

# Memorandum



**Date:** April 16, 2026

Agenda Item No. 2(B)(6)  
May 5, 2026

**To:** Honorable Chairman Anthony Rodriguez  
and Members, Board of County Commissioners

**From:** Daniella Levine Cava *Daniella Levine Cava*  
Mayor

**Subject:** Feasibility Study for the Implementation of Dynamic Pricing and Flexible Schedules for Miami-Dade County Transit Services during Large-Scale Special Events – Directive No. 251555

---

## **Executive Summary**

This report is submitted in response to Resolution No. R-987-25, sponsored by Commissioner Raquel A. Regalado and adopted by the Board of County Commissioners (Board) on October 9, 2025. The resolution directed the Administration to evaluate the feasibility of implementing dynamic pricing and flexible service scheduling during large-scale special events.

The Miami-Dade County Department of Transportation and Public Works (DTPW) is a recipient of Federal Transit Administration (FTA) financial assistance and is therefore subject to federal charter service regulations codified in 49 U.S.C. § 5323(d) and 49 C.F.R. Part 604. These regulations are intended to protect private charter operators and strictly limit the ability of public transit agencies to provide transportation services that resemble private charter operations. The analysis finds that while enhanced service (i.e., increased frequency, extended hours, and supplemental service aligned with existing routes) is generally permissible, implementations of dynamic pricing or event-specific service structures may constitute prohibited charter service if they involve premium fares, third-party payments, or exclusive transportation arrangements.

DTPW's existing fare structure, governed by Implementing Order No. 04-133, establishes uniform, systemwide pricing and does not contemplate event-based fare differentials. Deviating from this framework, particularly in coordination with private event promoters, presents both federal compliance risks and local policy constraints.

The County may also support transportation demand associated with large-scale events through third-party contracting mechanisms that do not involve the use of County-owned vehicles or operators, thereby allowing private charter providers to compete to deliver such services in compliance with applicable federal regulations. The County currently maintains a contract, administered through the Strategic Procurement Department, that can be utilized to procure such services, i.e., *Contract No. RTQ-01100*. Additionally, the County controls parking assets at certain transit facilities, such as Golden Glades, which are primarily dedicated to transit use. In accordance with FTA guidance on incidental use of federally funded property, the County may permit the temporary use or leasing of such facilities to third parties for event-related purposes, provided that such use remains incidental, does not interfere with or detract from the property's primary transit function and generates revenue that is used for transit purposes. Any such arrangements must be implemented in a manner consistent with federal requirements and, where applicable, may require prior FTA concurrence.

Accordingly, while limited operational flexibility is feasible within current law, including the use of supplemental service, third-party contracting and incidental use of transit assets, implementation of dynamic pricing tied specifically to special events would require further legal analysis, benchmarking of peer agencies, and potential revisions to County policy to ensure compliance with federal requirements.

### **Background**

Miami-Dade County operates one of the largest multimodal transit systems in the southeastern United States. These services are funded in part through federal transit grants, thereby subjecting DTPW to FTA regulatory oversight.

Directive No. 251555 calls for an evaluation of whether transit service can be adapted during large-scale special events to improve efficiency, better manage concentrated demand, and explore opportunities for revenue optimization through pricing or scheduling strategies. Large-scale events, such as the Ultra Music Festival and Art Basel, generate significant, time-specific surges in ridership demand, particularly in the urban core. Historically, DTPW has responded to such events by increasing service frequency and extending operating hours, while maintaining standard system fares and preserving full public access.

### *Legal Framework: Charter Service Regulations*

As a recipient of FTA funding, DTPW is bound by the Charter Service Agreement incorporated into its federal grant assurances. This agreement restricts the use of federally funded vehicles and facilities for charter service except under narrowly defined exceptions.

Under 49 C.F.R. § 604.3, charter service is defined as transportation provided at the request of a third party for the exclusive use of a vehicle, typically for a negotiated price, where the third party exercises control over service characteristics such as routing, scheduling, or passenger eligibility. The regulation further provides that service may be considered charter where it is not part of regularly scheduled public transit or where a premium fare is charged in connection with a specific event or function.

