

# Metro 2017-2018 Fares Work Program: Phase II



*We'll Get You There*

Regional Transit Committee  
February 2018

# Presentation Overview

Fares Background

Project Overview

Scope of Work

# Existing policy

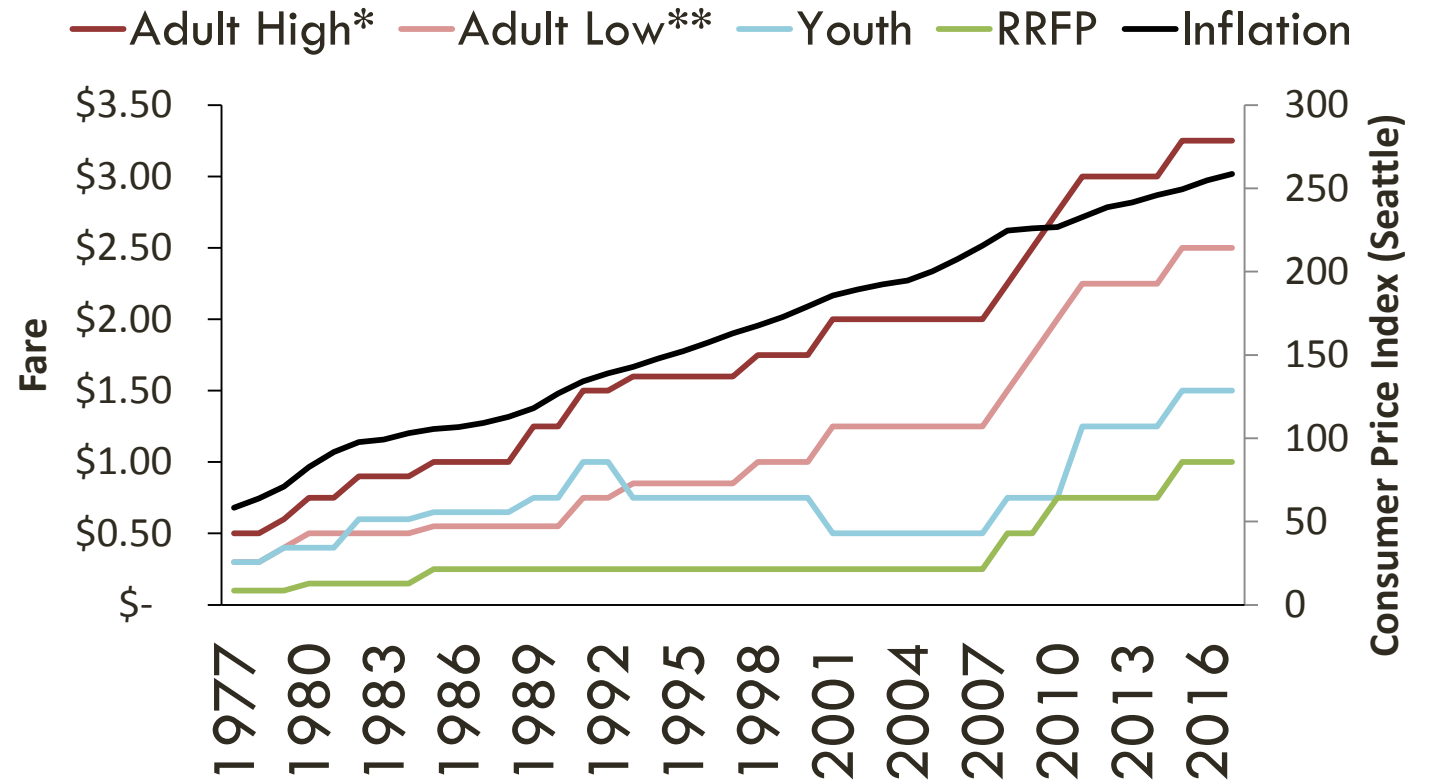
- Meet farebox recovery targets
- Be easy to understand
- Align with regional partners
- Reduce costs
- Speed boarding
- Reflect the cost of service
- Enable all, including low-income people to use transit
- Increase ridership
- Comply with regulations
- Increase safety

*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

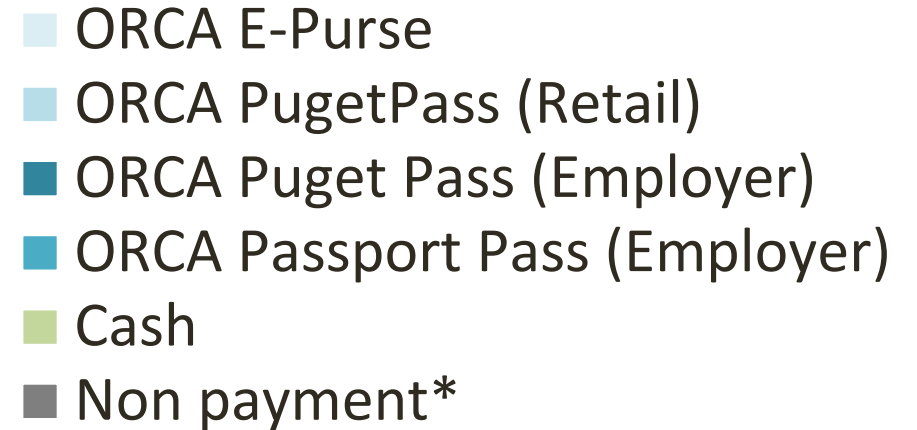


\*Adult High is the highest adult fare (2-Zone Peak)

