

REVISED STAFF REPORT

January 5, 2010

Subject

A resolution adopting policies and fares for the King County Water Taxi, West Seattle/Downtown Seattle route

Background

To date, the King County Ferry District (District) has adopted fare policies and fare rates for water taxi service on a route-by-route basis. Resolution FD2008-17.3 adopted fare rates and fare policies for the West Seattle/Downtown Seattle route and Resolution FD 2009-17.2 adopted fare rates and fare policies for the Vashon Island route). These rates and policies were largely based on historical fare levels.

Additionally, through Resolution FD2009-11.2 the District adopted a Memorandum of Agreement to implement the Regional Reduced Fare permit program for senior and disabled riders on all routes.

Taken together, these previously adopted resolutions comprise a set of policies and fare rates that relate to individual cash fares, individual discounted pass fares, youth discounts, senior and disabled discounts, bicycle surcharges, , and the acceptance of and participation in the ORCA (One Regional Card for All) transit fare payment system.

The adopted 2010 budget includes the assumption that the cash fare on the West Seattle/Downtown Seattle route will increase by 50 cents in each direction and that fare revenue realization will be increased.

Summary

This proposed draft resolution would require District Board of Supervisor approval. The intent of the resolution is to consolidate the fare policies of the District into a unified and consistent form that will be applicable to all King County Water Taxi routes. The effect of the resolution will also be to adopt a single fare table showing fares for the two existing routes.

Analysis

The draft resolution contains two sections: Section 1 – Fare Policies and Section 2 – District Fare Table (Attachment A) effective date. The Fare Policies and their basis are listed in Table 1 below.

Table 1: Fare Policies

Fare Policy		Current Practices
A.	All fares shall be for one-way trips.	Existing fare tables
B.	A regular adult fare shall be the basic fare.	Existing fare tables
C.	All fares shall be rounded to the nearest twenty-five cent increment.	Existing business practice to be consistent with ORCA pricing models
D.	Consistent with the reduced fare permit program of Resolution FD 2009-11.2, the fare for qualifying senior passengers and disabled riders shall be <u>reduced</u> by a minimum of <u>fifty percent of the regular adult fare</u> .	Adopted policy
E.	The fare for youth riders ages six through eighteen, who use a prepaid fare payment card, such as the One Regional Card for All (“ORCA”) card, shall be <u>reduced</u> by <u>twenty-five percent of the regular adult fare</u> .	<i>Vashon Island route - 20%</i> <i>West Seattle/Downtown Seattle route - No subsidy</i> Sound Transit – 17%-34% King County – 63%-73% Community Transit – 17%-33% Pierce Transit – 0% WSF – 20%
F.	Children five years old or younger shall ride for free with a paying adult.	Existing fare tables
G.	All fares paid for by cash and through District ticket dispensers shall have a <u>surcharge of fifteen percent of the regular adult fare</u> .	Vashon fare table and operational reality of increased cost of cash fare payment. This terminology may be new but reflects the policy intent of encouraging the use of transit passes.
H.	A paying rider may bring a bicycle onto the King County Water Taxi, up to the vessels bicycle capacity, without charge.	Existing fare tables
I.	In addition to cash and District-issued ride tickets, the District shall accept ORCA cards for applicable fare payment.	Board direction through Executive Committee action in 2009.
J.	Inter-system transferability of fares shall only be provided through ORCA systems and policies.	ORCA system and no other mechanism for inter-system fare collection. This is a change from past practices on the West Seattle/Downtown Seattle route but is consistent with the intent of increasing fare-box recovery.
K.	The District shall accept FlexPass and ORCA (employer) Passport products for applicable fare payment only if the authorizing entities agree to compensate the District.	Staff has worked with King County Transit representatives to provide compensation to the District by employers under the King County ORCA/FlexPass umbrella.

Comparison of Fares

Due to the existing variation of fares between the two water taxi routes comparison of the fare tables presents some challenges. Table 2 presents the existing fare tables in a consolidated format and Table 3 presents the proposed fares associated with this draft resolution.

