

May 19, 2010

To: Governing Board

Subject: **Proposed Silver Streak Promotional Fare Reduction**

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### **Recommendation**

Authorize the Executive Director to conduct public hearings regarding the Proposed Silver Streak Promotional Fare Reduction.

### **Background**

Foothill Transit's Silver Streak service was implemented in March 2007 as a restructuring on Line 480 into a regional community connector service between the downtown Los Angeles business district and communities in the eastern San Gabriel and Pomona Valleys. In its first three years, ridership grew steadily and the Silver Streak was established as Foothill Transit's first BRT-style service, providing quick commuter style access from Montclair, Pomona, and West Covina through the El Monte Station to destinations in Los Angeles' central business district.

Approximately three years ago, Metro introduced their Silver Line service between the El Monte Bus Station and the Artesia Transit Center through downtown Los Angeles by restructuring two of their lines. The Silver Line service mirrors Foothill Transit's Silver Streak service along the Busway and serves destinations in downtown Los Angeles two blocks to the west of the Silver Streak Service. Metro's Silver Line service has grown rapidly and is now at capacity along the El Monte Busway portion of the route.

Currently Foothill Transit's Silver Streak Cash Fares are \$2.75 compared to Metro's Silver Line Cash Fare of \$2.45. Additionally, Foothill Transit requires a Zone 3 EZ Transit Pass to board anywhere along the Silver Streak route while Metro's Silver Line requires the Zone 2 EZ transit pass. There is also a difference in the fares for Senior/Disabled and Medicare riders between the two agencies.

### **Analysis**

In August of this year, the new El Monte Bus Station is scheduled to open and the new station will include an updated Foothill Transit *Store* and a completely revamped two-level bus terminal. As part of the opening of the new El Monte Station and *Store*, there is an opportunity for Foothill Transit and Metro to coordinate on the provision of seamless and truly regional "Silver Corridor" service whereby customers traveling between the El Monte Station and downtown Los Angeles would be able to board either a Foothill Transit or a Metro bus for a common fare, using either Foothill Transit's or Metro's fare media.

At their April 27, 2012 meeting, the Executive Board recommended that a proposed Silver Streak Promotional Fare Reduction be presented to the Governing Board. The Promotional Fare

Reduction would more closely align Foothill Transit’s Silver Streak and Metro’s Silver Line Service.

This proposed promotional fare reduction would apply to customers using cash fares, Foothill Transit 31-Day passes, EZ transit Pass, and Metro Multi-Day Passes. The promotional fares are proposed to be in effect for one year from implementation with scheduled review periods in place. This proposal would also expand Foothill Transit’s current Senior, Disabled and Medicare Cardholder off-peak discounted fare periods and allow those customers to utilize their discounts throughout the day.

The following chart depicts the estimated annual revenue impact that a Silver Streak fare reduction would have on Foothill Transit assuming current ridership levels. It should be noted that it is quite likely that ridership on Foothill Transit service will increase with the implementation of this promotional fare reduction program and as such, these negative revenue impacts may be offset to some degree.

Fare Type	Current	Proposed	Annual Revenue Impact
<b>Cash</b>	\$2.75	Decrease fare to \$2.45	(\$230,000)
<b>Foothill Transit Passes</b>	Honored only on Foothill Transit buses	Honored on Foothill Transit buses and Metro Silver Line buses	n/a
<b>Metro Multi-day Transit Passes</b>	Honored only on Metro buses	Honored on Metro buses and Foothill Transit Silver Streak buses	n/a
<b>31-Day Foothill Transit Passes</b>	\$22.00 – \$170.00	Maintain pass prices Reduce upcharge costs	(\$10,500)
<b>EZ transit Pass</b>	\$35.00 - \$194.00	Accept Zone 2 EZ transit Pass at El Monte Station Westbound  Accept Zone 2 or 3 EZ transit Pass from Downtown Los Angeles Eastbound	None

<b>EZ transit Pass Upcharge</b>	\$1.50	Match upcharges depending on passes used	(\$60,300)
<b>Senior/Disabled/Medicare</b>	\$2.75	\$1.15 all day	(\$24,000)
<b>TOTAL</b>			<b>(\$324,800)</b>

Again, these figures do not take into account any additional riders that may utilize Foothill Transit Silver Streak service. However, Metro’s Silver Line is currently operating at capacity on several of its trips while there is capacity on Foothill Transit’s Silver Streak. This Promotional Fare Reduction could attract additional riders to Foothill Transit’s Silver Streak service.

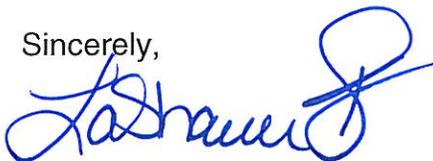
This proposal would modify the Silver Streak fare for one year. Ridership and revenue will be monitored monthly and Foothill Transit’s administrative team members will meet with Metro staff on a quarterly basis with updates to the Foothill Transit Executive Board to review passenger bus loads on the Silver Streak and Silver Line and any net passenger and /or revenue gains or losses on both systems. Preliminary discussions with Metro are underway to include a provision in the MOU that should losses exceed \$250,000, Foothill Transit will be reimbursed.

This proposal is currently being analyzed to ensure Title VI Fare Equity. If authorized by the Governing Board, public meetings/hearings will be conducted in late May. Customers will also be able to comment on this proposal in writing and via email. All comments received will be evaluated prior to making a final recommendation regarding implementation of a promotional fare reduction.

**Fiscal Impact**

It is anticipated that the possible revenue loss resulting from this promotional program could be as high as \$324,800 annually. This figure does not take into account any additional riders that may utilize Foothill Transit Silver Streak service.

Sincerely,



LaShawn King Gillespie  
 Director of Planning



Doran J. Barnes  
 Executive Director