

Zero-Fare Demonstration Project Update

Intercity Transit Authority Board Meeting

Wednesday, May 1, 2024

Emily Bergkamp, General Manager

Overview

- Brief History of Zero-Fare Demonstration Pilot
- Benefits of Zero Fare
- Zero Fare Across the Country

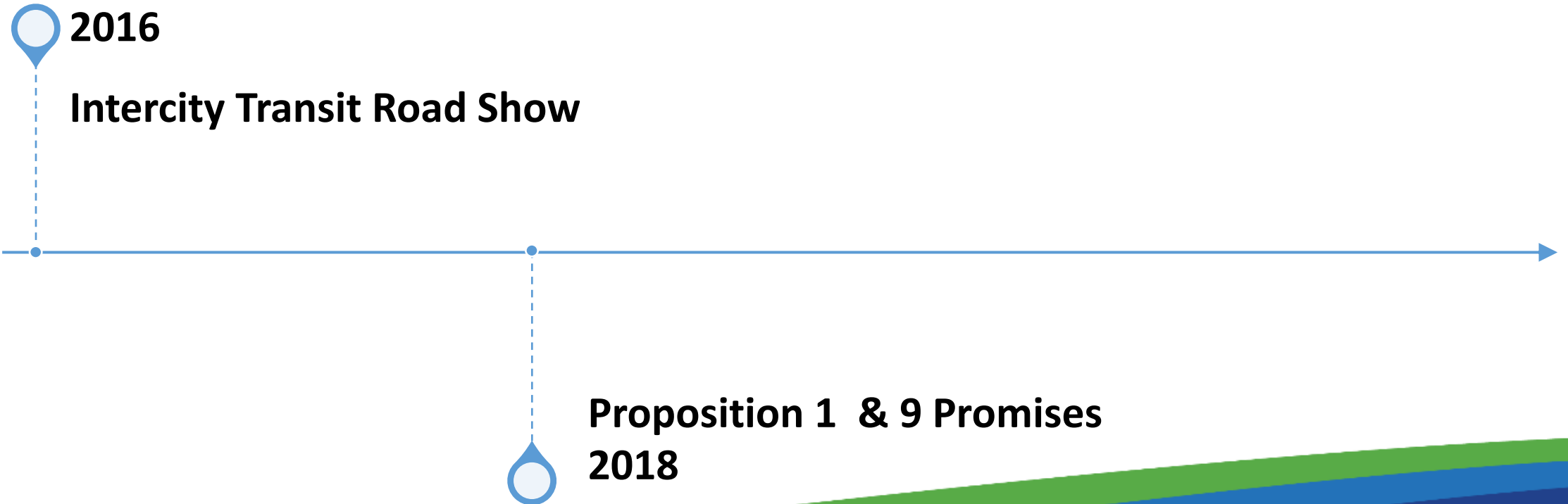
Brief History of Zero Fare Demonstration Pilot

2016

Intercity Transit Road Trip



Brief History of Zero Fare Demonstration Pilot



History

1. **Extended Span of Service** – Service starts earlier, ends later, operates on weekends
2. **Improved Frequency** – Busy routes to 15-minute service; all others 30-minute
3. **Service to New Areas** – Bus/Dial-A-Lift will be extended to new and growing areas
4. **On-Time Performance** – Put additional buses into service as congestion increases
5. **Enhanced Capital Facilities** – Better bus stops with shelters, benches, and lighting
6. **Bus Rapid Transit** – High-frequency, direct, comfortable and cost-effective service
7. **Night Owl Service** – On-demand, late night service to and from downtown
8. **Enhanced Commuter Service** – Express from Olympia-Lacey to Lakewood-Tacoma.
9. **Fare-Collection Efficiencies** – Easier pay options to reduce delay, simplify access

History

Change the Way Fares Are Paid

Changing the way fares are paid means different things to different people, and can address several challenges identified by the community. There are options and opportunities that, with some additional study, can help meet our shared goals.



Get where they are going faster



Make it easier to pay



Make it more affordable



Encourage people to ride the bus



Reduce fare hassles and uncertainty

Implementing new fare technology and introducing an alternative fare structure are two options which could be considered.

New Fare Technology

The existing fare collection system takes cash only and is failing. There are many new technology options to consider. Part of the consideration is the cost associated with purchasing and maintaining a fare collection system, and processing the money collected.

