



Memorandum

DATE: May 9, 2018
TO: Board of Directors
FROM: Jim Derwinski, CEO/Executive Director *(JD)*
SUBJECT: Fare Structure Study – Fare Pilot Program

RECOMMENDATION

Board action is requested to approve an ordinance to implement various fare pilot programs based on the recommendations from the fares structure study to determine if the recommended fares actions will have a positive impact on ridership.

BACKGROUND

In 2016, Metra initiated a study to review Metra's fare structure, determine opportunities for changes, and develop a model to help Metra evaluate the potential changes. As part of the Fare Structure Study, Metra hosted an online survey and held open houses across the region to obtain feedback from the public (rider and non-riders) regarding fare changes proposed by the consultant. The Fare Structure Study recommendations were shared with the Board at the September 2017, December 2017 and April 2018 Board meetings for feedback.

The Fare Structure Study had several recommendations to be phased in over time:

- Introduction of a day pass ticket
- Providing off-peak discounts
- Creating a unique fare zone for downtown
- Merging the outermost fare zones to simplify the fare structure
- Address pricing inconsistencies due to indirect track configuration
- Standardize incremental fare zone charges

Responding the Boards request to pilot the recommendations on an expedited timeline, Staff has considered the proposals and at this time recommends:

- Creating a day pass type ticket (product name to be determined) available only on the mobile app and introduced as part of the newly upgraded mobile app which will be released for testing later this summer.
- Merging the outermost fare zones (Consolidating Zone K, L, and M with J) for implementation in mid-July 2018.
- Reassigning stations to different zones for implementation in mid-July 2018.

Staff recommends piloting only the station reassignment at stations identified in the study where travel to downtown Chicago is the main market and with fewer than 150 boardings per day.

Station for fare zone reassignment include:

- 83rd St Metra Electric - Main Line from fare zone C to B
- 87th St Metra Electric – Main Line from fare zone C to B
- Ashland Ave Metra Electric – Blue Island Branch from fare zone D to C
- Racine Metra Electric – Blue Island Branch from fare zone D to C
- West Pullman Metra Electric – Blue Island Branch from fare zone D to C
- Stewart Ridge Metra Electric Branch from fare zone D to C
- State St Metra Electric – Blue Island Branch from fare zone D to C

Other stations recommended as part of the fare structure study, but not recommended as a fare pilot at this time include:

- Rosemont because the majority (57%) of boardings occur on outbound trains, meaning that the proposal would result in a fare increase for the majority of riders.
- Forest Glen, Oak Lawn, and Palos Park would not be piloted at this time as they exceed the proposed ridership threshold.

FINANCIAL IMPACT

While there is a revenue implication to implementing many of the recommendations, the hope is that ridership will grow, which in time will also increase revenues. The below table summarizes the anticipated worst case revenue impact for each of the proposals, the number of annual trips, as well as, the number of new daily round-trip riders needed to cover the worst case loss in revenues.

Proposal	Revenue Impact	Annual Trips Needed to Recover Revenue	New Daily Round-trip Riders Needed
Day Pass	\$ -	-	-
Outer Zones	\$ (380,000)	55,070	110
Station Reassignment	\$ (120,000)	31,180	60
Total	\$ (500,000)	86,250	170

The fare pilot programs will be implemented beginning during the summer 2018 and will be included in the 2019 Budget. The fare pilot programs will be evaluated and measured against the annual ridership and revenue targets required to recover the estimated revenue loss. Staff will update the board periodically on the status of the fare pilot programs. Performance will be evaluated for continuation or discontinuance during the summer of 2019 for possible action in 2020 or sooner if warranted.

ATTACHMENTS

- Ordinance
- Staff Review of Fare Structure Study Recommendations

Prepared by: Lynnette H. Ciavarella, Senior Division Director, Strategic Capital Planning
 Tom Farmer, Chief Financial Officer
 Jason Osborn, Department Head, System & Performance

**COMMUTER RAIL BOARD ORDINANCE
NO. MET 18-__**

FARE PILOT PROGRAMS – AMENDMENT TO MET 17-17

WHEREAS, the Board of Directors (“Board”) of the Commuter Rail Division of the Regional Transportation Authority (“Commuter Rail Division”) passed its 2018 Operating and Capital Program and Budget pursuant to MET 17-17 (“Budget Ordinance”), which includes the fare structure for 2018;

WHEREAS, in 2016, Metra initiated a study to review Metra’s fare structure, determine opportunities for changes, and develop a model to help Metra evaluate the potential changes (“Fare Structure Study”);

WHEREAS, as part of the Fare Structure Study, Metra hosted an online survey and held open houses across the region to obtain feedback from the public (rider and non-riders) regarding fare changes proposed by the consultant;

WHEREAS, the Fare Structure Study recommendations were shared with the Board at the September 2017, December 2017, and April 2018 Board meetings for feedback;

WHEREAS, the Board desires to continue to explore ways to expand Metra’s ridership base while maintaining its fare principles;

WHEREAS, Metra desired to promote the current and future business needs of its constituents, in a regionally equitable way that meets all statutory requirements, including Title VI of the Civil Rights Act of 1964; and

WHEREAS, after reviewing the Fare Structure Study recommendations, and deliberating possible options, the Board directs staff to implement various pilot programs to determine if the recommended fare actions will have a positive impact on ridership.

NOW THEREFORE BE IT ORDAINED THAT:

1. The Board amends MET 17-17 to the extent that fares will be subject to one or more pilot programs and directs the Executive Director and staff to commence pilot programs.
2. While staff may elect to implement other pilot programs—with prior notice to the Board—staff are directed to ensure the following pilot programs are implemented during 2018:
 - a. Outermost zone consolidation;
 - b. A day pass ticket product; and,
 - c. Station zone reassignments.
3. Depending on results, the fare pilot programs may be included as part of the 2019 budget discussion and public hearing process commencing in the fall 2018. The fare pilot programs shall also be evaluated in future year budget discussions, thereby affording the Board sufficient time to consider the impacts of the programs. Staff shall also update the Board from time-to-time on the status of the pilot programs.

