

Metro 2017-2018 Fares Work Program: Phase II



We'll Get You There

Transportation, Economy and
Environment Committee

March 2018

Presentation Overview

Fares Background

Project Overview

Scope of Work

Existing policy

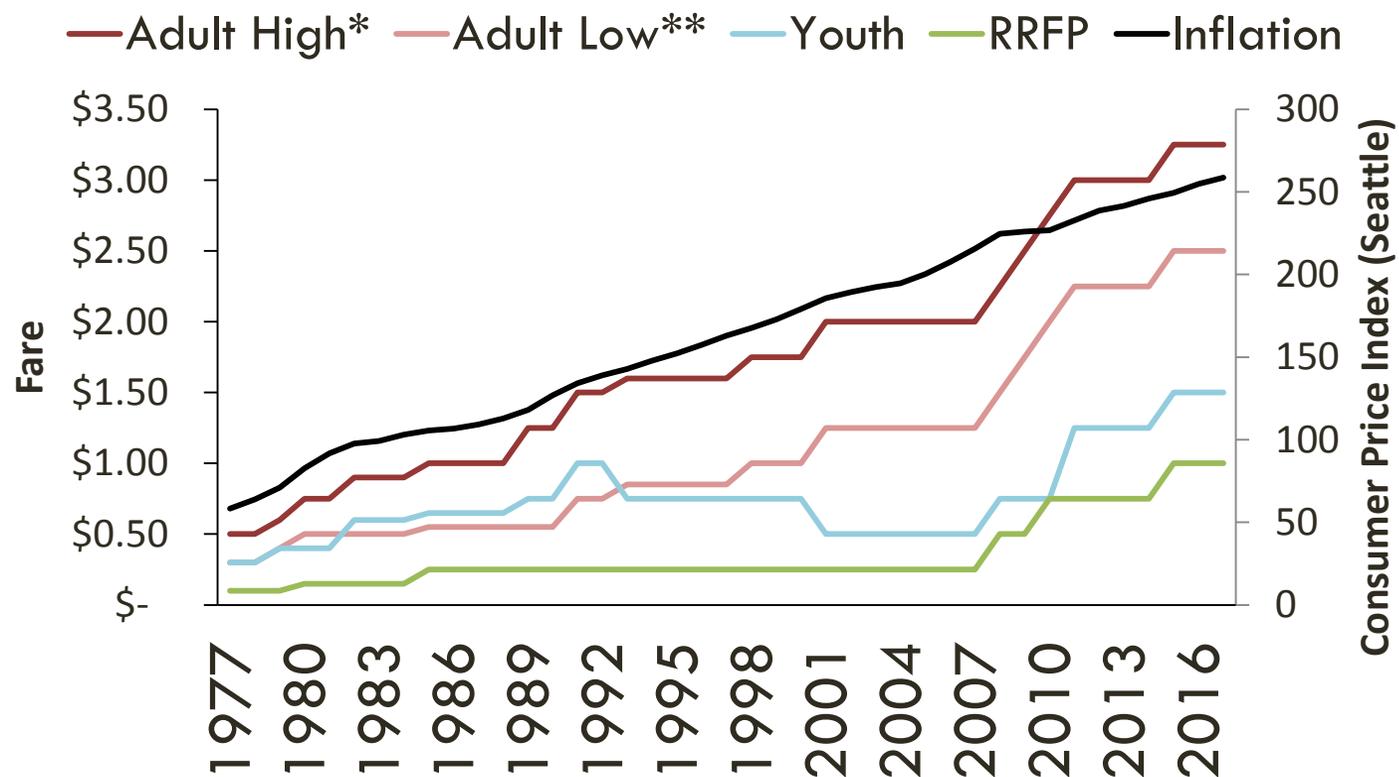
- Meet farebox recovery targets
- Be easy to understand
- Align with regional partners
- Reduce costs
- Speed boarding
- Reflect the cost of service
- Enable all, including low-income people to use transit
- Increase ridership
- Comply with regulations
- Increase safety

Strategy 6.3.2: Establish fare structures and fare levels that are simple to understand, aligned with other service providers, and meet revenue targets [...]