Alternative Fare Structure

An alternative fare structure means removing the collection of fares on the bus from individual riders and replacing that fare revenue with funds generated through public/private partnerships. About 10% of transit revenues come from fares. There are several communities, like Chapel Hill NC, Missoula MT, Corvallis OR, and Cache Valley UT, that have implemented a similar alternative fare structure. They have found it:



Promotes social equity

Riders least able to afford fares are currently paying them



Increases ridership

Systems report an increase of 30-40% ridership



Makes bus service faster

3-7% speed improvement without fare collection waiting time



Lowers operating costs

Eliminates costs for fare collection, fare equipment, ticket management, and administration



Removes barriers

Increases convenience and removes the hassle of finding cash to ride the bus



Reduces traffic congestion

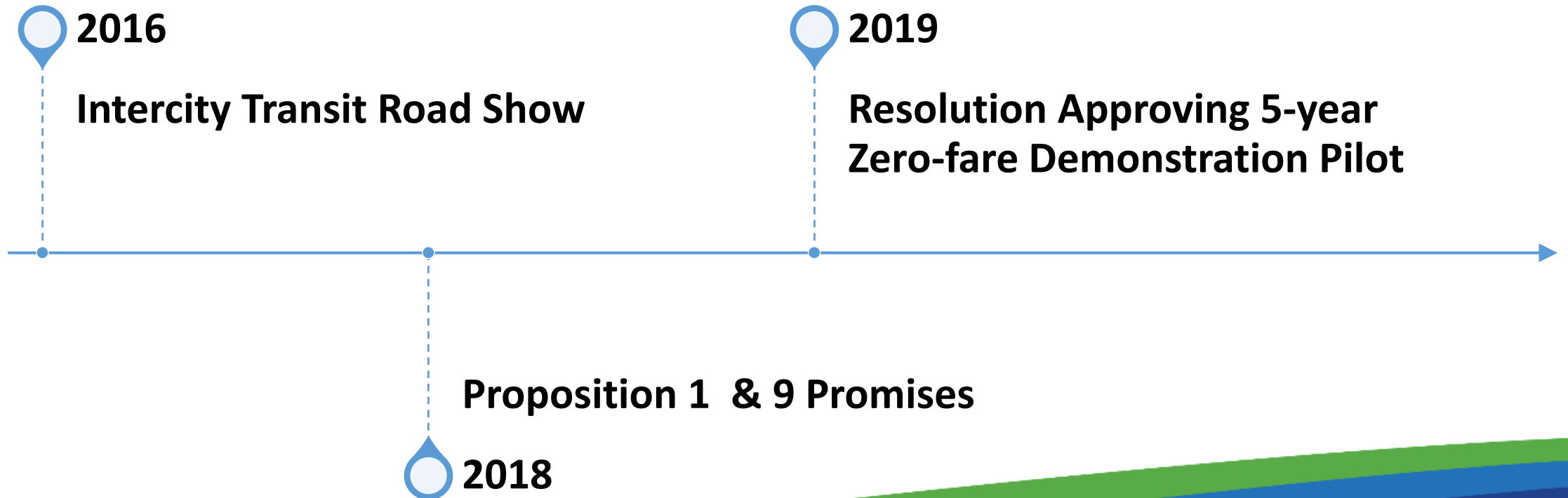
Gets more people riding the bus leaving fewer cars on the road



Environmentally friendly

Gets more people riding the bus leaving fewer cars on the road

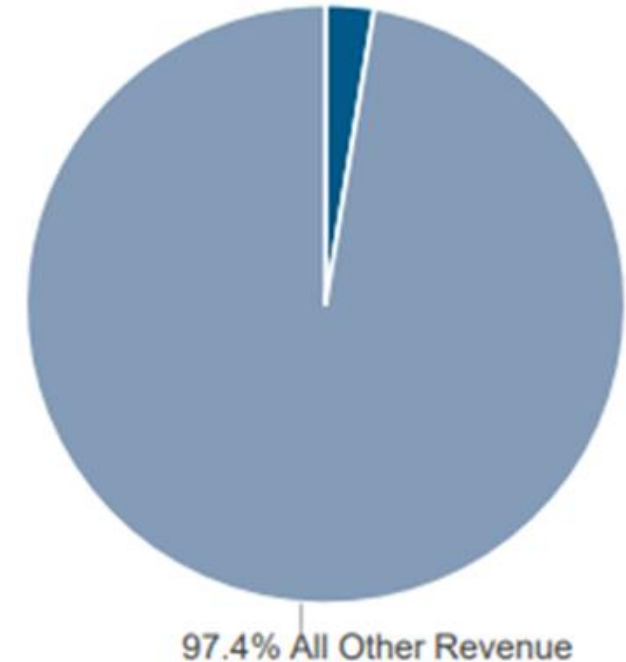
Brief History of Zero Fare Demonstration Pilot