May 9, 2018

Staff Review of Fare Structure Study Recommendations

Proposal 1: A Day Pass Ticket Type

Proposal: A day pass ticket type (product name to be determined) would be valid for unlimited travel between designated zones throughout the system for an entire service day (i.e. from the beginning of service in the morning until the end of late night service at 3:00 a.m.). For example, a day pass valid between Zone D and Zone A could be used for travel between stations in Zone D and stations in Zone A on any Metra line. Tickets would be non-refundable and would be valid 90-days from the date of purchase.

The day pass would only be available on the Ventra App to address conductors' concerns about a paper day pass being shared among more than one rider. On the mobile app, once activated, the day pass would be tied to the activated device and would expire automatically at the end of the service day.

Market Potential: The day pass ticket type is proposed for riders who wish to travel on more than one Metra line on a given day, riders who wish to make multiple-stops along a given Metra line, and riders desiring a round-trip ticket. The day pass would simplify trip planning, allowing riders to purchase a "round-trip" ticket instead of two one-way tickets. The fare structure study online survey, indicated that 75% of one-way ticket riders said that they would be likely or very likely to use a day pass priced the same as two one-way tickets. According to Metra's 2016 Origin and Destination Survey, only 1% of current Metra riders indicated that they transfer between lines requiring multiple fares if they are not using a Monthly pass. Offering a day pass may encourage more riders to use Metra when more than one line is required to complete their trip. It might also encourage someone stopping off at a neighboring town for personal business or dining/entertaining before continuing their travels along that line. The goal would be to increase customer convenience, expand new markets for Metra, simplify fare payment for the customer, and encourage use of the Ventra App.

Revenue/Ridership Impacts: Given the day pass would be priced at two one-way fares and less than 1% of our riders currently use more than one rail line, introduction of a day pass should not impact revenues negatively. Given the number of survey respondents who indicated the desire for a day pass there is potential to gain revenues and riders. Considering the day pass would only be available on the mobile app and would automatically expire, there is no risk of tickets being shared.

Timing for Implementation: A day pass ticket type could be implemented with the roll-out of the new release of the Ventra App coming this summer. Testing of the new Ventra App with enhanced trip planning and functionality will begin this summer and follow the same successful testing schedule as the initial App launch in 2015. Testing will begin with Service Board users and gradually add users until the app is stable for the full public launch later this fall. Testing of the day pass could begin during the testing period this summer with full rollout with the full public launch of the app. Given the build-out and testing required for the day pass in the new app, the pilot program would start with only full-fare tickets. A reduced fare day pass would be considered and evaluated in the future as timing allows.

Measuring Success: In 2017, Metra sold a total of 14 million tickets (Monthly 1.1M; 10-Ride 1.9M; One-Way 9.5M; Weekend/Special 1.5M). The day pass sales and usage rates would be tracked monthly. For measuring purposes, each day pass would account for 2 rides. The target for day pass sales would be approximately 20% of total One-Way and Day Pass ticket sales or 79,000 day passes sold per month for approximately 950,000 sold annually; 158,000 rides per month and 1.9M rides annually.

In March 2018, the percent of One-Way ticket sales on the Ventra App was 45% of total one-way ticket sales up from 35% in March of 2017. At the same time, the proportion of One-Way ticket sales sold by conductors declined from 23% to 21% and those sold by ticket agents declined from 36% to 30%. Another target for the day pass would be to see a continued shift in sales from paper conductor and ticket agent one-way tickets to mobile one-way and day pass tickets.

The performance of a day pass ticket type would be fully evaluated for continuation or discontinuance during the summer/fall of 2019 for possible action in 2020 or sooner based on the results for the program.

