



Finance and Capital Committee

Information Item III-A

October 10, 2019

**FY2021 Budget Outlook - Ridership Factors
and Recent Trends**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input type="radio"/> Action <input checked="" type="radio"/> Information	MEAD Number: 202118	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

FY2021 Budget Outlook - Ridership and Trends

PRESENTATION SUMMARY:

To provide an update on ridership trends, factors that influence ridership, measures underway to improve ridership, and areas of focus for continued ridership improvements.

PURPOSE:

As the Board prepares for its annual budget discussion, this overview suggests areas to focus resources in Fiscal Year 2021 that could improve ridership on rail and bus.

DESCRIPTION:

This presentation provides the most recent data available to report on rail ridership improvements, bus ridership declines, and the economic, market, programmatic, service, and other conditions driving both.

Key Highlights:

- Strategic investments, a service reliability turnaround, responsiveness to customers, and keeping fares affordable have all contributed to a rebound in Metrorail customer satisfaction and ridership that has stabilized and is showing signs of growth.
- Bus ridership continues to decline, even when fare evasion is accounted for, with customers reporting increasing frustration with the effects of traffic and resulting slower travel times, as well as less frequent service than they desire.
- As WMATA looks ahead to FY21 in a legally constrained 3% subsidy cap environment, the Authority must determine how to continue to make strategic capital investments that maintain the safety and reliability turnaround, fund rail service improvements that retain and grow ridership, and begin to transform bus service in response to market demand.

- Bus service improvements that would meaningfully address the root cause of ridership declines require policy leadership from the jurisdictions, which have authority over the roadways.

Background and History:

Despite a federal government shutdown and the closure of six stations during the summer for platform safety repairs, Metro rail ridership has increased by 1.6 percent in calendar year (CY) 2019 to date.

Rail service improvements during FY19 include average peak period on time performance of 90 percent; an increase of mean distance between rail car failures of 74 percent or 70,000 miles; and a decrease in track-related delays of 78%.

Since the start of FY20, bus service has experienced OTP of 77 percent, with traffic congestion being a main factor.

Discussion:

Rail ridership is driven by travel market changes in population, employment, tourism, and competition from micro-transit, ride-hailing, and telework. Ridership is also a function of the frequency, speed, reliability and affordability of the service Metro provides.

Metro has focused on service improvements to drive ridership. Metrorail weekday on-time performance for FY19 is 90 percent overall, with 99 percent of trips arriving within 10 minutes of schedule. Starting in July, the Board authorized and funded extensions of Red and Yellow line service that reduced wait times for 100,000 riders, doubling the number of rush-hour trains at 12 stations, and established a direct (no transfer) ride to Virginia from stations north of Mt. Vernon Square. Early results show ridership at stations with improved service growing faster than rest of system by one to four percentage points during peaks.

Metro has worked to inform customers about service reliability and customer experience improvements in order to increase current and prospective customer awareness of services and changes, enhance modal loyalty and affinity, and reduce anxiety.

Programs designed to retain customers and maintain satisfaction include Rush Hour Promise (RHP), the transit industry's only automatic, 10-minute service guarantee. RHP has proven successful in maintaining customer loyalty following service delays. When a customer's trip takes more than 10 minutes more than expected, Metro follows up the next day with an email apologizing for the experience, and then places a credit for future Metro travel on the customer's SmarTrip Card. An impressive 93 percent of customers who receive a RHP credit return to travel again on Metro.

Despite the federal government and summer station shutdowns, SmartBenefits website improvements have helped to retain the highest daily SmartBenefits ridership usage in a more than a year.

The Platform Improvement Project, which closed six stations in Northern Virginia for three months during Summer 2019, successfully retained higher than expected number of customers on shuttle buses during the shutdown and returned nearly 90 percent of customers to rail in the weeks following reopening.

The Back2Good campaign focusing on Metro's improvements in service reliability, and communications around new pass options have combined to improve customer perceptions and choices. Nearly 10 percent of rail trips are now taken on passes, and pass sales spiked 43 percent in the first month following implementation of the Board-approved changes to improve pass offerings.

Metro also experienced significant rail ridership growth across the region driven by transit-oriented development, which brings more riders to Metro and improves the quality of life for residents. This includes:

- **McLean:** Helped by Capital One's new headquarters which opened late last year, ridership has jumped more than 25 percent
- **Navy Yard & NoMa:** Ridership up at both stations about 10 percent, with continued development underway
- **Prince George's Plaza:** Ridership is up more than eight percent

While the areas around many rail stations are developed, the region's development pipeline shows more than 220 million square feet (SF) of residential, hotel, office and retail space planned within half a mile of Metro stations, demonstrating the value the real estate industry ascribes to proximity to Metro. Accelerating this development pipeline would result in considerable ridership growth.

Where Metro owns property for joint development (such as at Deanwood, Takoma, Capitol Heights, Huntington, West Falls Church and other), staff is aggressively pursuing a high-density, mixed-use development agenda. However, where Metro does not have property for joint development, the home jurisdictions are the ones to create conditions necessary for successful TOD by establishing a vision for each station area, attracting anchor tenants to catalyze development and creating pedestrian connections to the station.

Unlike rail, bus ridership continues to decline. Weekday average ridership fell by four percent in FY2019. Bus travel speeds are slow, having fallen by nearly ten percent over the last decade, due primarily to traffic conditions.

According to the regional Bus Transformation Project's report, addressing

traffic congestion, on-street parking, bus stop spacing, lack of dedicated lanes, and parking enforcement are key to improving bus service. Priority for buses on roadways through dedicated lanes and transit signal priority for buses at traffic lights were also identified as critical improvements to retain and grow bus ridership.

In many other cities, transit agencies have partnered with local Departments of Transportation to implement bus priority programs consisting of a suite of improvements such as bus lanes, transit signal priority (TSP), automated camera enforcement and bus stop consolidation. Locally, Baltimore, Maryland has 5.5 miles of dedicated bus lanes in the downtown core and Richmond, Virginia recently launched the Pulse Bus Rapid Transit service with 3 miles of dedicated lanes. Following the lead of London in the United Kingdom, New York City has approved a congestion pricing system designed to reduce traffic congestion and improve travel speeds in a Manhattan zone where traffic gridlock is commonplace.

To improve ridership, there are clear roles and responsibilities for Metro and the region's jurisdictions. Metro will continue to focus on frequency, reliability, fare collection and customer care. The jurisdictions support bus service and its riders by giving buses priority on roadways, using more effective enforcement tools such as automated cameras, and investing strategically in infrastructure and walkability to catalyze development around transit stations.