Brief History

- Address Fare Collection
 - Farebox replacement needed
 - New Buses Arriving 2020
- Alternative Fare Analysis
 - January 2019 ITA Analysis Scoping Session
 - April 2019 Joint CAC/ITA meeting Nelson Nygaard presents Alternative Fare Analysis findings.
 - November 2019 ITA Fare Change Process
 - December 2019 ITA Resolution 03-2019 implementing Zero Fare January 1, 2020

Value of Fares in 2018 Revenue Portfolio
2.5% Gap in
Fare Revenue



History

Intercity Transit Authority
Approves Transitioning to Zero-
Fare System to begin Jan. 1, 2020

ZERO-FARE
JUST GET ON AND GO!

Benefits of Zero Fare



Promotes social equity: Fares are disproportionately harmful to those who can least afford to pay them.



Increases ridership: During the first month of implementation IT experienced a 20 percent increase in ridership.



Buses run faster: Fare collection and disputes about fares are some of the top reasons for delays.



Lowers operating costs: Eliminates costs for fare collection, fare equipment, ticket management, and administration.

Benefits: Promotes Social Equity

ALICE IN THURSTON COUNTY

ALICE is an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed – households that earn more than the Federal Poverty Level, but less than the basic cost of living for the county. While conditions have improved for some households, many continue to struggle, especially as wages fail to keep pace with the rising cost of household essentials (housing, child care, food, transportation, health care, and a basic smartphone plan). Households below the ALICE Threshold – ALICE households plus those in poverty – can't afford the essentials.

2021 Point-in-Time-Data

Population: 297,977 **Number of Households:** 0 (0% change from 2019)

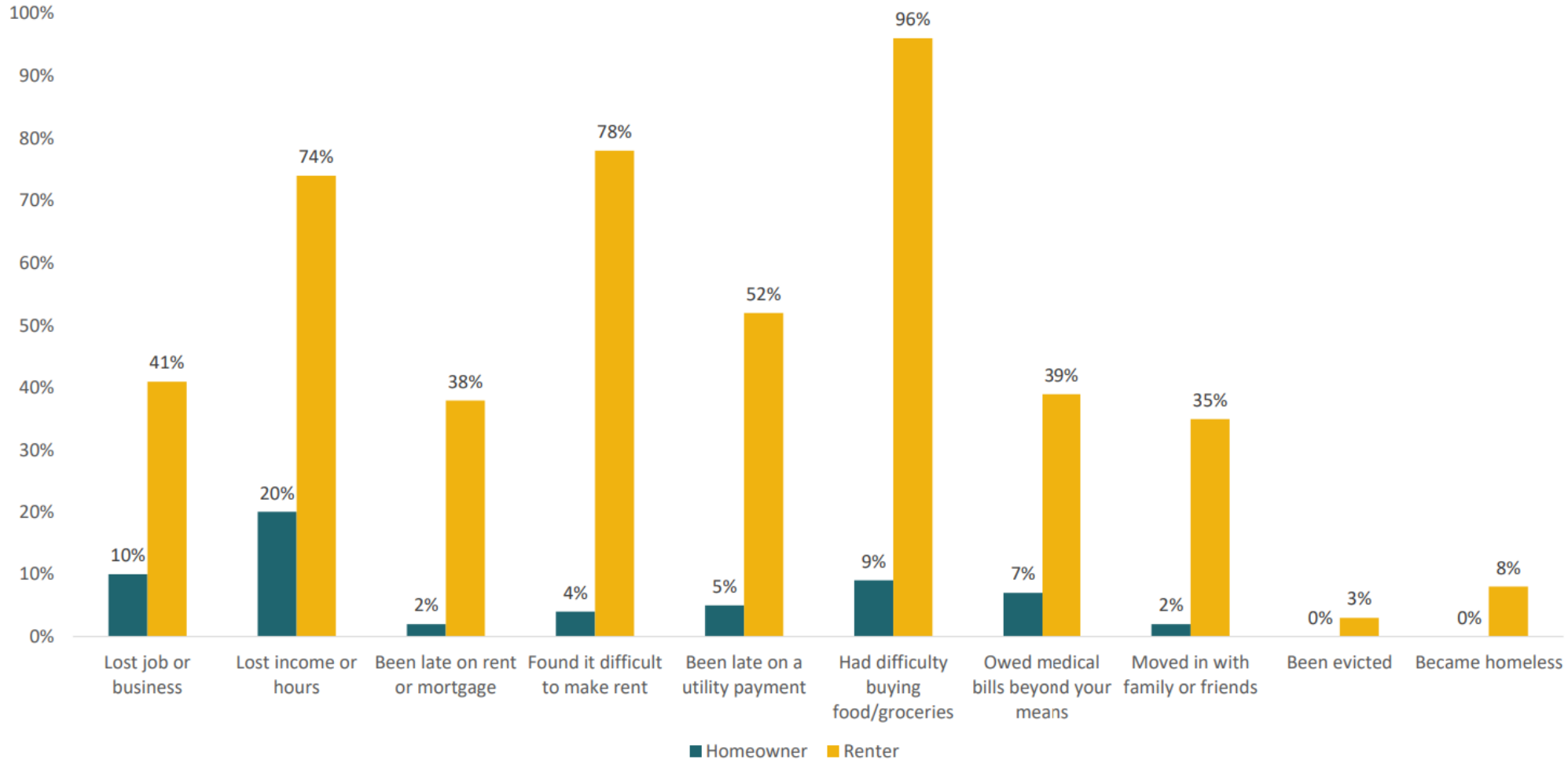
Median Household Income: \$81,659 (state average: \$84,247)

