



DATE: July 15, 2024
TO: Wade Bryson, Chair
Public Works and Facilities Committee
THROUGH: Denise Koch, Engineering and Public Works Director
FROM: Rich Ross, Transit Superintendent
SUBJECT: Transit Mobile Fare Technology App & Fee

This memo discusses the implementation of mobile fare technology for Capital Transit and the payment of associated service fees.

Overview of Token Transit:



After evaluating various mobile fare options, we believe the Token Transit app is the best option for Capital Transit. This recommendation is based upon its proven success in other regions (i.e. Ketchikan) and the specific features it offers. Token Transit is a mobile app available on both Apple and Android devices. It allows users to purchase bus fares with a mobile device using a credit card. Key features of Token Transit include:

- **Mobile Fare Purchase:** Riders can purchase and activate their bus passes directly from their mobile devices.
- **Timed Activation:** Passes stay active for a predetermined amount of time allowing transfers within the same fare period.
- **Flexible Fare Options:** Riders can purchase various fare types, including single rides, youth tickets, and monthly passes.
- **Fare Capping:** This feature credits individual trips towards a daily or monthly pass. For instance, an adult rider who accumulates 20 rides or spends \$44 in fares would automatically receive a monthly pass. *This is particularly beneficial for low-income riders who may struggle to pay for a monthly pass upfront.*
- **No equipment needs to be installed for implementation:** Token Transit uses passengers' smartphones to generate digital tickets, eliminating the need for physical ticketing hardware or fare collection machines on the buses, significantly reducing Capital Transit's costs.

Costs:

When passengers purchase fares through Token Transit, the app charges a small percentage of each transaction as a service fee. The table below reflects the app-based fare prices, which include this surcharge.

Fare Type	Cash Price	App-Based Fare Price
Adult Single Ride	\$2.00	\$2.20
Youth Single Ride	\$1.00	\$1.13
Adult Monthly Pass	\$40.00	\$44.00
Youth Monthly Pass	\$12.00	\$13.20
20-Ride Digital Token Roll	\$31.50	34.65

We propose that passengers pay for the application’s service fee. (Alternatively, CBJ could subsidize the cost of the service fee. However, those costs could vary significantly from year to year. We estimate it would cost between \$25,000 - \$32,000 per year.)

With the adoption of Token Transit, we also suggest eliminating the current physical token coin sales option. Tokens coin rolls are only available for sale at 2 locations (City Hall and Fred Meyer), for a cost of \$31.50 for a roll of 20 tokens and are not sold individually. The tokens are increasingly costly to replace, costly to be counted and rolled by the bank, and the packaging materials required for distribution are extremely difficult to source. Transit is suggesting to better serve ridership by expanding the digital purchasing option of digital-only fare types of a 20-Ride Pass that will greatly increase accessibility and ease-of-use for passengers. In FY24, 1,739 rolls of tokens were sold, a decrease of almost 50% compared to 2012. Token roll sales occur predominantly to agencies in need of a non-cash option without the commitment of a monthly pass. Agencies will still be able to distribute digital “tokens” to users via e-mail.

Action Requested:

Capital Transit requests that PWFC approves 1) the use of the Token Transit mobile fare app; 2) having passengers pay the service fee for the use of Token Transit; and 3) the replacement of physical tokens with digital tokens and forward to the full Assembly for approval.