FUNDING IMPACT:

Information only - no impact on funding	
Project Manager:	Dennis Anosike
Project Department/Office:	CFO

TIMELINE:

Previous Actions	<p>March 2019 - Approval of FY2020 Budget and FY2020-2025 Capital Improvement Program</p> <p>July 2019 - Fare Evasion Update, Bus Transformation Project - Draft Strategy</p>
Anticipated actions after presentation	November 2019 - GM/CEO Proposed FY2021 Budget

FY2021 Budget Outlook

Ridership Factors and Recent Trends

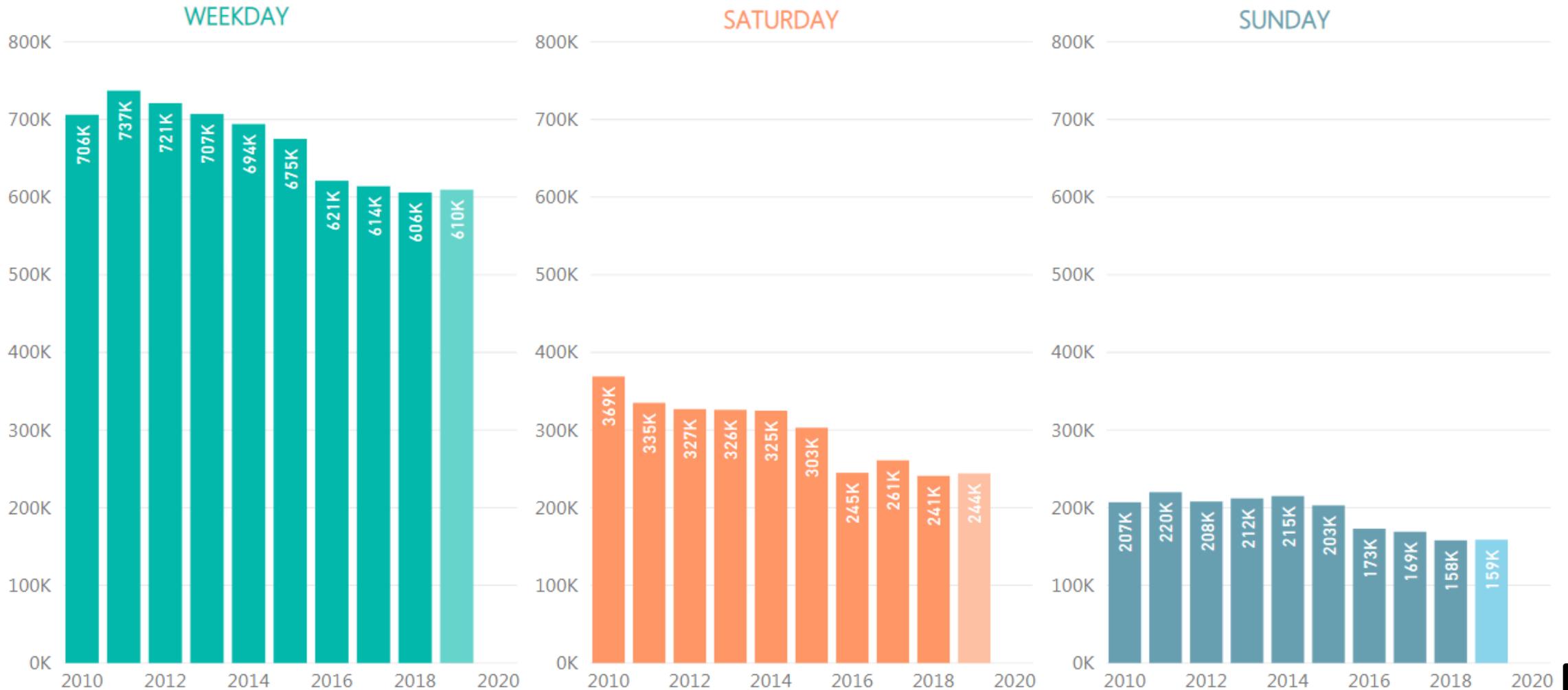
Finance and Capital Committee
October 10, 2019



Purpose

- Update the Board on rail and bus ridership trends and factors that influence ridership
- Summarize measures underway to improve ridership
- Discuss options for continuing positive rail ridership trend
- Discuss options for addressing bus ridership decline

