



**Metro**

**JULY 23, 2007**

**TO: BOARD OF DIRECTORS**

**THROUGH: ROGER SNOBLE**  
**CHIEF EXECUTIVE OFFICER**

**FROM: ROGER MOLIERE**  
**CHIEF**

**SUBJECT: METRO RAIL GATING**

**ISSUE**

Metro Rail gating has been an issue prior to and subsequent to the opening of the Red Line and has been discussed over the years by the Metro Board.

The following report provides further information regarding the objectives of the proposed feasibility study, to wit: a) to provide for the first time an accurate assessment of the actual costs involved in creating a barrier system; b) a full review of the methods of defraying the planning, implementation and maintenance costs of a barrier system and ; c) the enhanced revenue opportunities, including implementation of distance based fares and revenue generated from credit card issuers and joint development opportunities, that can be derived from a barrier system in combination with TAP that can defray those costs.

**BACKGROUND OR DISCUSSION**

At the June 2007 Board meeting, a recommendation for a gating feasibility analysis was presented to the Board for approval and narrowly failed.

Through a Board motion and approval at the July Operations Committee meeting, this item has been placed on the agenda for the July Board meeting.

The proposed feasibility analysis intends that the Board be provided with a comprehensive examination and report that will examine and recommend methods to achieve the following:

**Gating Analysis – Objectives:**

1. Determine type, positioning and number of gates required to effectively implement a barrier system on all light and heavy rail;

2. Determine optimum type of gate (i.e., present gate types that optimize: a) security/threat detection; b) prevention of fare evasion or; c) combination);
3. Enabling distance-based fare implementation;
4. Highly accurate ridership information – critically needed for route scheduling, planning and ridership analysis;
5. Integration with transit oriented development (“TOD”) – revenue generation and operational benefits for parking and other applications;
6. Identification of further revenue generation and cost defraying opportunities.

### **Cost/Revenue Implications:**

#### **A) Planning/Implementation Costs – Potential Funding Sources:**

- i) Proposition 1B funds;
- ii) Homeland Security and other Defense/Security based grant opportunities through our hardware and software consultants;
- iii) Revenue from credit card companies and bank-issuers (current talks underway with MasterCard, Visa, Chase Bank and Citibank, potentially American Express).

#### **B) Operating Costs Reduction/Revenue Enhancement:**

- i) Current costs for fare inspectors ( \$81,000 per year for each of 81 fare inspectors);
- ii) Costs for each Sheriff’s Deputy (\$150,000+ per year and for each Sergeant \$200,000+ per year);
- iii) Costs for cash collections will be reviewed in light of moving to TAP and credit system;
- iv) Revenue potential from partnerships with credit card companies (MasterCard and Visa, American Express) and card-issuer banks (Chase and Citibank);
- v) Reallocation of personnel to optimize system – Reduction of personnel assigned to cash collection, inventorying, handling, and mailing of current paper passes, informational station attendants in place of fare inspectors etc.;
- vi) Fare policies and fare structures that can be implemented to support revenue generation in gated systems;
- vii) Analysis of fare evasion and fraud that can be reduced using the current TAP infrastructure combined with gates.

### **NEXT STEPS**

Staff will present the gating feasibility study at the July Board meeting for reconsideration to ensure that the comprehensive objectives of this analysis have been fully discussed.