



A Division of METROLINX

UP Express 2013 Ridership Forecast Update

DRAFT

September 30, 2013



- Results of the 2013 forecast are largely consistent with previous forecasts
- As part of this 2013 forecast, key assumptions were updated:

Exclusion per Committee Direction

- Air traffic forecasts revised to account for updated passenger forecasts at Pearson Airport and impacts of Billy Bishop Airport forecasts
- Adjustments to the costs of competing modes: Airport Express Bus fare increase from \$23.95 to \$26.95, and more recently to \$27.95 in July
- No change to ramp-up assumptions (65%/80%/90%) over the first 3 years

Exclusion per Committee Direction

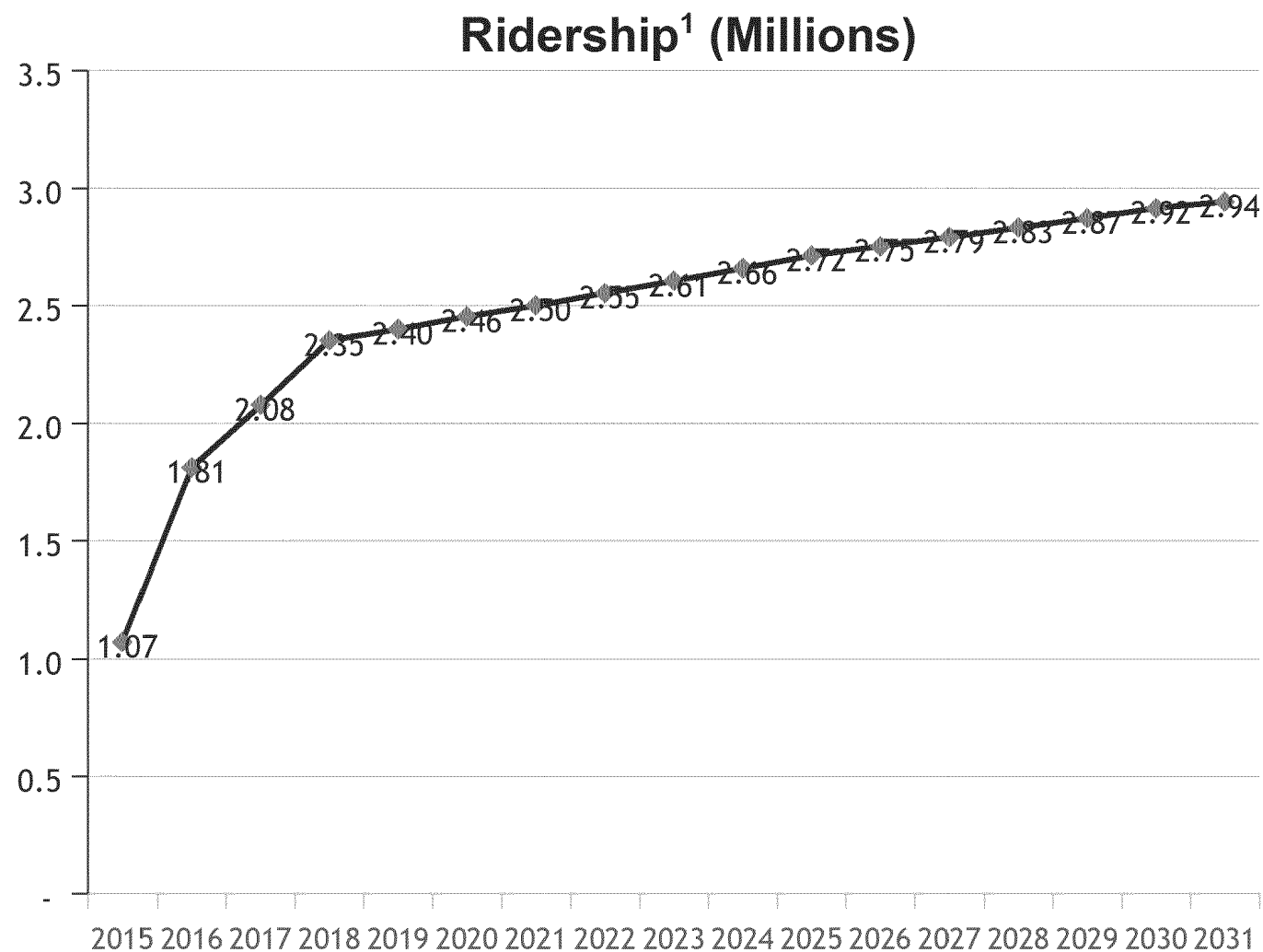
Exclusion per Committee Direction

- UP Express has re-baselined its central ridership forecast at 2.46M in 2020 (see Appendix for more details)

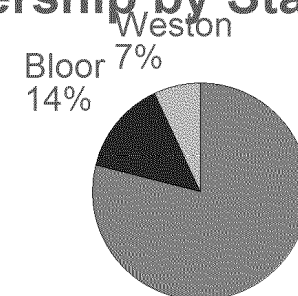
Exclusion per Committee Direction

Ridership Summary – By Station, Trip Purpose

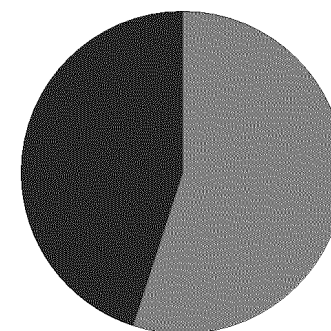
- The majority of UP Express riders will access our service at Union Station (79%)
- In 2015 we would expect at least 150,000 passengers (an average of 500-600/day) through Bloor Station alone



