



November 2022

Regional Zero-Fare Study

Interim Update

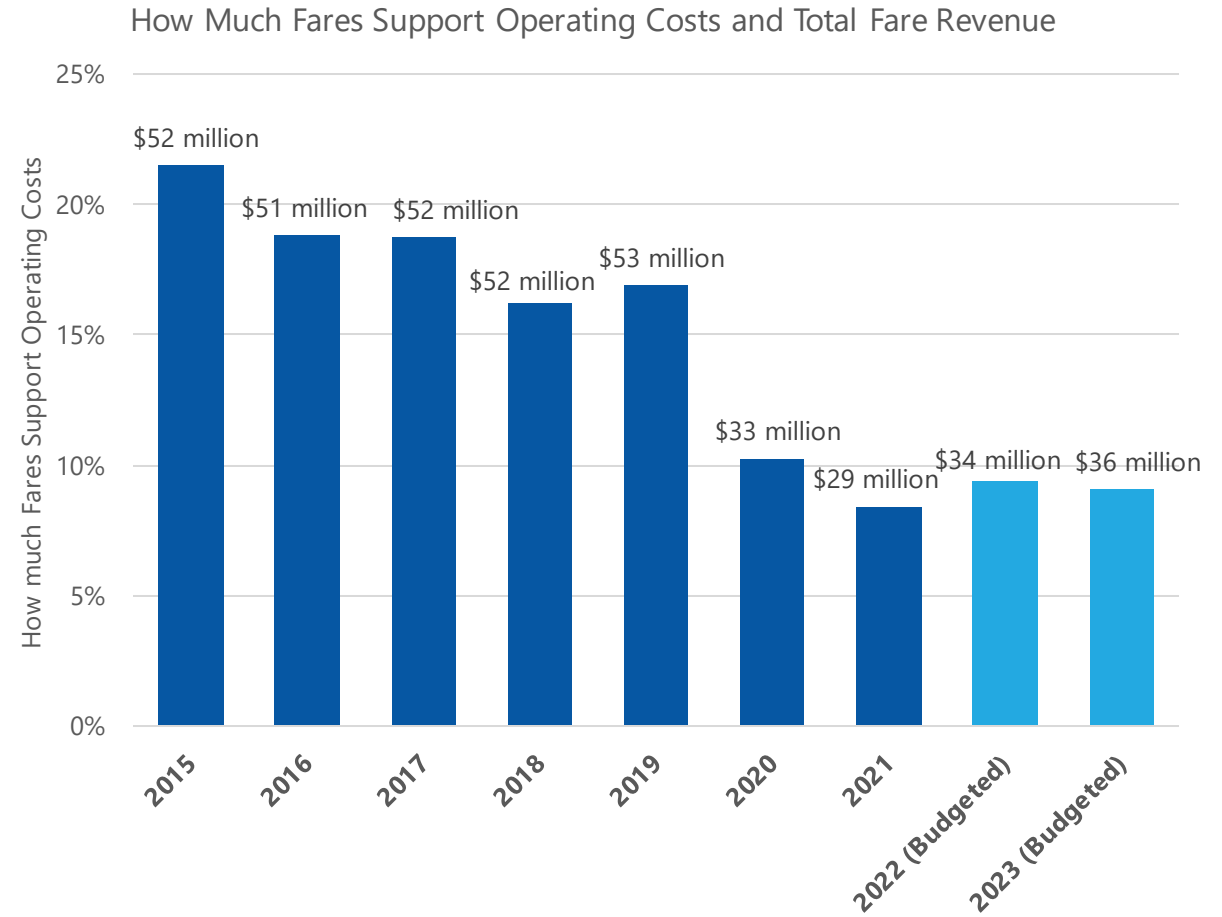
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Study Context

- Fares represent a small part of UTA's revenue
- 2022 Free Fare February: Positive outcomes related to ridership, safety, customer experience, and funding support
- Regional interest in longer-term impacts of Zero Fare
- Examine other fare-based incentives to increase ridership
- Lower or zero-fares causes existing riders to ride more & attracts new riders
 - Removes financial barrier to riding
 - Removes uncertainty about fare structure
- Data informed process – on impacts of options



Study Goals



Evaluate the operational, financial, and community effects of zero-fare transit



Gauge transit values of stakeholders from across the service area



Provide guidance around replacement funding for lost fare revenue



Objectively inform decision making processes around the future of zero-fare transit