Metro fare prices should strike a balance between revenue generation objectives and the need to maintain existing service and attract new ridership.

A Brief Fares History

- 1973: 38 Zones
- 1977: Zones reduced to 2
- 1982: Peak surcharge added
- 1993: Human Service Ticket Program launch
- 1999: Regional transfers
- 2009: ORCA Launch
- 2012: Ride Free Area eliminated
- 2015: ORCA LIFT Launch
- 2018: Fare Simplification



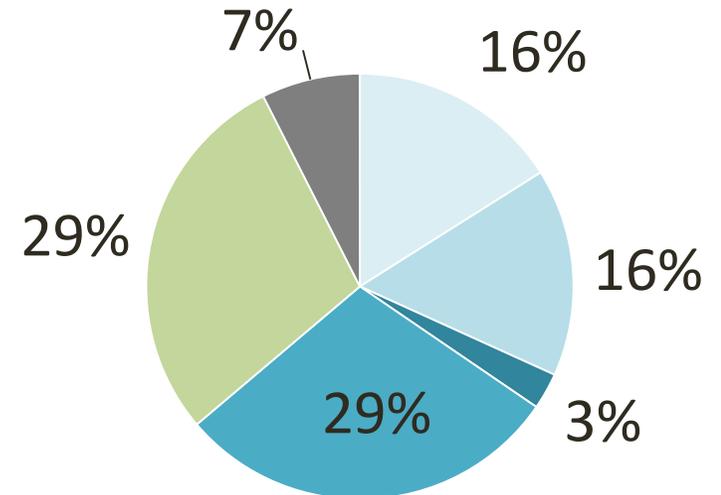
*Adult High is the highest adult fare (2-Zone Peak)

**Adult Low is the lowest adult fare (1-Zone Off-Peak)

Fare Payment Today

- \$161 M Revenue, equivalent to 1.1 million service hours
- Today's discounts, above requirements, value more than \$27 million, or 200,000 service hours
- Nearly a third of boardings use reduced fares
- Nearly a third use employer passes

- ORCA E-Purse
- ORCA PugetPass (Retail)
- ORCA Puget Pass (Employer)
- ORCA Passport Pass (Employer)
- Cash
- Non payment*



What We've Heard...

... About Speeding Service

- Speed and reliability is a top customer priority
- Fares & operator safety
- Fare enforcement review

... About Growing Ridership

- Improve retail experience and offerings
- Incentivize employer programs
- Explore creative partnerships

... About Preparing for the Future

- Mobile ticketing growth
- Next generation ORCA opportunities
- Fare integration with new private and public services (e.g. bikeshare, vanpool)

... About Equity

- Consider low-income above ORCA LIFT qualification
- Consider low/no income
- Consider youth, students, college students
- Improve/expand existing programs

Program Summary

- Phase I (2017): Focused on near-term options for fare simplification and affordability
 - Eliminated Metro zone pricing
 - Eliminated peak pricing
 - Reduced RRF card fees
 - Increased Metro funding of Human Service Ticket program
- Phase II (2018): Focused on identifying and evaluating a strategic set of changes that will best meet goals

Program Objectives

- Improve safety for operators
- Speed operations
- Simplify fares for customers and grow ridership
- Prepare for the future
- Reduce barriers to transit & advance racial justice
- Achieve revenue recovery goals

Work Areas

Fare Payment: Speed boarding & increase safety

Plan for expansion of all-door and off-board payment

Develop strategies for moving cash off-board

Ridership: Make fares simple & easy

Increase business accounts & ridership

Simplify & improve retail products

Innovate & Coordinate: Prepare for the future

Identify opportunities and risks associated with next gen ORCA

Develop a pricing strategy and framework for multimodal transfers

Equity: Reduce barriers & advance racial justice

Needs assessment & evaluation of existing reduced-fare programs

Opportunities assessment (fare inspection, partnerships, new programs, etc.)

