

Muthuveren, Dianne (MTO)

From: Fischer, Paul (MTO)
Sent: November-21-13 2:35 PM
To: Tokarz, Greg (MTO); Posluns, Andrew (MTO)
Cc: Watson, Lauren (MTO); Dytyniak, Natalie (MTO)
Subject: FW: UP Express Implementation Meeting Summary - Nov 2013
Attachments: 20130930_upexpressridership2013sdg.MTO.PDF

Hi Andrew and Greg

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ridership forecast from September that was sent after the meeting.

I have attached a copy of the updated

Let us know if you have any questions.

Thanks

Paul

From: Dytyniak, Natalie (MTO)
Sent: November 21, 2013 2:23 PM
To: Fischer, Paul (MTO)
Subject: UP Express Implementation Meeting Summary - Nov 2013

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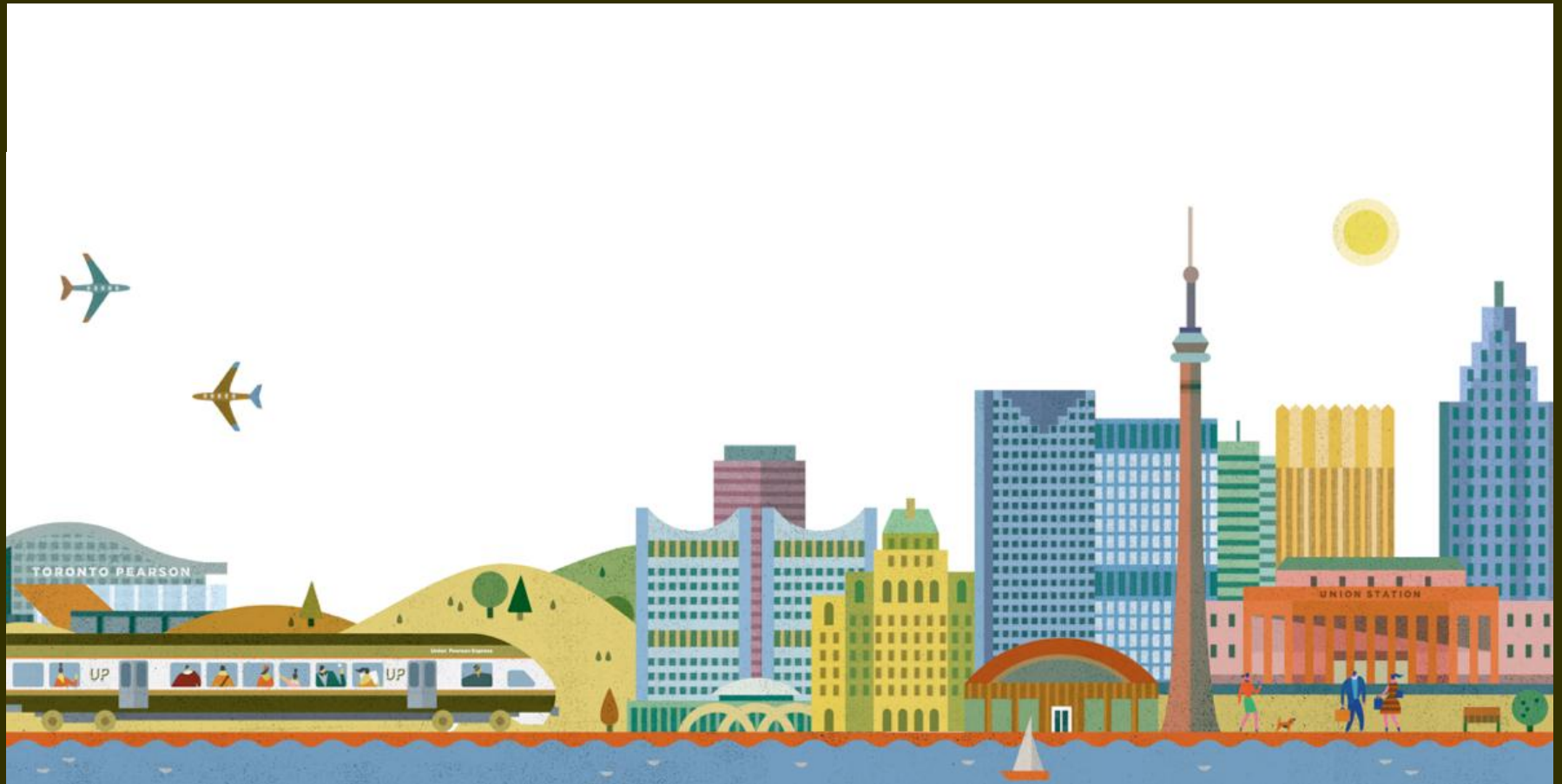
Ridership: The 2013 ridership forecast deck shared following meeting. There is a commitment to the Auditor General to complete another ridership forecast for 2014. Mx will complete a modified forecast for the Auditor General in 2014 with full forecast and report back in 2015 once operations have begun.