Rail ridership is stabilizing with a slight uptick on all days

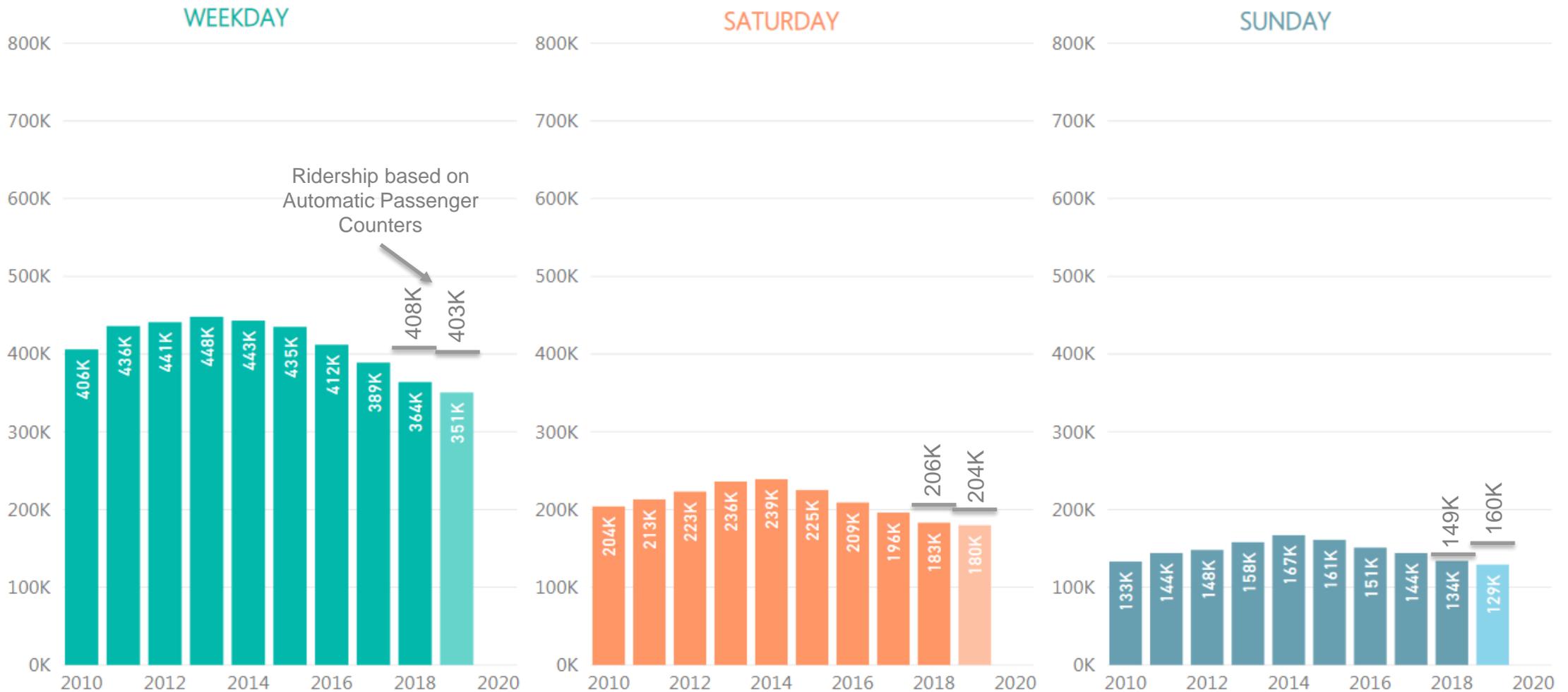


WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

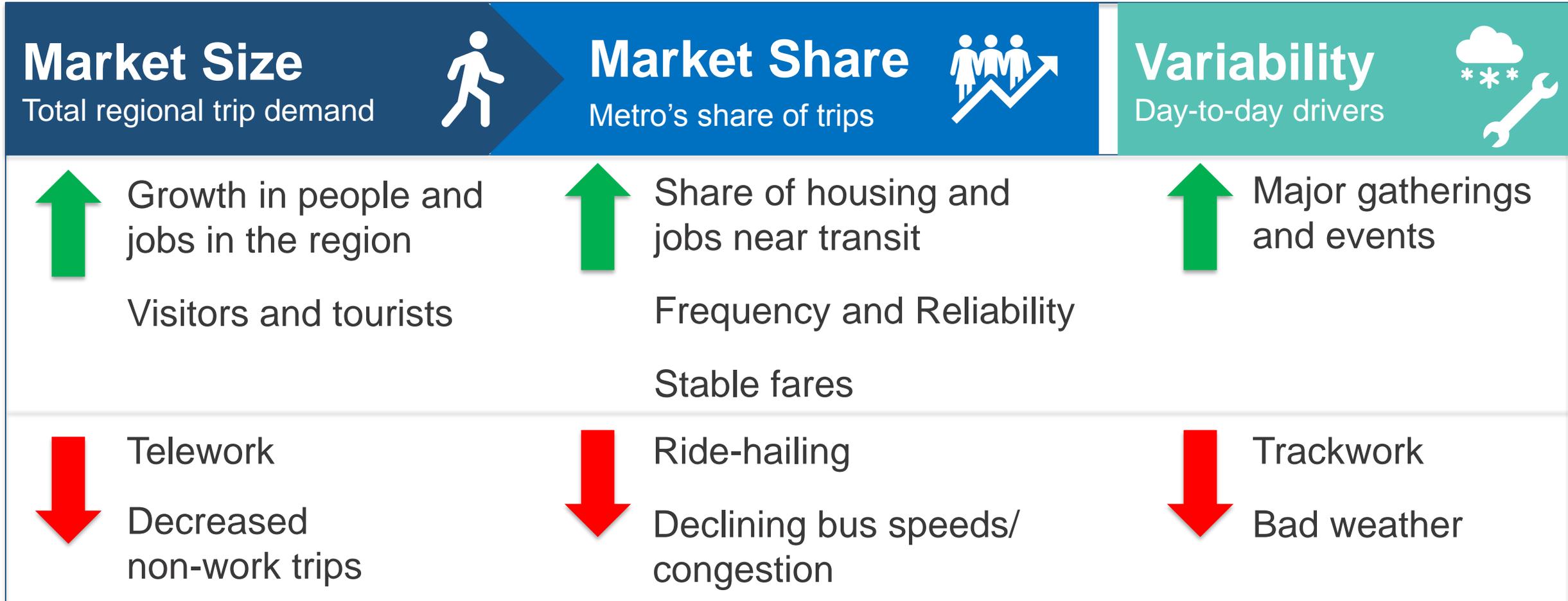
Calendar Year; 2019: projection for year-end



Bus ridership continues to trend downward



What drives ridership up and down?



Marketing Increases awareness and affinity • Changes perception • Reduces anxiety

Rider Retention



Rush Hour Promise (RHP)

RHP 10 Results:

93% of customers who receive credit ride again



SmartBenefits

SmartBenefits Results:

Accounts stable despite government & station shutdowns

- Refreshed website
- Campaign generated 10 million impressions
- Daily SmartBenefits ridership is highest in more than a year



Platform Improvement

Platform Improvement Results:

- 98% awareness by day 1
- 89% understood reason for shutdown
- 81% trust shutdown is necessary
- 60% of rail riders switched to bus shuttles

Rider Acquisition

Back2Good Campaign



Target Audience



4 million customers & prospects

Impressions



Audience saw campaign 10x

Rider Reliability Perception



Rider reliability perception saw a 12% increase (Q1 2019 vs. Q1 2018)

Digital Video/Social Media



Highest complete watch rate in Metro history (75% of 1.4m views)

- 25% higher than industry average
- Ad recall 2x higher than average

Campaign Promoting Revamped Pass Offerings

Ride more. Spend less.

For real.

All arriving July 1. Find out what's in store for you at wmata.com



It's good to get more.
Metrorail passes now come with free Metrobus service. We've also reduced fare prices on four of our passes and are introducing a new 2-Day Unlimited pass. Free Metrobus. Reduced prices. New options. That's getting more.

Pass Type	Price
1-Day Pass	\$5.00
3-Day Pass	\$12.00
7-Day Pass	\$25.00
Monthly Unlimited Passes	\$35.00
Weekly Bus Pass	\$15.00
1-Day Pass	\$5.00
3-Day Pass	\$12.00
7-Day Pass	\$25.00
Monthly Unlimited Passes	\$35.00

These changes arrive July 1, 2019. Learn more at wmata.com

Pass Sales



43% increase in pass sales in July

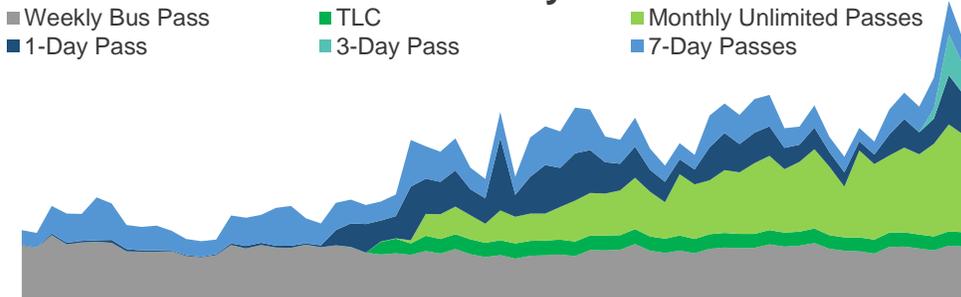
Pass Rail Trips



9% of rail trips now taken on passes

Sales of Passes By Month

Legend: Weekly Bus Pass (grey), 1-Day Pass (dark blue), TLC (green), 3-Day Pass (teal), Monthly Unlimited Passes (light green), 7-Day Passes (blue)



2014 2015 2016 2017 2018 2019



FY2021 Marketing and Communications Focus

- Rider retention through capital projects
- Service reliability improvements (rail & bus)
- Weekends (rail improvements)
- New Visitors campaign (digital) & destination promotions
- Metro as the sustainable choice
- SmartBenefits website improvement

Took daddy-daughter trip to Washington, D.C.