Labor Force Participation Rate: 61% (state average: 64%)

ALICE Households: 22% (state average 24%) **Households in Poverty:** 10% (state average 9%)

Benefits: Promotes Social Equity

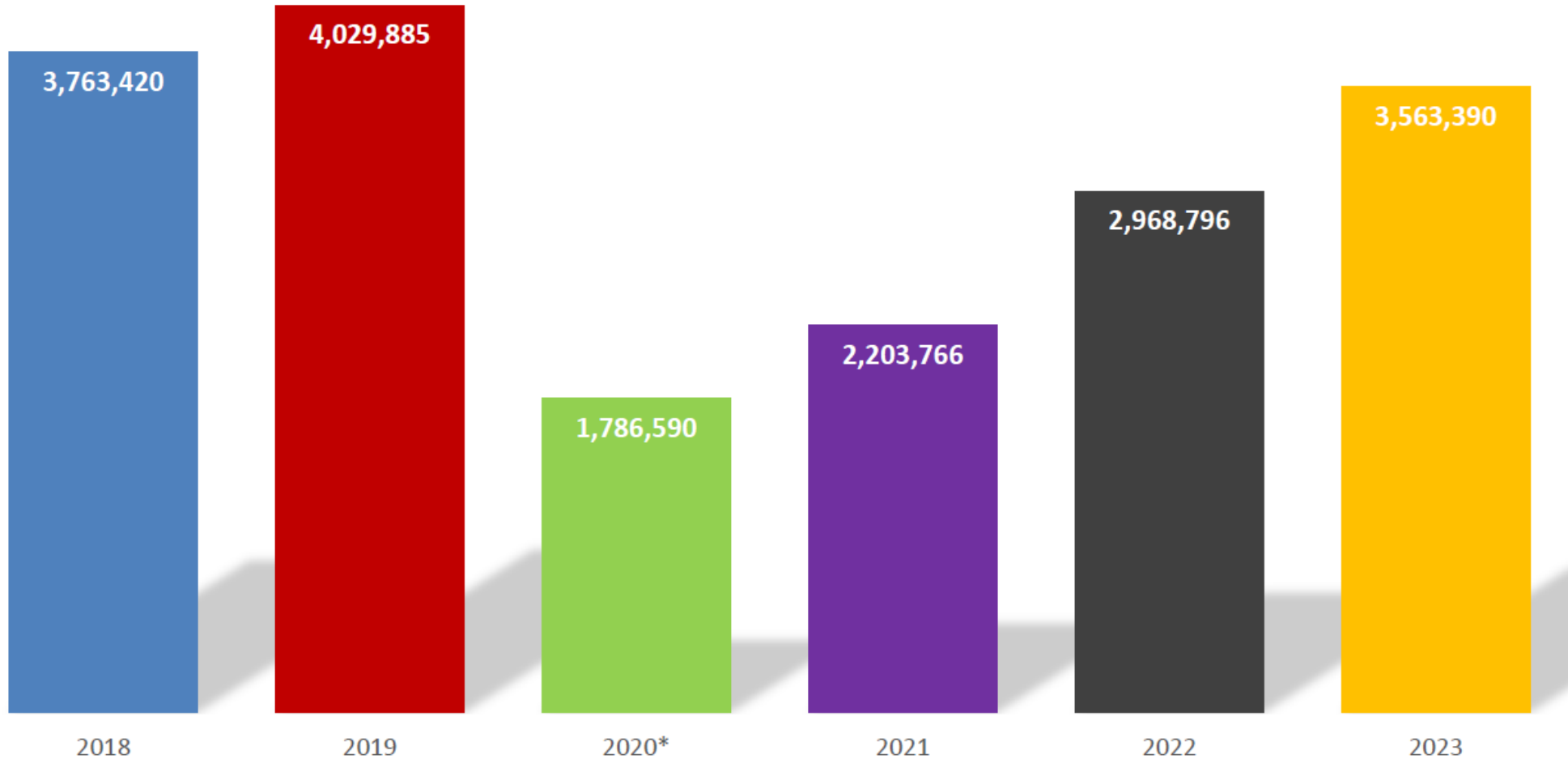
In the last year, have you or your household experienced any of the following?



