

**Date:** May 24, 2023

**To:** Board of Directors

**From:** Sam Desue, Jr.

**Subject:** **RESOLUTION NO. 23-05-20 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) APPROVING A NEW INTERGOVERNMENTAL AGREEMENT WITH THE CLARK COUNTY PUBLIC TRANSPORTATION BENEFIT AREA (C-TRAN) REGARDING PARTICIPATION IN THE HOP FASTPASS® SYSTEM**

**1. Purpose of Item**

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to execute a new intergovernmental agreement (IGA) with Washington State’s Clark County Public Transportation Benefit Area (C-TRAN) regarding participation in the Hop Fastpass® system.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other: Intergovernmental Agreement

**3. Reason for Board Action**

Board authorization is required for intergovernmental agreements concerning TriMet obligations to pay in excess of \$1,000,000.

**4. Type of Action**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

Launched in July 2017, Hop Fastpass® is the regional fare system that allows customers to pay for transit on TriMet and our partner agencies, C-TRAN and Portland Streetcar. Customers are able to pay for transportation services provided by any of these agencies through Hop Fastpass® physical or virtual fares, as well as through open loop payment systems.

In 2014, TriMet and C-TRAN entered into an initial IGA related to the yet unnamed regional electronic fare collection system that covered the startup, launch, and operation of the system now known as Hop Fastpass®. Over the past year, C-TRAN and TriMet staff have conducted negotiations to reach agreement on an updated IGA addressing key issues related to the ongoing operation of the Hop Fastpass® system. While the updated IGA reflects

agreement on operating a more developed system than existed in 2014, the core terms regarding cost and revenue sharing remain consistent with prior operations.

In order to complete the negotiation and approval of the updated IGA, the parties extended the prior IGA's January 31, 2023 termination date to April 30, 2023, but the C-TRAN Board was not able to approve the IGA until its April 11, 2023 Board meeting. Although the parties have continued performing their respective obligations under the prior IGA since April 30, 2023, TriMet's approval of the updated IGA is necessary to implement the parties' ongoing and future electronic fare collection and sharing obligations.

Pursuant to this Resolution, the Board would authorize TriMet to execute the new IGA with C-TRAN for Hop Fastpass® services for an initial five-year term, plus five-year extensions as agreed to by the parties.

**6. Financial/Budget Impact**

Under the IGA, TriMet and C-TRAN will share Hop Fastpass® program costs and revenues based on the proportional share of current total regional ridership. Operational costs and all fare revenues are allocated based on actual regional transit system utilization by each agency's customer base (as measured by validator taps). The IGA is revenue-neutral because revenue sharing accurately accounts for the cost of each agency's service and the proportional use of each service.

**7. Impact if Not Approved**

If the IGA is not authorized, C-TRAN will no longer be able to participate in the Hop Fastpass® system, nor would C-TRAN contribute to system costs and participate in system revenue sharing.

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) APPROVING A  
NEW INTERGOVERNMENTAL AGREEMENT WITH THE CLARK  
COUNTY PUBLIC TRANSPORTATION BENEFIT AREA (C-TRAN)  
REGARDING PARTICIPATION IN THE HOP FASTPASS® SYSTEM**

**WHEREAS**, TriMet has authority under ORS 267.200 and ORS Chapter 190 to enter into an Intergovernmental Agreement (IGA) with Washington State's Clark County Public Transportation Benefit Area (C-TRAN) regarding participation in the Hop Fastpass® regional fare payment system; and

**WHEREAS**, the TriMet Board of Directors (Board) desires to facilitate appropriate operational cost and revenue sharing among its regional transit partners, including C-TRAN, through the Hop Fastpass® regional fare payment system; and

**WHEREAS**, by Resolution No. 22-05-35, dated May 25, 2022, the TriMet Board of Directors (Board) adopted a Statement of Policies requiring it to authorize intergovernmental agreements obligating TriMet to pay in excess of \$1,000,000; and

**WHEREAS**, the total value of the IGA exceeds \$1,000,000;

**NOW, THEREFORE, BE IT RESOLVED:**

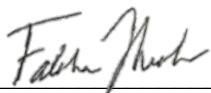
1. That the IGA shall conform with applicable law.
2. That the General Manager or his designee is authorized to execute the IGA, which will govern electronic fare collection costs and revenue sharing through the IGA's initial five-year term, plus five-year extensions as agreed upon by the parties.

Dated: May 24, 2023



\_\_\_\_\_  
Presiding Officer

Attest:



\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:



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Legal Department