Hopped on the **Blue Line** to **Smithsonian**.
Fact: **Kids Love Trains.**

Stopped at **Eastern Market** for **crabcakes** and **shaved ice**.
Mopped up one **cherry ice** and several tears.

Rode **Silver Line** six stops till we felt better.
Daughter, 4, contemplating career as train operator.

Wander Washington with us.
Plan your trip →

My love for @wmata is beyond words. I've always been proud of our public transit system.

Be careful on your ride home today, there might be a shark 🦈

#MoreMetroLessCO2

More CO₂ could lead to increased shark bites. Keep the sharks a Metro

6:13 PM · Jul 31, 2019 from Washington, DC · Twitter for iPhone

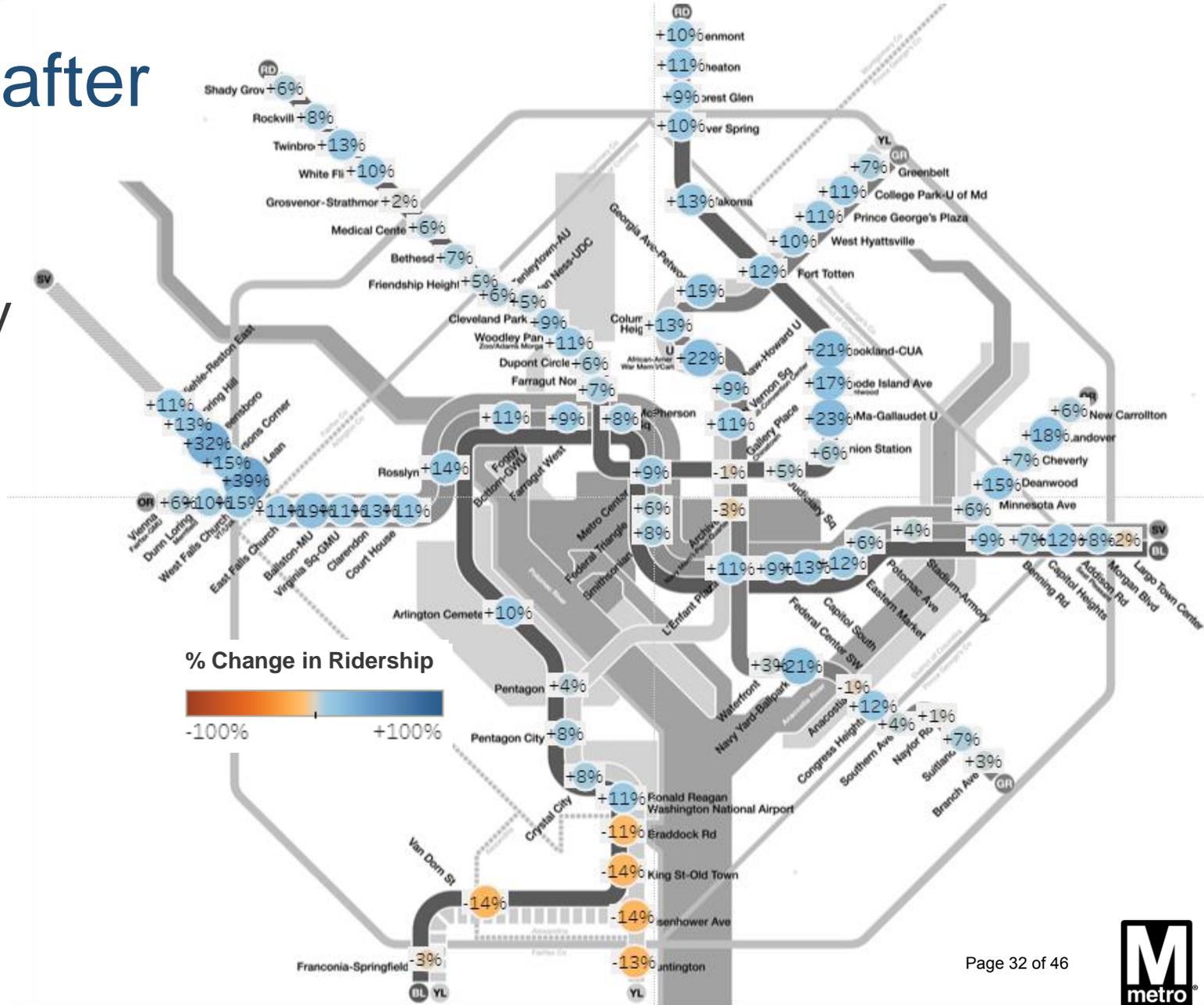


Rail Ridership



Rail ridership returns after platform shutdown

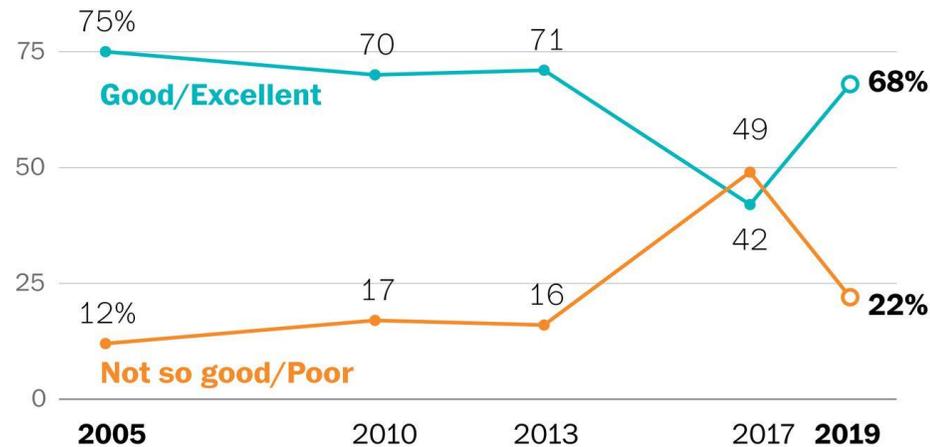
- Ridership healthy at nearly all stations
- Re-opened stations at nearly 90% strength after three weeks



Rail customer satisfaction is rebounding

Washington-area residents give Metro positive marks, rebounding from 2017 drop-off

Q: How would you rate the Metrorail subway system in the Washington, D.C., region: excellent, good, not so good or poor? (Results among Washington area residents)