Proposal 4: Merge the Outermost Fare Zones to Simplify the Fare Structure

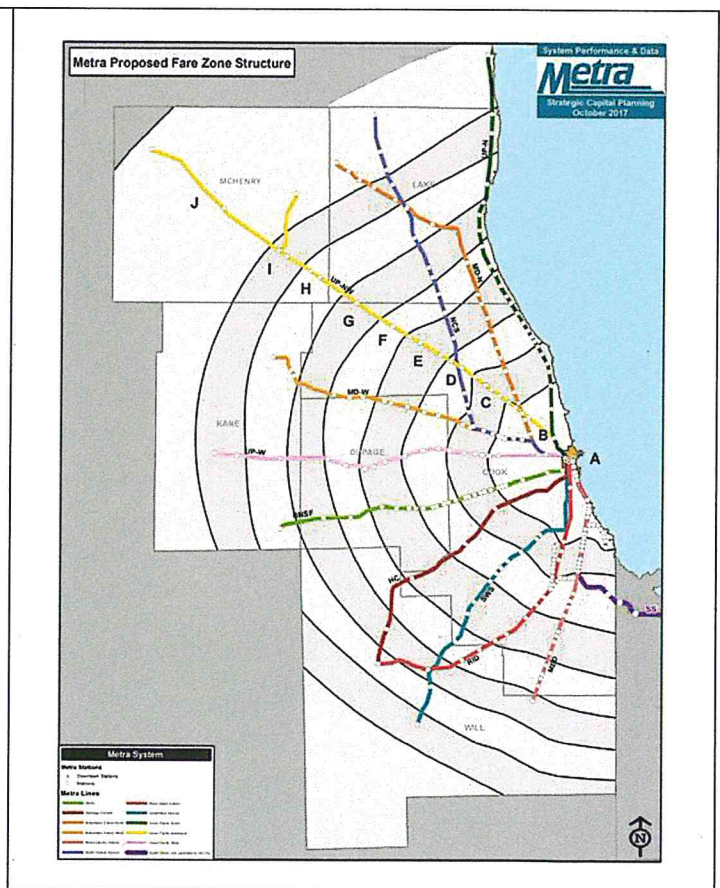
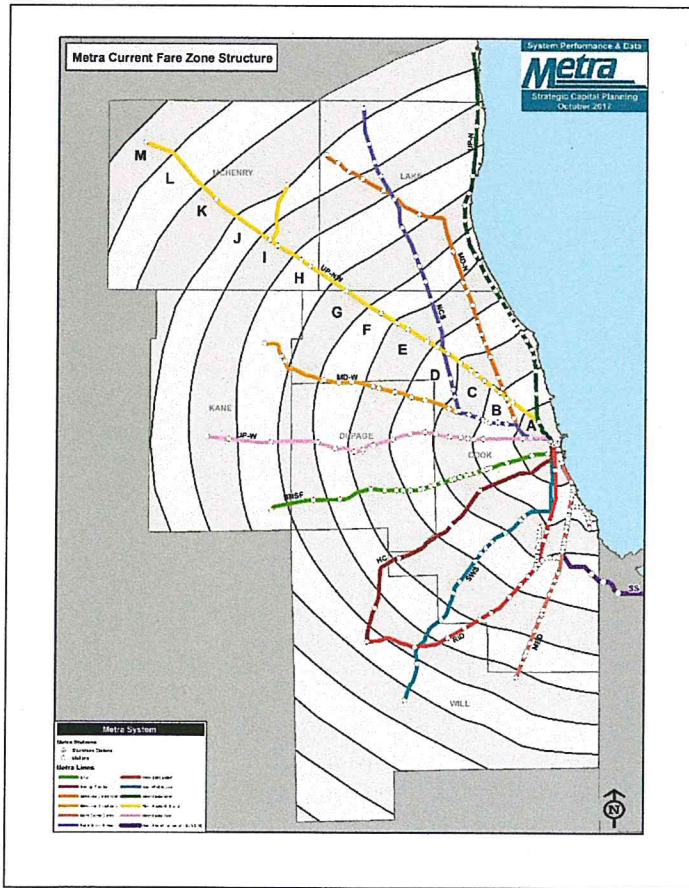
Proposal: Consistent with other U.S. commuter rail agencies across the United States who have used zone consolidation and fare capping to attract riders, the proposal would be to merge Zones K, L, and M with Zone J and cap Metra fares for trips that exceed 45 miles. Metra's current fare matrix is 13 x 13 (Zones A – M by Zones A – M). Consolidating Metra's outer zones (J, K, L, M) would simplify Metra's fare matrix to 10 x 10. Full fare and reduced fares would be available from conductors, ticket agents, and on the mobile app. Only full fares would be available on vending machines and commuter benefits. There would be no change to ticket policies related to validity period, refunds, or use.

One station in Zone M and 4 stations in Zone K would be merged with 5 stations currently within Zone J. The proposed Zone J would have the following 10 stations (2016 Weekday Station Boardings):

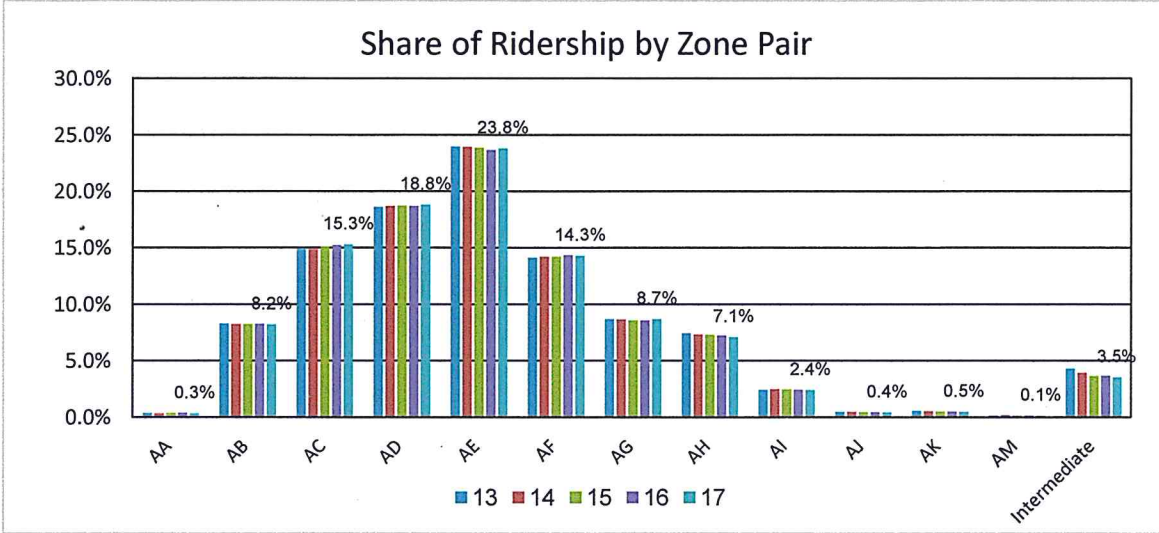
- Existing Zone J: Round Lake Beach (115), Lake Villa (148), Long Lake (96), Ingleside (76), Fox Lake (356)
- Existing Zone K: Kenosha (276), Antioch (184), McHenry (96), Woodstock (317)
- Existing Zone L: no stations in this zone
- Existing Zone M: Harvard (221)

