

COMMUTER RAIL SYSTEM

RIDERSHIP TRENDS

ANNUAL REPORT 2016



COMMUTER RAIL RIDERSHIP TRENDS ANNUAL REPORT 2016

I. OVERVIEW

This report details the trends that influenced Metra system ridership in 2016; a year with Metra’s highest ever ridership day (Cubs Victory Parade and Rally), higher employment levels, and low gas prices. Metra is the Commuter Rail Division of the Regional Transportation Authority and provides commuter rail passenger service on eleven service lines throughout metropolitan Chicago (see Figure 1). The ridership statistics used throughout this report are for Metra services only; as such, they do not include Amtrak or NICTD South Shore (SS) passenger statistics. Ridership is estimated on a monthly basis based on the number and types of tickets sold. These tickets are assumed to be used during the month of purchase or for the valid month in the case of monthly passes.

Metra provided over 80.4 million passenger trips in 2016, which is 1.7% unfavorable to the budgeted forecast of 81.8 million passenger trips. When compared to 2015, ridership decreased 1.5%. This decrease is greater than the anticipated 0.85% decrease budgeted. The 80.4 million passenger trips reported in 2016 is comparable to ridership in 2006 (see Figure 2). Since beginning with a low of 56.5 million passenger trips in 1983 on the services that would become Metra in 1984, Metra ridership has increased by 42%, averaging 1.1% growth per year.

Figure 1: 2016 Passenger Trips by Line (Millions of Trips)

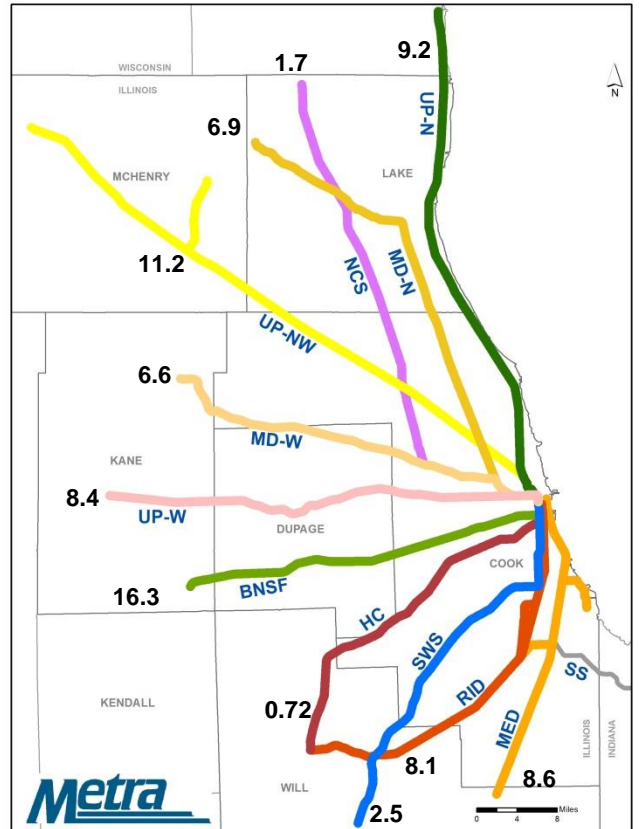
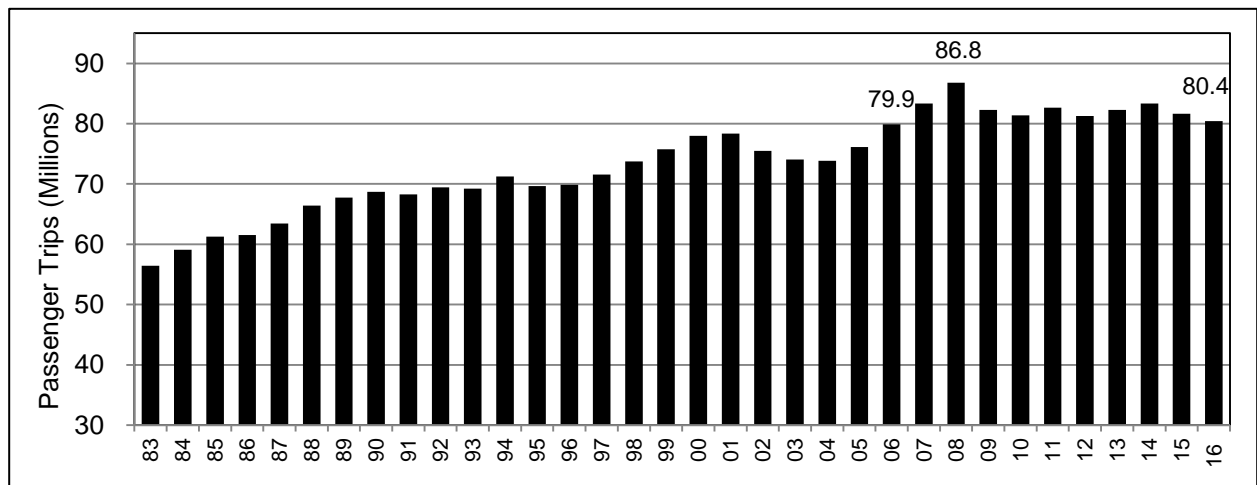


Figure 2: Metra System Annual Ridership (January through December Total Reported and Free Passenger Trips)



II. 2016 RIDERSHIP TRENDS

In 2016, ridership (reported and free trips) decreased by 1,228,157. This was -1.5% compared to 2015 and -1.7% compared to budget (see Table 1). Actual ridership in 2016 was 80,402,319.

Table 1: Passenger Trips Actual Compared to Budget

Month	2015 Actual	2016 Budget	2016 Actual	Variance
Jan	6,764,204	6,739,437	6,512,955	-3.4%
Feb	6,297,426	6,241,176	6,309,556	1.1%
Mar	6,769,610	6,709,142	6,666,044	-0.6%
Apr	6,662,551	6,603,039	6,497,034	-1.6%
May	6,655,682	6,596,232	6,680,580	1.3%
Jun	7,259,878	7,195,031	7,066,372	-1.8%
Jul	7,285,907	7,220,827	7,109,786	-1.5%
Aug	7,100,153	6,945,335	6,866,069	-1.1%
Sep	6,895,751	7,054,747	6,765,991	-4.1%
Oct	6,949,189	7,168,594	6,831,818	-4.7%
Nov	6,605,591	6,674,810	6,943,251	4.0%
Dec	6,384,538	6,639,677	6,152,866	-7.3%
Annual Total	81,630,476	81,788,047	80,402,319	-1.7%

Quarterly Ridership Trends

When taking into account free trips, ridership decreased during all four quarters of 2016. Table 2 shows the changes in ridership between 2015 and 2016.

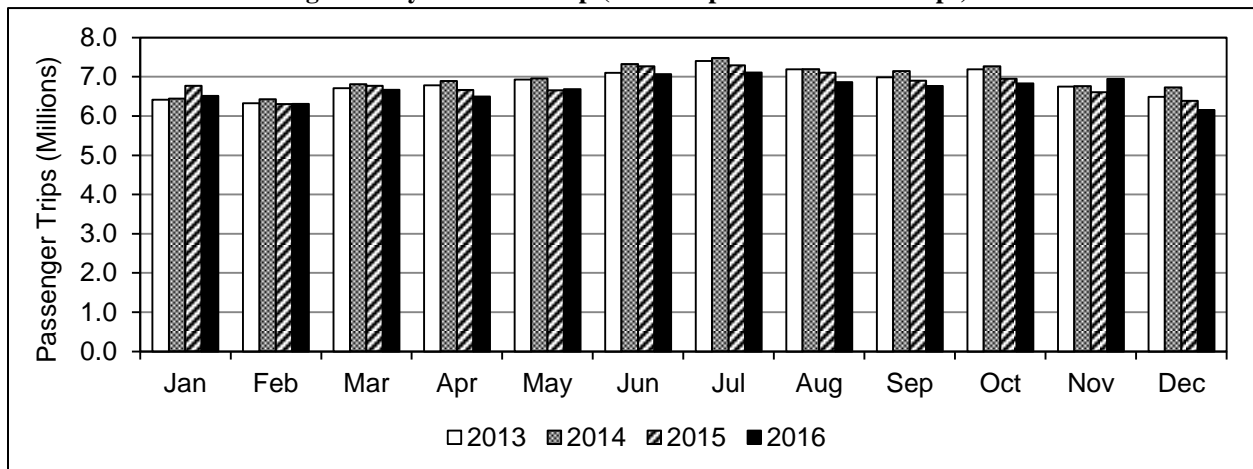
Table 2: System Ridership by Quarter

Quarter	Reported Ridership			Reported w/Free Trips		
	2015	2016	15 vs. 16	2015	2016	15 vs. 16
1 st	19,582,889	19,248,739	-1.7%	19,831,239	19,488,555	-1.7%
2 nd	20,306,961	19,988,265	-1.6%	20,578,110	20,243,986	-1.6%
3 rd	21,005,070	20,481,860	-2.5%	21,281,810	20,741,845	-2.5%
4 th	19,679,865	19,689,853	0.1%	19,939,318	19,927,934	-0.1%
Total	80,574,784	79,408,716	-1.5%	81,630,476	80,402,319	-1.5%

Monthly Ridership Trends

Apart from February, May, and November, monthly ridership was consistently lower in 2016 than 2015 (see Figure 3). The graph shows a consistent trend of ridership generally peaking in summer and then falling in winter.

Figure 3: System Ridership (Total Reported and Free Trips)



Ridership by Line

Ten of the eleven service lines experienced decreases in ridership (reported and free trips) in 2016 compared to 2015. The Union Pacific West (UP-W) lines increased slightly while the Metra Electric District (MED) decreased the most. Table 3 presents reported passenger trips and total reported and free trips for 2015 and 2016 based on ticket sales.

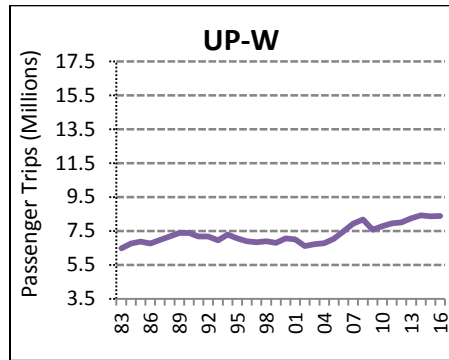
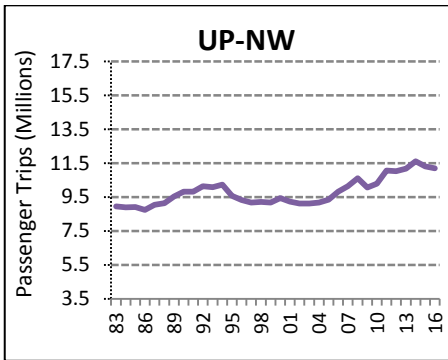
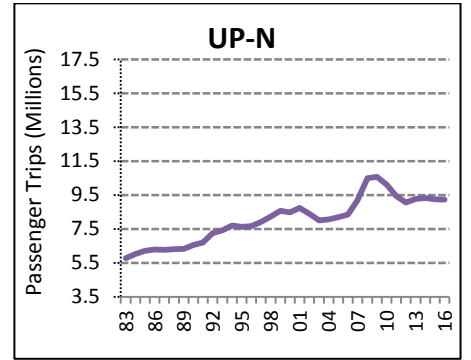
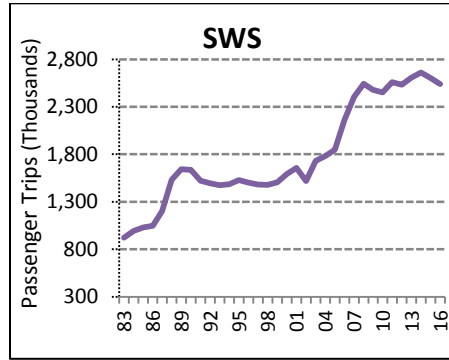
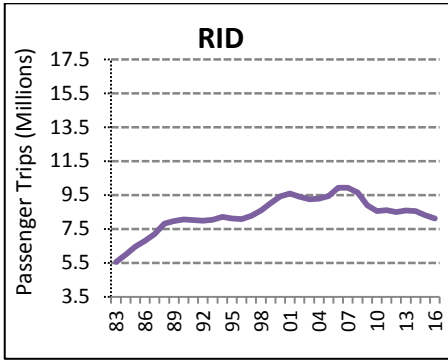
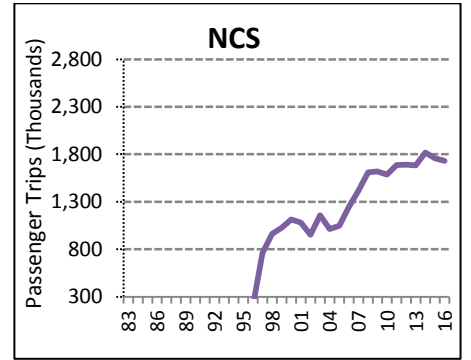
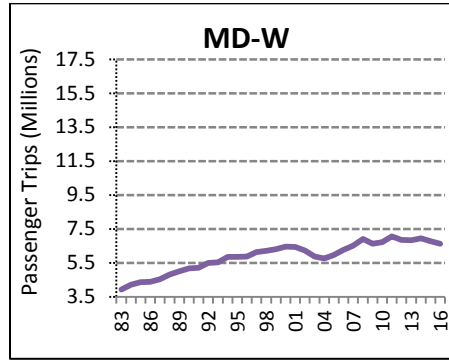
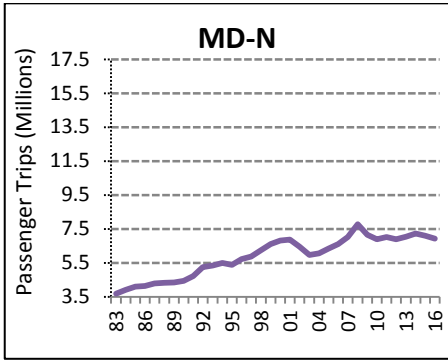
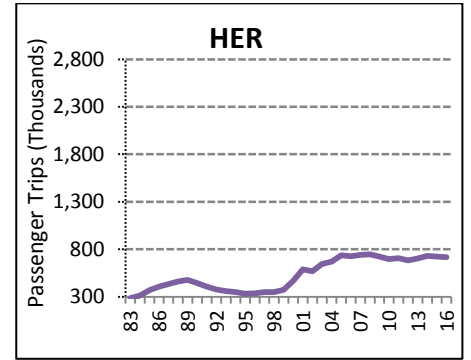
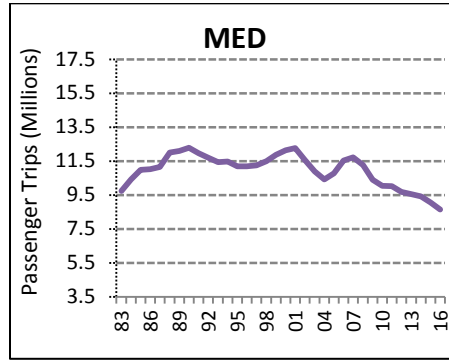
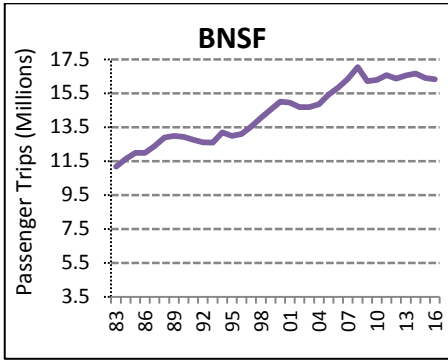
Table 3: Passenger Trips by Rail Line

