



## Legislation Details (With Text)

**File #:** 22-124      **Version:** 1

**Type:** Resolution      **Status:** Passed

**File created:** 8/4/2022      **In control:** Board of Commissioners

**On agenda:** 8/23/2022      **Final action:** 8/23/2022

**Title:** New Links Implementation Promotional Fare

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. New Links Implementation Promotional Fare

Date	Ver.	Action By	Action	Result
8/23/2022	1	Board of Commissioners	approved	Pass

### New Links Implementation Promotional Fare

DESCRIPTION: Authorization for one-time free fares during first four days of New Links implementation, September 25-28, 2022	AGENDA NO: 22-124
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other	

### RECOMMENDATION:

Authorize the Chief Executive Officer to waive all fares for four days from September 25, 2022 through September 28, 2022 as a Promotional Fare Discount to support existing riders adjusting to major route and service changes going into effect on September 25, 2022 as part of the implementation of the New Links plan.

### ISSUE/BACKGROUND:

RTA staff has been working toward the implementation of the New Links plan starting with its adoption by the Board on March 23, 2021 (item [21-015 <http://norta.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=1195>](http://norta.legistar.com/gateway.aspx?m=l&id=/matter.aspx?key=1195)). Some of the minor changes that did not impact changes to routes have been implemented in previous service picks starting in July 2021. After extensive staff review the final changes to the bus route network, based on the New Links plan, were completed and published on July 14, 2022. The bulk of these changes will be going into effect for the Fall pick, on September 25, 2022.

In researching past experiences and lessons learned among other transit agencies that have recently completed a bus network redesign, one consistent recommendation was to include a fare holiday or free fares during the first few days of implementing such a significant change to riders. Even with extensive communication, marketing and direct outreach, many riders will experience confusion and disorientation during these first few days. Providing free fares was shown to reduce some of the anxiety and stress while riders acclimated to new routes and service. For example, if a rider takes the wrong bus accidentally, they will not have to pay an additional fare to get back on track. Additionally,

feedback indicated this fare relief provides the operators with some buffer to diffuse and ameliorate distressed or upset riders.

Additionally, RTA staff is in the final stages of developing a forthcoming Fare Policy that codifies currently and best practices. Promotional fares are clearly established with defined purposes. Retaining existing riders and encouraging existing riders for different trips are two of those purposes that relate directly to the September 25 service changes.

**DISCUSSION:**

Staff has been developing tools, communications campaigns and outreach resources to support riders’ preparation for upcoming changes to routes and schedules on September 25 as part of New Links implementation. However, despite a mounting outreach effort, experience from other agencies has clearly indicated the first few days of the transition will not be easy for many riders. Navigating the new routes, transfers, schedule and hubs will take some practice and those first few days will be the most challenging. This confusion can lead to stress and even hostility that often gets directed at operators.

Providing free fares during these first four days will be a clear acknowledgment by the RTA of the trials some riders will face in making these adjustments and provide operators a form of relief to reduce that stress. This will be particularly helpful in cases where rider may accidentally board the wrong bus, not make the correct transfer, or any other similar scenarios.

**FINANCIAL IMPACT:**

RTA fare revenues have been trending upward as the agency and community continue their pandemic-related recovery. Historically, fare revenue in September is nearly equal to June revenues as all schools are back in session and tourism begins to pick back up, as shown in table below:

**Farebox Monthly Revenue**

	May	June	July	August	Sept
2017	\$1,238,945	\$1,149,787	\$1,236,392	\$1,108,795	\$1,192,173
2018	\$1,261,828	\$1,188,496	\$1,248,513	\$1,140,527	\$1,077,164
2019	\$1,198,081	\$1,113,431	\$984,430	\$1,009,664	\$1,031,817
2021	\$549,324	\$513,449	\$487,701	\$380,889	\$314,448
2022	\$576,239	\$525,858	\$518,202		

Non-farebox revenue is estimated generally to be about 30% of total fare revenues. Using the recent and historic trends the projected revenue for four days in September 2022 is shown below:

	Estimate	Low (-10%)	High (+10%)
September 2022	\$745,756	\$671,181	\$745,756
4-day Holiday	\$94,462	\$89,491	\$99,434

A four-day fare holiday (fare free) is estimated to result in a revenue shortfall from projected earnings between \$89,491 and \$99,434.

NEXT STEPS:

Upon RTA Board Approval, staff will train all operators on implementing promotional fare and integrate into communications collateral and be prepared to educate all riders on route and service changes on September 25.

ATTACHMENTS:

RTA Resolution for New Links Implementation Promotional Fare

Prepared By: Dwight Norton  
Title: Sr Director of Strategic & Long-Range Planning

Prepared By: Jack Duffy  
Title: Financial Data & Reporting Analyst

Reviewed By: Gizelle Banks  
Title: Chief Financial Officer

Reviewed By: Mark Major  
Title: Deputy Chief Administration & Financial



Click or tap to enter a date.

Alex Wiggins  
Chief Executive Officer

Date