Metra's Current Fare Zones and Proposed Zones with J, K, L, M, Consolidation

Fare Zone Pair	Ticket	Adult (Full) Fare				Special User (Reduced) Fare			
		Current	Proposed	Change		Current	Proposed	Change	
A-J	Monthly	\$275.50	\$275.50	\$0.00	0.0%	\$166.25	\$166.25	\$0.00	0.0%
	10-Ride	\$90.25	\$90.25	\$0.00	0.0%	\$45.25	\$45.25	\$0.00	0.0%
	One-Way	\$9.50	\$9.50	\$0.00	0.0%	\$4.75	\$4.75	\$0.00	0.0%
A-K	Monthly	\$290.00	\$275.50	\$-14.50	-5.0%	\$175.00	\$166.25	\$-8.75	-5.0%
	10-Ride	\$95.00	\$90.25	\$-4.75	-5.0%	\$47.50	\$45.25	\$-2.25	-4.7%
	One-Way	\$10.00	\$9.50	\$-0.50	-5.0%	\$5.00	\$4.75	\$-0.25	-5.0%
A-M	Monthly	\$319.00	\$275.50	\$-43.50	-13.6%	\$192.50	\$166.25	\$-26.25	-13.6%
	10-Ride	\$104.50	\$90.25	\$-14.25	-13.6%	\$52.25	\$45.25	\$-7.00	-13.4%
	One-Way	\$11.00	\$9.50	\$-1.50	-13.6%	\$5.50	\$4.75	\$-0.75	-13.6%



Market Potential: There are 10 stations in Metra’s outer four fare zones (J, K, L, and M). Tickets between these zones and downtown stations are the most expensive in the system, but these zones generally have fewer trains per day than stations in zones closer to downtown. Ridership from these zones accounts for about 1% of Metra’s total ridership and 2% of total revenue.



Over the last 5 years (between 2013 and 2017), ridership in zones J, K, L, and M have decreased by 21% compared to the system decrease of 4% and revenue has decreased by 5% compared to the system increase of 19%.

Five Year Trends (2013-2017) Tickets Sold, Revenue, and Rides by Zone

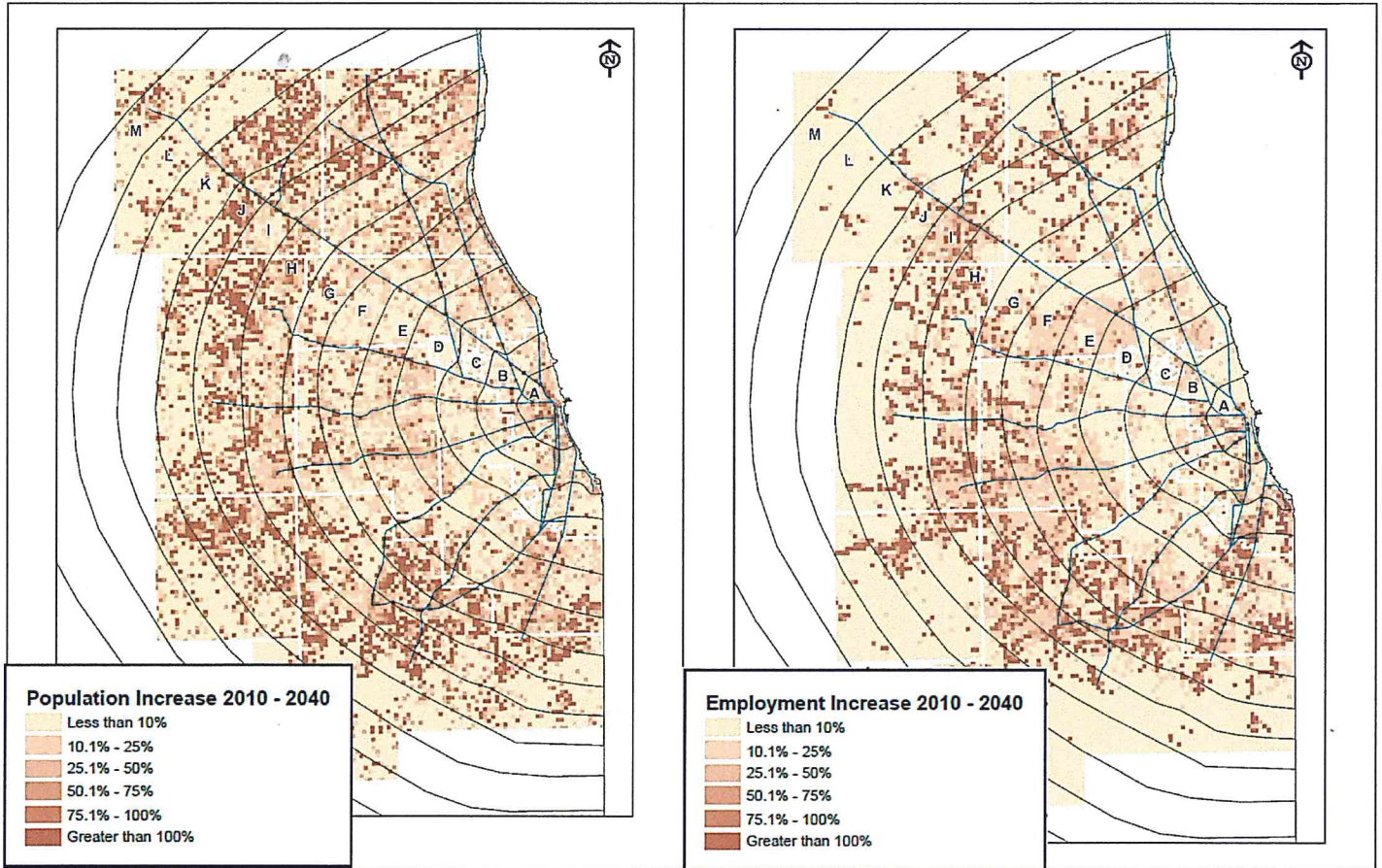
2013	Monthly	Monthly Reduced	10-Ride	10-Ride Reduced	One-Way	One-Way Reduced	Revenue	Rides
	Zone J	7,345	340	9,139	1,096	47,487	7,544	\$2,592,744
Zone K	7,236	482	9,985	1,830	53,083	8,243	\$2,956,553	511,350
Zone M	1,421	124	2,521	595	52,284	6,922	\$1,096,868	156,801
Total	16,002	946	21,645	3,521	152,854	22,709	\$6,646,164	1,155,987
2017	Monthly	Monthly Reduced	10-Ride	10-Ride Reduced	One-Way	One-Way Reduced	Revenue	Rides
	Zone J	4,802	343	9,957	1,048	51,204	6,634	\$2,540,897
Zone K	4,634	378	10,342	1,816	63,501	9,304	\$2,867,863	409,901
Zone M	812	127	2,280	442	36,445	4,644	\$898,334	108,686
Total	10,248	848	22,579	3,306	151,150	20,582	\$6,307,093	907,710
2013-2017 % Change	-36%	-10%	4%	-6%	-1%	-9%	-5%	-21%