January - December	2015 Reported	2016 Reported	2015 w/ Free Trips	2016 w/ Free Trips	2015 vs. 2016 %Change
BNSF	16,284,903	16,214,906	16,400,290	16,325,320	-0.5%
Electric Lines (MED)	8,794,772	8,406,003	9,054,649	8,642,365	-4.6%
Heritage (HER)	723,580	717,585	723,803	718,015	-0.8%
Milwaukee District North (MD-N)	7,013,194	6,860,439	7,094,564	6,934,684	-2.3%
Milwaukee District West (MD-W)	6,638,692	6,498,159	6,771,637	6,621,104	-2.2%
North Central Service (NCS)	1,749,244	1,722,309	1,758,118	1,730,494	-1.6%
Rock Island District (RID)	8,214,174	8,028,639	8,305,273	8,112,784	-2.3%
SouthWest Service (SWS)	2,589,678	2,524,932	2,604,292	2,538,273	-2.5%
Union Pacific North (UP-N)	9,078,741	9,046,911	9,248,834	9,220,477	-0.3%
Union Pacific Northwest (UP-NW)	11,195,162	11,079,764	11,301,755	11,183,739	-1.0%
Union Pacific West (UP-W)	8,292,647	8,309,072	8,367,264	8,375,067	0.1%
METRA SYSTEM	80,574,784	79,408,716	81,630,476	80,402,319	-1.5%

Note: Over Metra's 30-year history, policies regarding free trips have changed. To enable accurate comparison from one-year to the next, reported passenger trips and total reported with free trips are separately detailed.

Figure 4, on the next page, shows the ridership trends for each Rail Line since 1983.

Figure 4: Annual Rail Line Ridership (Reported and Free Passenger Trips), 1983 – 2016



Ridership by Fare Zone

The share of system ridership by fare zone remained mostly unchanged when compared with 2006 and 2011 data. Slight decreases were experienced in Zones A&B, Zones AG-H, Zones AI-M, and Intermediate zones (rides that neither originate nor end in Zone A), while the remaining zones experienced slight increases or no change in share of ridership compared to 2011.

Figure 5 shows changes in the share of system ridership by fare zone. Increases in the share of ridership by fare zone from 2011 to 2016 are concentrated in the middle zones (Zones AC, AD, AE, and AF). In the outer zones (AG, AH, AI through AM), the inner zones (AA and AB), and in between zones (Intermediate) the share of ridership from 2011 to 2016 has slightly decreased.

Figure 5: Share of System Ridership by Fare Zone

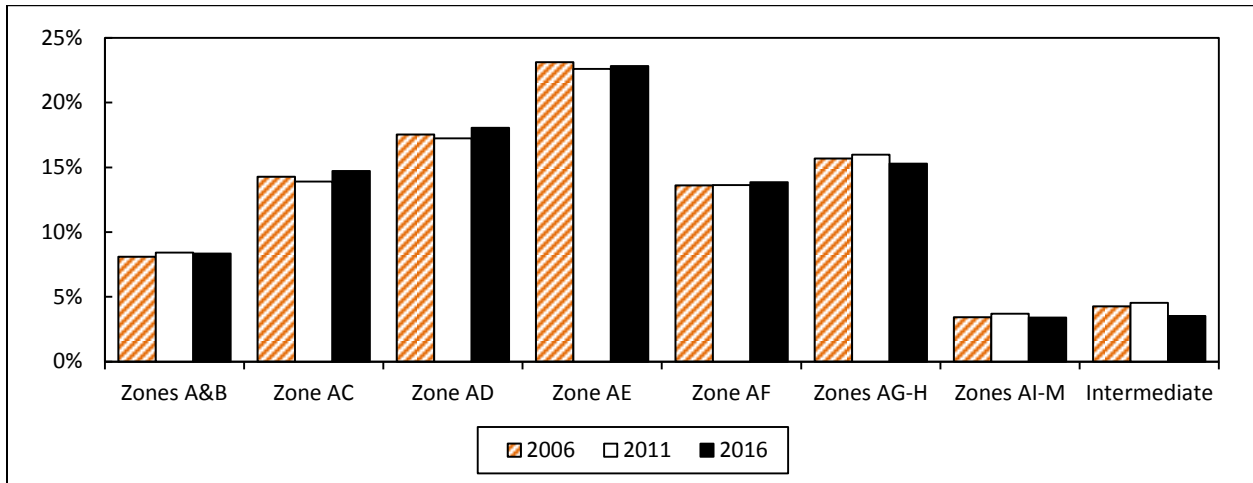
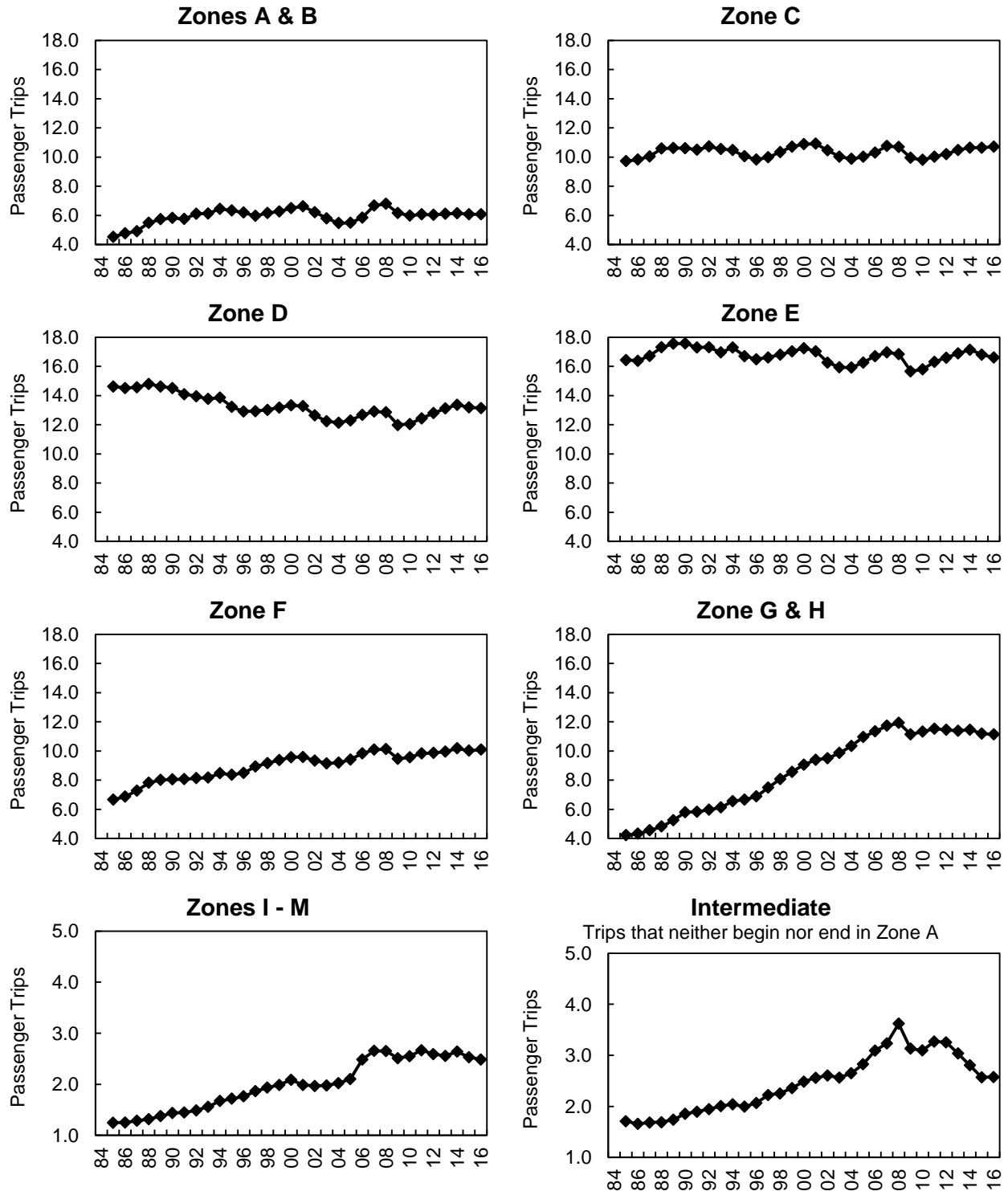


Figure 6 shows the annual system ridership for trips that either begin or end in Zone A and all intermediate trips since 1985. Ridership was lower for all zone pairs except AC, AF, and Intermediate. More intermediate ridership was recorded in 2016 as a result of mobile ticketing. The zone pairs for every ticket sold by conductors are not recorded. As riders have increasingly purchased one-way tickets using the Ventra App, the number of intermediate one-way trips recorded has increased.

Figure 6: Passenger Trips to or from Zone A by Fare Zone (in millions)

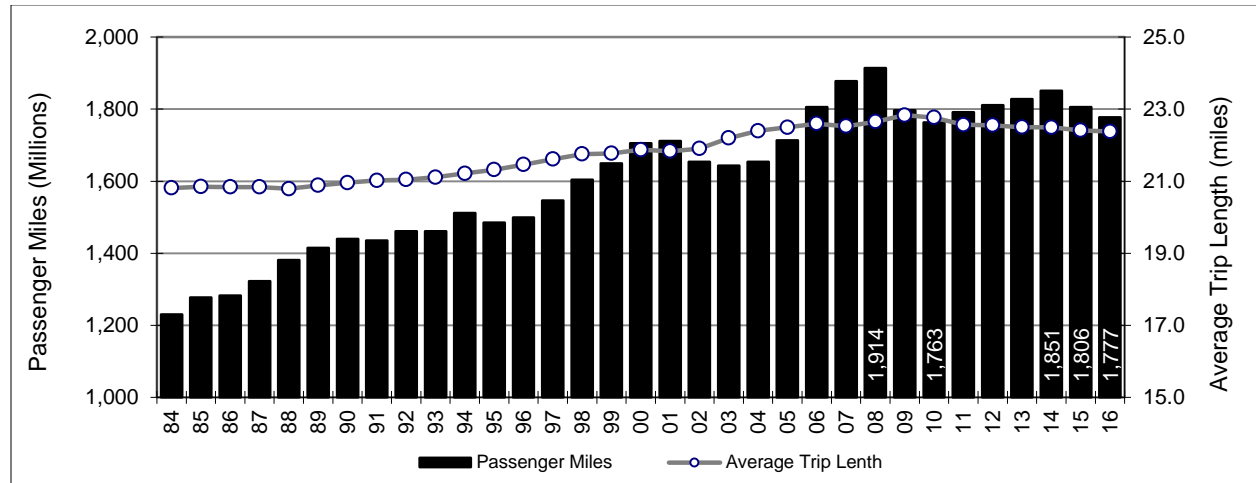


Note: Free senior, circuit breaker, and Benefit Access are not included. South Shore, conductor, weekend, and group sales are not included.