Importantly, this definition applies across all transit modes operated by DTPW, including Metrorail, Metromover, and Metrobus. The determinative issue is not the mode of transportation, but whether the service, in substance, functions as a private or exclusive arrangement rather than general public transportation.

Federal regulations provide limited exceptions under which a recipient may perform charter service, including service to governmental or qualified human service organizations, situations where no private charter providers are available, or where registered providers decline service. Additional exceptions exist for certain events of regional or national significance and emergency response. However, these exceptions are narrowly construed and generally do not extend to recurring, privately sponsored special events or pricing structures tied to such events.

In practical terms, DTPW would be at risk of violating federal charter service regulations if it were to enter into arrangements that provide exclusive or priority transportation for event attendees, charge event-specific premium fares above the standard system rate, operate services that are

effectively closed to the general public, or permit a third party to influence service design or delivery. Similarly, acceptance of direct third-party payments for transit service – outside of the limited regulatory exceptions – may trigger a finding of noncompliance. Even in the absence of explicit exclusivity, the FTA applies a “reasonable person” standard in assessing whether service is effectively designed to exclude the general public.

Violations of these requirements carry significant consequences. Under 49 C.F.R. § 604.47, the FTA may impose remedies including the withholding or termination of federal funding, repayment obligations, and restrictions on future grant eligibility. In more serious cases, enforcement actions may extend to suspension or debarment. The severity of any remedy is informed by the nature and frequency of the violation, the financial benefit derived, and whether the conduct constitutes a pattern of noncompliance.

### *Flexible Scheduling*

Within this regulatory framework, DTPW retains the ability to implement flexible scheduling measures during large-scale events, provided such measures remain consistent with the fundamental characteristics of public transportation. Enhancements such as extended hours of operation, increased service frequency, and supplemental service along existing routes are generally permissible where service remains open to the general public and operational control is retained by the County.

However, the distinction between permissible flexibility and prohibited charter service is fact-specific. Service modifications begin to approach regulatory risk where they are designed primarily to serve a discrete event audience, where stops or routes are configured solely to accommodate a specific private venue without broader public utility, or where scheduling decisions are influenced by external event organizers rather than systemwide operational considerations.

### *Dynamic Pricing*

Dynamic pricing presents a more complex legal issue under the charter service framework. While federal regulations do not categorically prohibit variable pricing, the manner in which such pricing is structured is critical to determining compliance.

A pricing model that is applied on a systemwide or corridor-wide basis, grounded in objective criteria such as time-of-day demand, and not linked to a specific event or third-party sponsor, may be legally defensible. By contrast, pricing mechanisms that impose a premium specifically associated with access to a particular event, or that are subsidized or coordinated by an event promoter, are likely to be viewed as charter service. This is particularly true where the pricing structure, in effect, creates a specialized transportation product for a defined group of users.

Hence, while dynamic pricing is not inherently impermissible, its application in the context of special events presents a heightened risk of noncompliance under 49 C.F.R. Part 604.

*Implementing Order No. 04-133 – Transit Fares*

Miami-Dade County's transit fare structure is governed by Implementing Order (IO) No. 04-133, which establishes a uniform and equitable pricing framework across the system. The IO provides for a standard base fare for Metrobus and Metrorail services, free service on Metromover, and discounted fares for eligible populations, along with pass-based and stored-value payment options. The IO reflects a policy emphasis on consistency, accessibility, and systemwide applicability. It does not authorize event-based or demand-based fare adjustments.

The IO does, however, establish cost recovery rates for extending transit service beyond normal operating hours, currently set at approximately \$3,740 per hour for Metrorail and \$1,800 per hour for Metromover. These charges reflect the operational cost of extended service rather than a premium fare charged to riders. For the March 2026 Ultra Music Festival, DTPW extended service until 2:00 a.m. on event dates, with cost recovery revenues of approximately \$34,752 across both modes. Additional administrative fees, including an application fee and a service review fee, are also assessed in accordance with County policy.

Because these charges are structured as cost recovery for extended public service, rather than as a fare premium tied to event attendance, they are consistent with both the IO and federal charter service requirements. Any shift toward bundled, premium-priced, or event-specific fare products would require amending the IO, as well as careful legal review to avoid reclassification as charter service.