Note: This table does not include free rides, special event or weekend ticket rides.

Most recent census data within the same period, (2014 to 2016), indicate that the area lost population (0.5% decrease) and the number of employment opportunities increased (4.9% increase). Between 2010 and 2040, the Chicago Metropolitan Agency for Planning forecasted 29% growth in population and 31% growth in employment for the region. The outer areas of the region are forecasted to grow at higher

rates than the central and inner areas of the region. Indicating a potential to attract riders to Metra for travel to downtown, but also enhance the suburban-suburban commute markets in McHenry County, Lake County and Suburban Cook County.

CMAP Population and Employment Change 2010 to 2040



Revenue/Ridership Impacts: In 2017 Zones, J, K, and M produced over 900,000 riders and \$6.3M in revenue. The average fare paid by users of these stations in 2017 was \$6.95.

2017 Annual Revenue, Rides, and Average Fare

Zone	Revenue	Rides	AVG Fare
Zone J	\$2,540,897	389,123	\$6.53
Zone K	\$2,867,863	409,901	\$7.00
Zone M	\$898,334	108,686	\$8.27
Total/Average	\$6,307,093	907,710	\$6.95

Based on historic sales data, capping the fares at 45 miles and Zone J would result in a potential revenue loss of about \$380,000. An estimated 55,000 additional annual trips would be needed to recover this

revenue loss. If only Harvard (Zone M) was consolidated with Zone K, this would result in a potential revenue loss of about \$135,000; an estimated 18,800 additional annual trips would be needed to recover that revenue loss. The model created for the Fare Structure Study produced similar results.

Revenue Difference and Additional Trips Needed to Break Even

Scenario	Average Fare*	Revenue Difference	Additional Trips Needed to Break Even	Target New Daily Riders**	% Ridership Increase Needed
No Change	\$7.35	\$0	0	0	0.0%
Zones K and M Combined	\$7.18	-\$135,185	18,822	38	17%
Zones J, K, & M Combined	\$6.97	-\$380,636	55,070	110	11%

*Average Fare in March 2018 for all Trips to or from M, K, and J.

**New daily riders assumes 2 trips a day for 250 days a year.

Timing for Implementation: A pilot program, merging the outermost fare zones could be implemented as early as mid-July. Given our current systems, the change would need to occur outside of the monthly sales and refund windows. This would also allow customers time to consider and plan for future one-way and 10-ride purchases in advance of the change as one-way and 10-ride tickets purchased for zones K, L, and M would not be refundable.

Measuring Success: In 2017, Metra sold a total of 208,713 tickets in zones J, K, M (Monthly 11,096; 10-Ride 22,579; One-Way 171,732, and an unknown amount of weekend and special event tickets). Detailed ticket zone pair data would need be reviewed and tracked monthly and included in the monthly ridership report. For measurement purposes, the target for zone consolidation would be increasing ridership from zone K and M stations by 11% (+55,000 from 518,587 to 573,657). The performance of the outer zone consolidation would be fully evaluated for continuation or discontinuance during the summer/fall of 2019 for possible action in 2020 or sooner based on the results for the program.

Proposal 5: Address Pricing Inconsistencies Due to Indirect Track Configurations

Proposal: The fare structure study recommended reassigning twelve stations to different zones to make fares consistent among stations with similar distances to downtown. The proposed reassignments would make each of the stations one zone closer to downtown. Riders traveling inbound from these stations would pay lower fares; riders traveling outbound from these stations would pay an additional zone increment or higher fare. Full fare and reduced fares would be available from conductors, ticket agents, and on the mobile app. Only full fares would be available on vending machines and commuter benefits. There would be no change to ticket policies related validity period, refunds, or use.

The following 10 stations (2016 Weekday Station Boardings) would be impacted:

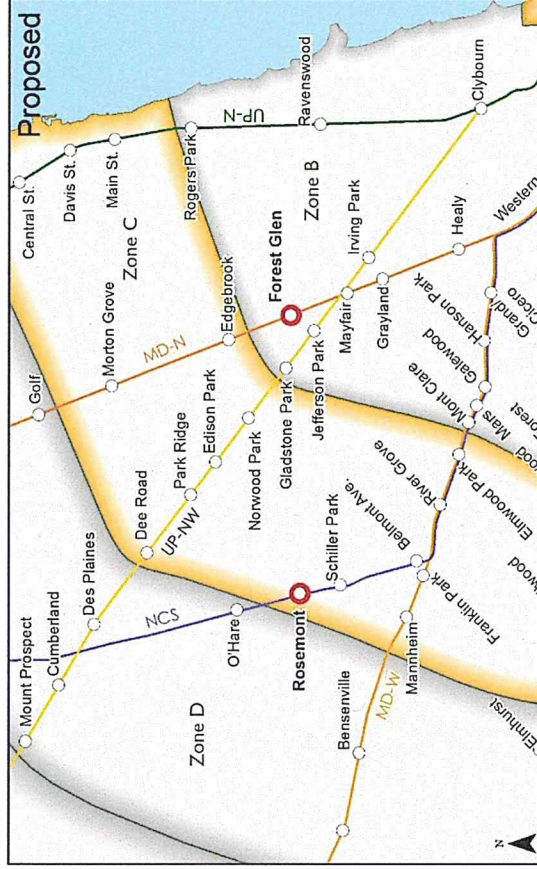
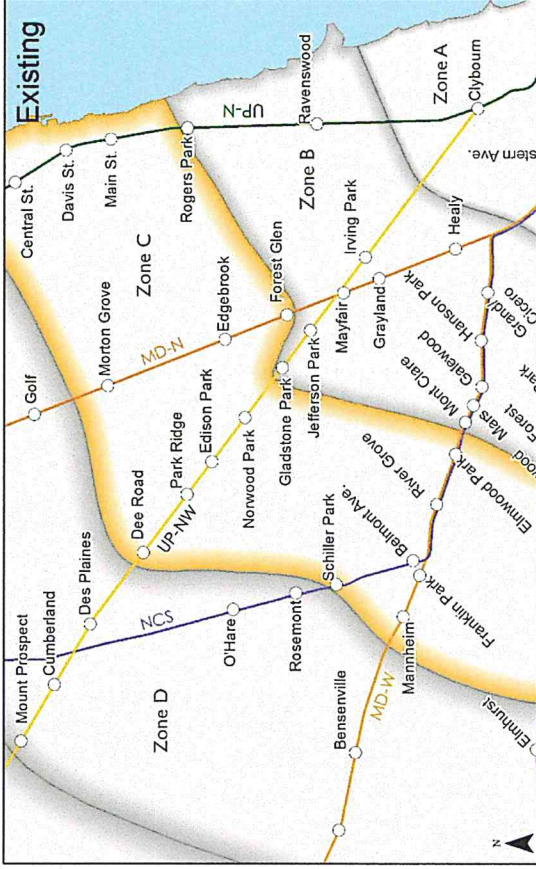
- North Central Service: **Rosemont** (35) would be reassigned to Zone D from Zone C, into the same zone as Dee Road and Park Ridge on the UP-NW.
- Milwaukee - North Line: **Forest Glen** (343) would move from Zone C to Zone B, into the same zone as Gladstone Park on the UP-NW
- Southwest Service: **Oak Lawn** (1,329) would move from Zone D to Zone C, into the same zone as 95th Street, Beverly Hills on the RI, and **Palos Park** (432) would move from Zone E to Zone D, into the same zone as Midlothian on the RI.
- Metra Electric District:
 - MED Mainline: **83rd Street, Avalon Park** (40) and **87th Street, Woodruff** (41) would move from Zone C to Zone B, into the same zone as Gresham on the RI
 - MED Blue Island: **Ashland Avenue** (111), **Racine Avenue** (31), **West Pullman** (22), **Stewart Ridge** (36), **State Street** (30) would move from Zone D to Zone C, into the same zone as 119th Street on the RI
- Rock Island Line: **123rd Street** (24) would move from Zone D to Zone C, into the same zone as 119th Street

Current and proposed station zone assignments and fares are listed on the following two pages.

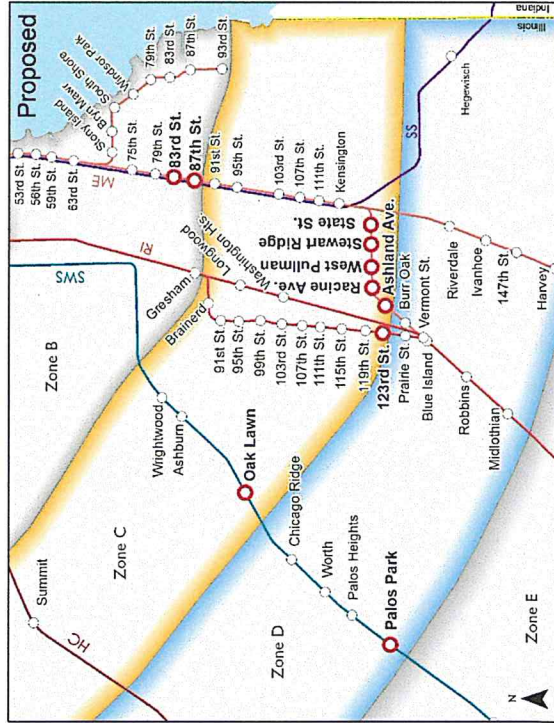
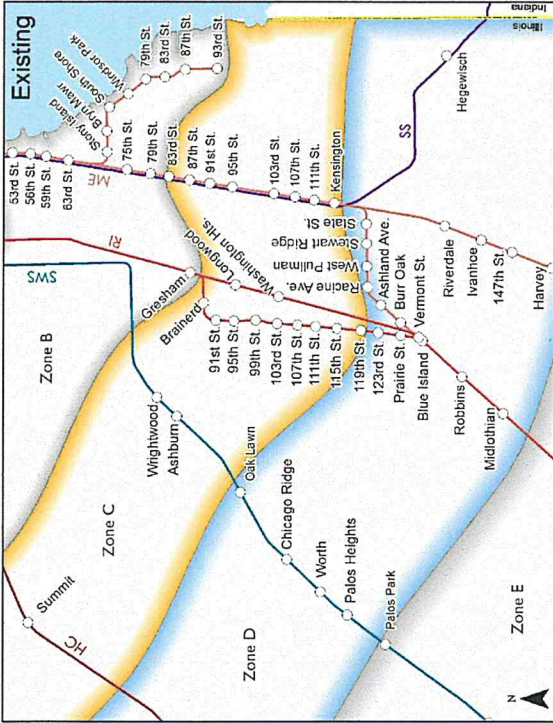
Market Potential: A common question from Metra riders is that fares to downtown stations are different among stations that are near each other but on different lines. This is a result of using track miles to set zone boundaries. Since rail rights of way are not always straight, some stations that are a similar distance from downtown may end up in different fare zones. Station reassignment would provide more similar fares for customers who board at stations on different lines, but with similar distances to downtown and may encourage more use of these stations by aligning them in the same zone as nearby stations. These reassignments will make the stations one zone closer to downtown. Changes to the zone designation would result in lower fares for those traveling to and from downtown.