Work Areas: Fare Payment

Fare Payment: Speed boarding & increase safety

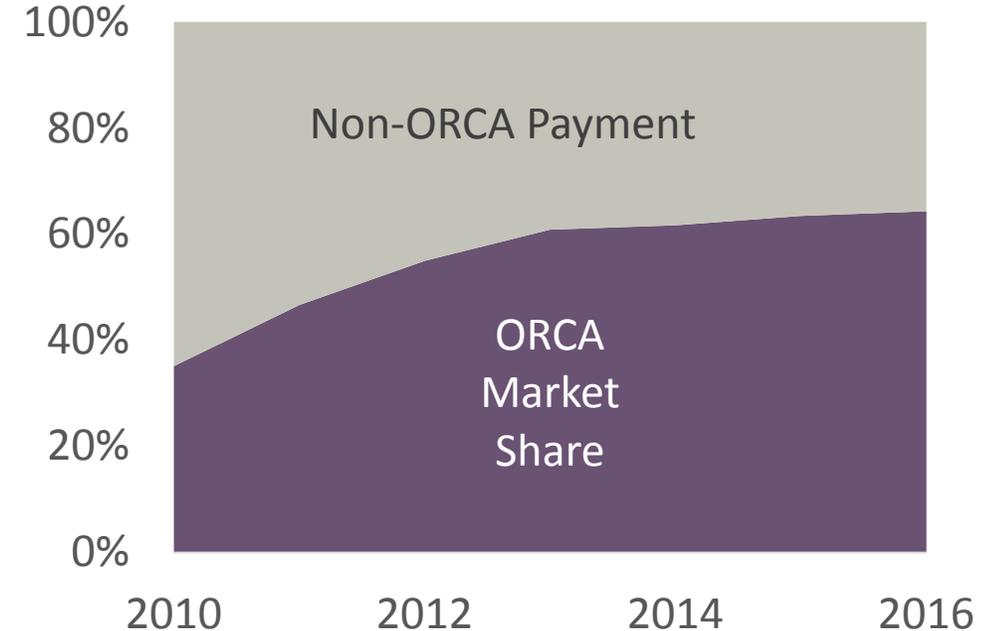
Plan for expansion of all-door and off-board payment

Develop strategies for moving cash off-board

Goals:

- Reduce operator assaults
- Save operating costs
- Benefit riders by speeding boarding
- Take advantage of new technology

METRO ORCA MARKET SHARE
2010-2016



Work Areas: Ridership

Ridership: Make fares simple & easy

Increase business accounts & ridership

Simplify & improve retail products

Goals:

- Accommodate regional growth by encouraging transit use
- Provide incentives and products that meet individual needs



Work Areas: Innovate & Coordinate

Innovate & Coordinate: Prepare for the future

Identify opportunities and risks associated with next gen ORCA

Develop a pricing strategy and framework for multimodal transfers

Goals:

- Ensure next generation ORCA system has desired capabilities
- Start planning now for what we can do in the future
- Make fares for many services easy to pay