Study Alternatives



#1: Systemwide Zero-Fare

- Elimination of fare collection on UTA bus, TRAX, FrontRunner, UTA On Demand and paratransit services



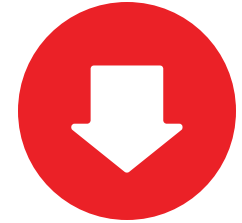
#2: Zero-Fare on Bus

- Elimination of fare collection on UTA bus, paratransit, and UTA On Demand



#3: Zero-Fare for Low-Income Riders

- Elimination of fares for eligible low-income riders



#4: Lower Fares on All Services

- Reduce base fare to \$1
- Reduce other fares and pass costs by about 60%

Zero-Fare Effects

COSTS AND BENEFITS CAN BE ORGANIZED UNDER THREE COMMON THEMES:



Operational Efficiency

How zero-fare transit affects a transit agency's ability to provide and operate quality service



Financial Health

How zero-fare transit affects a transit agency's short- and long-term financial wellbeing



Community Benefits

How zero-fare transit affects community transit access, equity, economy, sustainability, and congestion



Draft Completed



Understanding Impacts of Alternatives

- Projected Ridership increases on bus, TRAX, FrontRunner, and paratransit
 - A range of increases was predicted
- Projected Savings to UTA
 - Less operating costs due to faster bus service
 - Analysis showed no reductions in any scenario
 - Fare collection savings (staff and equipment)
 - Short- and long-term
- Projected Cost Increases
 - Replace fare revenue
 - Address overcapacity trips on buses and trains
 - Analysis showed limited to no overcapacity on fixed-route
 - Accommodate paratransit demand increases

All numbers shown in this presentation are interim. A final Report will be completed in December 2022.

Systemwide Zero-Fare Impacts

2023 Projected Zero-Fare Costs Assuming High Ridership Growth

	Systemwide Zero Fare (> 1 Year)	Systemwide Zero Fare (1 Year Pilot)
Fare Revenue to be replaced	\$31,935,000	\$31,935,000
Fare Collection Costs	\$ (5,309,000)	\$ (1,276,000)
Additional Capacity Costs	\$ 0	\$ 0
Paratransit Growth Costs	\$ 7,829,000	\$ 7,829,000
Net Impact to UTA	\$34,455,000	\$38,464,000

Additional paratransit vehicles would be necessary under an extended zero fare scenario.

2023 Ridership Impacts

Ridership growth up to **9,010,000 additional riders (+35.6%)**

Based on budgeted 2023 ridership and fares. All future years will need to be factored up for growth.

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Zero-Fare on Bus Only

2023 Projected Zero-Fare on Bus Only Costs Assuming High Ridership Growth

- Buses, paratransit, and UTA On Demand would have zero fare
- Cost of fare collection still applies
- Costs would increase by up to 6.6% while ridership increases by up to 18%

	Zero-Fare on Buses Only Costs
Fare Revenue to be replaced	\$16,670,000
Fare Collection Costs	\$ 0
Additional Capacity Costs	\$ 0
Paratransit Growth Costs	\$ 7,829,000
Net Impact to UTA	\$24,499,000

Additional paratransit vehicles would be necessary under an extended zero fare scenario.

2023 Ridership Impacts

Ridership growth up to **4,550,000 additional riders (+18%)**

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Zero-Fare for Low-Income

- Zero-Fare for anyone with income of less than 150% of Federal poverty level
- Application process would be necessary
- Cost of fare collection still applies
- Fares collected decrease by 1.1% while ridership increases by up to 7.6%

2023 Projected Zero-Fare for Low-Income Rider Costs Assuming High Ridership Growth

	Zero-Fare Low-Income Costs
Fare Revenue to be replaced	\$ 3,984,000
Fare Collection Costs	\$ 0
Additional Capacity Costs	\$ 0
Paratransit Growth Costs	\$ 0
Net Impact to UTA	\$ 3,984,000

2023 Ridership Impacts

Ridership growth up to **1,912,000 additional riders (+7.6%)**

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Lower Fares On All Service

- \$1.00 base fare on Trax, Frontrunner, buses, and UTA On-Demand
- Fares collected decrease by 2.4% while ridership increases by 9.8%

2023 Projected \$1 Fares on All Modes Costs

	\$1 Fare on All Modes Costs
Fare Revenue to be replaced	\$ 8,744,000
Fare Collection Costs	\$ 0
Additional Capacity Costs	\$ 0
Paratransit Growth Costs	\$ 0
Net Impact to UTA	\$ 8,744,000

