SMART FARE POLICY

APRIL 3, 2019
SMART FARE POLICY BACKGROUND

Technology Options

SMART-only fare collection system

SMART & Clipper Regional fare collection

Clipper-only Regional fare collection system

*Supplemented with a smartphone app as allowed by Clipper rules

SMART Board Policy Decision May 2014
SMART FARE POLICY BACKGROUND

Clipper-only Regional fare collection system benefits

- Capital Costs mostly covered by Region (85% or $2M)
- Clipper MOU regional participant
  - Promotion of Clipper use first
- Standard Definitions between Transit Operators
  - Youth = 5-18 & Senior = 65+
  - Passengers with Disabilities = regional third party defines
- Inter-operability between 22 Bay Area Transit Operators
- Customer service for fare collection, discount class authentication covered in Clipper
  - Transit Operator/Retail Network already developed
SMART FARE POLICY BACKGROUND

- **Fare Policy – Pay as You Go**
  - Flat
  - Zone – pay more for traveling farther

- **Fare Policy – Passes** (31-day, Eco Pass, Day Pass Accumulator)
  - Flat – buy pass to get discounted all system access
  - Zone

*SMART Board Policy Decisions & Direction*
*February 2015, May 2016, January 2017*
SMART FARE POLICY BACKGROUND

- 7 Zones Created – 5 Zone “Lines” Activated at Start Up
  
  *No action needed from Board to open Larkspur, Windsor, Downtown Novato*

*SMART Board Policy Decision February 2015*
SMART FARE POLICY BACKGROUND

- Transit Transfer Credits
  - Local Transit Operators negotiated uniform credits throughout
    MOST PROGRESSIVE CREDIT IN BAY AREA
    - $1.50 off bus/ferry rides for adults
    - $.75 off bus/ferry rides for Youth/Senior/Disabled
  - Calculated AUTOMATICALLY
  - INCLUDES transfer credits for 31-day pass holders to other systems

SMART Board Policy Decision March 2015
SMART FARE POLICY BACKGROUND

- **Pass Products**
  - 31-day pass is an All Access Pass to SMART System
    - All Zones & Stations
    - All Days
    - Unlimited Trips
    - Transfer credits to other operators
    - One Low Price - $200 Adults or $100 discount passengers

  *Compare: Caltrain passes **limited to fixed zones** and range in price from one zone for $96 to full system for $434.*

**SMART Board Policy Decision January 2017**
SMART FARE EQUIPMENT SELECTION

- Local Manufacturer – VenTek, Inc., Petaluma, CA
  - Clipper enabled
  - Cash acceptance at machines & EMV compliant ("The Chip")
  - Unique “screen flows” developed for SMART
  - VenTek contracted for ‘cash handling’ and maintenance

- Transit Operators around Region interested acquiring VenTek machine developed for SMART

*SMART Board Policy Decision August 2015*
SMART FARE BACKGROUND - PRICING

- Examined Pricing for
  - Local Bus Transit Providers
  - Peer Rail Agencies in Region
    - Capitol Corridor, Altamont Corridor Express, Caltrain
  - Automobile Driving Cost Comparison
- Reported results of phone/online polling regarding pricing

SMART Board Workshop May 2016 & Meeting June 2016
SMART FARE BACKGROUND - PRICING

- Adopted Fare Pricing & Principles of
  - financial stability
    - Recommended strategy of evaluation of fare revenue generation as part the annual budget with fare adjustments to be considered every two years
  - reasonable affordability
  - institutional incentives to private sector to choose SMART

SMART Board Workshop May 2016
SMART Board Policy Decisions June 2016 & January 2017
# FARE COMPARISONS – 2016 TO 2019

<table>
<thead>
<tr>
<th>Operator</th>
<th>2016 Trip and Fare</th>
<th>2019 Trip Fare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golden Gate</td>
<td>Santa Rosa to San Rafael = $8 cash</td>
<td>$8.50 (+6%)</td>
</tr>
<tr>
<td>Sonoma County</td>
<td>40 miles (Cloverdale to Rohnert Park) = $3.90</td>
<td>$3.90 (0%)</td>
</tr>
</tbody>
</table>
| Altamont Corridor Express (ACE) | 75 miles (Stockton to San Jose) = $13.75  
40 miles (Livermore to San Jose) = $9 | $15.50 (+13%)  
$10.25 (+14%) |
| Caltrain                   | 70 miles (San Francisco – Gilroy) = $13.75  
41 miles (San Francisco – Sunnyvale) = $7.75 | $15 (+9%)  
$8.25 (+6%) |
| Capitol Corridor           | 66 miles (Oakland – Davis) = $27                       | $27 (0%)           |
|                            | 45 miles (Suisun City – Sacramento) = $16              | $16 (0%)           |
| SMART                      | 70 miles (Cloverdale – Larkspur) = $11.50  
38 miles (Downtown Santa Rosa – San Rafael) = $9.50 | $11.50 (0%)  
$9.50 (0%) |

*Marin, Santa Rosa and Petaluma Transit Fares unchanged = $1.50 - $2 base fare*
# FARE COMPARISONS

<table>
<thead>
<tr>
<th></th>
<th>Caltrain</th>
<th>ACE</th>
<th>SMART *FY18</th>
<th>BART</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16 Annual Fare Revenue</td>
<td>$ 83,738,000</td>
<td>$ 8,558,000</td>
<td>$ 3,318,413</td>
<td>$ 474,160,000</td>
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<tr>
<td>FY16 Annual Ridership</td>
<td>19,233,000</td>
<td>1,290,000</td>
<td>636,029</td>
<td>136,627,000</td>
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<tr>
<td>FY16 Ave. Weekday Ridership</td>
<td>60,220</td>
<td>4,943</td>
<td>2,209</td>
<td>457,594</td>
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<tr>
<td>FY16 Average Fare</td>
<td>$ 4.35</td>
<td>$ 6.63</td>
<td>$ 5.22</td>
<td>$ 3.47</td>
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<tr>
<td>FY16 Average Fares Collected/Week</td>
<td>$ 262,190</td>
<td>$ 32,792</td>
<td>$ 11,525</td>
<td>$ 1,588,067</td>
</tr>
</tbody>
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*NOTE: BART also receives $195M/Year in County Sales Tax, $35M/Year in Property Tax and $58M in Other Revenues (Parking, Telecom, Concessions, Permit Fees and Traffic Fines). ACE receives $10M per year in County Sales Tax.
FARE PROGRAM – NEW DEVELOPMENTS

Clipper Regional Pilot Program Underway – Launch Mid-2019

- BART, Caltrain, Golden Gate, SFMTA
- Proposed 20% Fare Discount within Clipper card
- Proposed regional fare accumulator
- Adults earning Less than 200% Federal Poverty Level
  - Regional third party/vendor participant verification
- Revenue Loss assumed for each agency with potential backfill from region
- SMART requested to participate after Pilot phase - subject to Board approval