**Estimated
Ridership by Station¹**

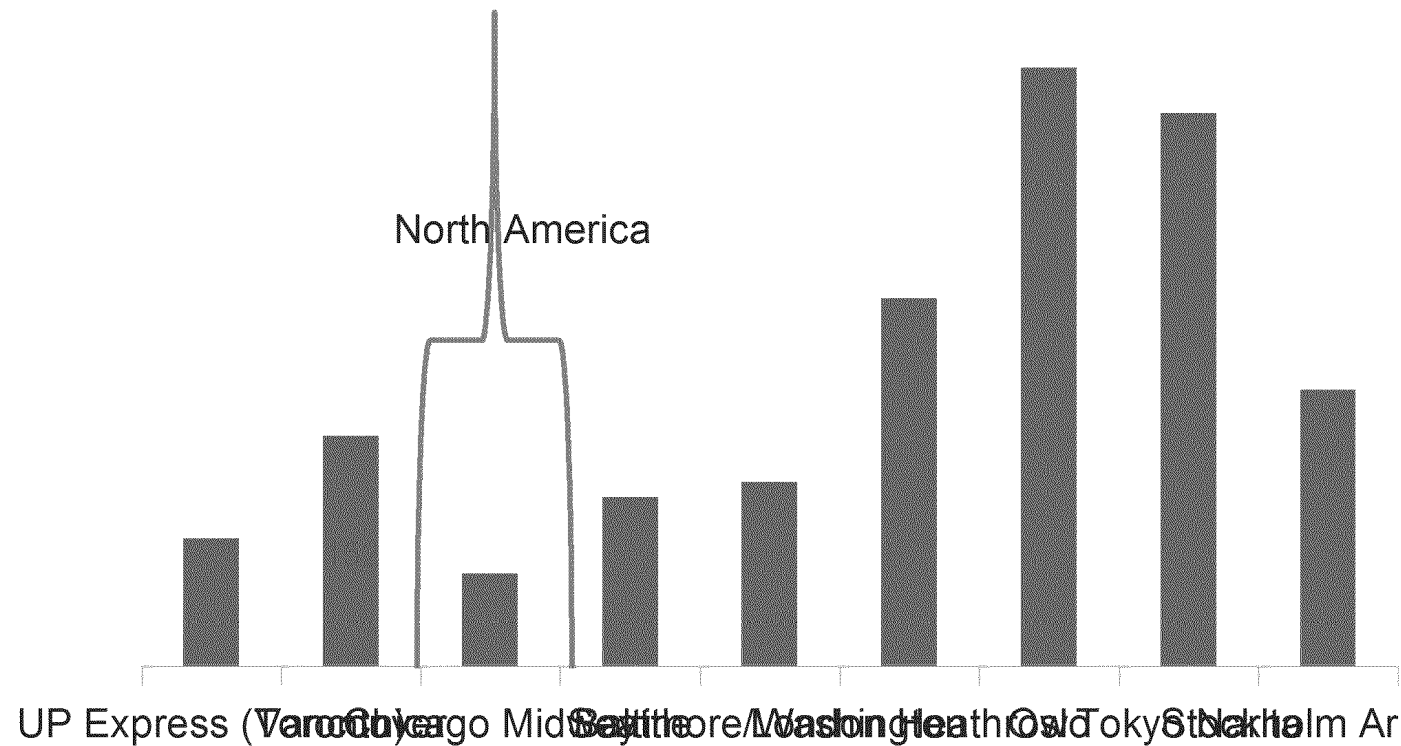


**UP Passenger
Trip Purpose¹**



UP Express projected market share is aligned with other North American airports

Rail Market Share (%) at North American and Global Airports¹



Other Key Insights¹

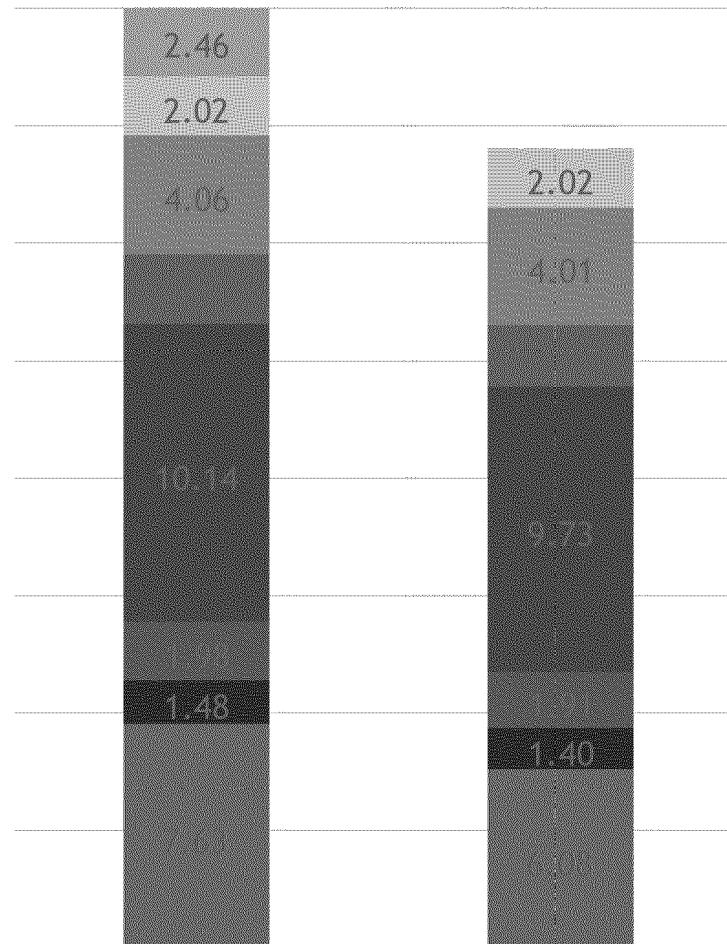
- Most (63%) of the UP Express demand is abstracted from the taxi mode; 12% from Airport Express Bus and 25% from car travel (parking, drop-off)
- UP Express will capture 60% of the in-scope demand in the vicinity of Union Station; and 47% in the vicinity of Bloor Station
- 8.3% is well within range of other North American systems