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UP Express 2013 Ridership Forecast Update September 30, 2013



Executive Summary

- Results of the 2013 forecast are largely consistent with previous forecasts
- As part of this 2013 forecast, key assumptions were updated:
 - 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
 - The central forecast aligns with the current UP Express Business Plan and our Revenue/Cost Operating Model

New Ridership Baseline

- The SDG 2011 forecast assumed a ridership of 2.97m in 2018 based on a non-responsive ; this now compares with 2.35m at a non-responsive in the current forecast
- UP Express has adjusted its central ridership forecast at 2.35m in 2018 to stay conservative in its expectations
- Sensitivity analysis, as shown below, shows marginal changes in revenue

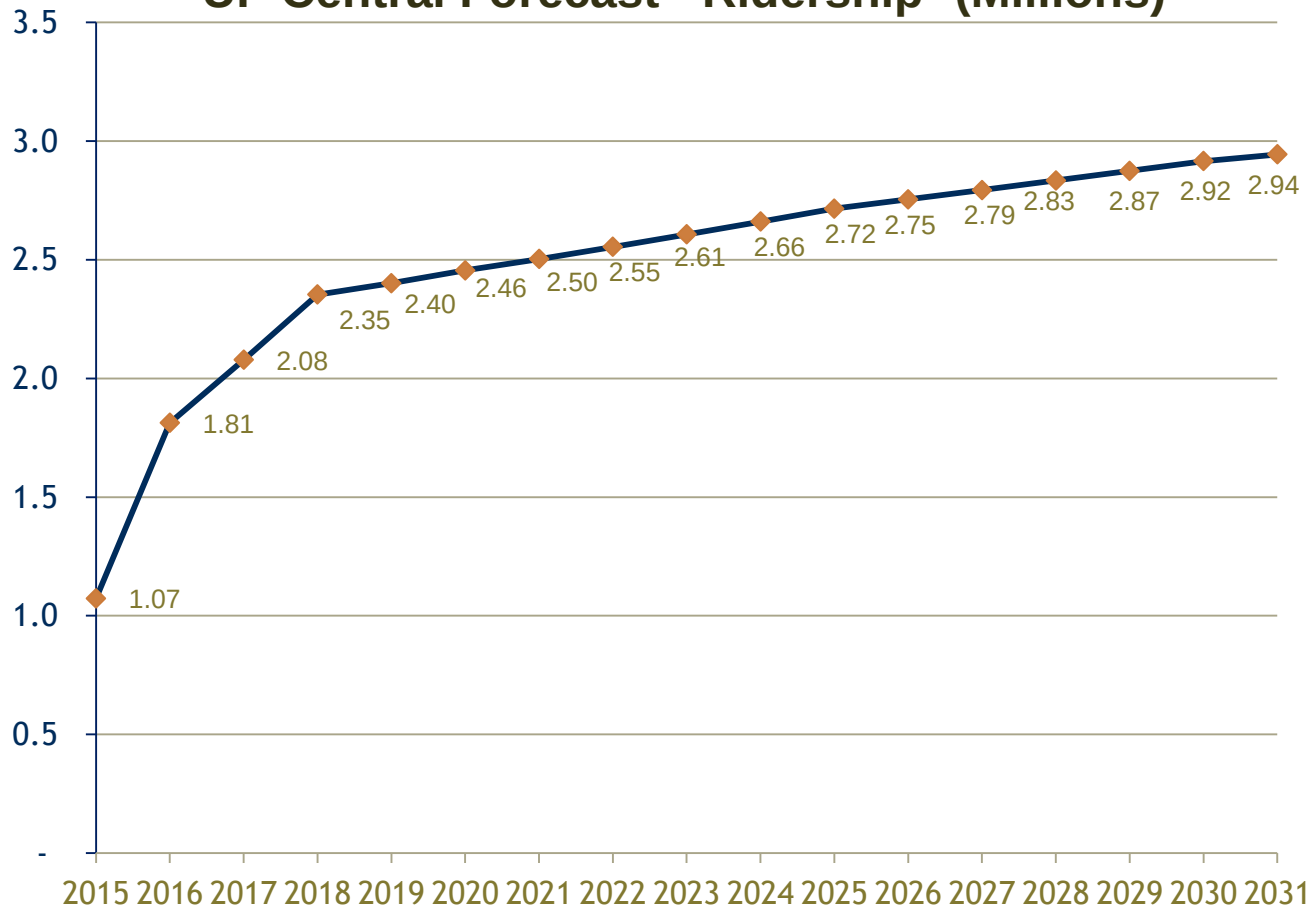
	Ridership 2018 (Fiscal Year)				
	SDG 2011		SDG 2013		Notes
	Ridership (m)	Revenue (\$2012)	Ridership (m)	Revenue (\$2012)	non-responsive
non-responsive	2.97	non-responsive	2.98	non-responsive	
non-responsive	2.58	non-responsive	2.74	non-responsive	
non-responsive	2.21	non-responsive	2.35	non-responsive	

- The revenue/ridership results do not include additional potential passengers and new markets as a result of marketing and advertising – i.e. B2B, airport employees, meeters and greeters, non-airport travelers

Ridership Summary – By Station, Trip Purpose

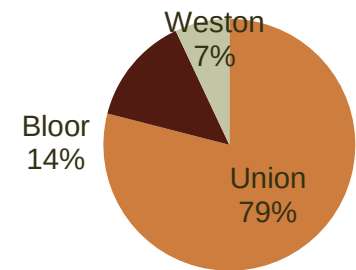
- The majority of UP Express riders will access our service at Union Station (79%)
- In 2015 we would expect at least 150,000 passengers (an average of 500-600/day) through Bloor Station alone

UP Central Forecast - Ridership¹ (Millions)

