

STAFF REPORT

DATE: September 12, 2022
TO: Sacramento Regional Transit Board of Directors
FROM: Jamie Adelman, Acting VP, Finance/CFO
SUBJ: CONDITIONALLY SUSPENDING FARES IN THE NATOMAS-NORTH SACRAMENTO SMART RIDE ZONE FOR OCTOBER 2022

RECOMMENDATION

Adopt the Attached Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the recommended action will result in the suspension of fares on SacRT SmaRT Ride on-demand microtransit service within the Natomas-North Sacramento zone during the month of October 2022 contingent upon execution of a fare subsidy agreement with North Natomas Jibe (Jibe).

FISCAL IMPACT

There is no anticipated SacRT fiscal impact from the proposed action because Jibe will pay fares for all riders, up to \$6,500, for the month of October 2022 within the SmaRT Ride Natomas-North Sacramento service zone. Staff does not anticipate that the lost fare revenue for free rides will exceed this amount. A similar arrangement was in place in October 2021 and resulted in no lost fare revenue to SacRT.

DISCUSSION

In October 2021, SacRT partnered with Jibe to offer free rides to passengers boarding the Natomas-North Sacramento SmaRT Ride service. During the fare-free month, SacRT generated 1,900 boardings within the zone, up over 30% from the average month.

SacRT and Jibe staff recently entered into discussions to renew the promotional opportunity for SacRT services operated within the Natomas-North Sacramento SmaRT Ride area during the upcoming Clean Air Month (October 2022). Jibe receives community funds to promote mobility within its service area and expressed a desire to use those funds to subsidize fares for riders within the Natomas-North Sacramento SmaRT Ride zone.

Similar to last year, Jibe is willing to sponsor fares up to \$6,500 during the month of October at a rate of \$2.50 per passenger trip.

Also on the agenda for consideration is a separate item seeking a delegation of authority for the General Manager/CEO to provide up to four free ride weeks system-wide on SacRT during Fiscal Year 2023. If that item is approved and the General Manager/CEO designates a free ride week in October, Jibe would not reimburse SacRT for the days that are part of the free ride week promotion. Staff estimates that total ridership during the month of October 2022, within the Natomas-North Sacramento Smart Ride zone, will be 1,969, generating a potential reimbursement of \$4,922.50 from Jibe.

If SacRT offers a free ride week during October 2022, total reimbursable ridership is expected to be closer to 1,500 trips or \$3,750 in revenue. In either case, the \$6,500 funding limit from Jibe is expected to cover any potential fare revenue that SacRT would have otherwise collected.

RESOLUTION NO. 2022-09-105

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

September 12, 2022

**CONDITIONALLY SUSPENDING FARES IN THE NATOMAS-NORTH
SACRAMENTO SMART RIDE ZONE FOR OCTOBER 2022**

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

THAT, to promote ridership on SacRT's SmarT Ride microtransit service within the Natomas-North Sacramento zone during Clean Air Month, from Monday October 3, 2022 through Monday October 31, 2022, no person will be charged the otherwise Applicable Fare to ride SacRT's demand-response service within the Natomas-North Sacramento Zone, contingent upon executing a fare subsidy agreement with North Natomas Jibe to compensate SacRT for lost fare revenue.

STEVE MILLER, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Tabetha Smith, Assistant Secretary