



**ITEM ID:** 2023-307-0

**TRANSMITTAL DATE:** October 20, 2023

**MEETING DATE:** October 27, 2023

**TO:** Board of Directors

**FROM:** Paul Hubler, Chief Strategy Officer

**SUBJECT:** Service Growth Development Plan (SGDP) Update

### **Issue**

This report presents an update on the Service Growth Development Plan (SGDP) project, along with a preview of the longer-term operating concepts being investigated. The SGDP seeks to establish a consensus plan, developed with input from Member Agencies, for Metrolink growth and service transformation over the next 10 or more years, including short-term optimizations feasible for implementation in the coming year.

### **Recommendation**

Receive and file.

### **Strategic Commitment**

This report aligns with the Strategic Business Plan commitments of:

- **Customers are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to delight them. The service plans being developed as a part of the Service Growth Development Plan are being crafted to make it simpler and easier for passengers to choose to ride Metrolink. These customer-centric endeavors will connect more passengers to more places in a way that is intuitive and easy for new riders to navigate the system.
- **Modernizing Business Practices:** We will improve our operational efficiency, through transparency, objective metrics, and streamlined governance, reducing reliance on subsidy while bringing our system into a state of good repair and investing in the

development of our employees. The service plans being developed as a part of the Service Growth Development Plan are carefully fashioned to unlock economies of scale and provide cost-effective service (and ridership) growth.

## **Background**

The Strategic Business Plan called for serving a broader set of markets such as leisure travelers and non-office commuters, operating more cost-effective service, and leveraging targeted capital investment. Since then, as the region has recovered from the pandemic, the Authority has observed stronger recovery among these new target markets than in its traditional white-collar office commuter base. Prior work in service planning has been completed to support the Southern California Optimized Rail Expansion (SCORE) Program, including the 2020 SCORE Cost/Benefit Operations Analysis (CBOA). The SGDP builds on these strategic objectives by adapting them to the lasting impacts of COVID, incorporating feedback from member agencies and other partners, and refining operational and fiscal modeling.

The SGDP does this with the goal of setting a concrete and actionable program for service transformation and growth, to be presented for consideration by the Board.

Staff previously provided an update to the board in May 2023. This update included key findings of a market analysis that showed:

- While peak commuter period ridership remains significantly below pre-pandemic levels, off-peak ridership has 'recovered' more strongly.
- There appears to be significant untapped demand in the midday.
- There similarly appears to be demand for more travel across multiple lines.

In short, the market findings indicate that there is an opportunity to attract more ridership by serving more temporal markets (time of day) and geographic markets.

## **Discussion**

The SGDP team crafted schedule concepts to respond to these market findings, building on the technical work that has already been accomplished with the SCORE program and the CBOA.

To pursue the temporal ridership opportunity, these schedules focus on adding or redistributing service to the midday and reverse-peak to create a more balanced service offering across the day. Gaps in daytime service are eliminated as much as possible. The resulting schedules serve not only white-collar office commuters, but also the diverse needs of travelers ranging from students to day trippers to workers with nonconventional schedules.

To pursue the geographic ridership opportunity, structural timed transfers are implemented as part of the schedule for analysis. Consistent with the SCORE program, the SGDP schedules feature regular and repeating "clockface" schedules. At Los Angeles Union Station, trains are scheduled on all lines to arrive before the bottom of the hour (:30 minute mark) and depart after it. This allows anywhere-to-anywhere transfers amongst any lines operating in that hour.

When a second train operates on a line in an hour, it is scheduled to arrive before and departs after the top of the hour (:00 minute mark), creating more opportunities to transfer between different lines. Timed links are created elsewhere in the system as well, for instance in Riverside between 91/PV and IEOC Line trains, serving travel from Perris to southern Orange County.

Both of these two strategies attract more ridership on their own, but they also synergize well. For instance, two lines operating hourly service across the day would share a timed connection in both directions every hour throughout the day, instead of perhaps just once or twice a day in the current schedule.

A key goal of the Service Growth Development Plan is to reach a consensus between SCRRA and its Member Agencies on concrete, actionable future service plans. Authority staff meet periodically with staff from the member agencies to share progress and results and seek feedback.

To support this process a robust financial model has been built that produces line- and county-level forecasts of operating revenue, cost, and subsidy required. A capital budget layer is being developed to understand the full fiscal picture.

Preliminary results for the scenarios investigated thus far find an operating cost savings per revenue train mile between 8% and 31% associated with increases in train miles between 11% and 68%. These cost efficiencies are largely driven by increased utilization of crews, equipment, and fixed assets. These efficiencies help contain cost growth, which still increase across all scenarios.

The SGDP team will return to the Board with additional updates over the next few months.

### **Next Steps**

Staff will return to the Board with updates over the next few months and will present a scenario of service growth produced with Member Agency input.

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Approved by:                      Paul Hubler, Chief Strategy Officer

### **Attachment(s)**

[Presentation - Service Growth Development Plan Update](#)