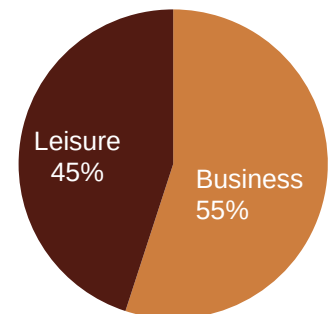


¹ Steer Davies Gleave, 2013

Estimated Ridership by Station¹

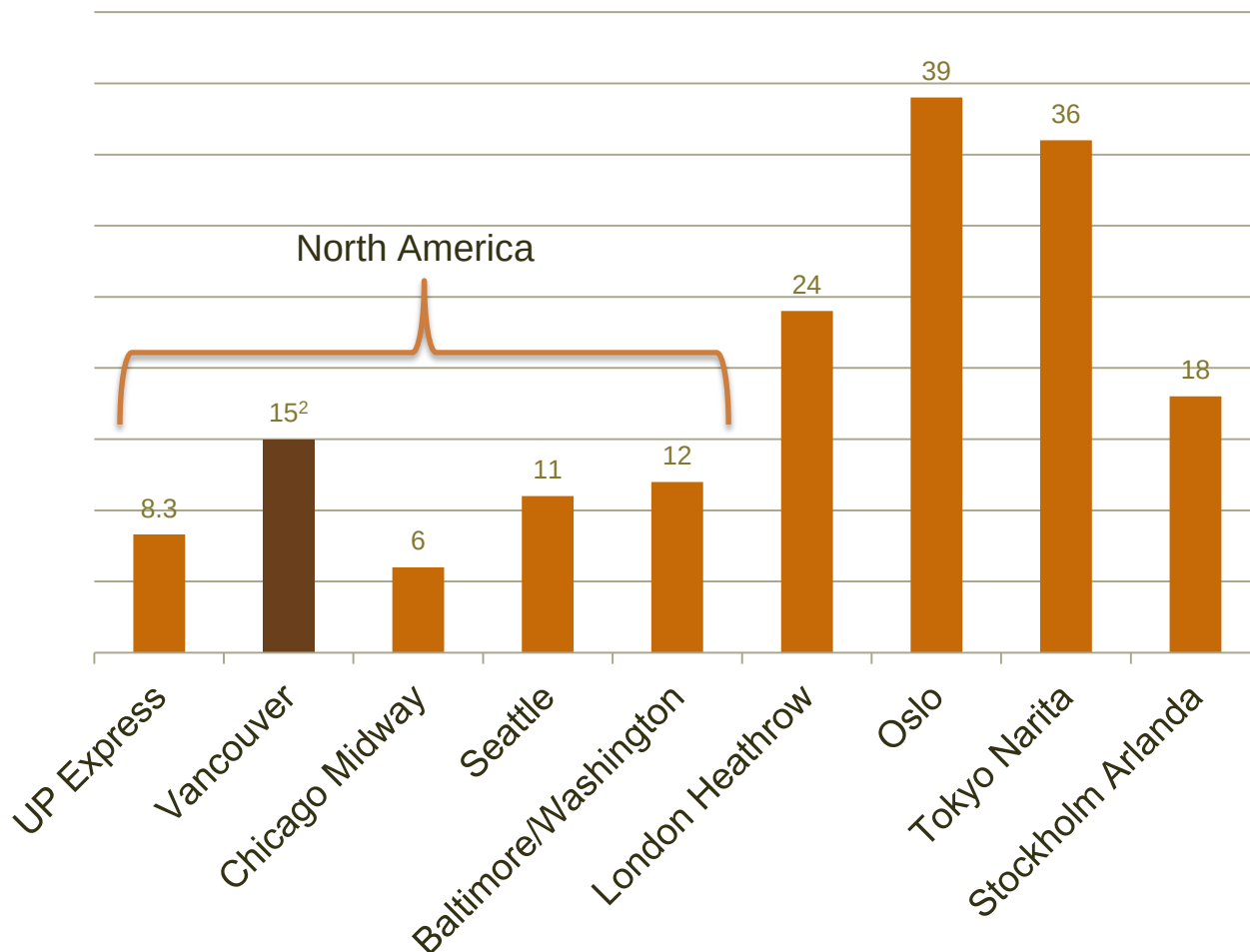


UP Passenger Trip Purpose¹



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

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



Other Key Insights¹

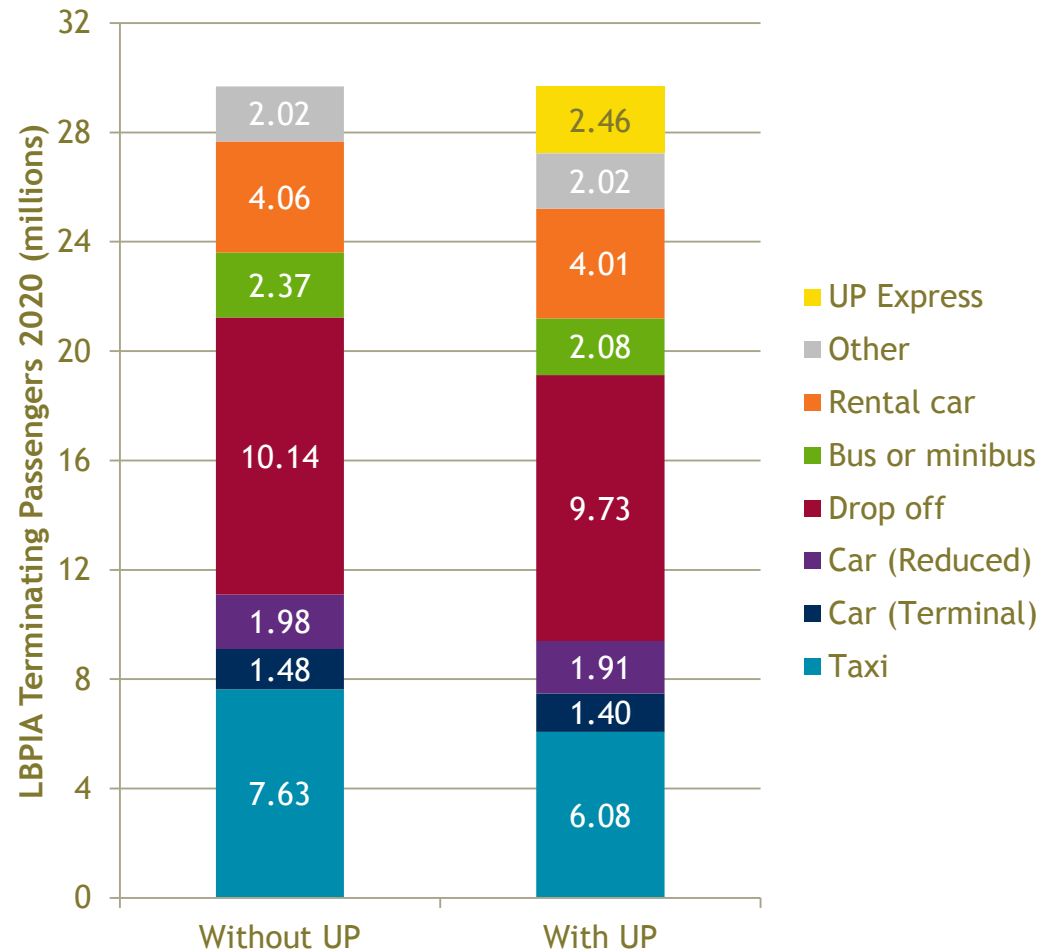
- Most (63%) of the UP Express demand is abstracted from the taxi mode; 12% from Airport Express Bus and 25% from car travel (parking, drop-off)
- UP Express will capture 60% of the in-scope demand in the vicinity of Union Station; and 47% in the vicinity of Bloor Station
- 8.3% is well within range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