Passenger Miles

Each year, Metra calculates the number of passenger miles traveled and the average trip length by line. In 2016, the total number of passenger miles decreased by 1.6% when compared to 2015. As shown in Figure 7, the average trip length declined slightly from 22.41 in 2015 miles to 22.37 in 2016 miles (totals do not include free trips).

Figure 7: Passenger Miles and Average Trip Length*

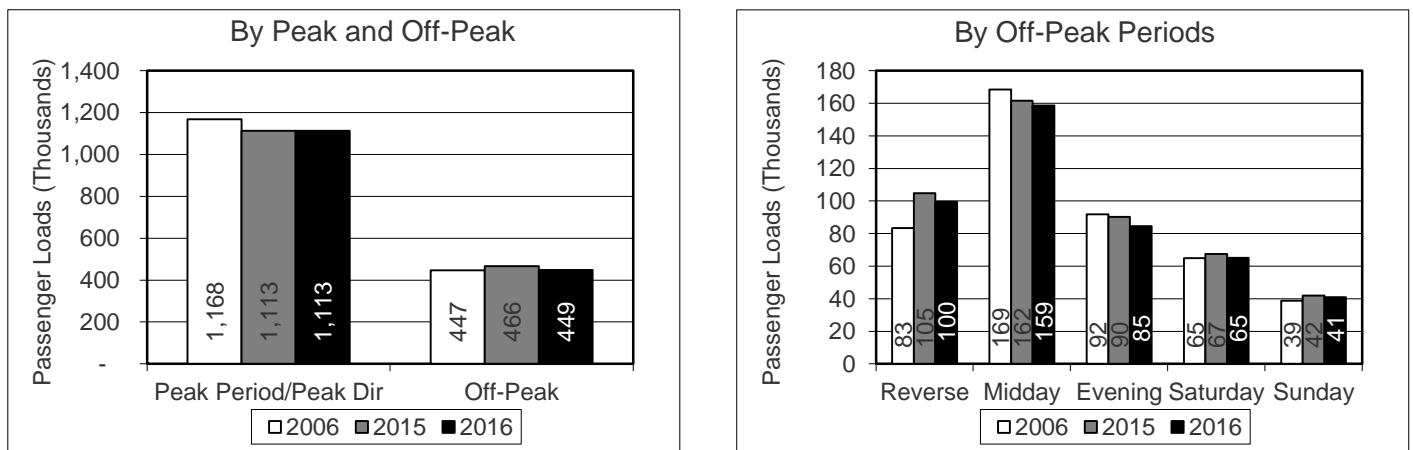


* Free RTA Circuit Permit/Benefit Access rides and South Shore are not included.

Passenger Loads by Service Period

The average daily passenger loads for each service period in 2016 indicate that Metra provided nearly 1.6 million passenger trips per week. The peak-period/peak-direction remained Metra’s largest market, with about 71% of all trips taken in this service period; this is down from 72% of all trips in 2006. Figure 8 displays the shares of the average weekly passenger loads for 2006, 2015, and 2016. In 2016, peak-period/peak-direction and reverse peak average passenger loads were unchanged while off-peak, Saturday, and Sunday loads were lower than 2015. This suggests that a reduction in discretionary travel is the primary reason for ridership declines in 2016.

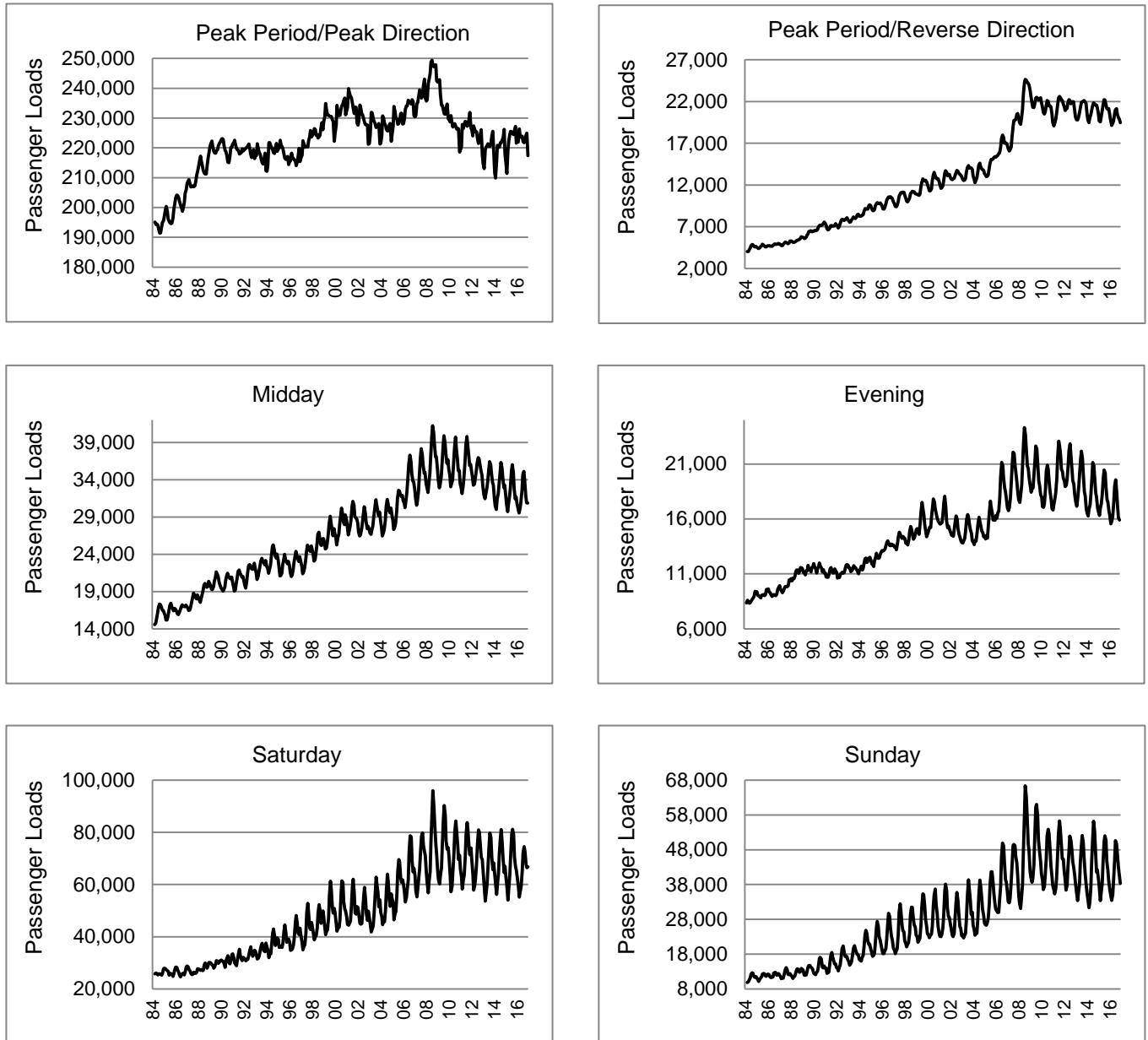
Figure 8: Average Weekly Passenger Loads by Period



Compared to 2006, off-peak ridership in 2016 is similar, while peak-period/peak direction ridership is 5% less over the same time period. In the last ten years, the largest percentage growth in off-peak ridership has occurred in the reverse-commute service periods (19%) and on Sundays (5.5%). Substantial losses

occurred on Evenings (-8.1%), and during the Midday (-6.1%). Figure 9, shows the average daily passenger loads by service period since Metra's inception in 1984.

Figure 9: Passenger Loads by Service Period (3 Month Rolling Average)



Benefit Access Ridership

Senate Bill 1920 was signed into law in September 2008 granting free trips to riders with an issued Circuit Permit as part of the new People with Disabilities Ride Free Program. The legislation required free trips on fixed-route and regularly scheduled transit in the RTA's service region be made available to any Illinois resident who enrolled as a person with a disability in the Illinois Circuit Breaker Program. The People with Disabilities Ride Free Program officially began on October 24, 2008. As of September 6, 2011, the number of Circuit-Permit trips also included the low-income seniors who qualified for the program. Effective January 1, 2013, the state changed the name of the Circuit Breaker Program to the Benefit Access Program. This program grew rapidly from 2,431 trips in 2008 to over 1 million passenger trips in 2013 (see Table 4). In 2014, the rate of growth slowed; and, in 2016, the number of trips declined

for the second time. Last year, the number of free trips provided under this program was 5.9% lower than 2015.

Table 4: Benefit Access (Circuit-Permit) Free Trips by Month

Month	2008	2009	2010	2011	2012	2013	2014	2015	2016
Jan		1,280	25,617	40,109	69,123	76,802	73,543	81,935	76,784
Feb		1,228	27,086	38,444	70,491	73,179	73,647	75,558	77,078
Mar		4,645	30,888	52,742	78,307	78,710	84,896	90,857	85,954
Apr		10,594	38,244	50,594	76,694	84,089	90,296	87,468	81,123
May		13,755	39,701	54,803	78,507	88,367	92,746	88,753	85,310
Jun		19,380	45,689	54,159	81,498	90,828	94,934	94,928	89,288
Jul		22,444	48,446	56,404	79,551	96,166	99,638	97,624	86,783
Aug		25,718	49,861	67,873	86,543	95,616	97,153	92,221	89,663
Sep*		27,273	48,334	86,219	83,034	90,054	97,329	86,895	83,539
Oct	88	30,387	51,927	86,297	90,053	94,499	105,618	95,121	83,510
Nov	474	28,796	46,085	73,961	81,871	85,149	84,953	83,191	79,896
Dec	1,869	27,800	41,654	73,917	74,816	80,425	90,641	81,141	74,675
Total	2,431	213,300	493,532	735,522	950,488	1,033,884	1,085,394	1,055,692	993,603

*Low-income seniors included in total as of 9/6/2011.

Police Officer and Firefighter Free Rides

Currently, Chicago-area uniformed police officers from any municipality, including sheriff's deputies, bailiffs, corrections officers, and Chicago firefighters are allowed free transportation on Metra. These free trips are not reimbursed by the State of Illinois. Metra conductors began recording the number of free trips taken by these uniformed police officers and firefighters as of April 2, 2012. The number counted has declined in recent years from 65,814 in 2013 to 54,279 in 2016. Table 5 presents the average daily conductor counts for "Police Officer and Firefighter" rides by service period as well as the total number of "Police Officer and Firefighter" rides recorded for each month.

Table 5: Average and Total Police Officers and Firefighters in Uniform Riding Free

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2015													
Avg Wkday	219	207	216	222	232	256	236	239	204	188	184	182	
Avg Sat	19	13	10	24	33	22	38	49	23	18	21	19	
Avg Sun/Hol	10	22	10	11	10	11	14	26	22	11	7	11	
Typical week	1,126	1,067	1,103	1,144	1,203	1,312	1,233	1,272	1,066	966	947	938	
Total Reported	4,754	4,269	4,854	5,018	4,864	5,761	5,615	5,403	4,491	4,259	3,801	4,126	57,215
2016													
Avg Wkday	194	186	211	220	216	212	218	209	211	214	186	191	
Avg Sat	10	9	18	16	7	21	35	43	25	24	12	17	
Avg Sun/Hol	6	8	11	9	9	15	20	14	22	17	13	13	
Typical week	985	948	1,082	1,125	1,094	1,095	1,146	1,103	1,103	1,113	957	983	
Total Reported	3,961	3,977	4,960	4,738	4,609	4,804	4,659	5,040	4,645	4,705	4,029	4,152	54,279

Reduced-Fare Trips

In collaboration with the Regional Transportation Authority's (RTA's) Reduced-Fare Permit Program, Metra allows qualified users to ride Metra at a reduced rate. The following types of users are eligible to receive a reduced-fare permit through the RTA's Reduced-Fare Permit Program. Metra is eligible for reimbursement of the lost revenue by the Illinois Department of Transportation (IDOT).

