

Date: January 22, 2014

To: Board of Directors

From: Neil McFarlane

Subject: **ORDINANCE NO. 332 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) EXTENDING TRANSFER TIMES FROM TWO HOURS TO TWO AND ONE-HALF HOURS, AND AMENDING TRIMET CODE CHAPTER 19 TRANSFER PROVISIONS (SECOND READING)**

1. Issues or Purpose of the Item.

Ordinance No. 332 amends TriMet Code Chapter 19 transfer provisions and extends transfer times for cash and ticket fares. The changes would become operative on March 1, 2014, and are described further below in Sections 3, Background and 4, Community Outreach and Feedback.

2. Reason for Board Action.

The TriMet Code may be amended only by adoption of an ordinance. Ordinance No. 332 will require two readings. A first reading and a public hearing were held at the December 11, 2013 Board meeting.

3. Background.

TriMet's transfer policy requires that a customer need only board the last vehicle of their trip before their transfer/ticket expires; they do not need to complete their trip before it expires. With the installation of ticket printers on all buses by July 1, 2013, TriMet began issuing printed tickets with the exact time allowed for boarding of the last vehicle to reach their destination. This was the first time in TriMet's history that tickets/transfers on buses could be issued for specific times, eliminating antiquated tissue paper transfers. This change matched the travel time allowed for tickets purchased from Ticket Vending Machines at MAX platforms and eliminated the imprecise tissue transfer. It also was responsive to community feedback to have bus transfer times match those on the MAX system.

Ordinance No. 332 proposes to extend transfer times on all modes of travel from the current two hours to two and-one-half hours. The change is proposed to allow more time for riders who transfer between lines with service that may operate less frequently, such as early morning, late in the evenings, or on weekends, so they're able to reach their final destination with a single fare. There is an additional benefit for riders taking short distance trips in that they may be able to complete a round trip with the additional time.

4. Community Outreach and Feedback.

The issue of extending transfer time has been raised by the community advocacy group OPAL, which included a proposal to extend transfer times from the current two hours to three hours, and allow transfers issued after 7 p.m. to be valid through the end of the service day. Given tight budgets over the past several years, TriMet did not have the ability to consider the proposal. In September 2011, the TriMet Board directed staff to meet with OPAL and experts in the field of public transportation to consider the impact of OPAL's proposal and to report back to the Board.

TriMet's Diversity and Transit Equity Department co-convened a meeting of OPAL, Multnomah County Health Department, Portland State University and other community organizations to assess the scope and impact of the three hour transfer proposal. Following this meeting, OPAL and TriMet continued to meet to discuss the proposal's financial impact. TriMet hired ECONorthwest to provide an independent financial review of the proposal. In 2011, ECONorthwest estimated that the OPAL proposal would cost between \$900,000 and \$2.1 million. The Board stated that given financial constraints that it would be unable to support the proposal at the time.

In 2013, OPAL requested TriMet reconsider the transfer proposal. Given new travel data available, TriMet retained ECONorthwest to update the cost analysis. In its report "Revenue Impacts of Proposed Changes to TriMet's Transfer Policy" it estimated that TriMet would lose between \$2.0 million and \$3.5 million in revenue annually if it implemented OPAL's proposal.

During the summer of 2013, TriMet's Department of Transit Equity entered into a series of facilitated discussions with OPAL on the transfer. This process entailed a detailed review of the ECONorthwest report. The process resulted in general agreement on the financial impact and that the transfer policy should be viewed in a much larger context. The working group agreed this was not the right forum to fashion a compromise because ultimately the Board must set priorities and make policy decisions.

TriMet continues to discuss issues of transit equity with its Advisory Committee, where OPAL members participate.

At its October 2013 retreat, the Board extensively reviewed the transfer proposal. At that time, general consensus was reached to drop the "unlimited rides after 7pm" portion of the OPAL proposal due to enforcement ambiguities. At its November 2013 meeting, the Board asked that the Ordinance be advanced for consideration with a change to a 2.5 hour transfer.

Given limited resources, there are no independent financial decisions. To balance the expected additional cost of the proposal (\$1.2M), future budgets would need to be adjusted. One source which could fund the proposal is a reduced appropriation to the Low Income Fare Mitigation Program, aligning the budget with the current demand experienced by the program to date. This would provide approximately \$800,000, leaving a gap of \$400,000 to be closed in the FY14-15 Budget.

Attachment A to this memorandum compares the costs between the current 2.0 hour transfer, the proposed 2.5 hour transfer, and the OPAL requested 3.0 hour transfer.