¹ Steer Davies Gleave, 2013

² Original estimates for Vancouver's Canada Line were between 8-10%

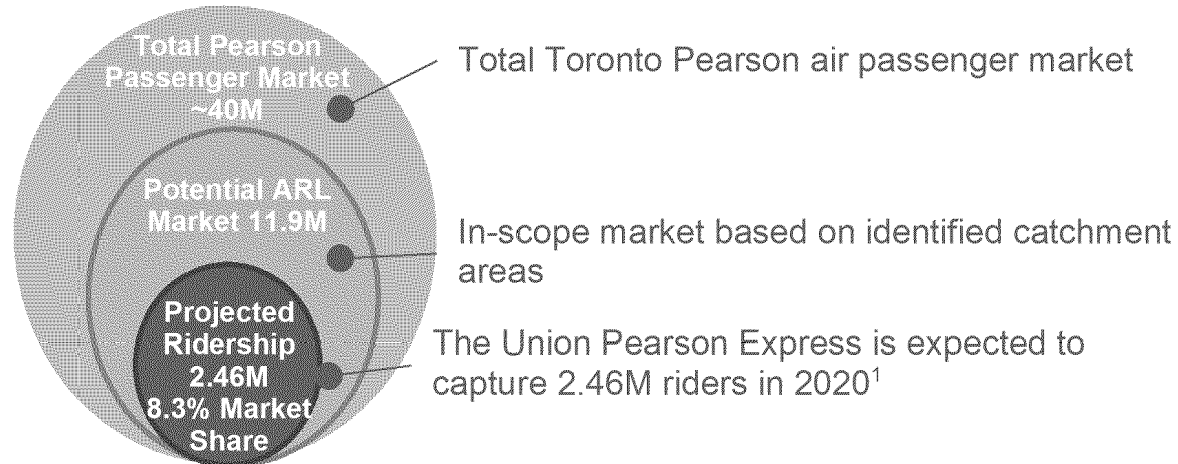
Issue: Impact to other modes of travel

- As a result of UP Express, the largest impact to existing travel modes to Pearson will be to Taxis
- The forecast suggests that by 2020, the market share of total airport ground access will shift as follows:
 - Taxis will reduce from 25.7% to 20.5%
 - Drop-Offs from 34.1% to 32.8%
 - Bus from 8% to 7%
 - Parking at the airport from 11.7% to 11.2%

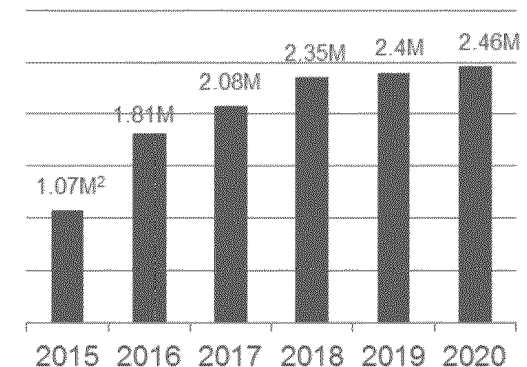


Marketing efforts will help increase demand

Market Size



Projected Ridership



- Marketing investments will help to increase demand and improve the ramp-up rate
- There are opportunities to increase ridership and revenue by targeting new markets which were excluded from the base ridership forecasts, including meeters and greeters, long layover passengers, first/last mile partnerships, and airport employees incl. airline crews.
- Execution of a B2B strategy will also help increase take rate from business travelers

7 ¹ Source: Ridership and Revenue Forecast, Steer Davies Gleave, 2013

² 2015 ridership represents the first calendar year of UP Express service or the nine month period from April 2015 to December 2015

Marketing efforts will increase demand (cont'd)

- All of the programs outlined in the Marketing Tactics Plan have been designed to generate ridership, awareness or both. These tactics have been estimated to generate on an annualized basis approx. 440K passenger trips in incremental ridership