- All senior citizens who are within three weeks of their 65th birthday or older
- Medicare card recipients receiving Social Security benefits

- People with disabilities who receive Social Security benefits
- Veterans with disabilities who receive Service-connected disability benefits
- People with disabilities whose doctors validate their disability
- Full-time students enrolled in an accredited grade school or high school with a valid letter of certification from their school (on school stationery) or a valid school I.D. bearing the student's name, school name and authorized signature.

Metra also offers reduced-fare tickets to children ages 7 to 11 (saves 50 percent over one-way fares) and to U.S. military personnel (may purchase one-way or ten-ride tickets at a reduced fare provided they present proper military identification indicating they are on active duty). Prior to the fare change effective February 1, 2012, young adults (ages 12-17) were eligible for reduced fares on weekends and holidays. Table 6 shows all reduced-fare passenger trips (eligible and ineligible for reimbursement) by year for 2007 through 2016. There were nearly 3.81 million reduced-fare trips in 2016, which is a 4.36% increase compared to 2015.

Table 6: Reduced-Fare Passenger Trips by Year*

Year	Passenger Trips	% Change
2007	3,033,277	-
2008	1,822,246	-39.9%
2009	1,423,241	-21.9%
2010	1,565,633	10.0%
2011**	2,352,122	50.2%
2012	3,736,638	58.9%
2013	3,677,516	-1.6%
2014	3,591,620	-2.3%
2015	3,649,846	1.6%
2016	3,809,102	4.36%

*Includes all eligible and ineligible reduced-fare rides for reimbursement and does not include conductor, weekend, and group sales. **Seniors Ride Free Program began in 2008 and was discontinued on 9/1/11; grace period for program expired on 9/6/11.

Table 7 shows total free trips and all reduced-fare passenger trips by month. Total free and reduced-fare trips increased 2.0% in 2016.

Table 7: Total Free and Reduced-Fare Passenger Trips by Month (2015-2016)

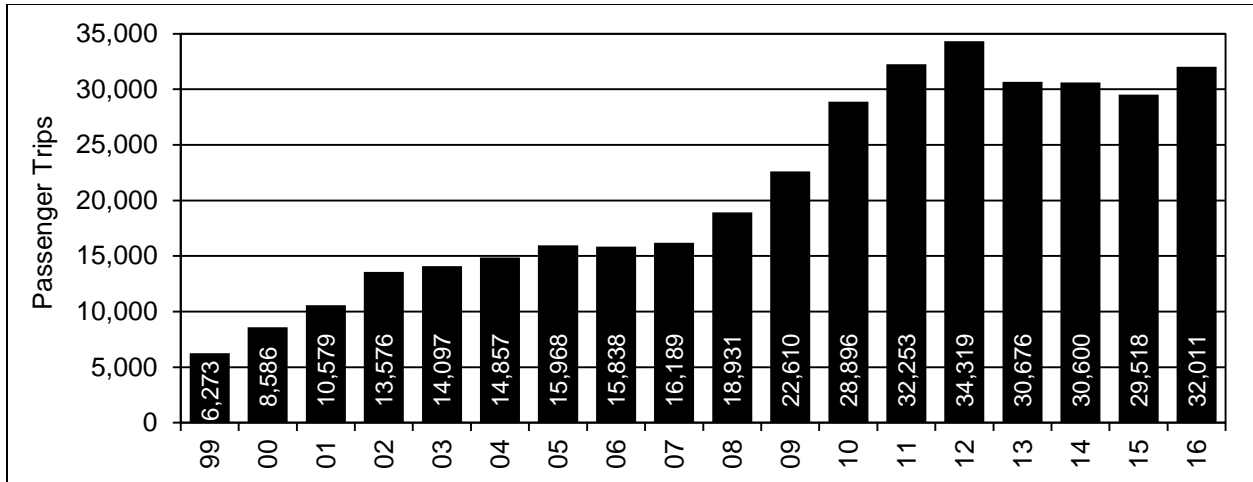
Month	2015			2016			2015 v. 2016
	Free	Reduced	Total	Free	Reduced	Total	Total %
January	86,689	294,104	380,793	80,745	305,111	385,856	1.3%
February	79,827	248,528	328,355	81,055	279,767	360,822	9.9%
March	95,711	301,640	397,351	90,914	322,206	413,120	4.0%
April	92,486	300,994	393,480	85,861	306,224	392,085	-0.4%
May	93,617	290,241	383,858	89,919	315,143	405,062	5.5%
June	100,689	330,814	431,503	94,092	343,182	437,274	1.3%
July	103,239	343,615	446,854	91,442	340,683	432,125	-3.3%
August	97,624	316,262	413,886	94,703	317,676	412,379	-0.4%
September	91,386	304,969	396,355	88,184	320,996	409,180	3.2%
October	99,380	321,420	420,800	88,215	330,290	418,505	-0.5%
November	86,992	302,531	389,523	83,925	329,089	413,014	6.0%
December	85,267	294,728	379,995	78,827	298,735	377,562	-0.6%
Total	1,112,907	3,649,846	4,762,753	1,047,882	3,809,102	4,856,984	2.0%

*Includes all reduced-fare passenger trips but does not include conductor, weekend, and group sales.

Accessible Equipment Usage

Metra's trains became fully accessible in April 1998, providing at least one accessible car per train consistent with the Americans with Disabilities Act (ADA equipment). On a typical weekday, 96% of Metra boardings occur at fully accessible or partially accessible stations. In 2016, Metra provided over 32,000 passenger trips that utilized ADA equipment, the third highest amount recorded. Figure 10 shows the annual number of passenger trips utilizing the accessible equipment since 1999.

Figure 10: Annual Passenger Trips Utilizing Accessible Equipment

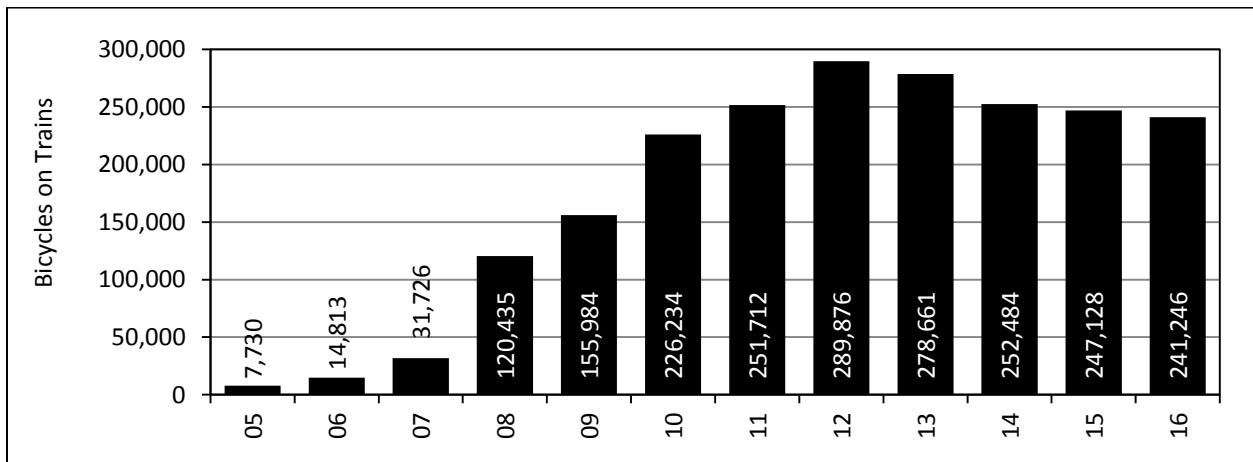


Bikes on Trains Program

Beginning in June 2005, Metra implemented the Bikes-on-Trains program, permitting a limited number of bicycles in each passenger car during weekday off-peak and weekend service periods. Since October 2014, bicycles have also been permitted on weekday inbound trains that arrive downtown before 6:30 a.m. and during special events at the discretion of the conductors. In 2016, Metra conductors reported 241,000 bicycles brought onto Metra trains (see Figure 11).

Divvy bikeshare stations were first installed in downtown in June 2013. Since then, their use has continued to climb and docking stations were opened in Evanston and Oak Park in 2016. The valet docking service provided by Divvy at Union Station and Ogilvie Transportation Center suggests that some of the growing demand for bicycles on Metra has been met by this bikeshare service.

Figure 11: Bikes on Trains Program Usage



III. 2016 RIDERSHIP INFLUENCES

Metra provided over 80.4 million passenger trips in 2016, which is a 1.5% decrease from 2015. This followed a 2.1% decrease in ridership from 2014 to 2015. Many factors contribute to year-over-year ridership changes. Some of these factors are under Metra’s control (e.g. fare and service changes) while others are not (e.g. changes in employment and fuel prices). The following is a series of factors that have influenced annual ridership and an examination of how these factors impacted Metra’s ridership in 2016.

In 2016, the Cubs Victory Parade and Rally, weather, on-time performance, employment, and gas prices were the influencing factors that changed the most from last year. Population and parking were stable. Additionally, riders purchased a higher percentage of ten-ride tickets and a lower percentage of monthly tickets as the price was reduced to be equal to nine one-way trips. In 2013 and 2014, this had the effect of skewing the ridership higher while in 2015 it had the effect of skewing the ridership estimates lower.

Winter Weather

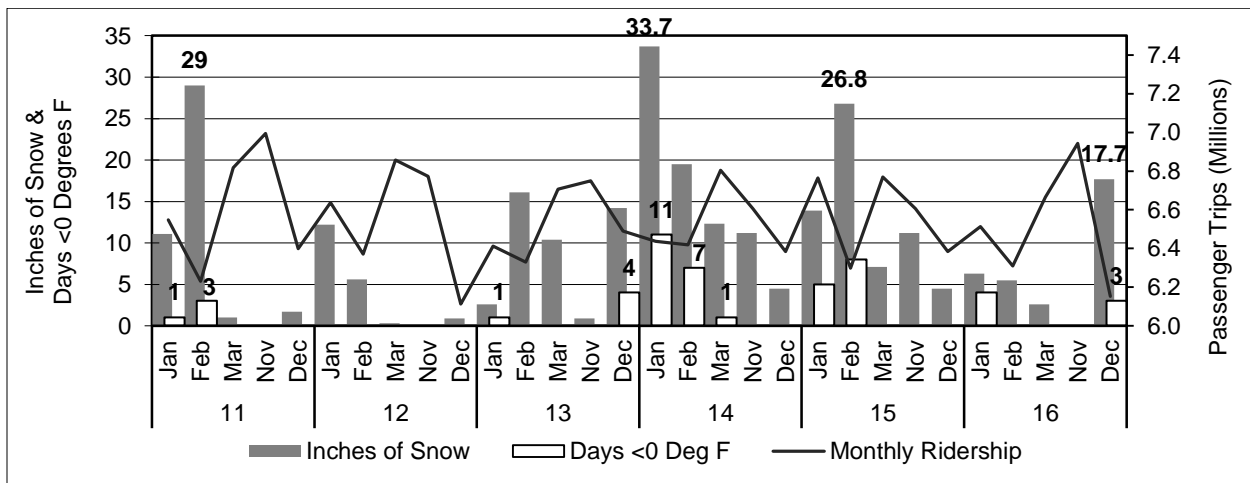
Metra ridership is generally impacted during times of severe winter weather as commuters choose whether or not to ride Metra depending on driving conditions and/or school closures. The 2015-2016 winter season was somewhat milder than the 2014-2015 season. Compared to the last five years, the winter of 2015-2016 had low snow accumulations (30.1 inches total) and a low number of frigid days (4 days <0 deg. Fahrenheit).

Table 8: Chicago Snowfall

Season	Inches of Snowfall					Nov-Mar	Diff. from 30-yr. Avg.
	Nov	Dec	Jan	Feb	Mar		
2012-13	0.0	0.9	2.6	16.1	10.4	30.0	-6.5
2013-14	0.9	14.2	33.7	19.5	12.3	80.6	44.1
2014-15	2.8	0.0	13.9	26.8	7.1	50.6	14.1
2015-16	11.2	4.5	6.3	5.5	2.6	30.1	-6.4
2016-17	0.0	17.7				17.7	
30-yr Avg	1.4	7.9	11.9	10.0	5.2	36.5	

As seen in Figure 12, high snow accumulations and frigid temperatures contributed to lower ridership in December 2016.