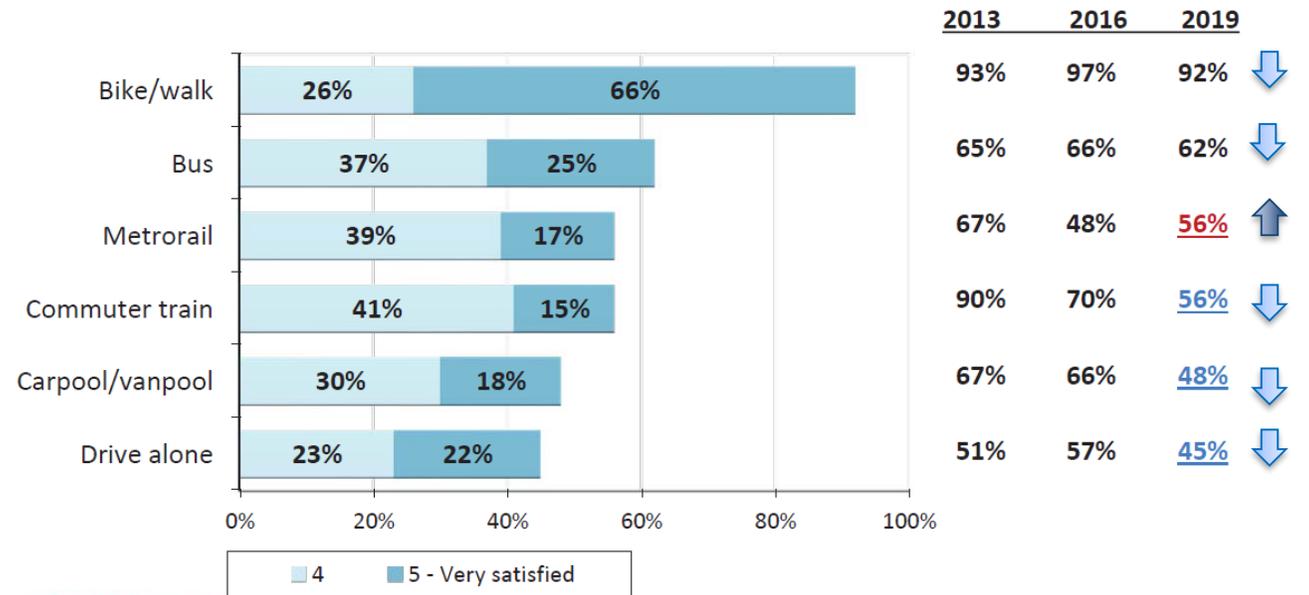
Source: April 25-May 2, 2019, Washington Post-Schar School poll of 1,507 adult residents of the Washington area with an overall margin of error of +/- 3.5 percentage points.

THE WASHINGTON POST

Bikers/Walkers Were Most Satisfied; CP/VP & DA Were Least Satisfied

Metrorail riders were notably MORE satisfied in 2019 than in 2016;

satisfaction declined for commuter rail, CP/VP, and drive alone commuters



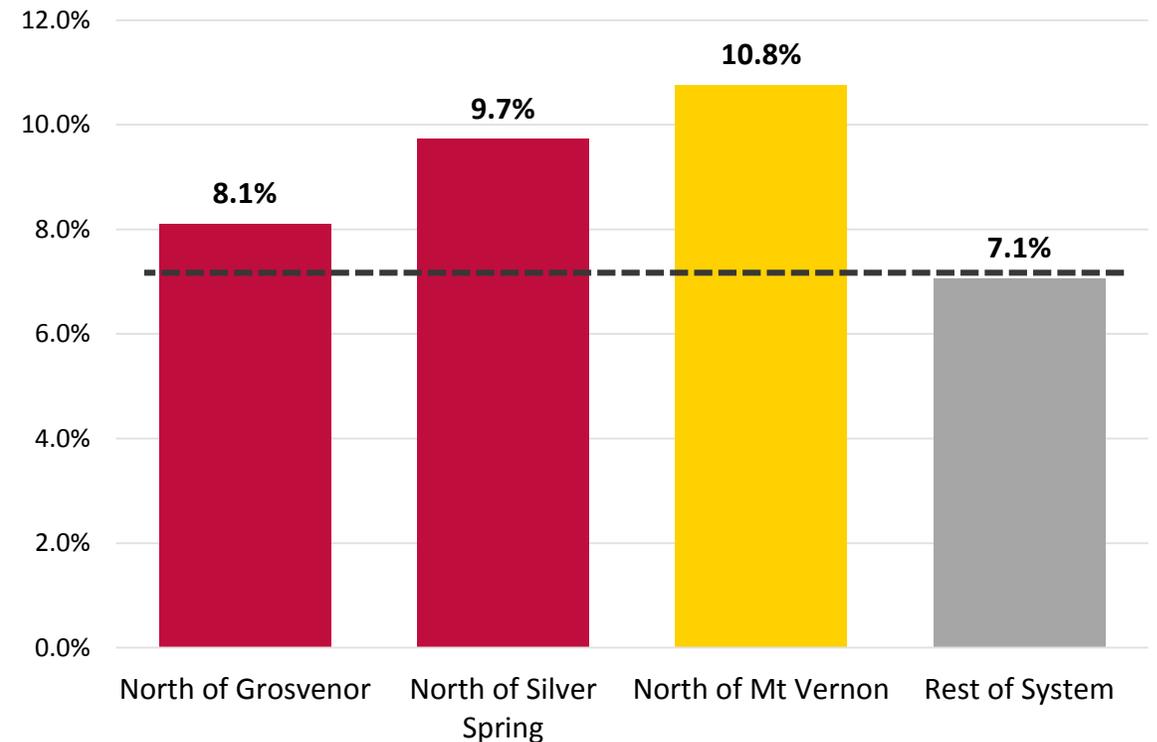
Metropolitan Washington Council of Governments, State of the Commute Survey (2019)

Positive early results for rail service improvements that cut wait times 50% for 100,000 daily trips

- Extended service on Red and Yellow Lines, cutting wait times in half for over 100,000 trips per weekday
- Early results show ridership at stations with improved service growing faster than rest of system by 1-4 percentage points
- 5,500 trips have new option for a one-seat Yellow Line ride
- 8,400 Green Line-only trips experience less crowded trains north of Mt Vernon Square

