

From: Stephan Mehr
Sent: Wed 5/8/2013 6:41:29 PM
Subject: RE: Initial Union Pearson Express Ridership Update Forecasts

Thanks Jim:

Having a look now and will respond.

Stef

From: Richards, Jim [mailto:Jim.Richards@sdgworld.net]
Sent: Sunday, May 05, 2013 6:26 AM
To: Daniel Haufschild
Cc: Stephan Mehr; Philip Safos; Stephan Mehr; Berman, Sarah; Tang, Katie
Subject: Initial Union Pearson Express Ridership Update Forecasts

Daniel

Further to our conversation last week in the margins of the meeting on Tuesday, please see attached the initial numbers from the update to the Union Pearson Express ridership updates.

Air Traffic Forecasts – Slides 2 and 3

- For air passenger demand in the Toronto area (covering Pearson, Hamilton and Billy Bishop airports), the forecast has gone up for domestic and trans-border flights due to the rise in actual passengers in 2011 and 2012. The GDP forecast for Canada and US is also more optimistic than back in 2011.
- For Pearson airport, the same applies for trans-border flights. However, domestic forecast is lower than in 2011, due to the rapid rise in flights from Billy Bishop Airport. We have assumed that this airport will reach a capacity of 3.5million passengers a year in 2022 and thereafter will continue operating at full capacity.

Highway Forecasts

- We have considered changing the highway times in the model. The current highway times in the model were derived from a combination of surveys and a website that calculated drive times at different times of the day.
- We investigated whether the drive times should be updated, considering websites that claim to provide appropriate estimates but none of these appeared to corroborate with known experiences of undertaking airport-downtown trips.
- MTO data was sourced from Metrolinx, and whilst data existed for parts of the highway network, it did not provide the comprehensive coverage that we required.
- On balance, we have decided to retain the highway times that were in the original model, and feel that these represent a realistic estimate of journey times by time of day

Updating Assumptions

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- We have reviewed and updated where appropriate a number of the assumptions including the costs of the competing modes. Most have fallen in real terms (stayed constant in nominal terms), therefore making them more attractive relative to the UPE.
- We have reviewed the population and employment data, and in discussion with Metrolinx have used forecasts that are consistent with those adopted in the GGHM (and therefore with other current work streams)
- We have documented the changes to assumptions, and can supply these once “tidied up” to demonstrate the changes that we have proposed

Results – old fare assumptions

Headline is that when we have run the model with the previous fares assumption in the model, [] from Union and Bloor, [] from Weston - we see very little change in ridership; the higher air traffic forecasts cancel out the lower competing mode fares. Indeed, air traffic would be higher still were it not for the Billy Bishop assumption of

strong growth through the coming years.

- Overall ridership forecast has gone up slightly: in 2020, one way ridership has gone from 3.08million to 3.09million.
- Taxi: capture rate fallen from 39% to 38.7% due to almost constant nominal fares from 2011 to 2013.
- Car (terminal): capture rate gone from 21.7% to 22.4%
- Car (reduced): fallen from 18.2% to 16.4%
- Drop off: 0.1% fall in capture rate
- Express bus: 70.1% to 76.5% due to a rise in fares from \$23.95 in 2011 to \$26.95 in 2013
- Rental car: no change

Results – new fare assumptions – Slides 3-7

The impact of the new fares – [] Union, [] Bloor and [] Weston – is to reduce ridership from 3.08 million to 2.46 million, a reduction of 20%. The fall is mainly due to lower capture rates for Taxi (39% in 2011 to 31.8% in 2013) and Express bus (70.1% to 61.3%).

The slides illustrate the results, though have not been compared directly with the previous forecasts – this is the next stage once we have talked through the preliminary numbers with you. Revenue figures are in 2013 prices which seems sensible given that the competing modes reflect current prices....this equates to [] in 2020 (compared to [] in the May 2012 forecasts, though we need to double-check the price base comparisons before any conclusions are drawn).

Hope these preliminary results are helpful, and it would be good to have a brief discussion before we proceed further.

Kind regards

Jim

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