4. Options, if any.

Should the Board not proceed with a second reading of Ordinance No. 332, the existing TriMet Code transfer provisions would remain in place.

Should the Board make any amendments to Ordinance No. 332, a new first reading would need to be held at a later Board meeting, followed by a second reading and vote at a subsequent Board meeting.

**Ordinance 332 Memo
Attachment A**



Transfer Proposal

TriMet's current transfer policy requires that a customer need only board the last vehicle of their trip before their transfer/ticket expires (2 hours); they do not need to complete their trip before it expires. With the installation of ticket printers on all buses by July 1, 2013, TriMet began issuing printed tickets with the exact time allowed for travel, such as two hours from the time of purchase.

The intent of the timed transfer policy has been to provide the customer enough time to complete a trip, in one direction – any roundtrips have been an unintended benefit.

	2.0 Hours <small>(no change)</small>	2.5 Hours	3 Hours
Revenue	Neutral	Forgone revenue range: \$.9 - \$1.9 – likely \$1.2	Forgone revenue range: \$2.0M to \$3.5M - likely \$2.65M
		Opportunity cost (what could the revenue be used for)	Opportunity cost (what could the revenue be used for)
Rides	Status quo	Approximately 1.1 million additional free trips, of this 290,000 are new trips attracted to transit because of the 2.5 hours transfer	Approximately 1.6 million additional free trips, of this 400,000 are new trips attracted to transit because of the 3 hours transfer
Benefits	Customers understand current transfer policy	Allows more time to transfer between vehicles to complete a trip	Allows more time to transfer between vehicles to complete a trip
	Operators/Fare Inspectors understand and enforce current transfer policy	Helps maintain system integrity by accommodating trips occurring between service that may operate less frequently.	Helps maintain system integrity by accommodating trips occurring between service that may operate less frequently.
		Allows the ability of more individuals to roundtrip on a single fare	Allows the ability of more individuals to roundtrip on a single fare
Drawbacks	In rare instances, some individuals may not be able to transfer in the time allotted	Implementation of system changes: replacement of all customer information, reconfiguring equipment – (including TVMs, validators, on-board ticket printers, etc)	Implementation of system changes: replacement of all customer information, reconfiguring equipment – (including TVMs, validators, on-board ticket printers, etc)
		Additional cost to the agency to implement change	Additional cost to the agency to implement change
		Education, training, outreach – internal and external	Education, training, outreach – internal and external
	Mitigation program remains at \$1.3 million current level for program's current use and future growth	Other budget tradeoffs: \$800,000 from mitigation fund over current use. Balance of \$400,000 TBD in FY14-15 Budget.	Other budget tradeoffs: \$800,000 from mitigation fund over current use. Balance of \$1.8 million TBD in FY14-15 Budget.

ORDINANCE NO. 332

AN ORDINANCE OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) EXTENDING TRANSFER TIMES FROM TWO HOURS TO TWO AND ONE-HALF HOURS, AND AMENDING TRIMET CODE CHAPTER 19 TRANSFER PROVISIONS

THE BOARD OF DIRECTORS OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET), pursuant to the authority of Oregon Revised Statutes Chapter 267, does hereby ordain and decree the following Ordinance:

Section 1 – Amendment of TriMet Code Chapter 19 Transfer Provisions

The following provisions of TriMet Code (TMC) Section 19.25 Transfers are amended as set forth below. Deleted text is shown in brackets with strikeout, and new text is shown in bold, underlined print.

19.25 Transfers.

A passenger may transfer freely from one regularly scheduled TriMet route to another in accordance with the status of the rider applicable to the passenger’s means of payment, and during the time allotted on the transfer. Therefore:

* * *

~~[G. — Bus transfers that are manually issued by operators are valid for one hour past the scheduled end of the trip time for the bus on weekdays, two hours on weekends. The end of the trip is generally the Mall in Downtown Portland, a transit center, or the end of the line.]~~

[H.] G. Printer issued bus transfer receipts and validated machine tickets are also transfers. MAX station machine tickets are issued to be valid for two **and one-half** hours from the time of validation. A printer issued bus transfer receipt is a valid transfer for two **and one-half** hours from the time of purchase.

Section 2 – Effective/Operative Date

This Ordinance shall take effect thirty days after the date of its adoption. The amendments to TMC Section 19.25 shall become operative on March 1, 2014.

Date Adopted: _____

Attest:

Recording Secretary

Presiding Officer

Approved as to Legal Sufficiency:

Legal Department