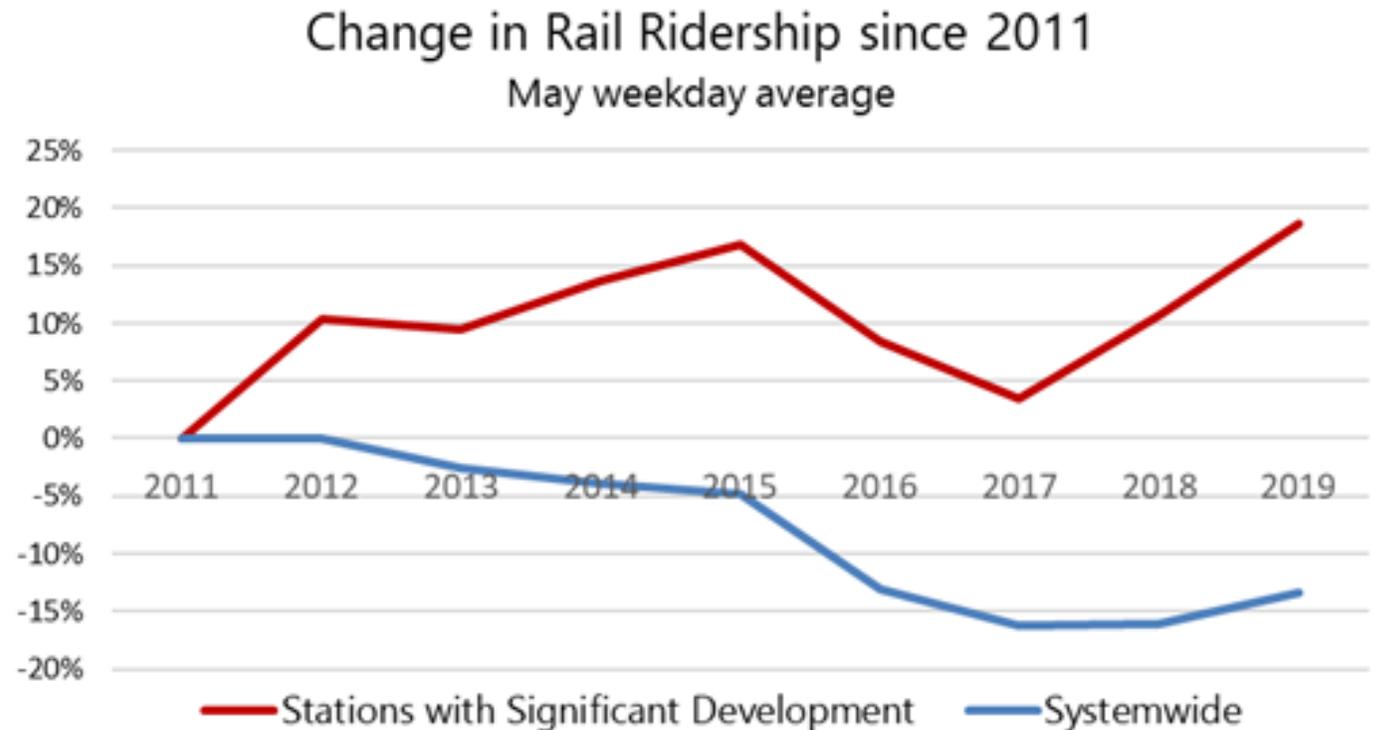
Change in Rail Ridership after Turnback Elimination

September 9-30, 2019, peak entries, weekdays only, vs. last year



Ridership is stronger at stations with development

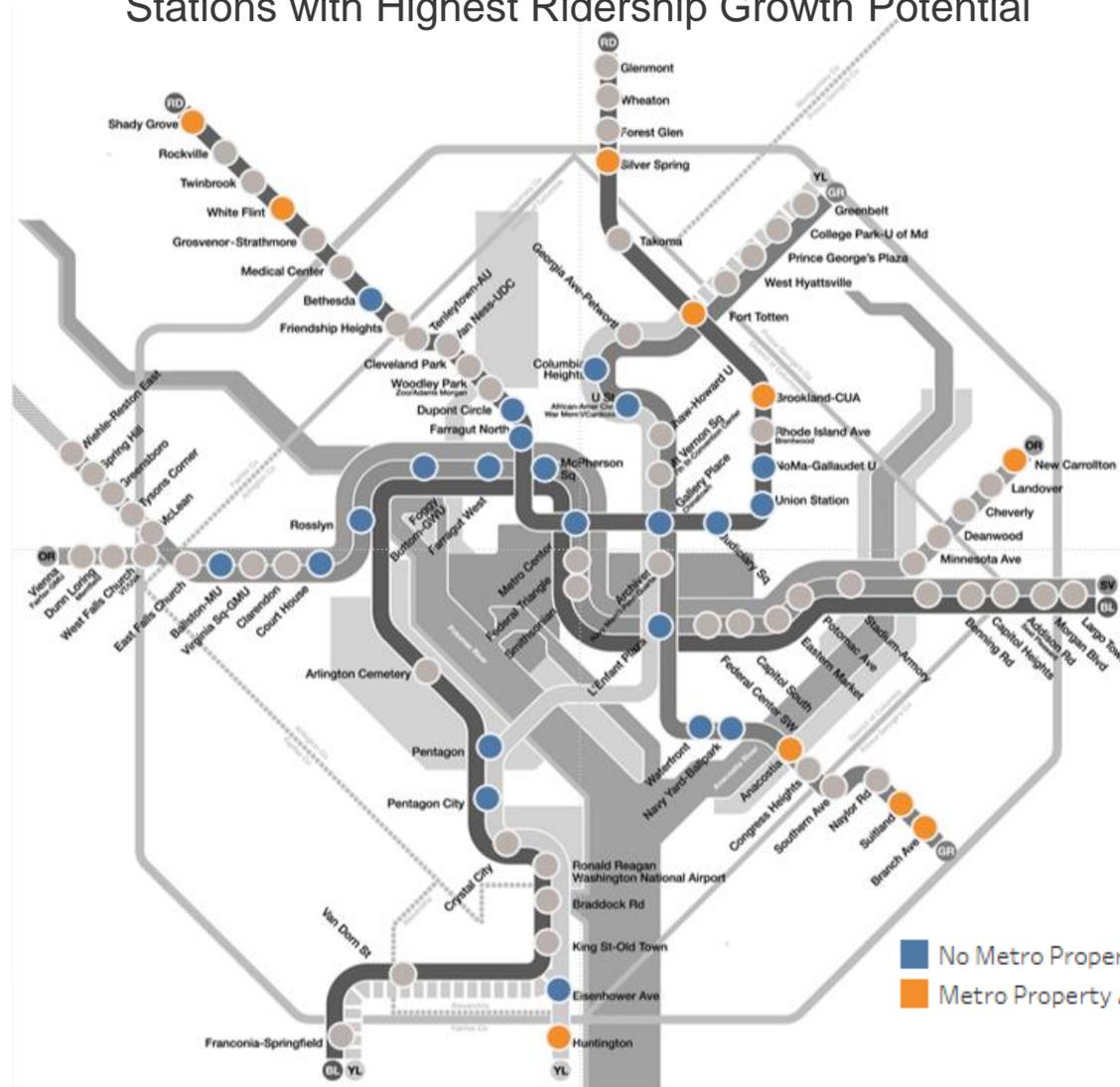
- Ridership more resilient and growing at stations with significant transit-oriented development
- Distance from transit is single most important factor in customer retention
- Stations with significant ridership growth: Clarendon, Georgia Ave, Mt. Vernon Sq., Navy Yard, NoMa-Gallaudet U, Rhode Island Ave, Shaw-Howard U, Waterfront, McLean



Accelerating the development pipeline around transit

- 665 projects, 221 million SF in the regional pipeline planned
- Highest ridership growth from TOD rarely involves Metro property
- Jurisdictions can support and/or accelerate TOD-related ridership growth

