

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

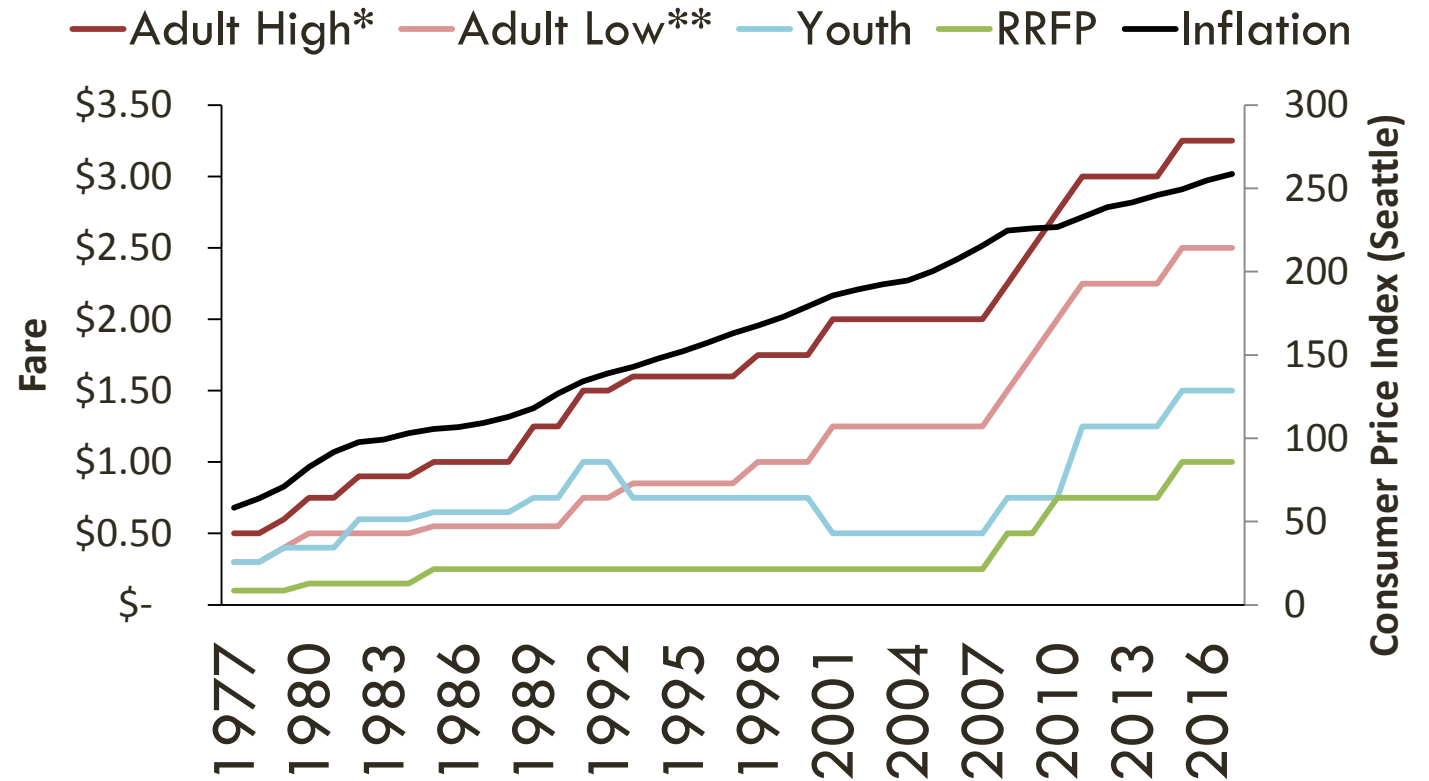
- Meet farebox recovery targets
- Be easy to understand
- Align with regional partners
- Reduce costs
- Speed boarding
- Reflect the cost of service
- Enable all, including low-income people to use transit
- Increase ridership
- Comply with regulations
- Increase safety

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

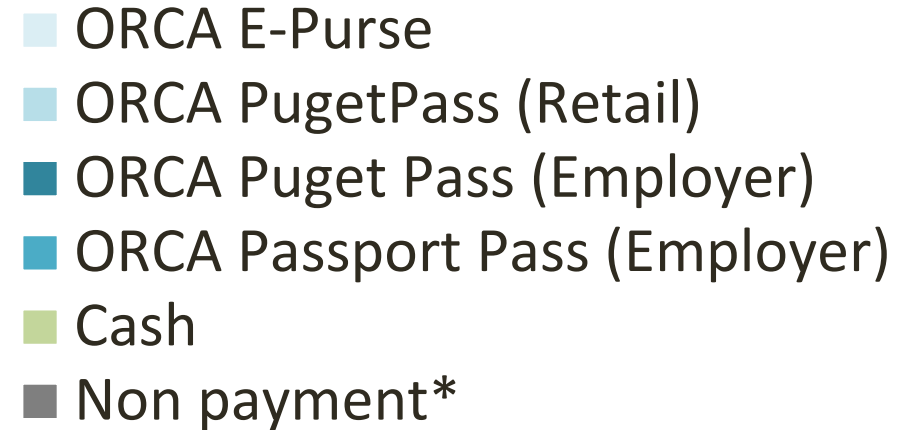


*Adult High is the highest adult fare (2-Zone Peak)