Table 2: Existing King County Water Taxi Fares (consolidated table)

One-Way Fares	West Seattle/ Downtown Seattle Route	Vashon Island Route
Cash Regular Adult Fare	\$3.00	\$4.50
<i>ORCA Regular Adult Fare</i>	<i>n/a</i>	<i>\$3.75</i>
Cash Senior Fare (age 65 and older)	n/a	\$2.25
<i>ORCA Senior Fare (age 65 and older)</i>	<i>n/a</i>	<i>\$1.75</i>
Cash Disabled Person Fare	n/a	\$2.25
<i>ORCA Disabled Person Fare</i>	<i>n/a</i>	<i>\$1.75</i>
Cash Youth Fare (age 6-18)	n/a	\$3.50
<i>ORCA Youth Fare (age 6-18)</i>	<i>n/a</i>	<i>\$3.00</i>
Children (age 0-5)	Free	Free
Bicycle Fare Surcharge (limited capacity per sailing)	no surcharge	no surcharge
Metro transfer	transfer plus \$1.00	n/a
Pass Note:	All passes (regardless of face value) accepted as full payment	n/a

Table 3: Proposed King County Water Taxi Fares effective March 1, 2010

One-Way Water Taxi Fares	West Seattle/ Downtown Seattle Route	Vashon Island Route
Cash Fare (cash, ticket dispenser)	\$3.50	\$4.50
Regular Adult Fare (Pre-paid media: ORCA base fare, and ORCA e-purse)	\$3.00	\$3.75
Senior Fare (age 65 and older)	\$1.50	\$2.00
Disabled Person Fare	\$1.50	\$2.00
Youth Fare (age 6-18 w/valid ORCA card for payment)	\$2.25	\$2.75
Children (age 0-5)	\$0.00	\$0.00
Bicycle Fare Surcharge (limited capacity per sailing)	\$0.00	\$0.00

Employer Passes

There are three types of employer passes involved in fare revenue projections, all of which are driven by the Regular Adult Fare. These include ORCA Passport, King County Employee Transit Pass and the U-PASS.

A revenue sharing agreement has been reached with King County Transit related to the ORCA Passport employer transit pass program that will result in an annualized \$142,745 in fare revenue.

The King County Employee Transit Pass is currently accepted only on the West Seattle-Downtown Seattle Water Taxi route with minimal fare revenue being realized by the District. Based on guidance from the Board of Supervisors during the 2010 budget process, staff is working with King County Transit to develop a fare recovery strategy for the nearly \$50,000 in associated revenue. This resolution would allow for acceptance of the current King County Employee Transit Pass on both routes effective March 1, 2010, but would require fare revenue realization for this pass to be accepted in the future.

The U-PASS is currently not accepted on the Vashon Island route, but was accepted on the West Seattle / Downtown Seattle route. This resolution would provide a mechanism for acceptance of this pass, providing fare revenue can be realized, otherwise the U-PASS would not be accepted for water taxi route fares.

Fare Revenue

Based on ridership estimates and projections, the King County Transit Division Employer Pass Program team calculated that these proposed fares and fare policies will result in achieving the fare revenue realization the District planned for during the 2010 budget process. Furthermore, the 2010 budget process planned for \$1.065 million in fare revenue, and these calculations using the new fare structure (including an annualized employer pass program) estimate \$1.125 million in fare revenues as shown in Table 4.

Table 4: Fare Revenue Projection Based on Proposed Fare Table

	West Seattle / Downtown Seattle Route			Vashon Island Route			Total Revenue
	% of Trips	# of Trips	Fare Revenue	% of Trips	# of Trips	Fare Revenue	
Cash, Tickets	55%	124,103	\$434,361	7%	9,403	\$42,311	\$476,672
Senior/Disabled	5%	11,282	\$16,923	5%	6,716	\$13,432	\$30,355
Youth	0.5%	1,128	\$2,538	0%	-	\$0	\$2,538
No fare payment	14%	31,590	\$0	0%	-	\$0	\$0
ORCA retail	10%	21,436	\$64,308	67.1%	90,130	\$337,988	\$402,296
<i>KC Employee Transit Pass</i>	4%	9,026	\$27,077	4%	5,373	\$20,148	\$47,225
ORCA (Employer) Passport	10%	22,564	\$67,693	14.9%	20,014	\$75,052	\$142,745
U-PASS	2%	4,513	\$13,539	2%	2,686	\$10,074	\$23,613
	100%	225,642	\$626,439	100%	134,322	\$499,006	\$1,125,445

Reasonableness

This draft resolution provides clear and consistent policies for water taxi fares, provides for consistency with other regional transit operations and achieves budget direction. Adoption of this resolution would be a reasonable business decision.

ATTACHMENTS:

1. Draft Resolution and Fare Table (Attachment A)