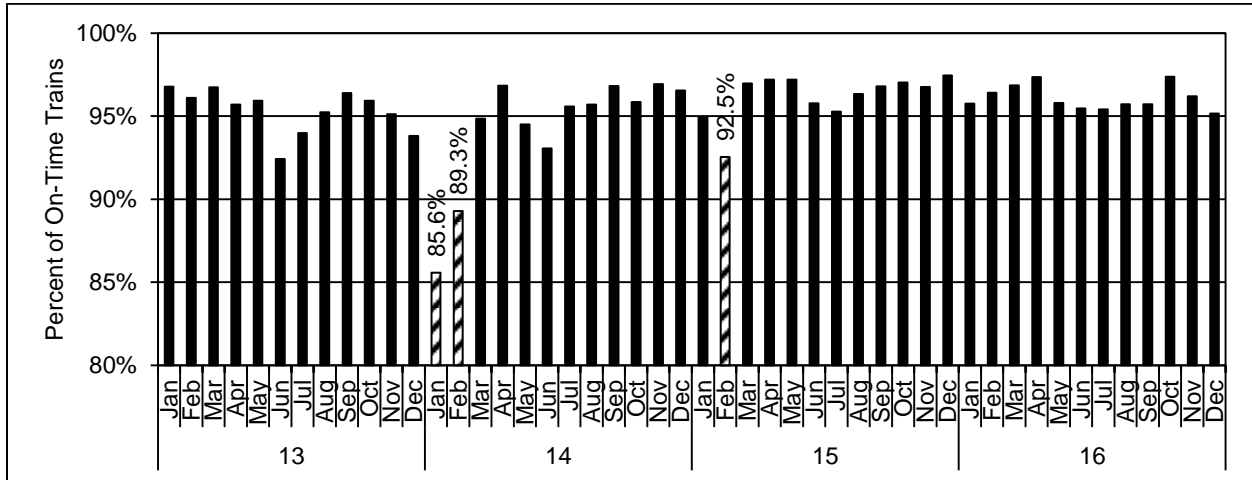
Figure 12: Monthly Ridership, Inches of Snow, and Days <0 Deg. Fahrenheit



On-Time Performance

Due to milder weather, Metra’s on-time performance during the winter months in 2016 is notably better than 2014 and 2015. The on-time performance of the system is the percentage of scheduled trains that arrived on-time each month. Metra considers a train late if it arrives six minutes or more after its scheduled arrival at its last stop. Metra system reliability over the past several years has tracked at a very high level, usually exceeding 95% on-time performance in any given month. In Figure 13, the effects of heavy snowfall and frigid temperatures in 2014 and 2015 on on-time performance are evident. In 2016, system on-time performance was 96.1%

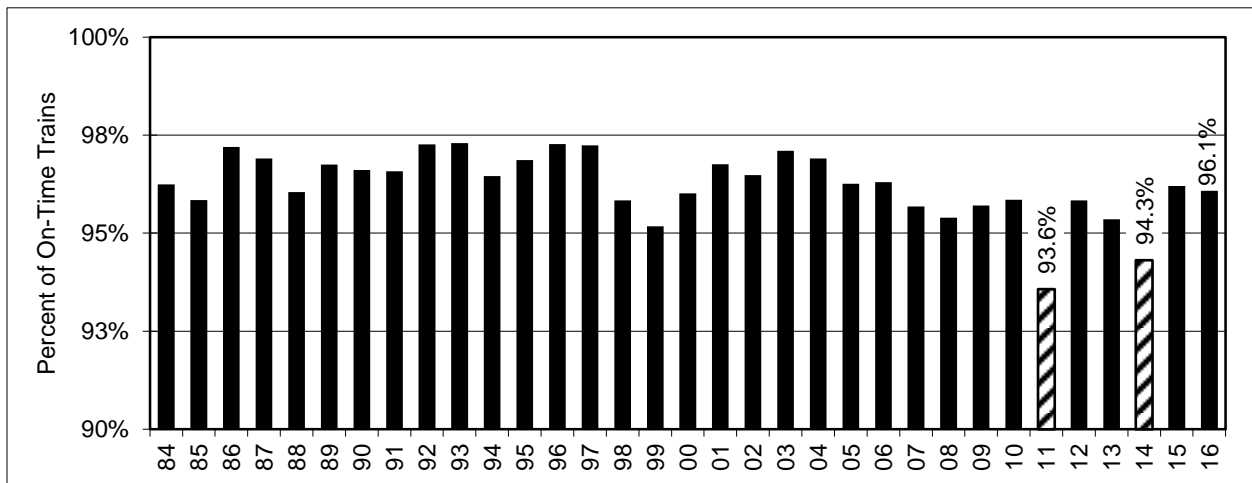
Figure 13: The Impacts of Severe Winter Weather on On-Time Performance



Note: A striped bar is used for 2015 to show the Groundhog Day Blizzard’s impact on on-time performance and for 2014 to highlight the influence of the polar vortex.

On-time performance was slightly lower in 2016 than 2015 in seven months resulting in a slightly lower percentage for the year. In 2016, on-time performance averaged 96.1%, which is above the 2011-2015 average on-time performance of 95.1% (see Figure 14).

Figure 14: Annual On-Time Performance



Note: A striped bar is used for 2011 to show the 2011 Groundhog Day Blizzard’s impact on on-time performance and for 2014 to highlight the influence of the polar vortex. The method for calculating on-time performance changed in May 2011.

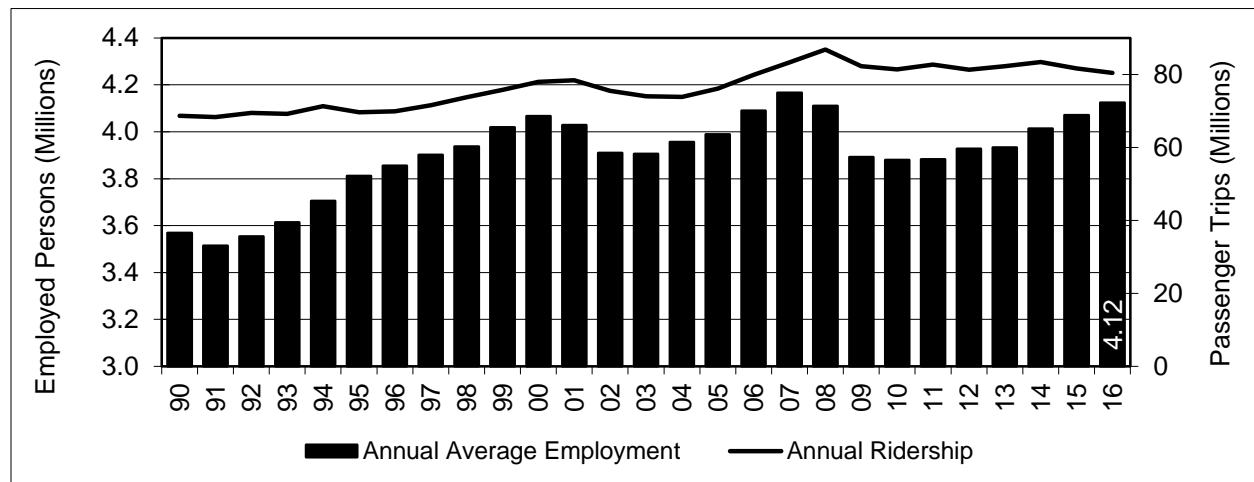
Metra on-time performance in 2016 was adversely affected by increases in infrastructure delays, including signal and switch failure delays (17.3% of delays in 2016 compared to 12.0% in 2015), track

work delays (12.4% of delays in 2016 compared to 7.9% in 2015), and mechanical failure delays (13.1% of delays in 2016 compared to 10.6% in 2015). However, these increases were largely offset by decreases in weather delays (6.9% of delays in 2016 compared to 13.0% in 2015) and freight interference delays (10.5% of delays in 2016 compared to 14.0% in 2015). Metra exceeded its on-time performance goal of 95.0% in every month in 2016, a feat Metra has accomplished every month since March 2015. Except for September and December, system monthly on-time performance in 2016 exceeded the average on-time performance for each month of the previous five years, even for July, August, and November. Major outdoor events during these months, including the Taste of Chicago in July, Lollapalooza in August, and the Cubs rally in November, negatively affected on-time performance due to heavy passenger loads.

Employment

Since approximately 90% of passenger trips taken on Metra are for work, the health of the regional economy, especially in terms of employment levels, greatly influences Metra ridership (see Figure 15). Regional employment has generally grown since 1990. The economic downturn following the September 11th attacks and the 2007 to 2009 economic recession (affecting 2008 through 2010 employment averages) are the exceptions. Average regional employment for 2016 was 1.3% higher compared to 2015. Although regional employment has increased in each of the past three years, employment remains below pre-recession levels. In 2016, approximately 4.12 million persons were employed in the Chicago region. This is comparable to 2000, 2006, and 2008.

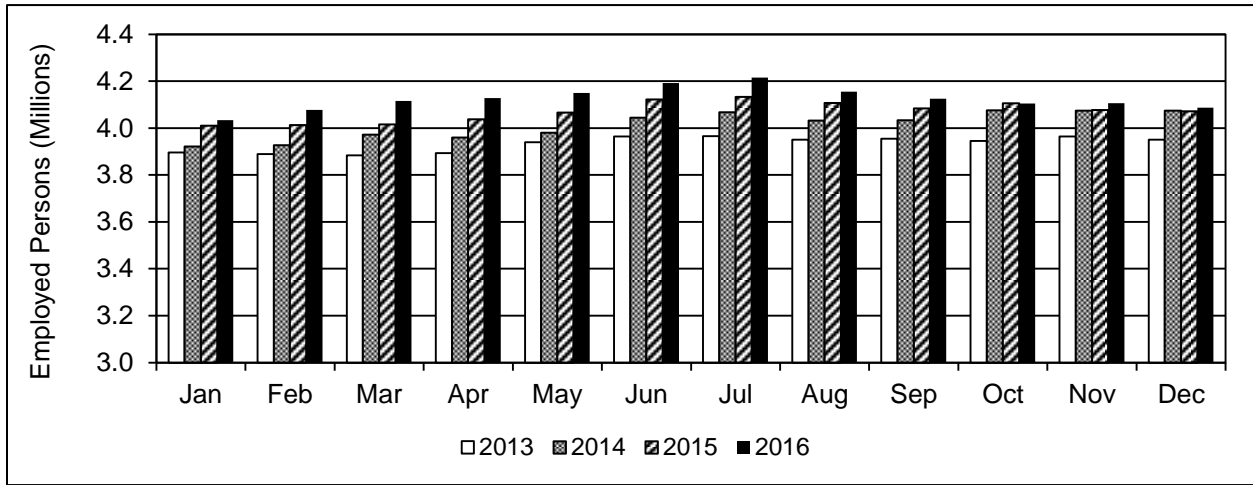
Figure 15: Annual Average Regional Employment



Source: Illinois Department of Economic Security. Includes employees covered under the State’s Unemployment Insurance Act. Includes employment figures for Cook, DuPage, Kane, Lake, McHenry and Will County. Government workers are not included in these estimates.

Figure 16 shows regional employment by month for 2013 through 2016. Similar to 2015, 2016 was a banner year for employment in the region with monthly totals higher than the previous four years in all but the month of October. This continues a positive trend of year-over-year gains in regional employment that began in mid-2012.

Figure 16: Regional Employment by Month



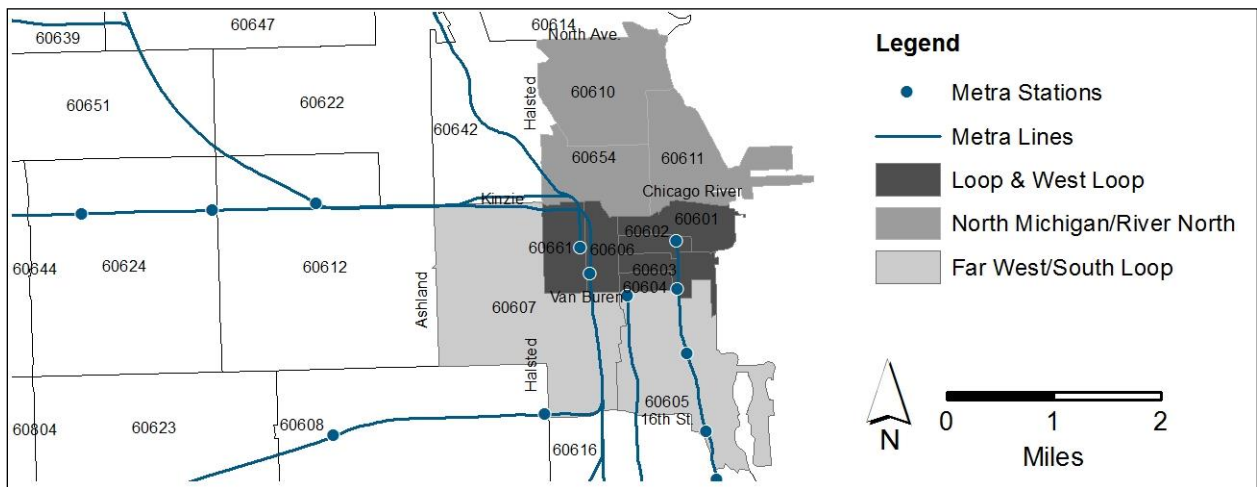
Source: Illinois Department of Economic Security. Includes employees covered under the State’s Unemployment Insurance Act. Government workers are not included.