Stations with Highest Ridership Growth Potential

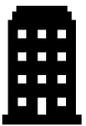


NoMa: Jurisdiction's Investment Led to Transformation of Station Area

DISTRICT & METRO CONTINUED COLLABORATION:



Infrastructure funding



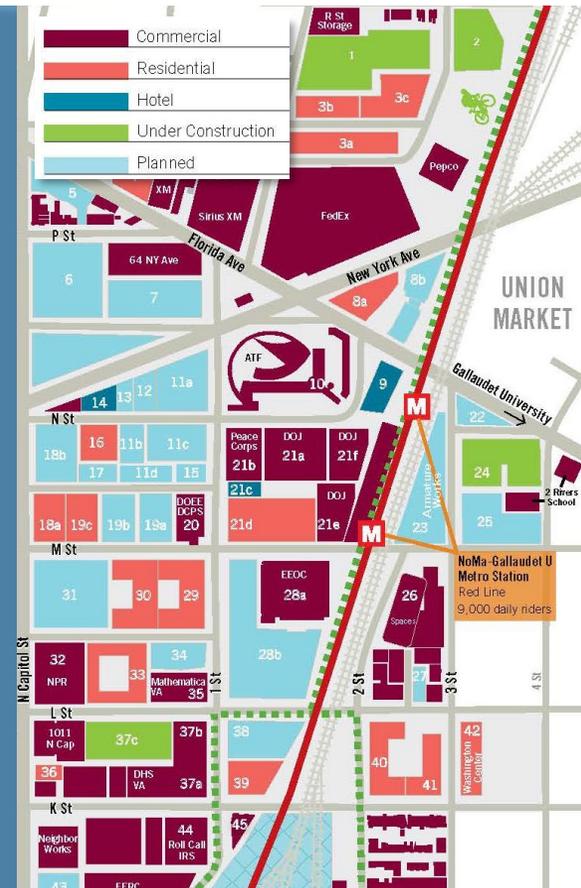
Station area planning



Pedestrian connections

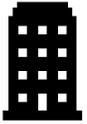
NoMa-Gallaudet U

- Total Investment: \$103.7 million
 - DC: \$53.7 million
 - Federal: \$25 million
 - Special taxing district: \$25 million
- Total of 21 million SF built
 - 14 million SF office
 - 0.5 million SF retail
 - 6,398 housing units
 - 622 hotel rooms
- At full build-out: 38 million SF
- More than 9,000 daily Metrorail riders



Potomac Yard: City led with Coordinated Development District and Infrastructure Investment

CITY & METRO COLLABORATION:



Station area planning



Pedestrian connections



Infrastructure funding

Potomac Yard

- Approved development:
 - 1.9 million SF office
 - 2,200 units residential
 - 735,000 SF retail
 - 625 hotel rooms
- Projected 3,600 average weekday boardings in its opening year
- Metroway with dedicated lanes connects Potomac Yard with Crystal City

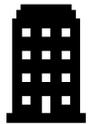


New Carrollton: Joint Development as a Catalyst

FULL POTENTIAL OF TOD REQUIRES:



Vision for 1/2-mile around station



Anchor tenant strategy and attraction



Pedestrian connections



Funding for infrastructure



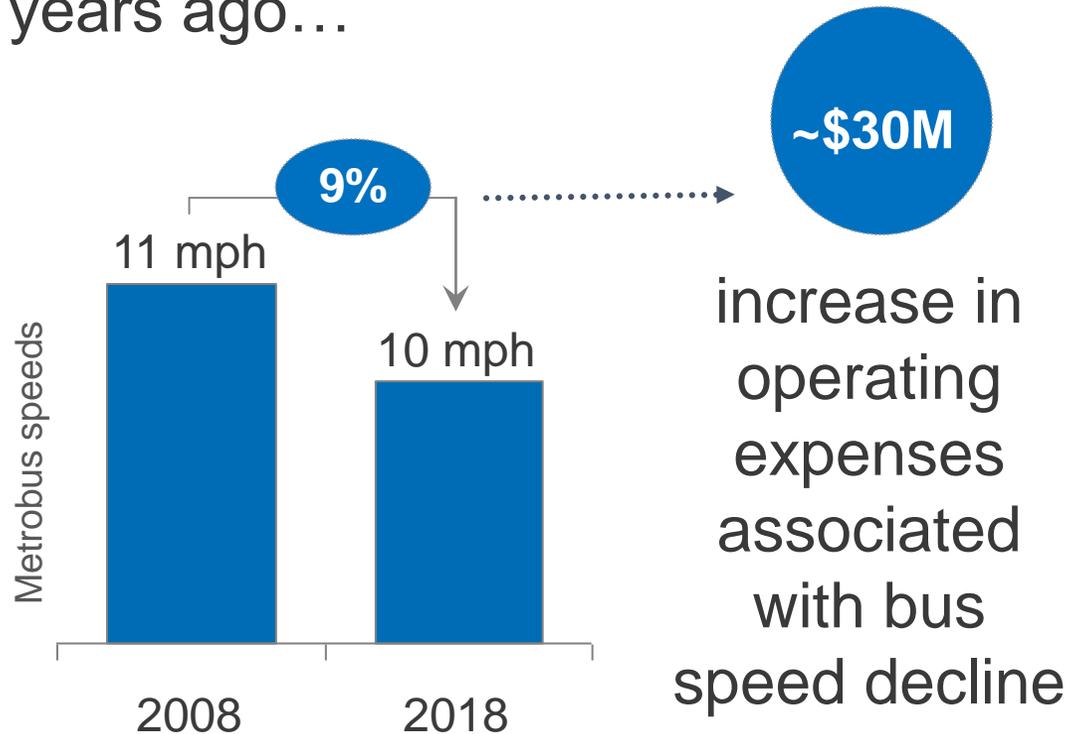


Bus Ridership



Buses are slow and getting slower

Buses travel slower today than 10 years ago...