Initial Activation



Activation



On Tap



Work Areas: Equity

Equity: Reduce barriers & advance racial justice

Needs assessment & evaluation of existing reduced-fare programs

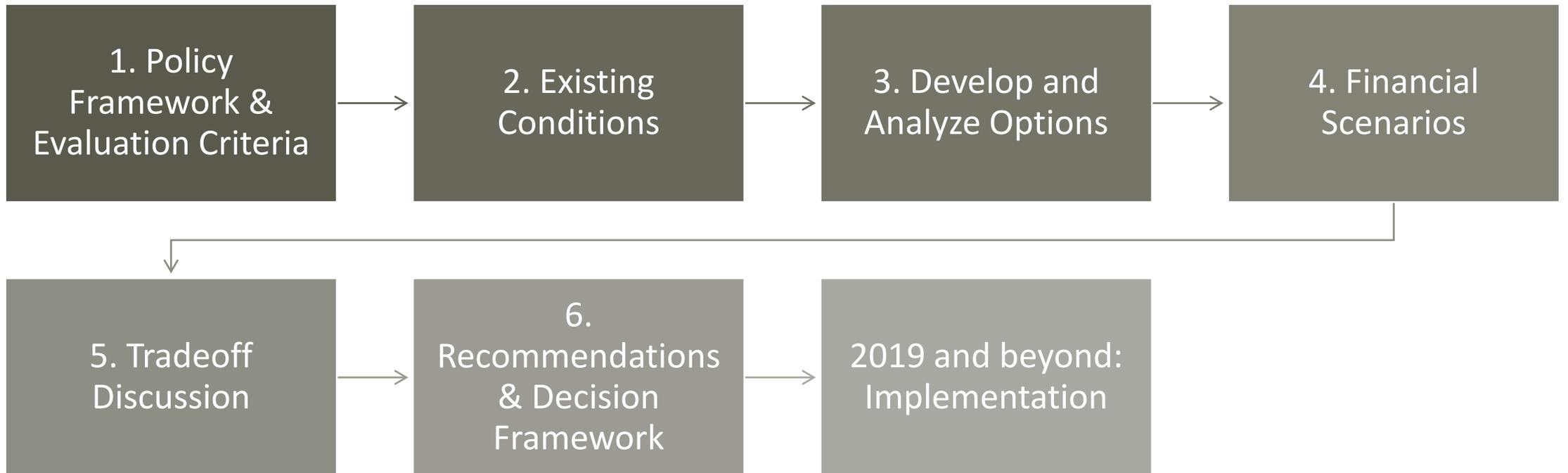
Opportunities assessment (fare inspection, partnerships, new programs, etc.)

Goals:

- Identify how to best serve markets including:
 - Youth
 - low-income people & affordable housing residents
 - very-low or no-income people
 - Access and RRFPP customers



Phase II: Scope of Work



Phase II: Schedule

| Task | Jan | Feb | March | April | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|------------------------------------------|-----|-----|-------|-------|-----|------|------|------|-------|------|------|------|
| 1 Policy Framework & Evaluation Criteria | █ | | | | | | | | | | | |
| 2 Existing Conditions | | █ | | | | | | | | | | |
| 3 Develop & Analyze Options | | | | █ | | | | | | | | |
| 4 Financial Scenarios | | | | | █ | | | | | | | |
| 5 Tradeoff Discussion | | | | | | | | █ | | | | |
| 6 Recommendations & Decision Framework | | | | | | | | | | █ | | |

Phase II: Schedule

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|----------------------------------|--------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Key Oversight Activities | | | | | | | | | | | | |
| Interbranch (monthly) | [Orange bar] | | | | | | | | | | | |
| TrEE (updates as desired) | | [Orange] | | | | | [Orange] | | | [Orange] | | |
| RTC (updates as desired) | | [Orange] | | | | | [Orange] | | | [Orange] | | |
| Exec Office (updates as desired) | | [Orange] | | | | | [Orange] | | | [Orange] | | |
| Key Outreach Activities | | | | | | | | | | | | |
| Community Groups | | [Yellow] | [Yellow] | [Yellow] | [Yellow] | | [Yellow] | [Yellow] | [Yellow] | | [Yellow] | |
| Contracted In-depth Outreach | | | [Yellow] | [Yellow] | [Yellow] | [Yellow] | | [Yellow] | | | [Yellow] | |
| General Public Outreach | | | | | | | [Yellow] | [Yellow] | [Yellow] | | | |
| Stakeholder Advisory Group | | | [Yellow] | | [Yellow] | | | [Yellow] | [Yellow] | [Yellow] | | [Yellow] |
| Metro Operators | | | [Yellow] | | | | | [Yellow] | | | [Yellow] | |
| Regional ORCA Partners | | | [Yellow] | | [Yellow] | | | [Yellow] | | | [Yellow] | |
| Cities (through TAC) as needed | | | | | [Yellow] | | | [Yellow] | | | [Yellow] | |

Phase II: Program Deliverables

- Phased program recommendations over 10 years, including near-term and long-term
- Framework for decision-making around future changes to fare programs or pricing
- Overview of current and potential funding mechanisms and revenue streams related to transit fares



QUESTIONS?

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