

TO: James L. App, City Manager

FROM: Jim Throop, Director of Administrative Services

SUBJECT: Summer Youth Ride Free Program

DATE: March 5, 2013

Needs: For the City Council to provide direction on participation in the Summer Youth Ride Free program.

Facts:

1. Last year, SLO Regional Rideshare and the RTA instituted a Summer Youth Ride Free program on fixed-route transit services, for K-12 students in San Luis Obispo County. This program replaced the previous Summer Youth Pass program, in which holders of a \$30.00 pass were entitled to unlimited rides from Memorial Day weekend through Labor Day weekend.
2. Participation in the summer free ride program is again being sought from all transit agencies in the county.
3. Paso Robles was the only transit system in the county to not participate last summer due to concerns about losses to farebox revenues which could potentially decrease the system's Farebox Recovery Ratio (FRR), and concerns of possible overcrowding of buses by youth groups displacing other riders.
4. Data from the program during summer 2012 showed that fare loses were variable, with local transit providers (cities) having the lowest reductions in fare revenue, and the regional provider the highest.
5. Large groups of youth riders on transit (particularly in connection with outings by the YMCA) posed a significant operational and space issue for some participating agencies. Rideshare is working with these programs to limit group size and have agencies provide advance notice of planned group transit use during the summer of 2013.
6. The goal of the program is that the summertime participants in the program might become regular users of the transit system, providing longer-term financial benefits.

Analysis & Conclusion:

Currently, the annual transit farebox recovery ratio for the Paso Express is near 20%. A free ride program may have some negative impact on the farebox levels, though likely a minor one. A concern that the free youth ridership might displace paying customers could be mitigated by the voluntary limitations on ridership that Rideshare is seeking with different community groups.

With the potential merger of the Paso Robles transit system with the county-wide RTA, it may be beneficial for the City to participate since RTA will also be participating.

Fiscal
Impact:

There is a potential loss of revenue due to unlimited free rides for all students in K-12 grades during the months of June through August 2013. This loss of revenue may lower the transit system's overall FRR which, in a worst case scenario, could cause a decrease in transit funding from the State. However, there is a potential for an increase in passenger fares long term if persons trying transit during the summer become regular riders.

Using prior year's ridership numbers from other cities, the Paso Robles transit system may see a decrease in FRR of up to ½ percent (0.5%). Using an estimate of approximately 1,100 free rides (the approximate number of free rides in Atascadero last summer), the system would lose approximately \$1,650 in farebox revenue. The system currently has enough revenue surpluses that this would not be a financial detriment to the system if it were to participate.

Options:

- A. Direct staff to notify SLORTA and Regional Rideshare that the City of Paso Robles will be participating in the Summer Youth Free-Ride program, or
- B. Direct staff to notify SLORTA and Rideshare that the City of Paso Robles will not be participating in the Summer Youth Ride-Free program, or
- C. Amend, modify or reject the above options