



# CITY OF RAPID CITY

RAPID CITY, SOUTH DAKOTA 57701-2724

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## PUBLIC WORKS DEPARTMENT

### Rapid Transit Division

Rich Sagen, Transit Manager  
City web: [www.rcgov.org](http://www.rcgov.org)

Phone: 605-394-6631  
Fax: 605-394-6608  
e-mail: [rich.sagen@rcgov.org](mailto:rich.sagen@rcgov.org)

## MEMORANDUM

TO: Mayor/City Council

FROM: Rich Sagen, Transit Manager

DATE: October 20, 2008

RE: Transit Fare Increase

In the recently completed Transit Development Plan (TDP) which was accepted by the City Council on October 6, 2008, the consultant recommended fare increases for the Rapid Transit System.

As indicated in the TDP, there have been no fare increases since 1992. Since that time, the cost of operations has increased dramatically due to increased labor, fuel, and maintenance costs. It is the consultant's recommendation that fare increases be applied across the system and that they be implemented by January 1, 2009. The proposed fare increases, identified as Fare Alternative 1, are attached for your consideration.

Please feel free to contact me if you have any questions.

## REVENUE ANALYSIS

There has been no fare increase for the RTS in some 16 years. Since that time, the cost of operations has grown dramatically because of increased labor, fuel and maintenance costs. In recent times, operating costs have been significantly affected by rapidly rising fuel costs. In the first half of 2008, the cost of fuel for RTS increased over 50 percent from the previous year. Around the region, many systems have already adopted or are planning for fare increases to respond to the rapidly changing operating costs.

As a result, the TDP considered options to increase the user fares across the system. After evaluating many options, the Fare Alternative 1 was developed for consideration.

### Fare Alternative 1

#### Single Ride

	RapidRide		Dial-A-Ride	
<b>Current:</b>	Adults	\$1.00	\$2.00	
	Seniors	\$0.50		
<b>Suggested 2009:</b>	Adults	\$1.50	Zone 1 \$2.50	Zone 2 \$3.00
	Seniors	\$0.75		
<b>Suggested 2011:</b>	Adults	\$1.50	Zone 1 \$3.00	Zone 2 \$3.50
	Seniors	\$0.75		

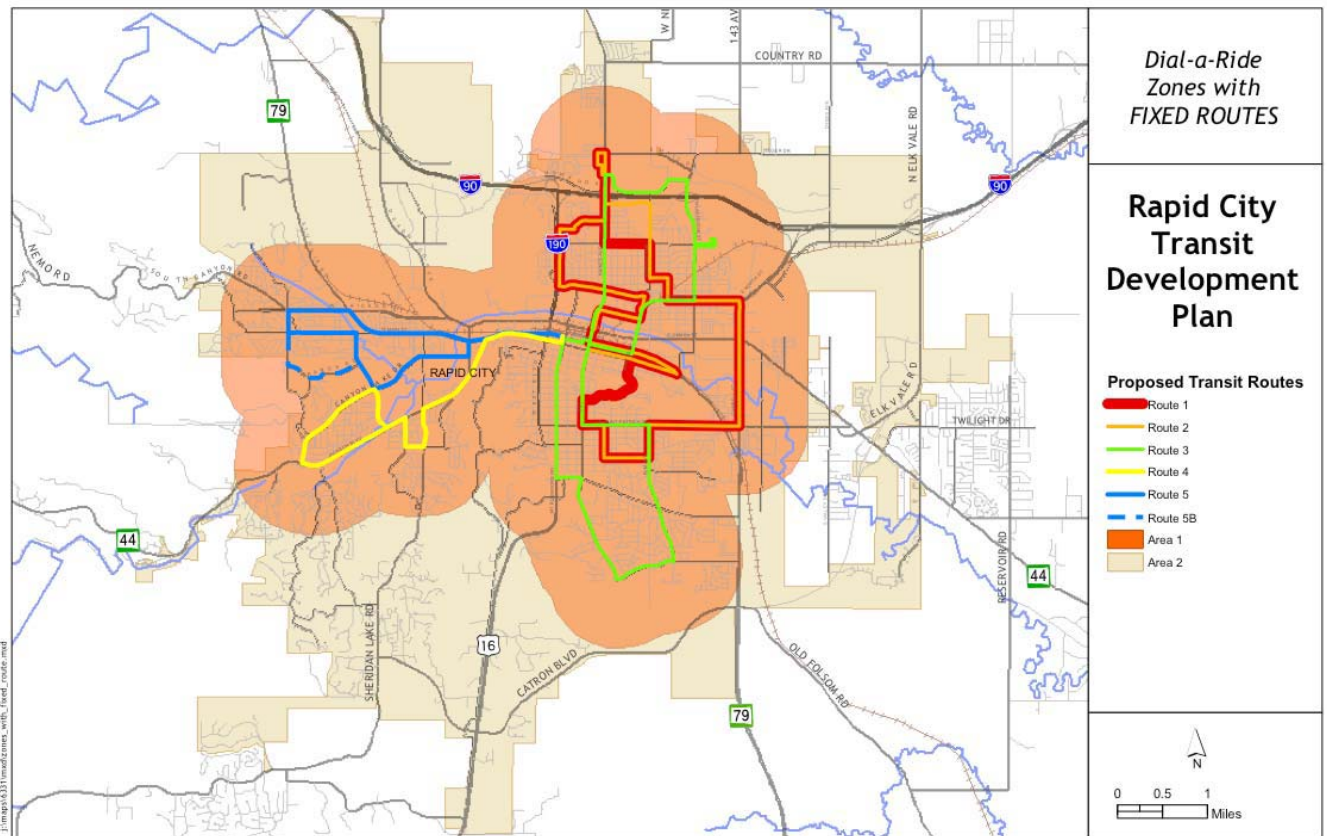
#### Monthly Pass

<b>Current:</b>	Adults	\$25.00	NA	
	Students	\$15.00		
<b>Suggested:</b>	Adults	\$30.00	\$90.00	
	Students	\$20.00		

The alternative incorporates several significant changes for RTS. First, a \$0.50 increase in the single ride fixed route fare is suggested. That results in an increase of \$0.25 in the senior fare. The fixed route monthly pass is suggested to increase by \$5.00 for both adults and students.

For Dial-A-Ride, it is suggested that an increase be implemented that will result in the base fare being twice the fixed route base fare for the majority of users but that increase should be phased in along with the adoption of a zone system for Dial-A-Ride. The zone system is suggested to recognize that the cost of serving trips on the far edges of the community are very costly to provide and that users should be expected to pay a part of that additional cost. The definition of the zones is suggested to follow the ADA guidance for providing Dial-A-Ride service in that Zone 1 is suggested to be all areas in the community within 3/4-mile of the fixed route system. Zone 2 would then be all areas outside of 3/4-mile of the fixed route system out to the edges of the community. Exceptions could be made for key activity generators right along the boundaries if there is a need. Over 85 percent of the city population is within Zone 1 so the impacts are limited to a modest group. The shape of the zone structure is shown in Figure 5-7.

**Figure 5-8**



To ease the impact of the fare increase and the zone system for Dial-A-Ride, it is suggested that the increase be phased in with the Zone 1 fare at \$2.50 for 2009 and 2010 and then increase to twice the fixed route rate at \$3.00 by 2011. The Zone 2 fare would be \$0.50 more during each period.

Another suggested modification is to offer an unlimited ride pass for Dial-A-Ride users as a means of convenience for regular users. It is recommended that the monthly rate be set at \$90.00 and that would be accepted for Zone 1 and Zone 2 trips.