**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



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

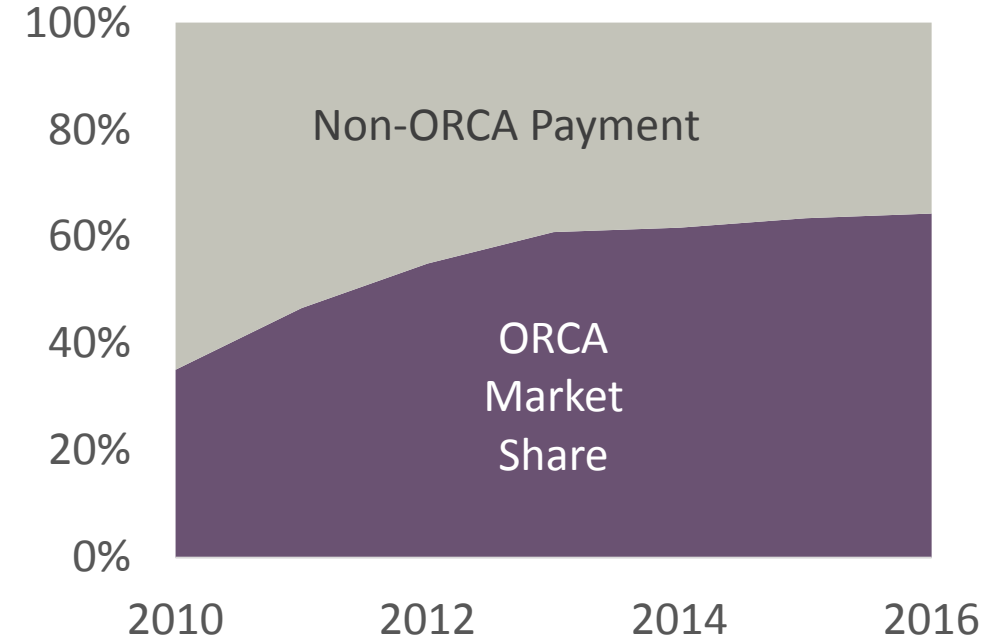
Plan for expansion of all-door and off-board payment

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

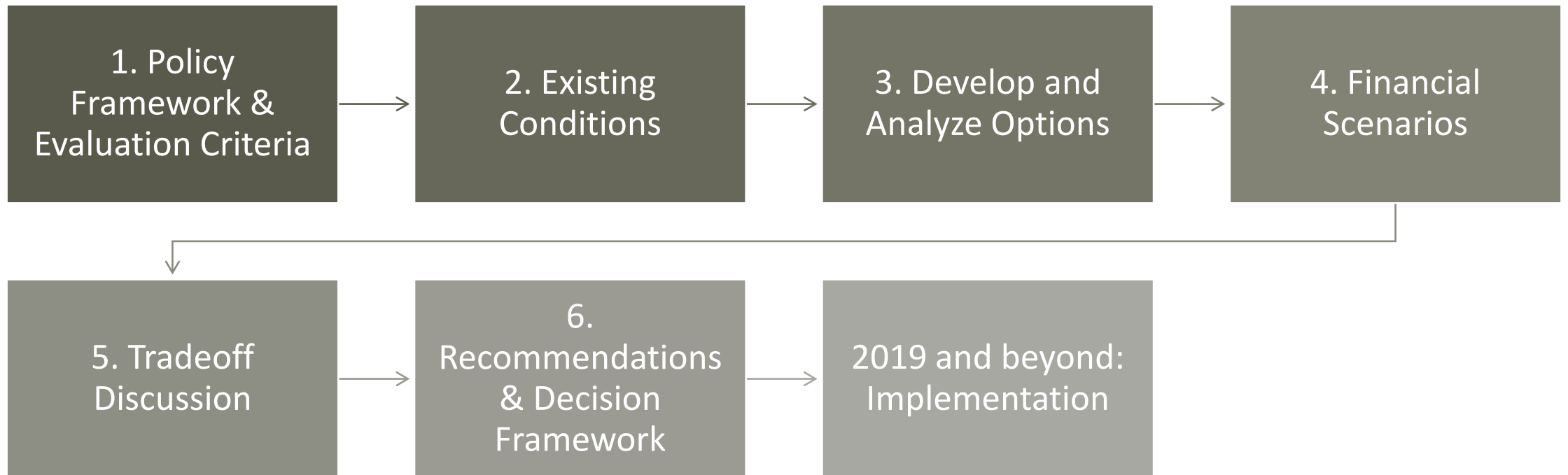
Opportunities
assessment (fare
inspection,
partnerships, new
programs, etc.)

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.
Key Oversight Activities												
Interbranch (monthly)												
TrEE (updates as desired)												
RTC (updates as desired)												
Exec Office (updates as desired)												
Key Outreach Activities												
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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