Revenue/Ridership Impacts: Based on Staff's review of each recommended station, staff recommends piloting station reassignment at stations where travel to downtown Chicago is the main market and at stations that have fewer than 150 boardings per day. Based on that definition, the recommended piloted stations would be: ME-ML: **83rd Street, Avalon Park** and **87th Street, Woodruff**; ME-BI: **Ashland Avenue, Racine Avenue, West Pullman, Stewart Ridge, and State Street**; RI: **123rd Street**. Rosemont would not be piloted at this time because the majority (57%) of boardings occur on outbound trains, meaning that the proposal would result in a fare increase for the majority of riders. Forest Glen, Oak Lawn, and Palos Park would not be piloted at this time as they exceed the proposed ridership threshold. A potential revenue loss of approximately \$120,000 is anticipated if only the staff recommended stations are piloted. If all stations are included the potential revenue loss would be approximately \$625,000.

Potential NCS and MD-N Station Reassignments



Potential SWS, RI, and ME Station Reassignments



Station	Line	2016 Boardings	Percent of Boardings Inbound	Current Average Fare	Estimated 2018 Annual Revenue	Proposed Average Fare	Estimated Annual Revenue with Change	Revenue Difference	Target Ridership Growth	Target New Daily Riders	Staff Recommendation
83rd St	ME-ML	40	100%	\$4.03	\$80,600	\$3.58	\$71,600	(\$9,000)	2,514	5	Recommended
87th St	ME-ML	41	83%	\$4.03	\$82,615	\$3.58	\$73,390	(\$9,225)	2,577	5	Recommended
Ashland Ave	ME-BI	111	100%	\$4.65	\$258,075	\$3.79	\$210,345	(\$47,730)	12,594	25	Recommended
Racine	ME-BI	31	100%	\$4.65	\$72,075	\$3.79	\$58,745	(\$13,330)	3,517	7	Recommended
West Pullman	ME-BI	22	100%	\$4.65	\$51,150	\$3.79	\$41,690	(\$9,460)	2,496	5	Recommended
Stewart Ridge	ME-BI	36	100%	\$4.65	\$83,700	\$3.79	\$68,220	(\$15,480)	4,084	8	Recommended
State St	ME-BI	30	97%	\$4.65	\$69,750	\$3.79	\$56,850	(\$12,900)	3,404	7	Recommended
Rosemont	NCS	35	43%	\$5.25	\$91,875	\$4.27	\$74,725	(\$17,150)	4,016	8	Needs Further Review
Forest Glen	MD-N	343	79%	\$4.13	\$708,295	\$3.95	\$677,425	(\$30,870)	7,815	16	Needs Further Review
Oak Lawn	SWS	1,329	98%	\$4.55	\$3,023,475	\$3.98	\$2,644,710	(\$378,765)	95,167	190	Not Recommended
Palos Park	SWS	432	100%	\$4.93	\$1,064,880	\$4.55	\$982,800	(\$82,080)	18,040	36	Not Recommended

Station	Line	Current Fares to/from Downtown				Proposed Fares to/from Downtown				Change in Fares		
		Zone	Monthly	10-Ride	One-Way	Zone	Monthly	10-Ride	One-Way	Monthly	10-Ride	One-Way
83rd St	ME-ML	C	\$159.50	\$52.25	\$5.50	B	\$123.25	\$40.50	\$4.25	-23%	-22%	-23%
87th St	ME-ML	C	\$159.50	\$52.25	\$5.50	B	\$123.25	\$40.50	\$4.25	-23%	-22%	-23%
Ashland Ave	ME-BI	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
Racine	ME-BI	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
West Pullman	ME-BI	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
Stewart Ridge	ME-BI	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
State St	ME-BI	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
Rosemont	NCS	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
Forest Glen	MD-N	C	\$159.50	\$52.25	\$5.50	B	\$123.25	\$40.50	\$4.25	-23%	-22%	-23%
Oak Lawn	SWS	D	\$181.25	\$59.50	\$6.25	C	\$159.50	\$52.25	\$5.50	-12%	-12%	-12%
Palos Park	SWS	E	\$195.75	\$64.25	\$6.75	D	\$181.25	\$59.50	\$6.25	-7%	-7%	-7%

Timing for Implementation: A pilot program reassigning stations could be implemented as early as mid-July. Given our current systems, the change would need to occur outside of the monthly sales and refund windows. This would also allow customers time to consider and plan for future ticket purchases in advance of the changes.

Measuring Success: Station-level sales data is not available for all stations. The 2016 Boarding and Alighting Counts and the Fall 2018 Boarding and Alighting Counts would be compared to assess the impact. Additional data may be needed to supplement the analysis. In addition, detailed ticket zone pair data would be reviewed and tracked monthly, and monitored for changes. Each station will be reviewed against the target ridership growth identified in the table above. Performance would be evaluated for continuation or discontinuance during the summer/fall of 2019 for possible action in 2020.

Proposal 2: Off-Peak Discounts

To be evaluated during the summer/fall of 2019 for possible action in 2020.

Proposal 3: Create a Unique Fare Zone for Downtown Stations

To be evaluated during the summer/fall of 2019 for possible action in 2020.

Proposal 6 – Standardize Incremental Fare Zone Charges to Simplify Fares

To be evaluated during the summer/fall of 2018 for possible action in 2019.