\*\*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



# 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 RRFP 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

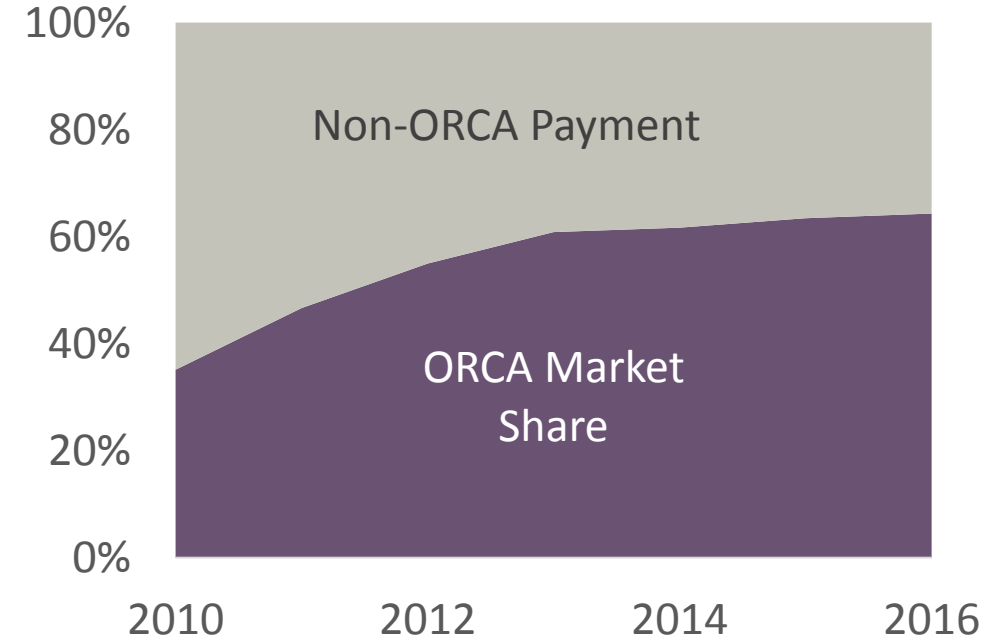
Plan for expansion of all-door and off-board payment

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

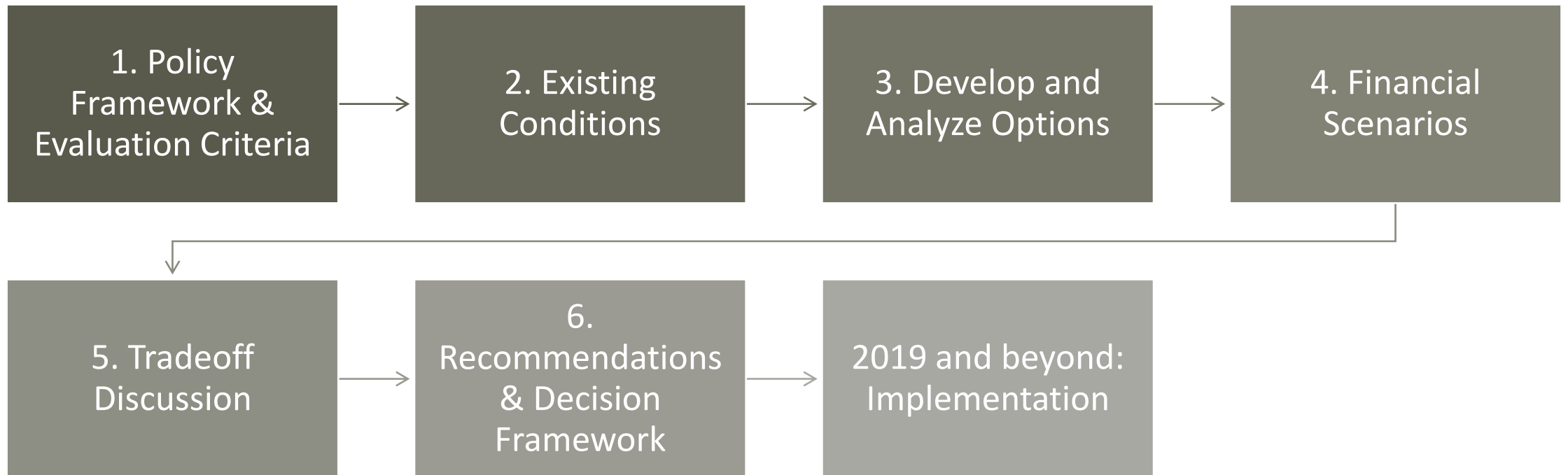
Opportunities  
assessment (fare  
inspection,  
partnerships, new  
programs, etc.)

## Goals:

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

Task	Jan	Feb	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<b>Key Oversight Activities</b>												
Interbranch (monthly)												
TrEE (updates as desired)												
RTC (updates as desired)												
Exec Office (updates as desired)												
<b>Key Outreach Activities</b>												
Community Groups												
Contracted In-depth Outreach												
General Public Outreach												
Stakeholder Advisory Group												
Metro Operators												
Regional ORCA Partners												
Cities (through TAC) as needed)												



# 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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