2023 Ridership Impacts

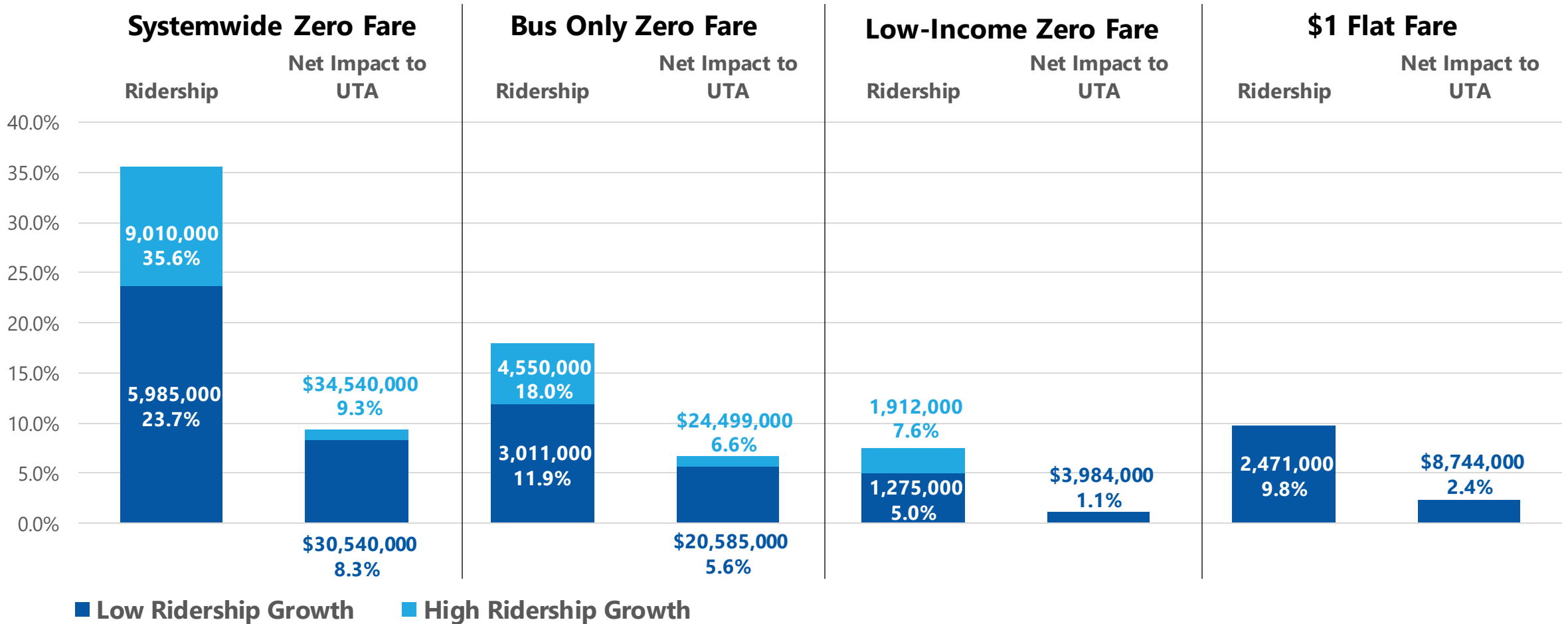
Ridership growth up to **2,471,000 additional riders (+9.8%)**

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Summary

Scenario Impacts Summary



Based on budgeted 2023 ridership and fares. All future years will need to be factored up for growth.

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Possible Paths Forward?

- **Keep Existing Fare Structure**
 - Will require an upgrade of fare technology
 - Modest ridership increase from pandemic lows
- **Partial Implementation (Bus-only Zero-Fare, Low-Income Zero-Fare, or \$1 Fare)**
 - Will require an upgrade of fare technology
 - Requires between \$4M - \$24.5M in 2023 to make up lost revenue
 - Between 5% - 18% ridership increase
- **Systemwide Zero-Fare (permanent or one-year pilot)**
 - No new fareboxes or technology unless fares are resumed
 - Requires between \$34.5M - \$38.5M in 2023 to make up lost revenue
 - Up to 36% ridership increase

Based on budgeted 2023 ridership and fares. All future years will need to be factored up for growth.

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Thank you!