

Appendix N

Fare Revenue Program Memo

JAN 5 2007

MEMORANDUM

TO: PAULA STEVENS, INTERIM PLANNING DIRECTOR

FROM: MW MICHAEL WACKERLY (START TRANSIT ADMINISTRATOR, START) AND BILL RESOR WNR
(MANAGING PARTNER, SRA)

SUBJECT: START FARE REVENUE PROGRAM: AREA TWO – TETON VILLAGE EXPANSION PLANNED UNIT DEVELOPMENT – PLANNED RESORT

DATE: NOVEMBER 15, 2006

This memo outlines the structure of a fare revenue program for START related to the commercial properties within Area Two – Teton Village Expansion Planned Unit Development (“Teton Village Expansion PUD”) as required by the Teton Village Expansion PUD – Planned Resort (“Resort Master Plan”).

All commercial properties¹ within the Teton Village Expansion PUD are required to participate in a fare revenue program as detailed below (Fare Revenue Program). Currently the Teton Village Expansion PUD permits a total of 10,000 square feet of space for commercial properties. Up to 60,000 square feet of commercial space may be added to the Teton Village Expansion PUD if it is transferred from the existing Teton Village PUD. If additional commercial square footage is added to the Teton Village Expansion PUD, either by transfer from the existing Teton Village PUD or by amendment to the Teton Village Expansion PUD, then these additional commercial properties would also be required to participate the Fare Revenue Program.

The Fare Revenue Program requires commercial property owners within the Teton Village Expansion PUD to purchase START season passes for all of their employees. Twice a year START and representatives of the commercial properties will meet to review and adjust the fee paid to START for season START passes that are required for the employees of the commercial properties. The meetings will take place during the first week of September and the first week of March. The meeting in September will set the fee and number of employees requiring START passes for the upcoming winter

¹ Commercial properties means properties that contain commercial space; commercial space includes retail, restaurant and office space and does not include non-profit space, resort support space or institutional space as defined in the Standards and Conditions of the Area Two – Teton Village Expansion Planned Unit Development – Planned Resort Resort Master Plan.

season. The meeting in March will set the fee and number of employees requiring START passes for the upcoming summer season.

The fee paid for each season pass will be based on a model that sets season pass rates equal to the estimated per-rider-operating-expense incurred by START for service to and from the Teton Village. As such, the cost of a season pass should approximate the estimated operational cost to START for transporting an average employee to and from Teton Village for the season. A similar calculation to that shown in Exhibit A, attached to this memo, will be used. However, the calculation will need to translate a price-per-ride into a season pass cost by estimating the average seasonal usage of START by employees. START has vast amounts of data on which it can base such estimates.

At each of the semi-annual meetings each commercial property owner must present to START a list of all employees currently employed at his or her business as well as any additional employees expected to be added during that season. Each commercial property owner must purchase a season pass for all employees at his or her business. The exemptions to this requirement are outlined below.

1. No employee is required to have more than one season pass. Employees working at multiple Teton Village businesses are not required to have multiple passes.
2. Season passes are transferable from an employee leaving a business to an employee joining a business. If an employee at a commercial property is released from or leaves his or her employment, and the owner hires a replacement, the owner would not be required to purchase an additional season pass, but could simply transfer the ex-employee's pass to the new employee.

EXHIBIT A - CALCULATION OF START BUS COST PER TETON VILLAGE RIDER FY 2006

| | START Service FY 2006 | | Village Expansion at Buildout | | Combined Total | |
|--|-----------------------|-------------|-------------------------------|-----------------------|----------------|-------------|
| | Winter | Total | Winter | Total | Winter | Total |
| Teton Village Ridership | 249,000 | 291,000 | 400,000 | 420,000 | 649,000 | 711,000 |
| Riders per Run | 27 | 26 | | | 39 | 38 |
| Variable Operating Cost | \$745,000 | \$893,000 | \$590,000 | \$640,000 | \$1,335,000 | \$1,533,000 |
| Variable Cost per Ride | \$2.99 | \$3.07 | \$1.48 | \$1.52 | \$2.06 | \$2.16 |
| Vehicle Replacement Cost | \$90,000 | \$180,000 | \$173,000 | \$187,000 | \$263,000 | \$367,000 |
| Facility Depreciation & Other Fixed Cost | \$90,000 | \$180,000 | \$0 | \$0 | \$90,000 | \$180,000 |
| TOTAL COST | \$925,000 | \$1,253,000 | \$763,000 | \$827,000 | \$1,688,000 | \$2,080,000 |
| Estimated Impact fee Annual Revenue | | | | \$9,500 | | |
| | | | | Price per ride | | |
| | | | | \$1.95 | | |

note: all cost figures are in year 2006 dollars