

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 8/7/2019

Staff Report No. 19-211a

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Promotional Fare Trial Period for Bus Rapid Transit

ACTION ITEM

RECOMMENDED ACTION(S):

Consider approving a three-month promotional fare trial period to maintain current ridership and attract new customers to the District's new Bus Rapid Transit (BRT) service.

BUDGETARY/FISCAL IMPACT:

The daily revenue loss of providing BRT service without collecting fares is estimated at \$16,260, though revenue is expected to grow from increased ridership after the first year of service.

BACKGROUND/RATIONALE:

Staff is finalizing strategies to introduce the inaugural service, communicate changes to riders, and attract new customers to the new BRT service. A key element of this plan includes a promotional trial fare period, allowing customers to ride the BRT line for three months without paying a fare.

The goals of this promotional period are to:

1. Allow for continued service and technology refinement;
2. Acclimate customers to the new service elements;
3. Mitigate customer complaints and concerns; and
4. Attract new riders to the BRT line.

During this promotional fare period, staff will leverage opportunities to engage and educate customers of the new proof-of-payment system and encourage use of Clipper. Examples under consideration include distributing free Clipper cards, developing a Commemorative BRT Clipper Card, securing additional Clipper vendors along the corridor, and holding pop-up events to encourage qualified individuals apply for a discount Clipper card.

To reinforce the proof-of-payment concept and behavioral change during the promotional period, staff is exploring the possibility of requiring customers to either obtain \$0 value tickets from the ticket vending machine (TVM) or tag a Clipper reader at no cost prior to boarding.

Staff provided an overview of the BRT promotional fare trial period to the Board during the May 29, 2019

Board of Directors Retreat. Feedback from the Board was to have a three-month trial period. Staff agrees and recommends the promotional period shall be valid for three months from the start of the revenue service and adjusted to the end of the third month.

ADVANTAGES/DISADVANTAGES:

A promotional fare trial period is a unique gesture to thank residents, businesses and riders for any inconvenience during construction, while educating and informing customers about the new service elements. Additionally, the trial period allows for the service and technologies to “settle in” and reduces the financial risk for new customers trying the transit service.

A disadvantage of the promotional fare trial period is the District’s projected loss of fare revenue.

ALTERNATIVES ANALYSIS:

The District could either elect to forego a promotional fare period or offer a different promotional period of up to six months. Staff recommends the three-month trial period.

PRIOR RELEVANT BOARD ACTIONS/POLICIES:

Staff Report 19-211 - Trial Fare Recommendation

ATTACHMENTS

None

Approved by:

Beverly Greene, Executive Director of External Affairs, Marketing & Communications

Reviewed by:

Denise C. Standridge, General Counsel

Claudia L. Allen, Chief Financial Officer

Salvador Llamas, Chief Operating Officer

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