

# Metrolink San Bernardino Line 25% Discount Six-Month Pilot Program



Planning and Programming Committee – April 11, 2018 – Item #20

# Metrolink San Bernardino Line Fare Discount Pilot Program

In January 2018, Directors Solis, Najarian, Barger, Krekorian and Fasana directed the CEO to report back in 90 days on efforts to develop a strategic plan to implement a fare discount program on the Metrolink San Bernardino Line (SBL).



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

Board Report

---

File #:2017-0901, File Type:Motion / Motion  
Response

Agenda Number:44.

---

PLANNING AND PROGRAMMING COMMITTEE  
JANUARY 17, 2018

Motion by:

Solis, Najarian, Barger, Krekorian, and Fasana

**Item 44: Metrolink San Bernardino Line Fare Discount Pilot Program**

Over the past several years, Metrolink has made tremendous strides to attract more riders to its system and become a more viable option for Southern California residents. Since introducing the 25% Fare Discount Program on the Antelope Valley Line (AVL) in July of 2015, ridership has grown 27% in FY 2016-17 compared to FY 2014-15. The increased ridership and associated fare revenues has resulted in recovering more than 80% of funds originally allocated to the program. Assuming the upward ridership trend continues, the AVL Fare Discount Program is projected to "break even" by the summer of 2018.

In December of 2016, the Riverside County Transportation Commission (RCTC) funded and replicated the discount program to stimulate ridership growth at four new stations along the 24-mile Perris Valley Line (PVL) extension. Due to initial success, RCTC is seeking to offer the discounted fare for an extended period of time.

While the AVL and PVL are realizing a ridership uptick resulting from the program, Metrolink's most heavily used line, the San Bernardino Line (SBL) is steadily declining. Over the past five years, the SBL has experienced an 11% drop in ridership with an excess of seating capacity throughout the line, including all peak hour trains. Moreover, the population density and intense congestion on the I-10 and I-210 freeways that parallel the SBL corridor are strong indicators that Metrolink has the potential to maximize ridership on the San Bernardino Line. Given the available seats to fill and the need to retain and grow ridership on the SBL.



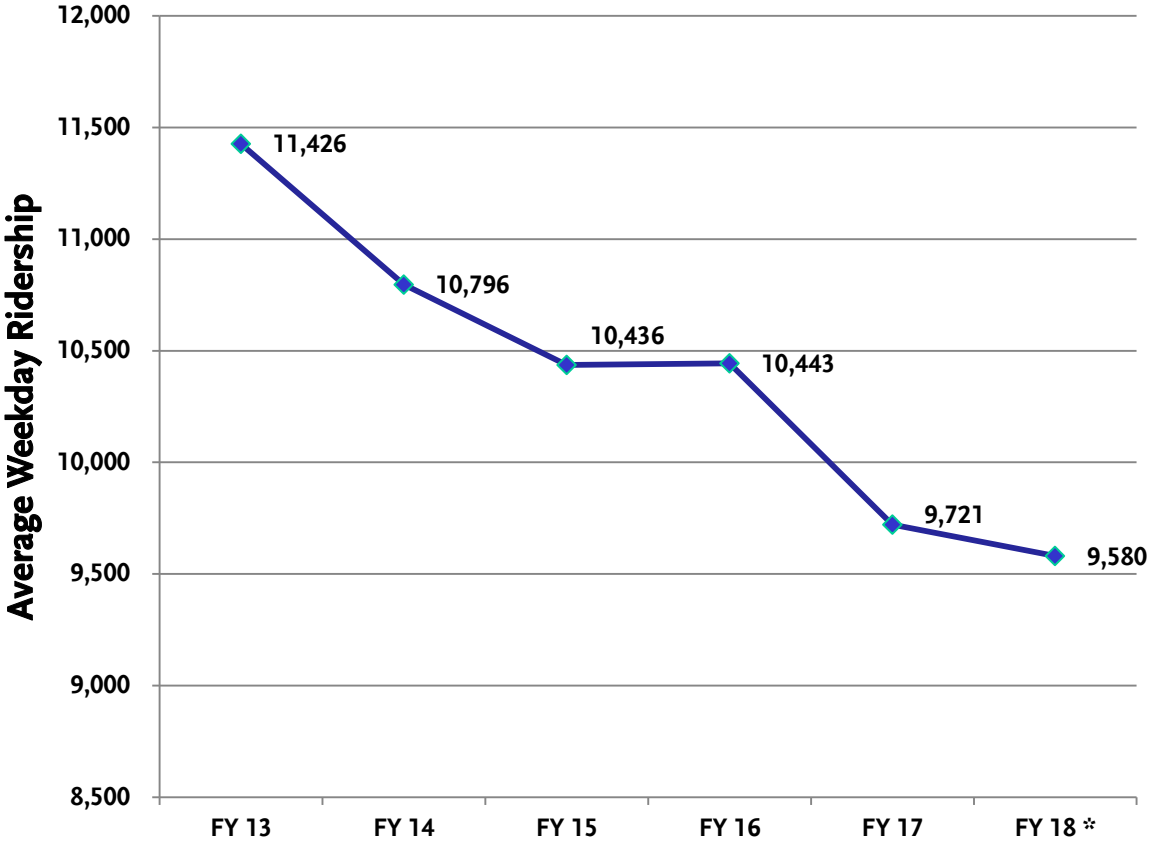
# Staff Recommendations

## CONSIDER:

- 1. APPROVING** the Metrolink San Bernardino Line (SBL) 25% Fare Discount 6-month Pilot Program;
- 2. PROGRAMMING** up to \$2 million in prior year Proposition C 10% surplus funds for FY 2018-19 funding for the Metrolink SBL 25% Fare Discount 6-month Pilot Program; and
- 3. AUTHORIZING** the CEO to enter into all agreements necessary to implement the Metrolink SBL 25% Fare Discount Pilot Program.

# Metrolink San Bernardino Line (SBL) Ridership

### San Bernardino Line Average Weekday Boardings by Fiscal Year

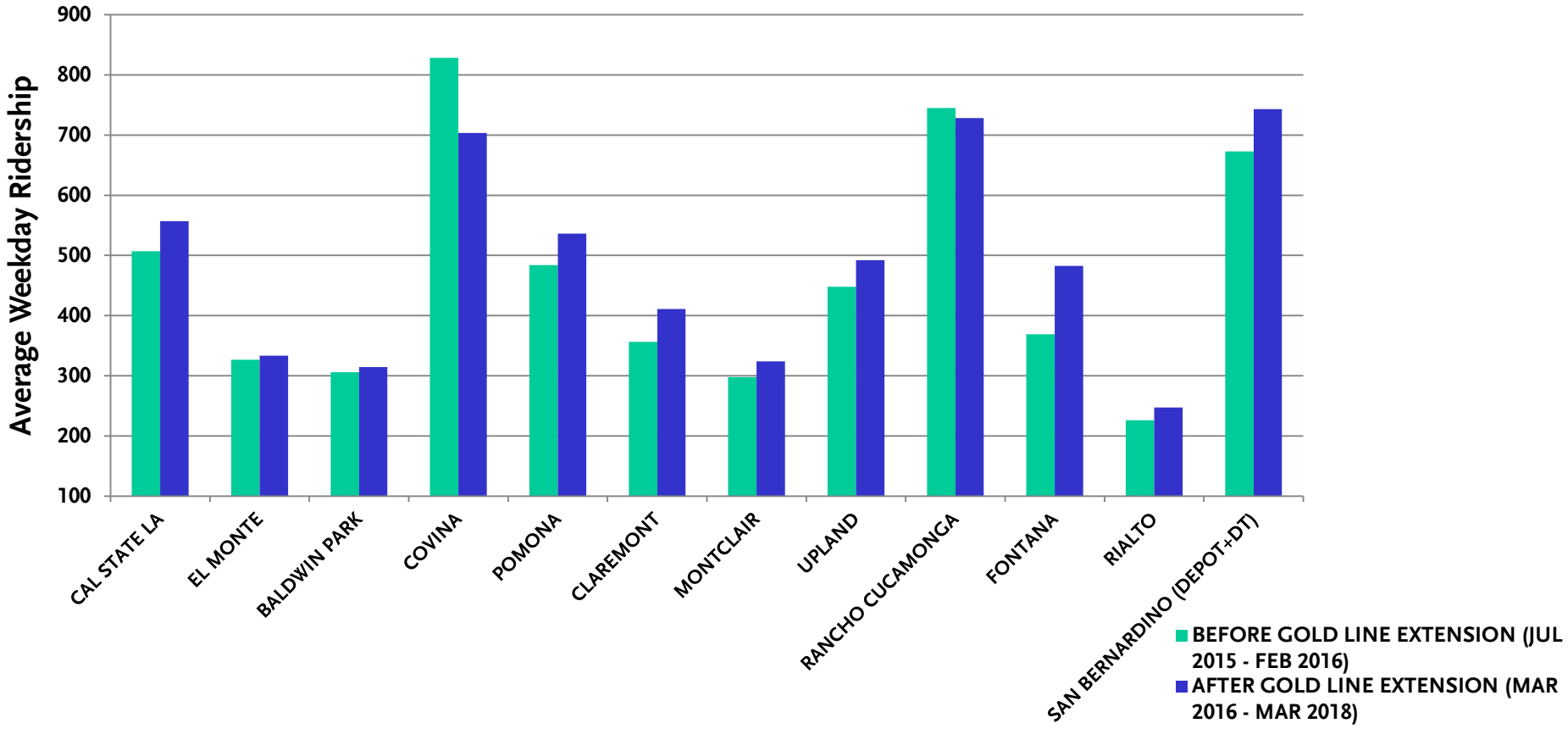


- 1. SBL has experienced a 16% overall ridership decline from FY 13 to FY 18
- 2. Factors contributing to the ridership loss:
  - a. Service reduction (42 trains to 38 trains per weekday in 2014)
  - b. Lower fuel prices
  - c. Increased car ownership
  - d. Service reliability and on-time performance
  - e. 27% ridership loss at the Metrolink Covina Station since the Gold Line was extended to Azusa in March 2016.



# Metrolink San Bernardino Line (SBL) Ridership

## San Bernardino Line Ridership Before and After Gold Line Extension to Azusa from July 2015 - March 2018

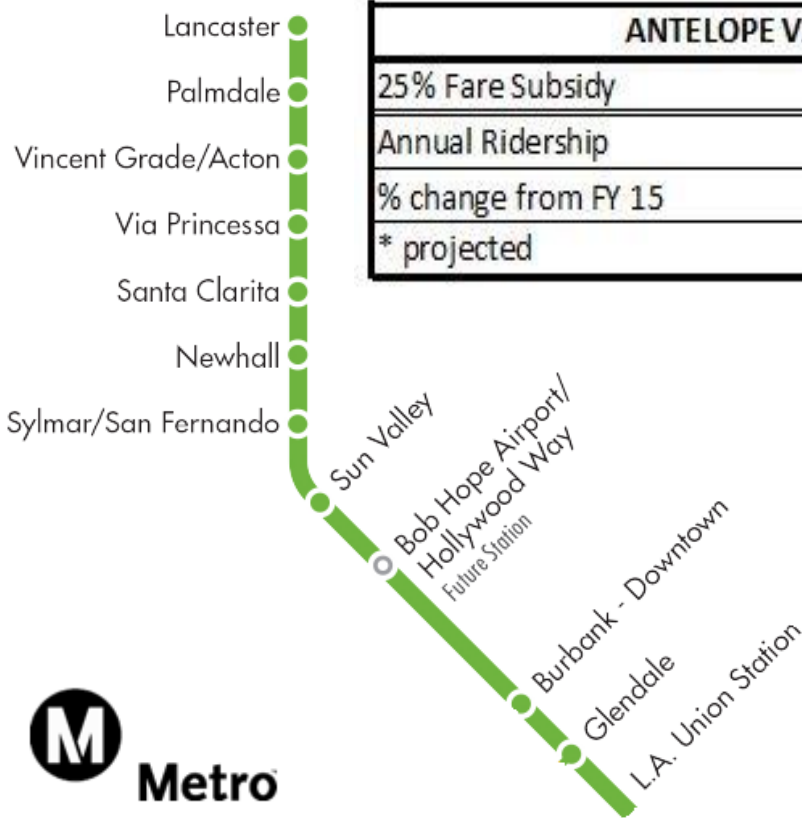


With the Gold Line Phase 2A extension to Azusa, Covina has experienced a 27% ridership loss. Most of the Metrolink Stations have seen an increase in ridership.

# Antelope Valley Line (AVL) 25% Fare Reduction Program

Due to the success of the AVL and Perris Valley Line 25% Fare Reduction Programs, the motion seeks to grow the ridership by implementing a similar program on the SBL.

Since the AVL 25% Fare Reduction Program's start in July 2015, **ridership is up 33% and projected to continue to grow.**



ANTELOPE VALLEY LINE 25% FARE DISCOUNT PROGRAM – RIDERSHIP				
25% Fare Subsidy	FY 15 (Before)	FY 16	FY 17	FY 18 *
Annual Ridership	1,338,121	1,553,019	1,701,353	1,776,695
% change from FY 15		16%	27%	33%
* projected				

Metro has programmed \$5.462 million for the AVL Fare Discount Program, however, due to the steady increase in ridership, Metro is anticipated to spend less than \$2 million with **no additional subsidy by Summer 2019.**





# Proposed San Bernardino Line Discount Program

In partnership with SCRRA and SBCTA, staff analyzed 4 options for an across-the-board fare reduction program of 25%, 20%, 15% and 10%.

SAN BERNARDINO LINE FARE REDUCTION IMPACT (SCRRA Analysis)				
Revenue (millions)	25%	20%	15%	10%
FY 19 Base (pre-discount revenue)	\$ 20.39	\$ 20.39	\$ 20.39	\$ 20.39
Revenue Loss From Discount	\$ (5.10)	\$ (4.08)	\$ (3.06)	\$ (2.04)
New Rider Revenue	\$ 2.37	\$ 1.93	\$ 1.47	\$ 0.99
Total Discount Effect	\$ (2.73)	\$ (2.15)	\$ (1.59)	\$ (1.05)
Program Expenses	\$ (0.43)	\$ (0.43)	\$ (0.43)	\$ (0.43)
<b>Subsidy Required (millions)</b>	<b>\$ (3.16)</b>	<b>\$ (2.58)</b>	<b>\$ (2.02)</b>	<b>\$ (1.48)</b>
Ridership (thousands)	25%	20%	15%	10%
FY 19 base (pre-discount ridership)	2,667.8	2,667.8	2,667.8	2,667.8
New Riders (FY 19)	412.7	314.9	225.8	144.3
Post-Discount Ridership	3,080.5	2,982.7	2,893.6	2,812.1
<b>Change (thousands)</b>	<b>412.7</b>	<b>314.9</b>	<b>225.8</b>	<b>144.3</b>
Assumptions:				
discount valid for all SBL station pairs				
no fare reciprocity with Riverside Line				
changes in revenue and ridership from Riverside Line switching to the SBL and unknown at this time and not accounted for				
elasticity calculations based on CH2M analysis				

Consistent with the Board Motion and due to the success of the AVL Fare Discount program, **staff is recommending 25% fare discount program on the Metrolink SBL since it will generate the most ridership growth.**



# Cost Sharing with San Bernardino County Transportation Authority (SBCTA)

Metro shares the cost for the Metrolink SBL with SBCTA where Metro funds 60% and SBCTA funds the remaining 40%. **On March 14 2018, the SBCTA Transit Committee approved the total funding of \$2.815 million for the Metrolink SBL 25% Fare Discount Program.** This item was approved at the SBCTA BOD meeting on April 4, 2018. The anticipated costs shared with SBCTA are shown below:

SAN BERNARDINO LINE 25% FARE DISCOUNT PILOT PROGRAM – PROJECTION FROM METROLINK						
	FY 19	FY 20	FY 21	FY 22	FY 23	FY 19 - FY 22 REQUIRED SUBSIDY TOTAL
Pre-Discount Revenues	\$ 20,390,386	\$ 20,390,386	\$ 20,390,386	\$ 20,390,386	\$ 20,390,386	\$ 81,561,544
Post-Discount Revenues	\$ 17,658,592	\$ 18,364,936	\$ 19,099,533	\$ 19,863,515	\$ 20,658,055	\$ 74,986,576
Effect of Discount	\$ (2,731,794)	\$ (2,025,450)	\$ (1,290,853)	\$ (526,871)	\$ 267,669	\$ (6,574,968)
Program Expenditures *	\$ (431,000)	\$ -	\$ -	\$ -	\$ -	\$ (431,000)
Subsidy Required	\$ 3,162,794	\$ 2,025,450	\$ 1,290,853	\$ 526,871	\$ (267,669)	\$ 7,005,968
<b>Metro Subsidy (59.82%)</b>	<b>\$ 1,891,983</b>	<b>\$ 1,211,624</b>	<b>\$ 772,188</b>	<b>\$ 315,174</b>	<b>\$ (160,120)</b>	<b>\$ 4,190,969</b>
SBCTA Subsidy (40.18%)	\$ 1,270,811	\$ 813,826	\$ 518,665	\$ 211,697	\$ (107,549)	\$ 2,814,999

\* marketing, TVM programming, Title VI analysis

**Staff recommends the Board to approve up to \$ 2 million for FY 19 only, to be paid by Metro’s share of SCRRA’s surplus operating funds. Staff will return to the Metro Board by February 2019 with recommendations that may include modify, terminate or continue with the Fare Discount Pilot program for the remaining \$2.191 million.**



# NEXT STEPS

- 1. Upon Board approval, staff will work with SCRRA and SBCTA to develop a work plan and implement the 6 month Fare Discount Pilot Program to start July 2018.**
- 2. As part of the pilot program, SCRRA will conduct a Title VI analysis.**
- 3. Staff report back to the Metro Board by February 2019 with recommendations to either continue, modify or terminate the program.**