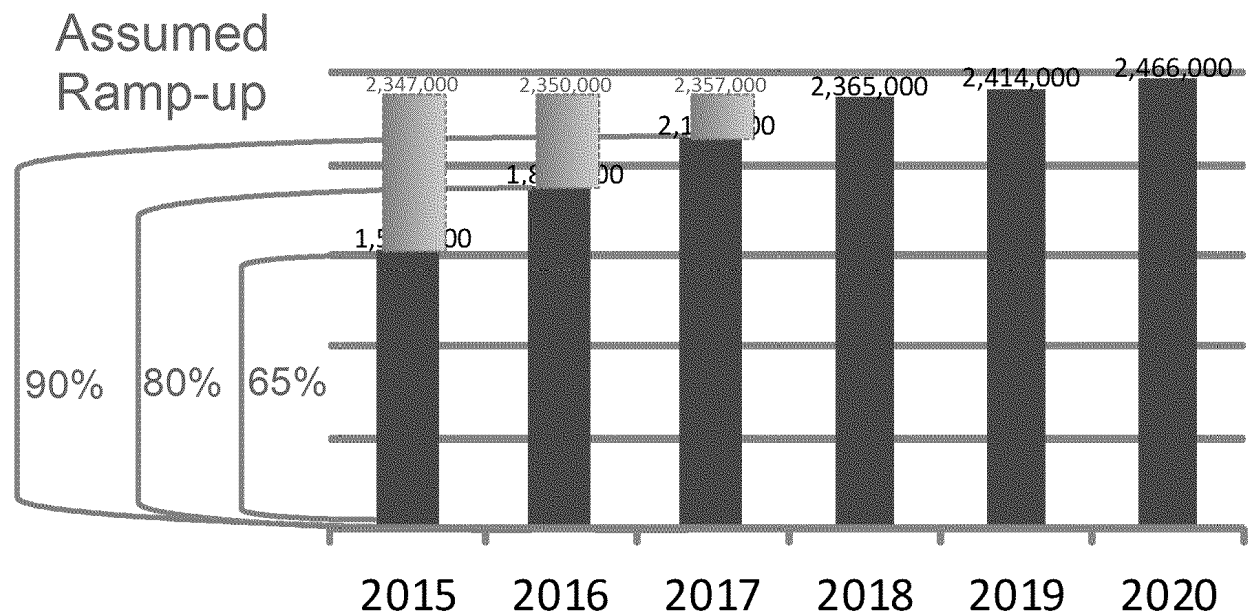
Exclusion per Committee Direction

- Execution of marketing tactics can support both the capture of new markets, as well as accelerate the ramp-up of existing markets in the first few years.

Potential Increase

Fiscal Year	Incremental Ridership	Exclusion per Committee Direction
2015	821,000	
2016	471,000	
2017	210,000	

Projected Ridership by Fiscal Year



Audit Working Papers

- Update public communications as a result of 2013 baselined forecasts
- Working with PPI, develop procurement for 2014 ridership forecast refresh. Options include:
 - Due Diligence review of 2013 forecasts
 - If possible, extend contract to SDG for another update
 - New procurement for full forecast (9-12 months to complete)
- Complete Phase 1 of BCA Study to report on cost/benefit results by the end of 2013
- Using the 2013 ridership forecasts, update business model and break even analysis to include latest assumptions on operating costs and pricing

Exclusion per Committee Direction

Exclusion per Committee Direction

Appendix - Issue: Cars of the Road

- As part of the 2013 forecast, SDG examined “cars off the road” which has been a core component of our public messaging
 - Currently, Metrolinx notes *UP Express will remove 1.2M cars off the road in its first year of operation*
- SDG found in the opening year, UP Express will remove at least 870K cars off the road (Apr-Dec 2015)
- Public messaging should be updated to state:
 - *UP Express will remove up to 1.2M cars off the road in its first full year of operation*

		2015	2018	2020
Car Trips Removed from Road (Millions)	Taxi	0.66	1.42	1.47
	Car (Terminal)	0.03	0.07	0.07
	Car (Reduced)	0.03	0.06	0.07
	Drop Off	0.13	0.31	0.33
	Rental Car	0.02	0.05	0.05
	Total	0.87	1.90	1.98