Employment in Downtown Chicago

As all of Metra’s terminals are located in downtown Chicago, changes in downtown employment influence ridership more than regional trends. The Illinois Department of Economic Security publishes employment statistics by ZIP code in the Chicago region each year for the month of March. In March of 2015, non-government employment in the ZIP codes that make up downtown was 574,216, up 2.0% from 557,257 in 2014. For the third consecutive year, this is the highest amount recorded since these statistics have been calculated.

The ZIP codes for the Loop, West Loop, North Michigan/River North, Far West/South Loop areas are shown in Figure 17. The Loop & West Loop is bordered Halsted Street in the west, Lake Michigan in the east, Van Buren Street in the south, and the Chicago River in the north. The Far West/South Loop is from Ashland Avenue in the west to Halsted Street and then Lake Michigan between 16th Street and Van Buren Street. North Michigan/River North is from Halsted Street in the west to Lake Michigan in the east between the Chicago River and Kinzie Street in the south and North Avenue in the north.

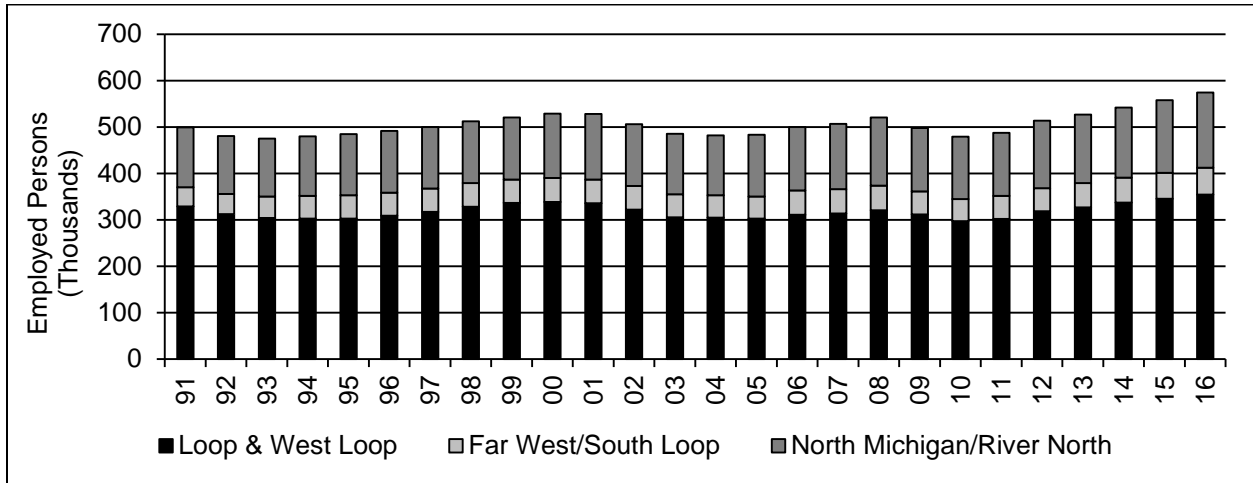
Figure 17: Downtown Chicago Employment Zones by ZIP Code



Employment was higher in 2016 than 2015 in all downtown employment zones (See Figure 18). Downtown had over 16,500 more jobs in 2016 than 2015. The Loop & West Loop gained 9,003 jobs, the

North Michigan/River North area gained 5,664 jobs, and the Far West/South Loop gained 1,914. However, employment was down in the Loop Zip Code of 60604; it lost 4,933 or 12% of jobs.

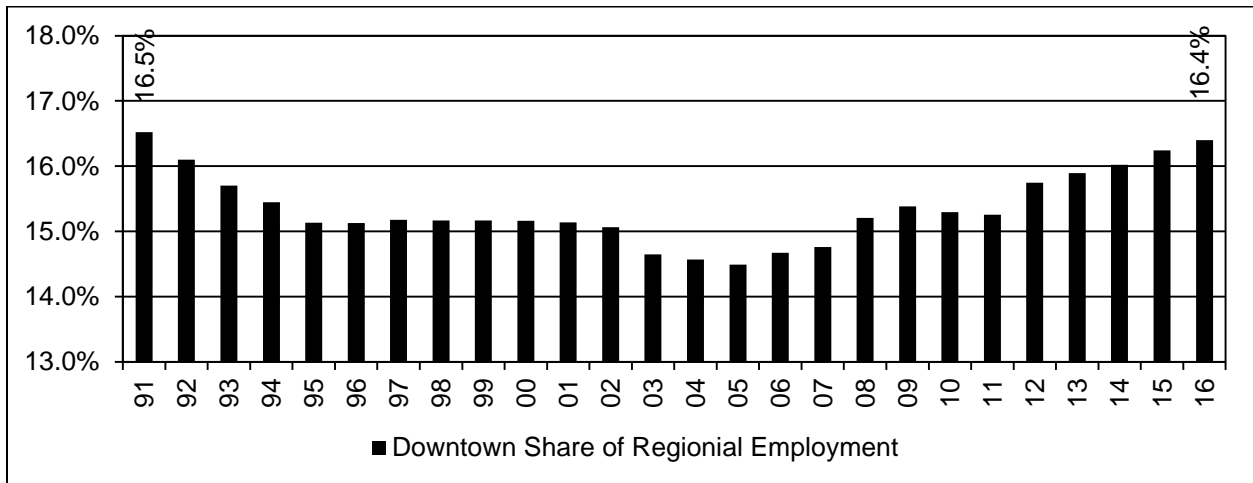
Figure 18: Downtown Chicago Employment by Downtown Employment Zone



Source: Illinois Department of Economic Security. Includes employees covered under the State's Unemployment Insurance Act. Government workers are not included.

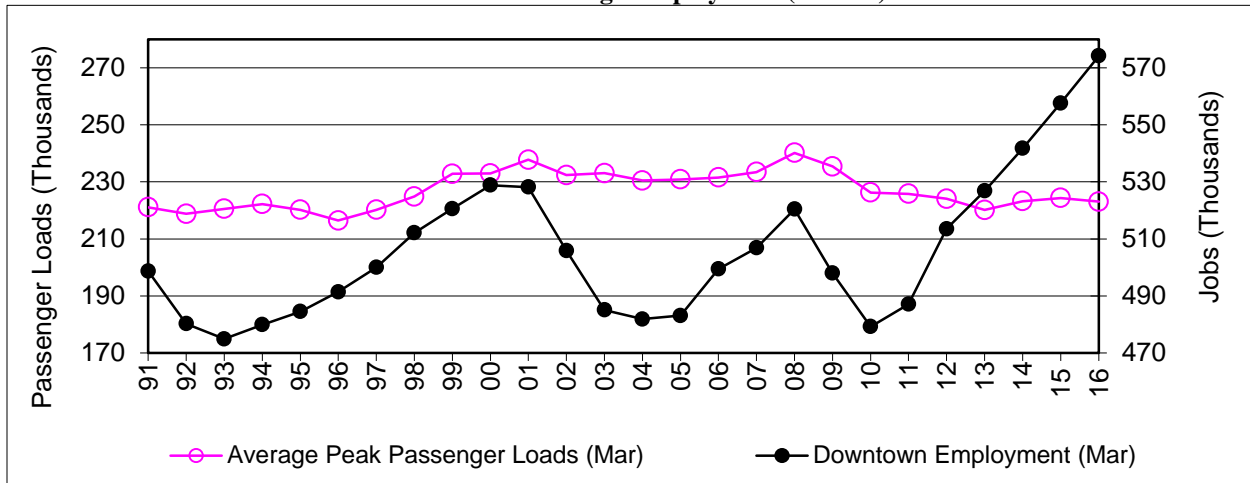
The percentage of regional jobs located in downtown has grown from a low of 14.5% in 2005 to 16.4% in 2016. This is second highest percentage recorded since 1991 (16.5%) continuing a trend that began in 2011 (see Figure 19).

Figure 19: Downtown Share of Regional Employment (1991 through 2016)



Nearly 90% of Metra's morning passenger trips are destined for the five stations located downtown (Union Station, Ogilvie Transportation Center, LaSalle Street, Van Buren, and Millennium). Metra's peak-period/peak-direction (AM Peak inbound trains and PM Peak outbound trains) average weekday ridership has historically followed trends in non-government employment downtown. As employment downtown rose in the 1990s and dropped between 2008 and 2010, passenger loads followed suit (see Figure 20). In the last few years, steady increases in the number of downtown jobs have occurred while ridership remains flat.

Figure 20: Average Peak Hour and Peak Direction Weekday Passenger Loads in March & Downtown Chicago Employment (Private)



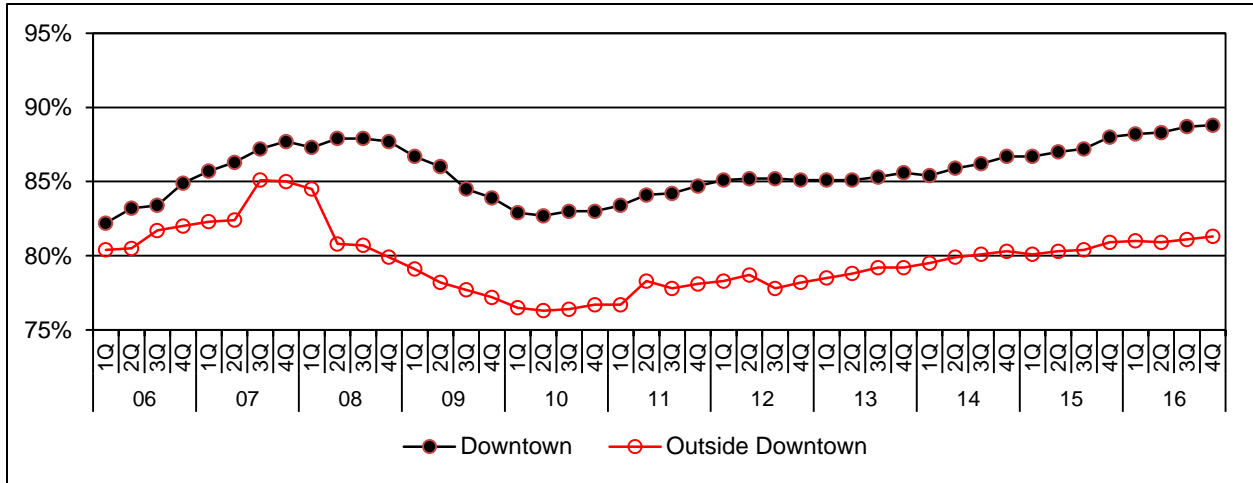
During 2016, a number of small and mid-sized companies relocated to the Chicago Central Business District (CBD), with the most notable being BP (200 employees), Kraft (1,500), ConAgra (700), Baxalta (750), Allstate (400), Beam Suntory (450) and SC Johnson (175). In addition to these CBD relocations, Metra’s Marketing Department also worked with companies in 2016 that relocated to or within suburban markets. This includes Medline, which moved a sizable group to a Northfield location that formerly housed Kraft. Also, Volter Kluwers shuttered its Chicago office, moving several hundred employees to their facility in Riverwoods.

The trend of companies moving back into the CBD, while diminishing somewhat from prior years, continues into 2017/2018. The most notable CBD relocation will be McDonalds, which will bring its corporate staff of approximately 1,000 employees to the West Loop following a build-out of new space at the site of the former Harpo Studios. Glenview firm Mead Johnson also plans to relocate to the CBD in 2017. The firm plans to occupy 444 W. Lake, a new building at the fork of the Chicago River.

A page on Metra’s website, geared to relocating companies along with employers throughout the region, outlines the complimentary corporate services Metra offers, including on-site transit events, information on transit benefit programs and referrals to companies providing benefit services.

The shift in the share of total employment towards downtown Chicago is evident in office occupancy rates (see Figure 21). Downtown Chicago office occupancy rates remained constant near 85.1% between the First Quarter of 2012 through the first half of 2013. Beginning in the Third Quarter of 2013, the occupancy rate began to climb. By the Fourth Quarter of 2016, the rate had gone up to 89%. Office occupancy rates outside of downtown continued a slow and steady increase in 2016 that began in the Fourth Quarter of 2012, starting the year at 81.0% and rising to 81.3% by the Fourth Quarter. The difference between downtown and outside-of-downtown occupancy has been steady since the Second Quarter of 2008 (see Figure 21).

