



Fare Structure Study Update: Final Recommendations Study Conducted By Four Nines

Metra Board of Directors

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Fare Structure Study - Goals

The goals for the Fare Structure Study conducted by Four Nines included:

Develop a fare structure that:

- Expands Metra's market penetration
- Addresses Metra's Fare Principles
- Promotes current and future business needs
- Meets statutory requirements
- Is regionally equitable

Fare Structure Study Process Conducted by Four Nines

Review Fare Principles, Products, and Structure
of Metra and Peers

Identify Strengths, Weaknesses, Opportunities,
and Concerns of Existing Structure

Conduct a Public Survey to Obtain Feedback on
Possible Fare Structure and Product Changes

Provide Draft Recommendations to Metra Board

Hold Public Open Houses and Conduct Survey to
Obtain Feedback

Forecast Ridership and Revenue Impacts of
Possible Fare Structure Changes

Provide Final Recommendations and Action Plan
to Metra Board

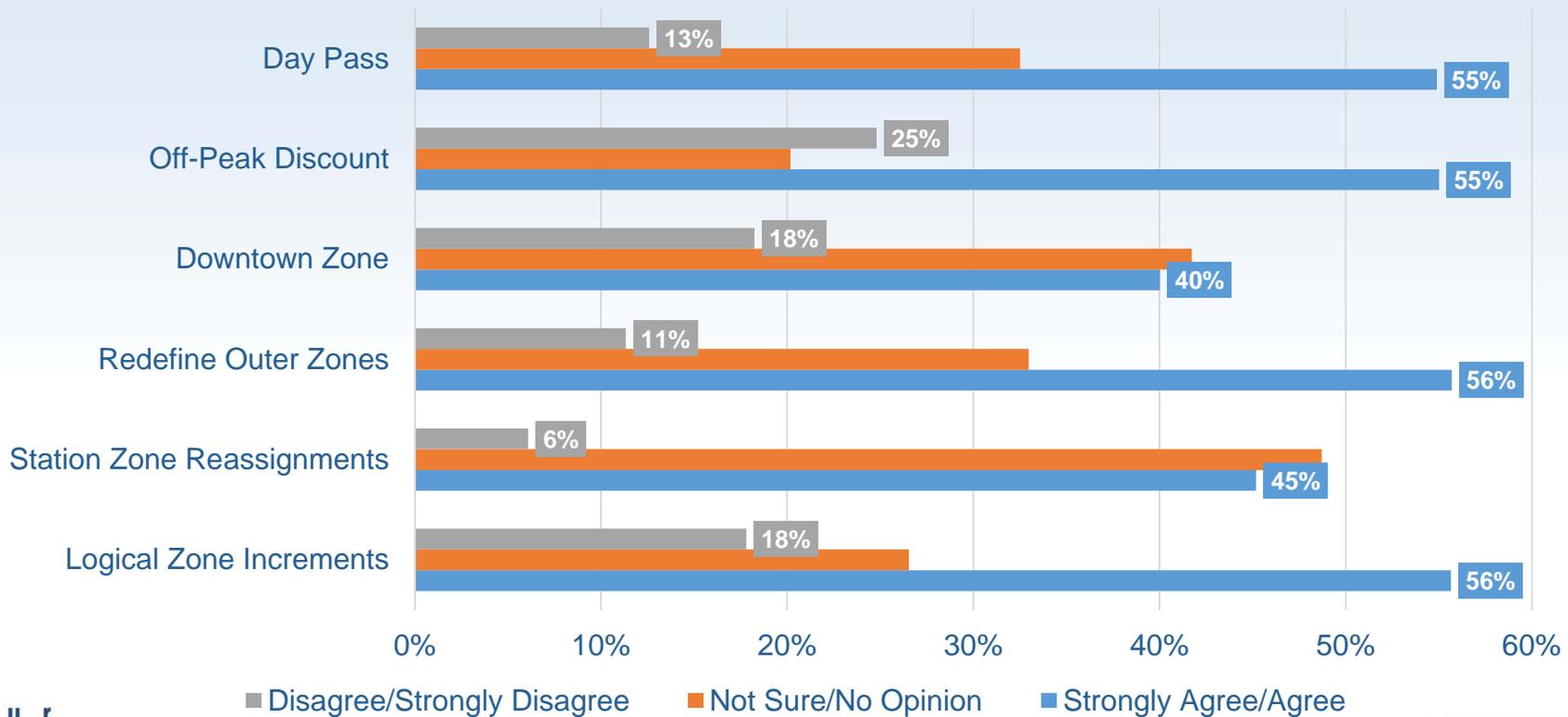
We Are
Here

Final Plan Recommendations will be Considered
During 2019 Budget Process

Fare Structure Study - Survey Results

As part of the Fare Structure Study public involvement process, Metra held eight open house meetings, and conducted an online survey.

Metra Fare Study Survey – Reaction to Individual Proposals



Fare Structure Study - Recommendations

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

- ❑ Discounted Off-Peak One-Way and 10-Ride Tickets
 - ❑ Off-Peak pricing only applies to trips to or from the downtown stations
 - ❑ Creation of a Downtown Zone
 - ❑ Consolidation of Zones A and B
- ❑ Offering a Day Pass
- ❑ Outermost Zone Consolidation (Zones J, K, L, M)
- ❑ Station Zone Reassignments
- ❑ Standardized Incremental Charges

Fare Structure Study – Considerations

During the course of the Fare Structure Study Four Nines highlighted the activities and considerations needed to implement the draft recommendations. They include:

- ❑ Incorporating recommendations within the annual budgeting process to provide for additional public comment and required equity review
- ❑ Marketing and outreach effort to explain the impacts of the fare changes to existing riders as well as potential new riders
- ❑ Updating fare related materials (timetables, maps, posters, website, print collateral, etc.)
- ❑ Internal communication and training to Metra personnel responsible for implementing changes (conductors, ticket agents, customer service, marketing, media, etc.)

Fare Structure Study – Considerations (cont.)

- ❑ Updating internal processes including the planned replacement the existing Revenue Accounting System (estimated completion Fall 2019), space constraints at ticket windows, system upgrades for POS, TVMs and mobile app, conductor ticket stubs update, remit changes, etc.
- ❑ System changes required for reporting ridership, tickets sales and revenues
- ❑ Creation and updating policies and procedures for using an invalid ticket (peak vs. off-peak), incremental zone charges (riding past ticketed zone), ticket exchanges or upgrades, service delays, etc.

Fare Structure Study - Proposed Phased Approach

Four Nines has suggested a phased timeline for the implementation of the study recommendation:

- Standardized Incremental Charges – Multiple year process that could begin as early as 2019
- All other recommendations were suggested to be implemented in 2020
 - Discounted Off-Peak One-Way and 10-Ride Tickets
 - Creation of a Downtown Zone
 - Consolidation of Zones A and B
 - Day Pass
 - Outermost Zone Consolidation (Zones J, K, L, M)
 - Station Zone Reassignments

Fare Structure Study – Modeling Results

Fare, revenue, and ridership modeling tool developed by Four Nines suggest:

- ❑ Ridership and revenues results are similar to those anticipated under existing \$0.25 across-the-board fare increases.
- ❑ The modeled fare revenue is slightly higher for the recommendations than the status quo and the range of fares is slightly lower.
- ❑ As with all models there are limitations - the model is relatively conservative as it does not forecast the creation of new market segments that are influenced not only by price but also by latent demand, utility, or market awareness

Fare Structure Study – Opportunity and Risk

- ❑ Ridership is in a downward slope and bound to continue without internal changes (fares, service, etc.) and/or external changes (changes in gas prices, commuting patterns, etc.)
- ❑ Opportunity to pilot different fares products to influence ridership
- ❑ Recommendations are consistent with offerings at other commuter rail properties
- ❑ Risks of implementing the recommendations vs. continuing with the status quo?

Fare Structure Study - Next Steps

- ❑ Obtain feedback from the board on recommendations
- ❑ Finish final work tasks of the Fare Structure Study
- ❑ Determine which, if any, of the recommendation the board wishes staff to pursue further
- ❑ Provide updates on progress at future board meetings.



Metra