*Third-Party Contracting and Incidental Use of Transit Assets*

Beyond adjustments to County-operated transit service, there are additional mechanisms available to address transportation demand associated with large-scale special events that do not implicate the same regulatory constraints. When appropriately structured, these approaches allow the County to support event-related mobility while maintaining compliance with federal requirements governing federally funded transit systems.

One such mechanism is the use of third-party contracting to procure transportation services from private providers. Under this approach, the County facilitates service delivery through competitively awarded contracts, such as *Contract No. RTQ-01100*, without directly operating the service or deploying County-owned vehicles or personnel. Because these services are performed by private charter operators using their own equipment, they are not subject to the FTA's charter service restrictions applicable to grant recipients. This distinction enables the County to support transportation needs for large-scale events while preserving a clear separation between public transit operations and private charter services.

The County may also utilize certain transit-adjacent properties to accommodate event-related activities on a limited basis. Facilities such as park-and-ride lots are primarily dedicated to transit use but may be made available for secondary purposes under the FTA's incidental use policy. Such use must remain subordinate to the property's primary transit function, must not interfere with transit operations, and must generate revenue that is retained for transit purposes. Within these parameters, the temporary use or leasing of transit facilities for activities such as staging, parking, or passenger

circulation may be permissible, subject to applicable federal requirements and, where necessary, prior concurrence from the FTA.

Collectively, these approaches provide the County with additional flexibility to respond to event-driven demand without exposing its transit operations to the risks associated with charter service. While they are not substitutes for core service enhancements, they function as complementary tools that can be deployed in a manner consistent with both federal regulations and County policy.

#### *Peer Agency Practices*

A review of peer transit agencies indicates that agencies such as those in New York City and Los Angeles deploy supplemental service for major events (e.g., concerts, sports), but maintain standard fare structures. Some international systems, such as in London, utilize time-of-day pricing, but this is applied systemwide and not tied to specific events. No major U.S. transit agency was identified as implementing event-specific dynamic pricing in a manner clearly compliant with FTA charter service rules. This suggests that while dynamic pricing exists in transit, it is carefully structured to avoid event linkage, reinforcing the need for further study before local implementation.

#### **Conclusion**

DTPW retains the ability to enhance transit service during large-scale special events through scheduling and operational adjustments that remain consistent with the principles of public transportation. However, federal charter service regulations impose clear limitations on the extent to which services may be tailored, priced, or structured in connection with private events.

Flexible scheduling, when implemented as an extension of existing public service, is generally permissible. In contrast, dynamic pricing tied to specific events presents substantial legal risk and may constitute prohibited charter service under federal law. Additionally, the County's current fare policy framework, as established by IO No. 04-133, does not support differentiated or demand-based pricing models.

Within these constraints, the County may also rely on complementary strategies that do not involve the direct provision of transit service using federally funded assets. The use of third-party contracting mechanisms and the limited, incidental use of transit facilities provide viable means of supporting event-related transportation demand while maintaining compliance with applicable federal requirements.

Given these considerations, any future exploration of dynamic pricing should be preceded by comprehensive legal analysis, continued monitoring of peer agency practices, and potential amendments to County policy. Until such steps are completed, DTPW's current approach – enhancing service within existing operational and regulatory parameters, supplemented where appropriate by complementary strategies – remains the most legally defensible and operationally sound course of action.

This memorandum will be placed on the next available Board meeting agenda, without committee review, pursuant to Rule 5.06(j) of the Board's Rules of Procedure. If additional information is required, please contact Stacy L. Miller, P.E., Director and CEO, DTPW, at (786) 469-5406.

- c: Geri Bonzon-Keenan, County Attorney
- Jess McCarty , First Assistant County Attorney
- Office of the Mayor Senior Staff
- Stacy L. Miller, P.E., DTPW Director and CEO
- Yinka Majekodunmi, Commission Auditor
- Office of Policy and Budgetary Affairs
- Basia Pruna, Director, Clerk of the Board
- Eugene Love, Agenda Coordinator