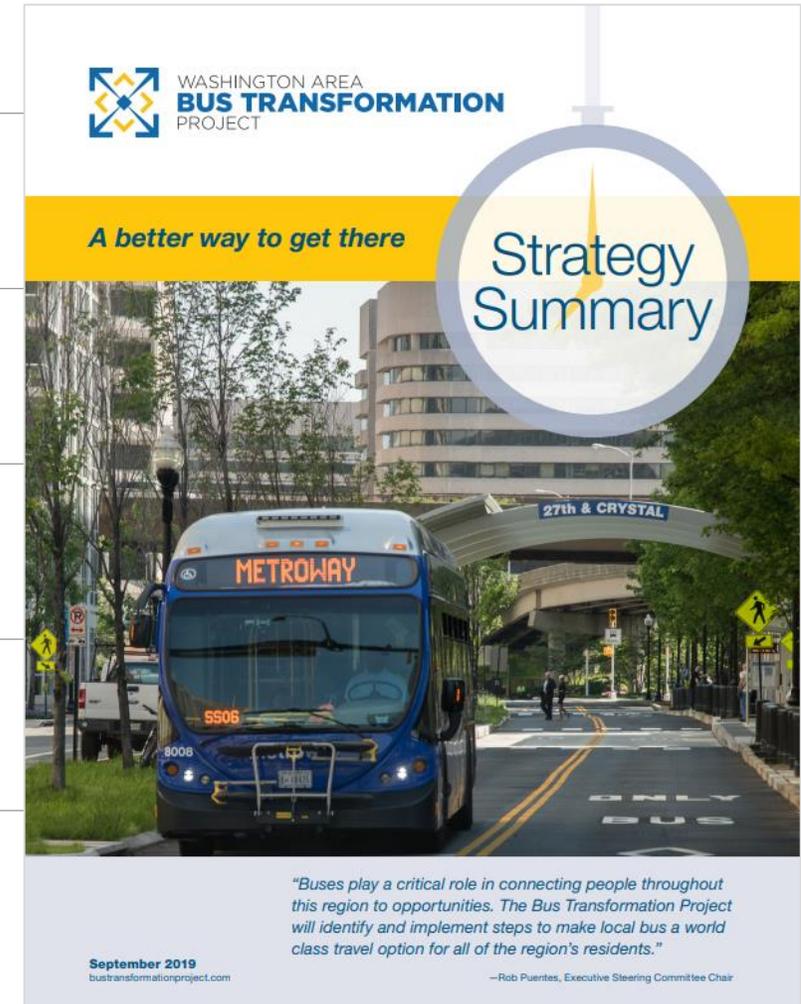
...as a result of multiple changes to the landscape

- Increased **congestion**
- On-street **parking**
- Proliferation of **bus stops**
- **Curbside** developments
- Lack of **enforcement** for deliveries, taxis, etc. in bus lanes and at stops
- Elimination of historical **bus lanes**

Source: National Transit Database, WMATA FY19 budget. BCG Analysis

Customers want fast, frequent, reliable, affordable bus service on a unified system

-  1 **Frequent and Convenient Bus Service**
-  2 **Bus Priority on Roadways**
-  3 **Customer Experience**
-  4 **Task Force to Implement the Strategy**



Peer cities and transit agencies are partnering

Rapid Bus Corridors

New York

- 111 miles of bus lanes built in 17 corridors
- Bus Priority improvements on 24 corridors in 2019



Seattle

- 8 lanes across six of Seattle's busiest streets are transit only
- 10% decrease in private vehicle commuters downtown

Neighboring Cities

- **Richmond** - 7.6 mile bus rapid transitway with 3 miles of dedicated lanes
- **Baltimore** - 5.5 miles of dedicated lanes

Automated Camera Enforcement

San Francisco

- State-enabled legislation for bus lane enforcement
- All Muni buses camera equipped



New York

- Began camera enforcement of bus lanes in 2010

Congestion Pricing

London

- 25% congestion reduction
- 30% increase in travel speeds



New York

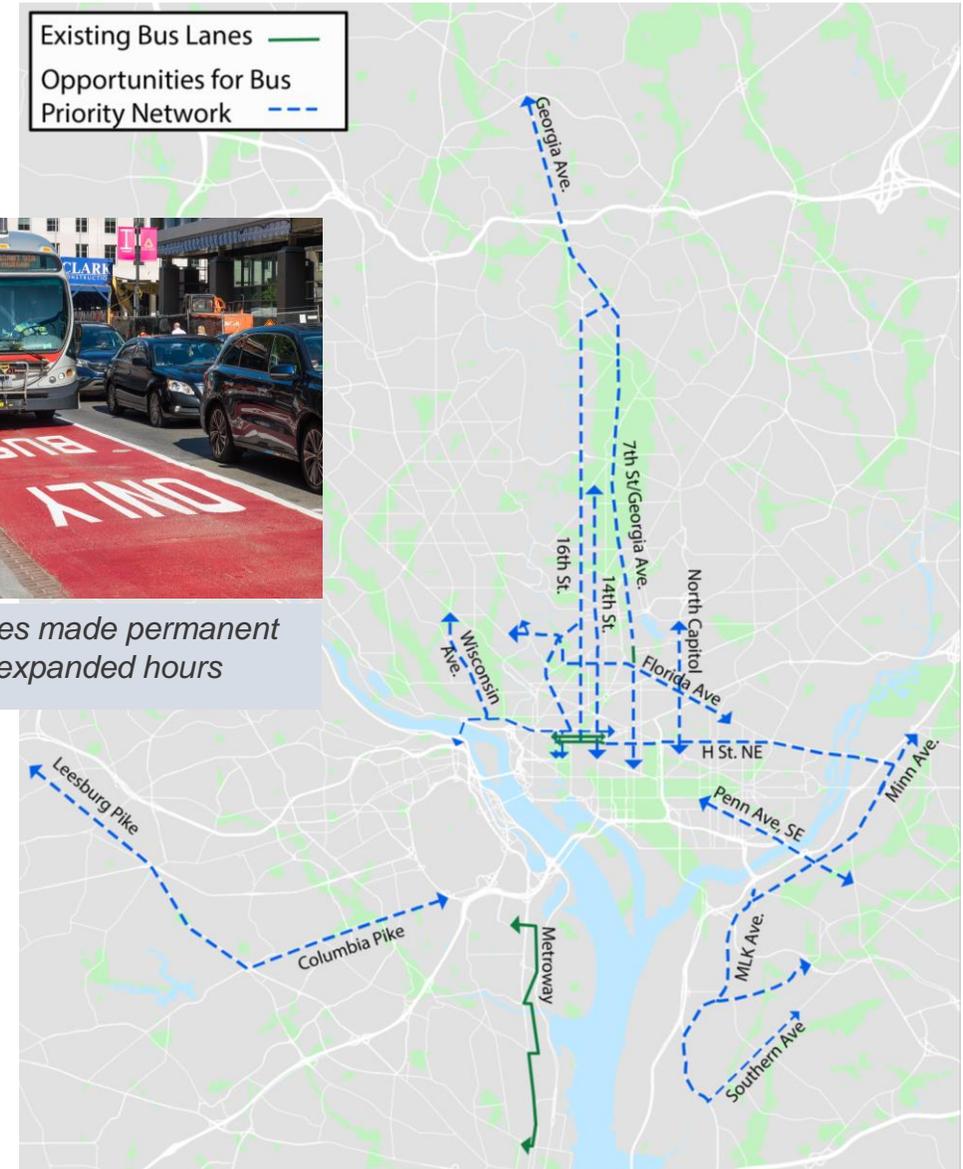
- First U.S. program begins in 2021

Advance bus priority on the highest impact road segments

- Bus Priority on these segments
 - Queue jumps at key intersections
 - Transit signal priority (TSP)
 - Bus lanes
- Enforcement
 - Legislation to allow automated camera enforcement in all jurisdictions



H & I lanes made permanent with expanded hours



Focus Areas for Ridership Growth

Areas of Metro and jurisdiction focus for ridership to reach full potential