Fare Structure Study Fare Pilot Program

Metra Board of Directors
May 9, 2018

Presented by Lynnette H. Ciavarella
Senior Division Director, Strategic Capital Planning

Fare Structure Study - Recommendations

Final recommendation from the Fare Structure Study conducted by Four Nines include:

- ❑ Offering a Day Pass
- ❑ Off-Peak Discounts
- ❑ Creation of a Unique Fare Zone for Downtown Stations
- ❑ Outermost Zone Consolidation (Zones J, K, L, M)
- ❑ Station Zone Reassignments
- ❑ Standardized Incremental Charges

Fare Structure Study - Recommendations

Final recommendation from the Fare Structure Study conducted by Four Nines include:

- ❑ Offering a Day Pass
- ❑ Off-Peak Discounts
- ❑ Creation of a Unique Fare Zone for Downtown Stations
- ❑ Outermost Zone Consolidation (Zones J, K, L, M)
- ❑ Station Zone Reassignments
- ❑ Standardized Incremental Charges

Fare Pilot Programs proposed to begin during the summer of 2018.

A Day Pass Ticket Type

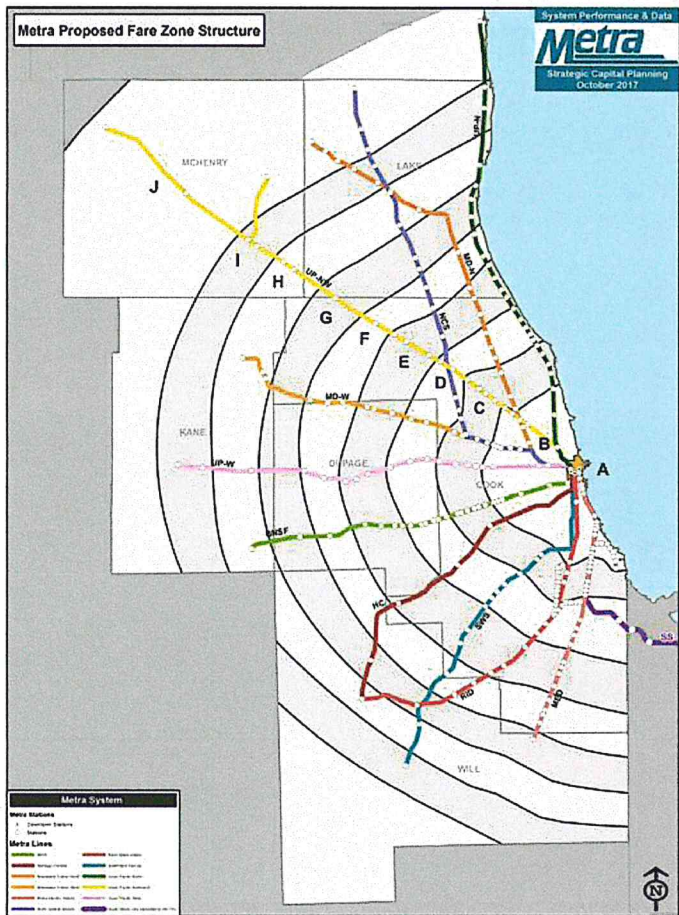
Day pass ticket type (product name to be determined)

- Valid for unlimited travel between designated zones throughout the system for an entire service day
- Tickets would be available only on the Ventra Mobile App
- Non-refundable, valid 90-days from the date of purchase

Introduced as part of the newly upgraded mobile app (testing to begin summer 2018)

Should not impact revenues negatively

Merge Outer Fare Zones



Cap fares for trips that exceed 45 miles

- Merge Zones K, L, and M with Zone J
- Full and Reduced Fares

Zone J: Round Lake Beach, Lake Villa, Long Lake, Ingleside, Fox Lake

Zone K: Kenosha, Antioch, McHenry, Woodstock

Zone M: Harvard

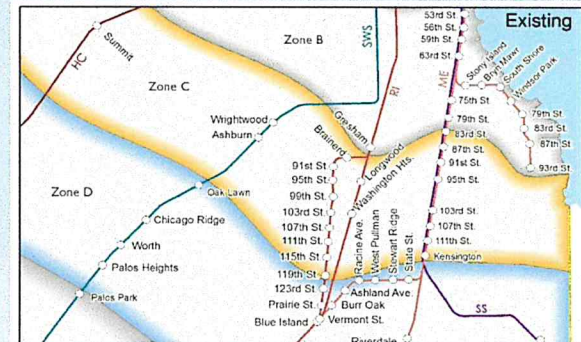
Implementation proposed mid-July 2018

Worst case revenue loss of about \$380,000

55,000 additional annual trips or 110 daily round-trip riders would be needed to recover this revenue loss

Station Zone Reassignments

Pilot fare zone reassignment at stations where travel to downtown Chicago is the main market and station boardings are less than 150.



Station for fare zone reassignment

83rd St (ME-ML)	C to B
87th St (ME-ML)	C to B
Ashland Ave (ME-BI)	D to C
Racine (ME-BI)	D to C
West Pullman (ME-BI)	D to C
Stewart Ridge (ME-BI)	D to C
State St (ME-BI)	D to C

Rosemont, Forest Glen, Oak Lawn, and Palos Park would not be piloted at this time

Implementation proposed mid-July 2018

Worse case revenue loss of about \$120,000

31,180 additional annual trips or 60 daily round-trip riders would be needed to recover this revenue loss

Revenues and Ridership

Proposal	Revenue Impact	Annual Trips Needed to Recover Revenue	New Daily Round-trip Riders Needed
Day Pass	\$ -	-	-
Outer Zones	\$ (380,000)	55,070	110
Station Reassignment	\$ (120,000)	31,180	60
Total	\$ (500,000)	86,250	170

Timeline

Summer 2018 Proposed implementation

Fall 2018 Identified in 2019 Program and Budget as on-going

Summer 2019 Evaluation based on identified targets to determine if fare pilots should be continued

Staff will provide update periodically on the status



Metra