

Honorable Mention
Olympia Moy and Will Glassberg
InnoCentive Challenge 7520002
Evaluation of Submissions

In response to your **Ideation Challenge** on “**Ideas for Increasing Public Transportation Use to Reduce Greenhouse Gases in Chicago**” InnoCentive is forwarding the following submissions to you for your consideration and evaluation.

My Solution: The Goal

The Chicago Transit Authority will provide 524 million rides during 2008. The Chicagoland Chamber of Commerce, in an effort to help achieve greenhouse gas emission reduction goals laid-out in the Chicago Climate Action Plan, has set a goal to increase the annual number of rides on CTA to a total of 1 billion. The recruitment of 800,000 additional regular riders would be necessary to achieve this goal.

Proposal

Several municipalities in the U.S. have successfully increased ridership and transit revenues by implementing a **transit pass** program. A prominent example is the ECO-Pass program in Boulder, CO that encourages large amounts of people to use the public transit system because it offers deeply discounted prices for year-long transit passes. Based on a medical insurance model, a group of residents can create a neighborhood area that elects to collectively buy into the ECO-Pass program. The neighborhood must have definable boundaries and contiguous units in order to qualify for this benefit. The ECO-Pass program has succeeded in boosting the daily ridership of public transportation in Boulder. New riders are attracted by the convenience of having a pass that competes with the “car keys in the pocket,” and transit systems benefit by having a secure influx of revenue at the beginning of each fiscal term.

The Center for Neighborhood Technology proposes that a transit pass program should be adopted in Chicago, based on defined groups of residential housing units. Through housing management associations and condominium boards, Chicago’s private landlords and suburban residents are keys to recruiting defined groups in a massive effort needed to recruit 800,000 new riders. A Chicago transit pass system, based on groupings of residential housing units, would be an economical and efficient way for the CTA to dramatically increase the number of regular mass transit riders through participation in a deeply discounted fare program.

A similar program already exists in Chicago. The U-Pass operates in much the same way as the ECO-Pass, a steeply discounted long-term pass is available for large groups to purchase collectively. Currently, only colleges and universities in Chicago are eligible to participate. Full-time students pay the cost of the pass as a part of their normal student fees, and receive an unlimited transit pass during the school year. Because the universities agree to buy the passes in such bulk quantities the CTA can sell them for much less than a normal fare card, the price per day for a U-Pass is \$0.70 compared to the regular \$5.00 day pass fee.

Setting the Cost:- Boulder ECO-Pass example

After the interested parties define the coverage area, the transit authority assesses the price that the group will pay in order for all residents in the area to receive the ECO-Pass. This number is

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either set at \$5,600, or based on a simple per-household cost (normally \$50) multiplied by the number of housing units in the defined neighborhood, whichever is greater.

New Rider Recruitment

The entire premise of deep-discount transit passes relies on the ability of the Transit Agency to identify a large and organized group that can pay the bulk fare. The CTA could target and recruit several key groups in Chicago:

Large Buildings:

In the city of Chicago, large residential buildings with ten or more units contain 28.9% of the city's residential housing stock; that accounts for 336,074 housing units.

Conservatively, 760,000 Chicago residents live in large buildings, assuming a vacancy rate of 13.6% and 2.65 people per household. These large buildings are easily mapped, usually run by a property management firm, and the CTA can specifically reach out to them as initial candidates to participate in the program.

Condo and Homeowner Associations:

These associations usually require their members to pay annual dues in return for amenities or services. While the precise number of housing units participating in condo or homeowner associations is difficult to gauge, the associations themselves are usually easy to identify and could introduce a wide geographic distribution of potential transit riders to the CHI-Pass.

Landlords and Property Managers:

50.7% of the housing units in Chicago are rentals. Landlords and property managers often own or manage several different properties. The CTA can work with landlords who control over ten housing units to work the cost of a pass into the rental rates.

Special Service Areas:

Within the city of Chicago a defined neighborhood can create a Special Service Area and levy an additional property tax on itself in order to fund specific projects. This designation, though a long process, could eventually create enormous increases in ridership as entire neighborhoods receive annual transit passes.

Financial Viability

The increased ridership gained through a "CHI-Pass" transit pass system should offset the drastically reduced fare price. This program, if efficiently implemented, should not result in decreased farebox revenues for the CTA, but may cause a small initial decline. The metrics to measure exactly the potential lost revenue do not currently exist, but the CTA could track the number of existing riders who move onto this new program, compare it to the number of new customers and then adjust the fees accordingly. Therefore, as more new riders join CHI-Pass, the monthly fees will decrease. Students enrolled in the U-Pass program will pay \$0.84 a day in 2009, or a monthly rate of \$25.55, or 3.5 times less than the regular monthly pass. At that rate for every existing monthly pass holder who joins the CHI-Pass program 3.5 people who did not previously ride transit need to start participating in the program.

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| Fare Media | Monthly Revenue | Volume of Riders Needed |
|-----------------------------|-----------------|-------------------------|
| 2 times per day, Single Use | \$135 | 1 (status quo) |
| Regular Monthly Pass | \$90 | 1.5 |
| Chi-Pass (Transit Pass) | \$30 | 4.5 |

Role for Chicagoland Chamber of Commerce

This program requires the cooperation of many different groups within the city of Chicago, and will need a massive marketing campaign to introduce it and sell it to the new riders. A cross-promotional marketing campaign may help the CTA promote this new idea. Outreach efforts and logistical support to specific businesses, particularly those in the real estate sector, will also greatly aid the CTA in developing this new product and reaching new customers. The business community is essential to the creation of SSA's that could also be an organizational unit of a transit pass program. The CCC could provide vital leadership in pushing that option.

About the Center for Neighborhood Technology

An Innovations Center for Urban Sustainability

Founded in 1978, the Center for Neighborhood Technology has been a leader in promoting more livable and sustainable urban communities. In fact, our work focused on sustainable development before the term became as popular as it is today. As a creative think-and-do-tank, we research, invent, and test urban strategies that use resources more efficiently and more equitably.

Over the years, CNT's work, especially in the areas of **climate, energy, natural resources, transportation and community development**, has paid off by fueling a generation of community development and learning institutions, earning CNT a reputation as an economic innovator and leader in the field of creative sustainable development.

CNT is an "innovations center for urban sustainability." We approach our work by participating in three primary activities:

- Researching urban problems to build knowledge through tools and activities that change how residents, policymakers, and market actors respond to issues such as efficient use of resources, strategies for reducing pollution, or ways to improve public transportation. Our studies are readily available for use by residents, policymakers, students, and other researchers.
- Building coalitions to advocate for public policies that can help address urban sustainability issues.
- Designing, developing, and operating economic development demonstration projects to address urban sustainability in innovative ways.

Olympia Moy and Will Glassberg
Center for Neighborhood Technology
2125 W. North Ave
Chicago, IL 606047
www.cnt.org

omoy@cnt.org wglassberg@cnt.org
773-269-4070 773-278-4800