

To: O&S Committee

Date: April 6, 2012

From: Laramie Bowron

Reviewed by:

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## SUBJECT: BOULDER'S FREE TRANSIT

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### Summary of Issues:

In response to the Committee's suggestion, staff looked into Boulder Colorado transit system's supposed free fare to test its viability for CCCTA. The City of Boulder's transit system consists of 7 routes provided by the Denver Regional Transportation District and is actually not free. The table below depicts the current fare structure.

Cash	\$2.25
Discount Cash*	\$1.10
10-Ride Ticketbook	\$20.00
Discount 10-Ride Ticketbook*	\$10.00
Monthly Pass	\$79.00
Discount Monthly Pass*	\$39.50

Boulder gets the reputation for free transit based on its "ECO Pass", an employer and neighborhood pass program similar to our Bishop Ranch Pass. The Eco Pass is an annual RTD (Regional Transportation District) transit pass for unlimited regional, express, local bus and light rail service throughout the Denver and Boulder regions. The price of the employer Eco Pass is based on the number of employees and the availability of transit service to the business's location. The Eco Pass is purchased by employers for full-time employees and in 2011 covered

22,688 individuals. In addition 5,969 workers in the downtown business district are in the Eco Pass program and of these about 60 percent have their pass paid for with parking revenue.

The neighborhood ECO Pass is similar to the employer one but is community/neighborhood organized. Passes range from \$85 to \$216 per household depending on location but a minimum contract amount of \$7,497 is required. In addition the amount paid by the household, the City contributes funding to equal the price charged by RTD. There are 43 participating neighborhoods in Boulder and initial rosters for 2012 indicate 11,227 people use the Eco Pass.

Currently, the neighborhood Eco Pass program is worth about \$642,000, of which \$193,000 is paid by the city and the rest is paid by the households. The city's portion of the bill is funded largely through a dedicated 0.06 percent transportation sales tax, but some Climate Action Plan funds have been used lately as RTD has raised the price and sales tax revenue have declined.

**Conclusions:**

The Boulder/RTD Eco Pass program has been successful getting residents and workers on the bus. Within the CCCTA service area some similar programs exist; the Bishop Ranch Pass, JFK and St. Mary's passes, City of Walnut Creek free ride, TDM paid student passes. The Bishop Ranch pass program saw 60% growth from FY08-09 to FY10-11 coinciding with an influx of service workers from Bank of the West. A proposal was made to Diablo Valley College for a pass program where the price would be paid with student fees however, it didn't get any traction.

There are various opinions regarding the use of public funds to provide free transit as opposed to increased service. Transit researchers opposed to the provision of free transit point out the fact that new bus riders tend to be more motivated by frequency of service rather a low or free fare. So if revenue can be identified to subsidize the fares, a better place to spend it would be on improving service. Another argument is that a zero fare system can result in abuse in the form of unnecessary trip making resulting in overcrowding and lower on-time performance.

**Recommendation:** None

**Financial Implications:** N/A

**Action Requested:**

For Information Only