Benefits: Promotes Social Equity

| Household Income | English Results | Spanish Results |
|------------------------|-----------------|-----------------|
| Less than \$16,000 | 50.10% | 75% |
| \$16,000 to \$24,999 | 9.40% | 0% |
| \$25,000 to \$34,999 | 5.20% | 0% |
| \$35,000 to \$44,999 | 15.40% | 25% |
| \$45,000 to \$54,999 | 5.20% | 0% |
| \$55,000 to \$64,999 | 1.90% | 0% |
| \$65,000 to \$74,999 | 3.50% | 0% |
| \$75,000 to \$84,999 | 2.30% | 0% |
| \$85,000 to \$94,999 | 0.60% | 0% |
| \$95,000 to \$104,999 | 1.90% | 0% |
| \$105,000 or more | 4.40% | 0% |
| Total Responses | 479 | 4 |

Benefits: Increases Ridership



Benefits: Buses Run Faster

On Time Performance Monthly (Weekdays)

OPT Target: 90%

Year and Month

Select all

2023-01

2023-02

2023-03

2023-04

2023-05

2023-06

2023-07

2023-08

2023-09

2023-10

2023-11

2023-12

2024-01

2024-02

2024-03

Overall WeekDay OTP

86.49%

Goal: 90.00% (-3.9%)

OTP for Top5 Routes

87.32%

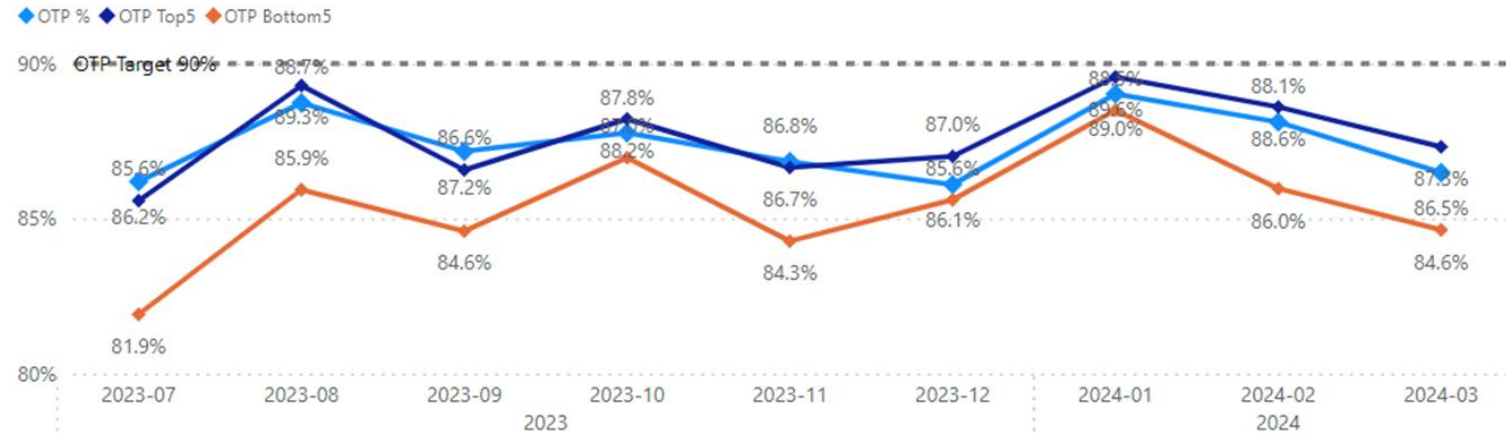
Goal: 90.00% (-2.98%)