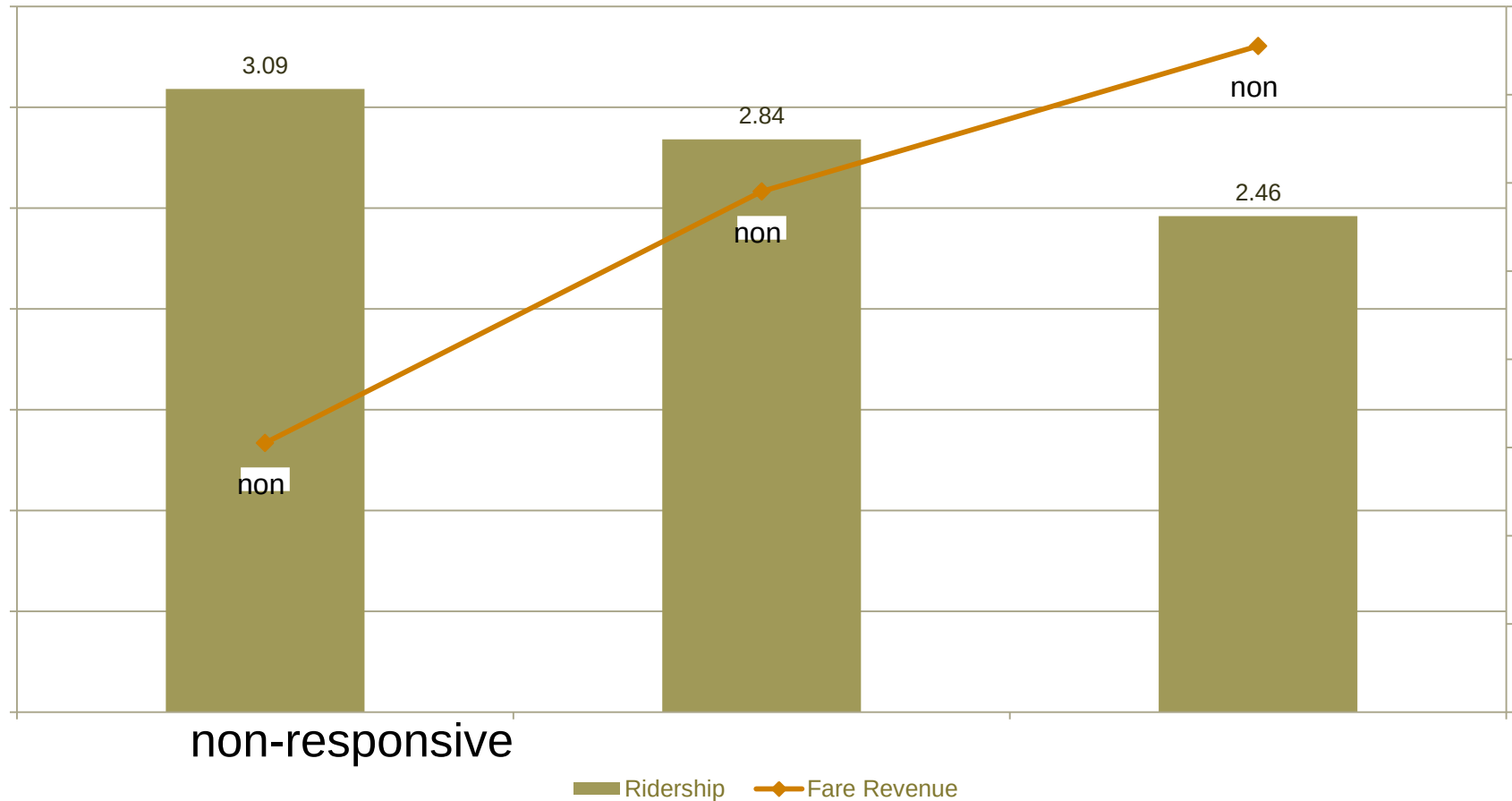
- As a result of UP Express, the largest impact to existing travel modes to Pearson will be to Taxis
- The forecast suggests that by 2020, the market share of total airport ground access will shift as follows:
 - Taxis will reduce from 25.7% to 20.5%
 - Drop-Offs from 34.1% to 32.8%
 - Bus from 8% to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



Appendix – New Ridership Baseline

	2011 SDG				2013 SDG	
	non- 2018	non- 2020	non- 2018	non- 2020	non- 2018	non- 2020
Ridership	2.97M	3.08M	2.2M	2.3M	2.35M	2.46M
Revenue	non- .	non- .	non- .	non- .	non- .	non- .

Forecasted Ridership and Fare Revenue in FY2020 (Millions), \$2012¹



¹ Steer Davies Gleave, 2013

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