

To: Board of Directors

Date: 06/09/2021

From: Ruby Horta, Director of Planning, Marketing & Innovation

Reviewed by: WC.

SUBJECT: Transit Recovery - Free Rides Promotion

Background:

After 15 months of restrictions due to the COVID-19 pandemic, the State has announced its reopening plan for June 15th. California will lift restrictions on indoor and outdoor capacity limits and physical distancing within the next few days. In anticipation of this change transit agencies have deliberated on how to get people back on transit. The Healthy Transit Plan describes transit agencies' efforts in ensuring a safe and healthy trip. The goal is to provide returning passengers with a sense of comfort in using public transit. Although there have been no major outbreaks linked to public transit use, transit agencies recognize many passengers may have exchanged a transit trip for a vehicle trip during the pandemic and passengers may need incentives to return to transit.

Cooperative Efforts

During the pandemic, many agencies, including County Connection stopped collecting fares for an extended period. As we look ahead toward the "Return to Transit" efforts, agencies are proposing various fare discounts to incentivize transit use. To lure riders back on transit, the BART Board approved a 50% discount on all Clipper fares during the month of September. County Connection serves eight (8) BART stations in Contra Costa County and one (1) in Alameda County with most service linked to at least one BART station.

As a result of this robust and direct connection with BART service and with the availability of federal stimulus funds, staff proposed to the Administration and Finance Committee a promotional offer of free rides on County Connection during the month of September 2021. The goal of this proposal was to capitalize on the opportunity for joint promotional efforts. This coordinated effort to make transit more accessible aligns well with the goals of the Blue-Ribbon Transit Recovery Task Force and the principles adopted by the Metropolitan Transportation Commission for the distribution of federal stimulus funds.

Administration and Finance Committee Feedback:

The Administration and Finance Committee directed staff to consider extending the promotional period, potentially through the end of the year and/or possibly with an earlier

start. The Committee also suggested offering discounted rates after an initial promotional period.

Based on the budget assumptions, monthly fare collection is estimated at approximately \$200,000 per month. Staff estimates a revenue loss of about \$1M if fare collection was to be paused from August through December 2021. After reviewing the Committee's request for extension options, staff determined the following issues:

- 1) Free rides for an extended period tend to result in people riding without a predetermined destination.
- 2) Any discounted option would have fare implications with Clipper and County Connection already offers discounted rates for youth, low-income adults, seniors, and people with disabilities.
- 3) Extending the promotion beyond September may create confusion for passengers using both BART and County Connection. Joint marketing efforts with BART would be minimized with County Connection offering different promotional period.

Financial Implications:

Fare revenue loss is estimated at approximately \$200,000 per month. County Connection would apply federal stimulus funds to recover the revenue loss during the promotional period.

Recommendation:

The A&F Committee requested a review of alternative promotional periods. Staff has reviewed them and based on the information provided above recommends offering free rides for the month of September 2021, to coincide with BART's promotion and capitalize on a joint marketing effort. Based on the promotion's success, the Board may elect to offer free rides at a later month to further incentivize ridership.

Action Requested:

Staff requests Board direction on one of the following options:

- 1) Proceed with staff recommendation.
- 2) Propose alternative period for the promotion.