OTP for Bottom 5 Routes

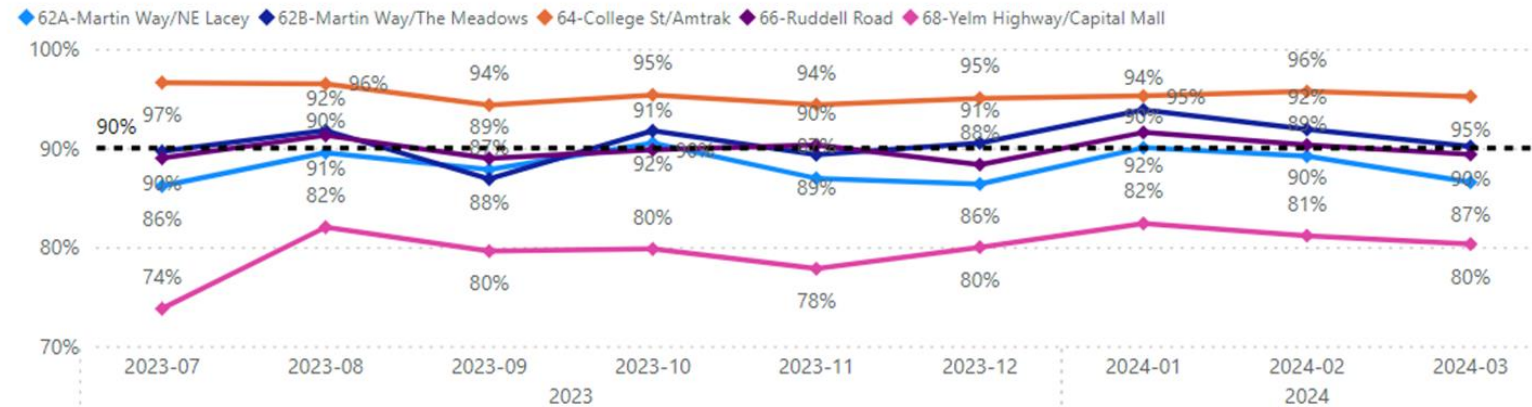
84.64%

Goal: 90.00% (-5.96%)

OTP By Routes Categories



OTP of Busiest Top 5 Routes



Benefits: Lowers Operating Costs

Upgraded Fare Technology – Intercity Transit Only

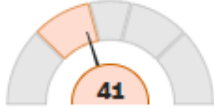
- Capital costs ranging from \$2.3 million to \$2.8 million in 2018 or \$2.8 million to \$3.5 million in 2024 based on inflation

Next Generation ORCA – Regional Integration

- Based on other regional estimates:
 - Capital costs could range from \$1 million to \$3.6 million in 2018 or \$1.2 million to \$4.5 million based on inflation
 - Additional annual operating costs could range from \$1 million to \$1.7 million in 2018 or \$1.2 million to \$2.1 million in 2024 based on inflation

Zero Fare Across the Country

☰ **CNN Business** Markets Tech Media Calculators Videos

| Markets → | | | Fear & Greed Index → | Latest Market News → |
|-----------|-----------|---------|---|-------------------------------------|
| DOW | 37,735.11 | 0.65% ▼ |  <p>Fear is driving the US market</p> | Trump stock tanks after announcing |
| S&P 500 | 5,061.82 | 1.20% ▼ | | Beyoncé is sending Levi's and West |
| NASDAQ | 15,885.02 | 1.79% ▼ | | US stocks tumble as investors await |

These cities are ending fares on transit. Here's why



By [Nathaniel Meyersohn](#), CNN

🕒 7 minute read · Updated 1:29 PM EDT, Sat July 8, 2023



Zero Fare Across the Country

TransitTalent



- Home
- Find a Job
- Post a Job
- Submit Resume
- Procurements
- Post Solicitation
- Newsletter
- About
- Contact

APRIL 15, 2024

Clallam Transit will be latest of many Washington systems to go fare-free

The trend is significant, given that more than a third of the state's transit agencies have adopted zero-fare policies, including many in recent years.

[Share](#) [Post](#)

November 13, 2023

By Daniel Beekman | Seattle Times

Sign up for Transit Intelligence

News and commentary in public transportation, and the latest job postings and solicitations.

Latest Issue: April 15, 2024 - S.E. Muni fare

INTERcity
TRANSIT

Discussion...and Thank you!