Figure 21: Quarterly Office Space Occupancy Rates (% of Available Space Occupied)



Source: CB Richard Ellis

Regional Population

Total demand for transportation services can be broadly measured by population. Northeastern Illinois’ regional population increased by 2.8% between 2000 and 2010, with Cook County decreasing in population and the collar counties steadily growing, as shown in Table 9. In the last five years, Kane County has seen the highest percentage growth.

Table 9: Northeastern Illinois Regional Population Growth

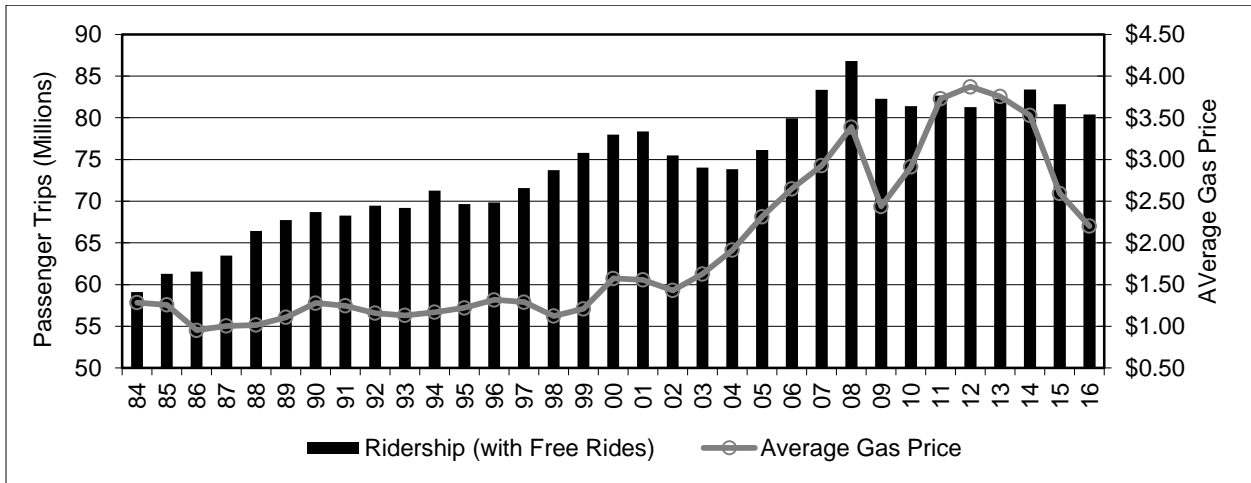
	2000	2010	2015 Est.	00 vs. 10	10 vs. 15	2040 Projections	% Change (2010-2040)
Cook County	5,376,741	5,194,675	5,238,216	-3.4%	0.8%	5,960,242	15%
City of Chicago	2,896,016	2,695,598	2,720,546	-6.9%	0.9%	3,054,654	13%
Other	2,480,725	2,499,077	2,517,670	0.7%	0.7%	2,905,588	16%
DuPage County	904,161	916,924	933,736	1.4%	1.8%	1,104,089	20%
Kane County	404,119	515,269	530,847	27.5%	3.0%	789,295	53%
Lake County	644,356	703,462	703,910	9.2%	0.1%	896,341	27%
McHenry County	260,077	308,760	307,343	18.7%	-0.5%	508,918	65%
Will County	502,266	677,560	687,263	34.9%	1.4%	1,175,218	73%
NE Illinois Region	8,091,720	8,316,650	8,401,315	2.8%	1.0%	10,434,103	25%
City Share	35.8%	32.4%	32.4%			29.3%	
Suburban Share	64.2%	67.6%	67.6%			70.7%	

Source: U.S. Census Bureau; Projections from the Chicago Metropolitan Agency for Planning October 2014 Updates.

Automobile Operation Costs

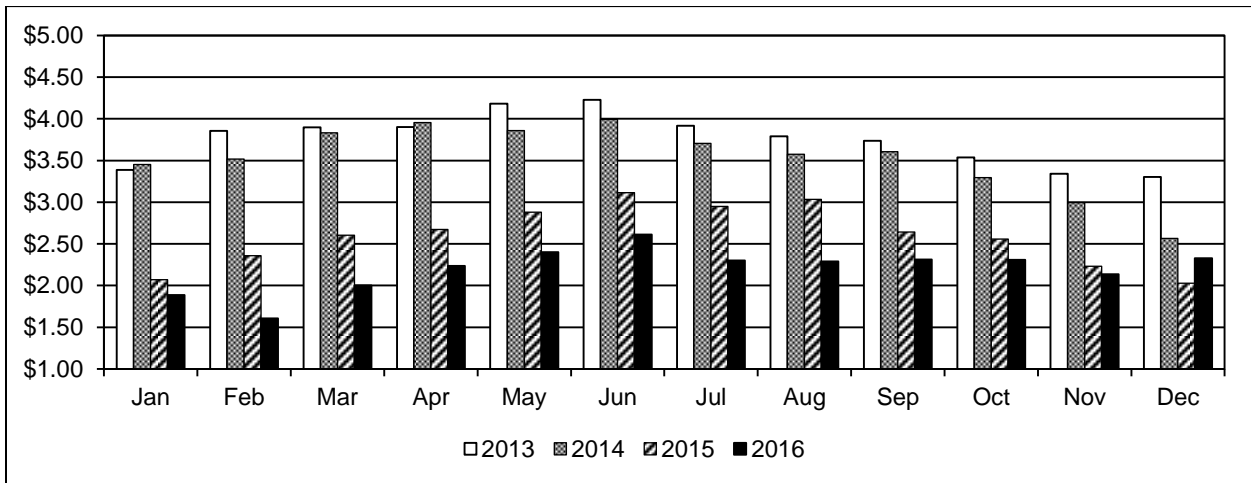
Congestion, highway tolls, parking rates, and the cost of automobile ownership and operation are factors that people consider as they choose to travel throughout the Chicago region. The price of gasoline is the biggest factor driving the costs of operating a vehicle. Metra ridership has trended along with the average gasoline price as reported by the Bureau of Labor Statistics for Regular Gasoline sold in the greater Chicago-Gary-Kenosha region (see Figure 22). The average annual gas price in 2016 (\$2.20 per gallon) was \$0.40 lower than in 2015 (\$2.60) and the lowest since 2005.

Figure 22: Annual Ridership and Average Annual Gas Price



At the beginning of the decade, gas prices fluctuated between \$3.50 and \$4.00 per gallon (see Figure 23). In 2014, a dramatic drop in gas prices at the end of the year did not lead to a corresponding drop in Metra ridership. In 2015 and 2016, the lower ridership appears to correlate with the sustained lowering of gas prices. This effect is most noticeable on discretionary ridership, infrequent trips that occur during less congested periods. Off-peak passenger loads were down in 2016 while peak-period passenger loads remained constant.

Figure 23: Average Monthly Gas Price



Major Construction Projects

Metra provides a reliable option for many of its riders, enabling them to avoid chronically congested roadways and to ride transit when other services are disrupted. When Metra’s transportation partners undertake construction on any of the region’s major transportation facilities, Metra service can play an important role in mitigating construction disruptions. Many who use Metra during construction revert back to their previous travel patterns after construction. As such, the timing of major construction projects can significantly influence Metra’s annual ridership estimates one way or the other.

Table 10 lists all major construction projects that have occurred since 2000. The shaded projects likely influenced ridership in 2016.

Table 10: Major Roadway Construction Projects

Major Roadway	Affected Lines	Years
Congress Pkwy	Milw-W,UP-W, BNSF	2010-2012
Dan Ryan	Elec, RI, So. Shore	1988-1989, 2003-2007
Edens	UP-N, Milw-N	1979, 2007-2008
Edens Spur	UP-N, Milw-N	2010
Eisenhower	Milw-W,UP-W, BNSF	1984-1985, 2010
Hillside Strangler	BNSF, Milw-W, UP-W	2000-2001
I-355	Milw-W,UP-W, BNSF	2010
I-57 Rehab	Elec, RI	2002-2003
I-90 Jane Addams Tollway	Milw-W, UP-NW	2013-2016
IL Route 59	BNSF	2013-2015
Jane Byrne Interchange	Elec., RI, BNSF, Heritage, SWS, Milw-N, Milw-W, NCS, UP-N, UP-NW, UP-W	2015-2016
Kennedy	UP-N, Milw-N, UP-NW	1992-1994
Lake Shore Drive	Elec	1996
Stevenson	BNSF, Heritage, SWS	1998-2000
South Lake Shore Drive	Elec	2001-2004
Wacker Drive	BNSF, Heritage, SWS, Milw-N, Milw-W, NCS, UP-N, UP-NW, UP-W	2010-2012

Two major roadway construction projects (I-90 and the Jane Byrne Interchange) likely influenced Metra ridership through during 2016. Another noteworthy project is the Adams Street Bridge as it redirects some pedestrian access to and from Union Station. Further information about the projects is below:

Adams Street Bridge – The Adams Street Bridge Reconstruction project began in January 2016 and is scheduled for completion in early 2017. The project will periodically restrict pedestrian access to Union Station via Adams Street throughout 2016. One block to the south, the Union Station Transit Center, a component of the CTA Loop Link Bus Rapid Transit project, opened in September 2016. The center consolidated CTA bus connections for Metra passengers at Union Station.

Jane Addams Memorial Tollway (I-90) Reconstruction and Widening – In 2013, the Illinois Tollway began major reconstruction and widening of the Jane Addams Memorial Tollway (I-90) in two segments, Chicago to Elgin and Elgin to Rockford. In April 2013, work began on the western segment from Elgin to Rockford. Phase I of the project, between Rockford and Elgin was completed in December 2014. The second phase of the project, between Elgin and the Kennedy Expressway, began in Spring 2015 and was completed in December of 2016.

Jane Byrne Interchange Reconfiguration – In March 2015, work began on a major reconfiguration of the Jane Byrne Interchange. During the first phase of the construction, the number of lanes was reduced on several ramps and the inbound Dan Ryan Expressway, and access to Congress Parkway from the Dan Ryan was via a detour. In December 2016, a new flyover linking the inbound Dan Ryan Expressway to the outbound Eisenhower Expressway was completed. The project will continue through 2017.

Marketing

Metra markets its services to a wide variety of audiences. Its customer base includes traditional commuters and reverse commuters as well as recreational customers, weekend riders and occasional users, all of which represent important market segments for future ridership growth. Metra uses a proactive, customer-driven marketing approach to build on successful programs to meet passenger travel needs. While some of the marketing is tailored to specific market segments, other efforts are geared toward the general population to reinforce brand identity throughout the region while sending a call to action that resonates with all potential customers.

Metra was in the process of selecting a new advertising agency early in 2016, and due to this process it deployed single-execution promotional programs to support transit benefits, auto show and weekend travel initiatives (NFL draft, flower show, St. Patrick's parade, etc.) via email blasts, posters, the website (metrarail.com) and social channels. Targeted campaigns also promoted new service on the Rock Island and Heritage Corridor lines.

During the summer, Metra's weekend pass was promoted to recreational riders through a mix of radio, print, billboard and multiple digital tactics. Creative introduced a "larger-than-life" themed travel experience aboard Metra. The summer campaign maintained the same theme to support Metra's seasonal recreational travel program, including the expansion of Family Fares to weekdays during the summer months. The program also offered Metra customers a travel tool kit containing information about online discounts and deals offered by promotional partners as well as a calendar of popular events and a downtown connections guide.

Metra introduced a courtesy campaign in July to remind and encourage customers to "Ride Nice." The courtesy campaign, the first in Metra's history, was designed to address some of the most common complaints that customers have about other customers. The campaign was promoted via the Metra website, social media platforms and car cards placed onboard the trains.

In order to maintain presence in the market, Metra implemented a campaign focused on Metra's 10-Ride Ticket in September. This continued the "larger-than-life" theme utilized in the summer and reinforced the message that the 10-Ride Ticket is ideal for commuters and recreational travelers. The campaign was promoted via billboard, digital and radio advertising.

To support large ridership events, special event tickets were promoted through social media channels and website for Lollapalooza and the Cubs World Series celebration.

A new resident campaign was launched in October 2016. Aimed at those identified as new homeowners, four test programs were used that offered the opportunity to request either two or four complimentary One-Way Tickets. The goal was to entice new homeowners to try Metra for their commute and potentially generate a new group of regular customers. The campaign was distributed through Welcome Wagon, email and direct mail to multiple list sources.

During the holiday season, promotional opportunities included the Magnificent Mile Lights Festival, holiday Weekend Pass campaign and the extension of weekend Family Fares to coincide with the school holiday break. A New Year's Eve promotion holding the last train to provide early morning service and was publicized through digital, radio, print, website and social channels.

