (TNCs). This is part of the reason why SmaRT Ride has been successful while also assisting socio-economically disadvantaged riders who might not be able to afford TNC transportation. Currently, all SmaRT Ride customers must each pay their own fare. At \$2.75 per person this can become quite expensive for groups (5

Approved:

Presented:

Final 8/8/18

General Manager/CEO

Chief Financial Officer

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people would cost \$13.75). Given this current pricing model, Staff believes that SmaRT Ride is being under-utilized by groups.

Since its inception, over 17,000 trips have completed on SmaRT Ride, but fewer than half of one percent (69 trips total) have been for groups of 5 or more. In fact, the average passenger count per completed trip is only 1.17 passengers. Encouraging group rides will help SacRT operate the SmaRT Ride service in a more efficient manner and lower the cost per passenger even if we aren't collecting fares from these additional riders.

A temporary fare initiative such as the proposed model will allow SacRT to gather data about how successful SmaRT Ride can be at attracting group ridership. This information will also allow Staff to make recommendations about a potential permanent pricing structure for group rides on SmaRT Ride in the future.

Therefore, Staff recommends that the Board temporarily authorize free rides to groups of 5 or more on SmaRT Ride services for a six-month period.

RESOLUTION NO. 18-08-_____

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

August 13, 2018

TEMPORARILY AUTHORIZING FREE RIDES ON SMART RIDE SERVICE FOR GROUPS OF 5 OR MORE WITH A COMMON ORIGIN AND DESTINATION THROUGH MODIFICATION OF THE DEFINITION OF FARE EQUIVALENT

WHEREAS, by Resolution No. 09-10-0174, as subsequently amended including by Resolution 16-09-0104 the Board of Directors amended and restated the Fare Structure for fixed-route service; and

WHEREAS, the Sacramento Regional Transit District (“SacRT”) has recently implemented and will be expanding an on-demand transit service called “SmaRT Ride” that permits individuals and groups to book origin-to-destination transit trips through a mobile application, website, and customer service representatives.

WHEREAS, to promote the use of SmaRT Ride by groups and encourage adoption of the service, which improves the efficiency of the service, the Board desires to temporarily permit groups of 5 or more individuals to use the service for free.

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, and the amendments thereto, the definition of “Fare Equivalent” set out in Resolution 16-09-0104 is temporarily modified to include the presence of five or more individuals, regardless of age, simultaneously boarding a Bus for a pre-booked origin-to-destination trip through SmaRT Ride with a common origin and destination and each individual in that simultaneous boarding will be deemed to have paid the Fare for that Ride.

THAT, for purpose of clarification, if a SmaRT Ride trip is pre-booked for 5 or more individuals, but only 4 or fewer individuals are present at boarding, the above definition will not apply and all individuals must pay the applicable Fare for that Ride.

THAT, this in the modification will expire February 12, 2019.

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

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary