

FY
27



Revenue Generating Opportunities

9/18/2025 | Finance & Budget Committee





Revenue Generating Areas

- Congestion Pricing
- Real Estate & Joint Development
- Advertising & Sponsorships
- Fares
- ExpressLanes
- Parking Management



- ❑ **Metro's Traffic Reduction Study (TRS)** has focused on three interconnected goals:
 - Ease & improve traffic through affordable pricing
 - Reinvest net revenues in safe, rapid & reliable transportation options
 - Aid low-income households to address financial burdens & improve access to opportunities

❑ **Net Revenue Estimates (Phase 3) - 20 Years (2028-2047)***

Concept (\$ in millions)	Gross Revenue	T&R Adjustments	O&M	Net Revenue
DTLA Cordon	\$ 10,630.8	\$ (371.7)	\$ (738.3)	\$ 9,520.8
West LA Cordon	3,399.5	(106.3)	(354.9)	2,938.3
DTLA + West LA Cordon **	\$ 13,798.9	\$ (449.7)	\$ (1,014.2)	\$ 12,335.0
Divided by: # of years	20			20
Revenues Annually	\$ 689.9			\$ 616.8

Notes:

* Dates for modeling purposes only

** Both zones to operate simultaneously; amounts are not meant to sum up

Rehabilitation and Replacement (R&R) costs are not included in the Net Revenue Estimates.



❑ Real Estate

- Majority of Metro Real Estate is utilized by transit operations and maintenance
- Annual lease revenue is approximately **\$3 million** non-transit properties
- Balance of properties are small, irregular shaped, no utility connections - TCN

❑ Joint Development

- Portfolio of properties include 26 active and future/committed development sites
- Properties include park-and-ride facilities and other transit infrastructure
- Utilizing all 26 sites, it is estimated that 12,800 housing units (~ 6,400 income-restricted) could be developed while also generating between **\$175 million** and **\$200 million** in ground lease revenue for Metro, over 5 to 10 years



ADVERTISING OPPORTUNITIES

FY
27

M
Metro



Policy of CA Law	FY 26 Annual Revenues	Add'l Policy Changes	Timeframe
System Advertising Policy (Alcohol)	\$ 27.5	\$ 2.7	3 months
Commercial Sponsorship	3.0	11.0	12 months
Expansion of Practice (Retail, ATMs)	-	20.5	12-24 months
CA Bus & Prof Code § 5405.6	11.0	24.5	24-36 months
NOTE: Projections are based on Feb 2024 estimates. Revised projections are being developed.			



Coors Beer (DART)



MAX – Culver City Station



Door Dash – Bike Share



Transport for London

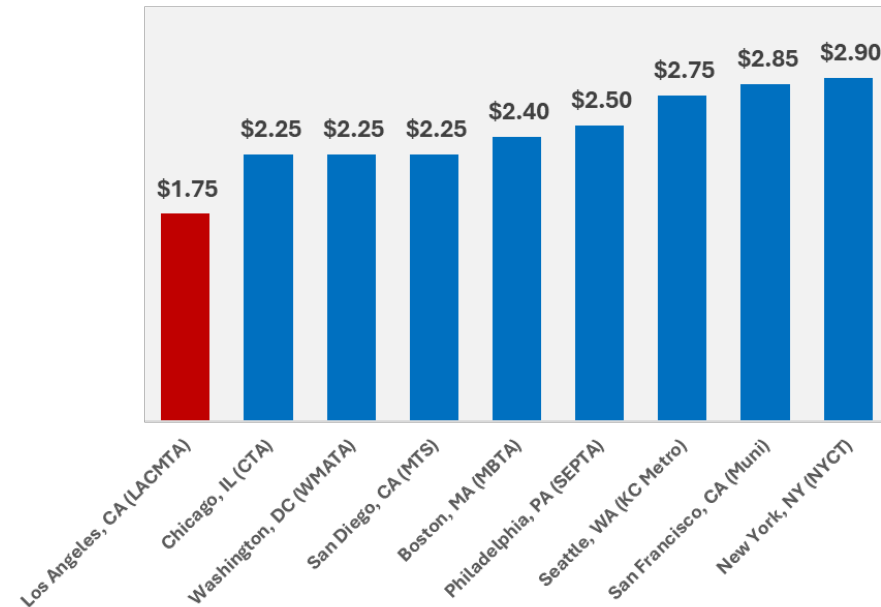


ATMs in Tokyo Metro (Japan)

Fare Structure

- LACMTA fares of **\$1.75** for full-fare riders are the lowest among its peer agencies
- Raising base fare (**\$2.00 - \$2.50**) Metro could generate **~\$20-\$74 million** annually
- Current programs, such as LIFE, GoPass, U-Pass, etc., will continue to offer free and discounted fares for riders.

Peer Agency Base BUS Fare



Special Event Fares

Agency	Day Pass Price
1984 Los Angeles Olympic Games	\$ 10.00
2002 Salt Lake City Winter Olympics	Free for event ticket holders
2015 Vancouver DayPass	\$ 11.95
2016 Rio Summer Olympics	\$ 7.50
2022 FIFA World Cup in Qatar	Free
2024 Utah Ticket-as-fare	Free for event ticket holders
2024 Paris Summer Olympics	\$ 18.68
2025 Toronto Convention Pass	\$ 10.25
2026 FIFA World Cup Games in NY/NJ	Free for ticket holders (TBD)



- Excess revenues are allocated through Rounds:

Rounds (\$ in millions)	Year	NTRG Awarded	Expended	Unspent
Round 1	July 2014	\$ 19.3	\$ 16.2	\$ 3.1
Round 2	August 2016	\$ 27.9	\$ 20.6	\$ 7.3
Round 3	October 2023	\$ 65.0	\$ 12.0	\$ 53.0
Round 4 ⁽¹⁾	TBD	\$ 85.4	\$ -	\$ 85.4

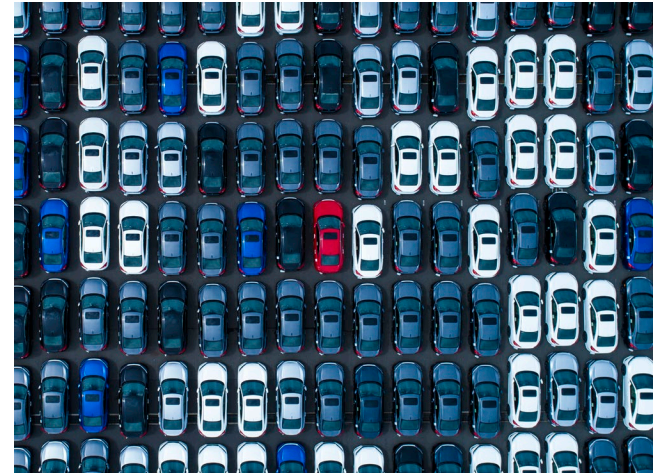
⁽¹⁾ Half of the \$85.4M surplus is available for transit subsidies operating on the corridors

- Revenue has increased since 2023 creating a surplus of \$85.4 million available for future funding round (Round 4)
- Opportunity: The Board could forgo a future round of Net Toll Revenue Grants (Round 4) and instead direct the surplus revenues of approximately **\$43.2 million** to Metro operations within the I-10 and I-110 corridors



❑ Parking Facilities

- Park-and-Ride facilities have dropped in occupancy to 30-40% post-pandemic and generate net revenues of **\$1.2M annually**
- Union Station/Gateway parking facilities currently generate **\$500K annually**
- A proposed rate increase to our current daily rate of \$8 to \$10 at Union Station/Gateway could generate an additional **\$400K** in net revenues annually



❑ Parking Management for Mega Events

- World Cup Games
 - Estimated net revenues of **\$1.3M** for 8 games





- ❑ Metro will continue to work toward meeting the deliverables of the Strategic Work Plan
- ❑ Each month, a deep dive will be provided to inform the Board of Key Focus Areas
 - November – Capital Projects
 - January – Near-Term Update
- ❑ Continue efforts to mitigate financial challenges while maintaining Guiding Principles
 - Preserve Essential Services
 - Prioritize Quality Service