Business Development

Working with a range of civic and business partners, Metra continuously strives to cultivate new riders across all market segments. One-to-one outreach efforts are directed to human resources managers, trade groups such as the Transportation Management Association (TMA) of Lake-Cook, chambers of commerce and others. Promoting Metra as a preferred option for both traditional and reverse commuters, Metra works with these civic groups, commercial property managers, and employers throughout the region to identify needs for connecting services. Metra then worked with Pace and/or an assortment of other providers, including Transportation Network Companies (TNCs), TMAs, local chambers and municipalities, to support both public transportation and innovative connecting services.

At the close of 2016, Metra was directly involved in the support of a network of 11 Pace shuttles serving the Lake-Cook Corridor, and helped promote ridership on a number of other shuttle projects, including Conway Park businesses in Lake Forest, Esplanade office complex in Downers Grove, HSBC in Rolling Meadows, and more. Throughout Metra’s system, Metra has promoted (and continues to promote) transit benefits as a means for commuters to save on their transportation costs. In so doing, Metra champions all product offerings, while stressing the value of the RTA’s program, which is offered at the lowest cost of any provider in the region. In support of this IRS-approved benefit, Metra maintains a transit benefit info page on metrarail.com and periodically e-blasts info to chambers and others. Beyond the commute markets, Metra works with meeting planners, convention staff, residential and hotel property managers, as well as concierges and other tourism related entities to promote Metra as a preferred mode for accessing cultural, recreational, sporting, entertainment and conference/convention venues.

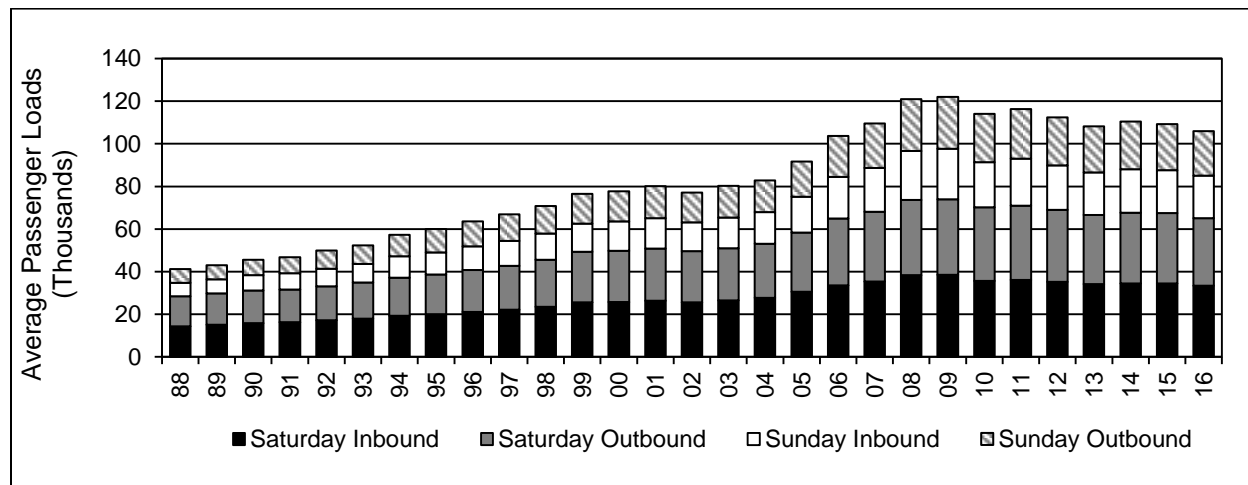
Cultural Attractions

Metra provides direct access to many of the region’s top cultural attractions. The downtown area is home to internationally renowned museums, world-class theaters and music venues, award winning restaurants, and is one of the premier shopping destinations in North America. Chicago-area residents and many travelers from outside the region use Metra as it provides direct access to these attractions without the need to navigate the region’s congested highways, and without the need to locate and pay for parking.

Beyond the immediate downtown area, several of Metra’s outlying stations are close to a number of popular attractions such as the Ravinia Festival, Chicago Botanic Garden, Brookfield Zoo, Museum of Science and Industry, Arlington Park Race Track, Schaumburg Boomers Stadium, Joliet Slammers Silver Cross Field, and U.S. Cellular Field to name a few.

Metra’s direct access to many of Chicago’s cultural attractions causes Metra’s weekend train loads to be heavy at times. Average weekend passenger loads climbed from approximately 80,000 per weekend to 120,000 per weekend between 2004 and 2008 (see Figure 24). This volume dropped since 2009. In 2016, weekend loads averaged 106,000 which is comparable to 2006.

Figure 24: Annual Average Weekend Passenger Loads by Day and Direction



Note: This table does not include South Shore Line data as reported in the 2014 and 2015 annual reports.

Special Events

Special events often bring large crowds into Chicago during off-peak hours. Metra provided additional service for the following events in 2016: St. Patrick’s Day Parade (March 12), Bank of America Shamrock Shuffle (April 3), Blues Fest and Spring Awakening (June 10-11), Chicago Pride Parade (June 26), Taste of Chicago (July 6-12), Lollapalooza (July 28-July 31), Chicago Air & Water Show (August 20-21), Riot Fest (September 16-18), Chicago Half Marathon (September 25), Bank of America Chicago

Marathon (October 9), Chicago Cubs Rally and Parade (November 4) and the Magnificent Mile Lights Festival and Parade (November 19).

On Friday, November 4 the city celebrated the Chicago Cubs World Series win with a parade and rally attended by an estimated five million people. Metra added significant additional service to accommodate crowds, and offered a \$5.00 special event ticket valid for unlimited travel on the day of the event. About 120,000 special event tickets were sold, accounting for an estimated 240,000 rides. Passenger loads on November 4 were the highest in Metra history, at an estimated 469,000.

Lollapalooza is also a significant event for Metra. Additional service was added from July 28-July 31 to accommodate added ridership, and over 11,000 \$20.00 four-day pass special event tickets were sold resulting in over 73,000 estimated rides.

McCormick Place Marketing Efforts

Secondary markets such as the McCormick Place Convention Center allow Metra to identify ridership opportunities beyond the work commute. Metra works with meeting planners, trade associations, hotels, and Choose Chicago (the city's tourism and convention bureau) to build convention ridership at McCormick Place. Metra encourages trade shows to arrange special Zone A tickets for attendees for use on the Metra Electric Line for travel to and from McCormick Place and downtown hotels. In 2016, this yielded commitments from four major associations: International Housewares Association, National Restaurant Association, Packaging Machinery Manufacturers Institute (PMMI) and Radiological Society of North America (RSNA), resulting in revenues attributable to McCormick Place activity of more than \$126,000 and nearly 37,000 Zone A rides. Events that do not arrange for special passes also help generate ridership by promoting Metra for travel at their events and via their websites. The 2016 installation of a credit card vending machine for Metra tickets at McCormick Place provided an attractive station amenity that will support customer use of rail service for travel to both public and private events at McCormick Place.

Fares

In December 2012, the Metra Board of Directors approved a fare policy change to the ten-ride ticket, increasing the price from 9 to 10 equivalent one-way fares to be effective February 2013. In February 2015, this policy was reversed along with a 10.8% average fare increase. The price of weekend tickets increased from \$7 to \$8. On February 1, 2016, Metra increased one-way fares by \$0.25, full-fare ten-ride fares by \$1.75, full-fare monthly fares by \$2.50, reduced ten-ride by \$0.75, and reduced monthly by \$1.25. The on-board penalty fee increase adopted in 2015 was implemented in 2016 increasing the penalty from \$3.00 to \$5.00. The next fare changes approved by the Metra Board of Directors will be effective on February 1, 2017. Table 11 lists the effective changes to commuter rail fares since 1981.

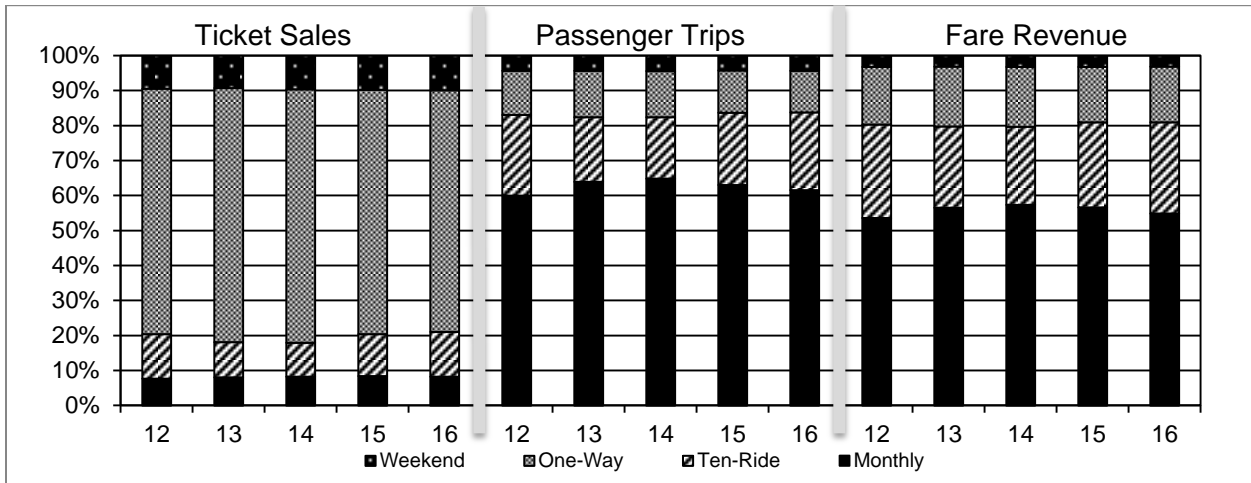
Table 11: Commuter Rail Fare Changes Over Time

Date	Action
Jan-81	across-the-board 33% increase
Jul-81	across-the-board 12.5% increase plus 40% surcharge
Oct-81	surcharge reduced to 33% (average -5%)
Feb-84	across-the-board 10% reduction (by Interim RTA Board)
Aug-85	discount ten-ride tickets by 15%; reduce Zone B fares by 18%; Family Fares
Feb-86	across-the-board 5% increase
Feb-89	across-the-board 5% increase (Capital Farebox Financing program)
Apr-90	raise on-train cash fare penalty from 50¢ to \$1.00
May-91	introduce Weekend \$5 Ticket
Feb-96	across-the-board increase, 20¢ per zone, +5½% overall
Jun-02	across-the-board 5% increase; raise on-train cash fare penalty from \$1.00 to \$2.00
Feb-06	across-the-board 5% increase
Feb-08	across-the-board 10% increase
Feb-10	increase one-way tickets by 6%, quarter-rounded; raise on-train cash fare penalty from \$2.00 to \$3.00; raise Weekend Ticket from \$5.00 to \$7.00
Feb-12	25.1% average fare increase (15.7% one-way; 30% ten-ride; 29.4% monthly); one-way tickets valid for 14 days from date of purchase and not eligible for refunds; monthly tickets valid only for the month issued and refunds subject to a \$5 handling fee
Feb-13	increase price of full-fare ten-ride ticket from 9.0 to 10.0 equivalent one-way fares (11.1% increase)
Feb-15	10.8% average fare increase; discount for full- and reduced-fare ten-ride tickets (priced at 9.0 equivalent one-way fares); weekend ticket increase from \$7 to \$8; on-train cash fare penalty increase from \$3 to \$5 (implemented in 2016); various fare policy changes including extension of one-way valid period from 14 to 90 days, extension of monthly valid period to noon on 1st business day following valid month, and elimination of all refunds except by discretion of CEO
Feb-16	Increase One-Way Fares by \$0.25; Increase Full-Fare Ten-Ride by \$1.75, Full-Fare Monthly Fares by \$2.50, Reduced Ten-Ride by \$0.75, and Reduced Monthly by \$1.25, on-train cash fare penalty increase from \$3 to \$5 (adopted in 2015) was implemented.

February 2013 and February 2015 Ten-Ride Fare Policy Change - Impact on Other Ticket Types

The change in the ten-ride ticket policy had an effect on the share of ticket sales, passenger trips, and fare revenue by ticket type. Figure 25 shows the share of ticket sales, passenger trips, and fare revenue by ticket type for 2012 through 2016. Because Metra estimates ridership based on ticket sales, small shifts in the share of the type of ticket sold can result in larger shifts in the share of passenger trips attributable to each ticket type. When the price of the ten-ride ticket was increased to equal the price of ten one-way tickets in February 2013, the share of trips attributable to monthly ticket holders increased while the share of ten-ride trips decreased. In 2015, when the price of a ten-ride ticket was reduced to the price of a nine one-way tickets, the share of passenger trips attributable to monthly tickets decreased while the share for ten-ride tickets increased. This trend continued in 2016 bringing the proportions of sales, trips, and revenue roughly back to 2012 levels.

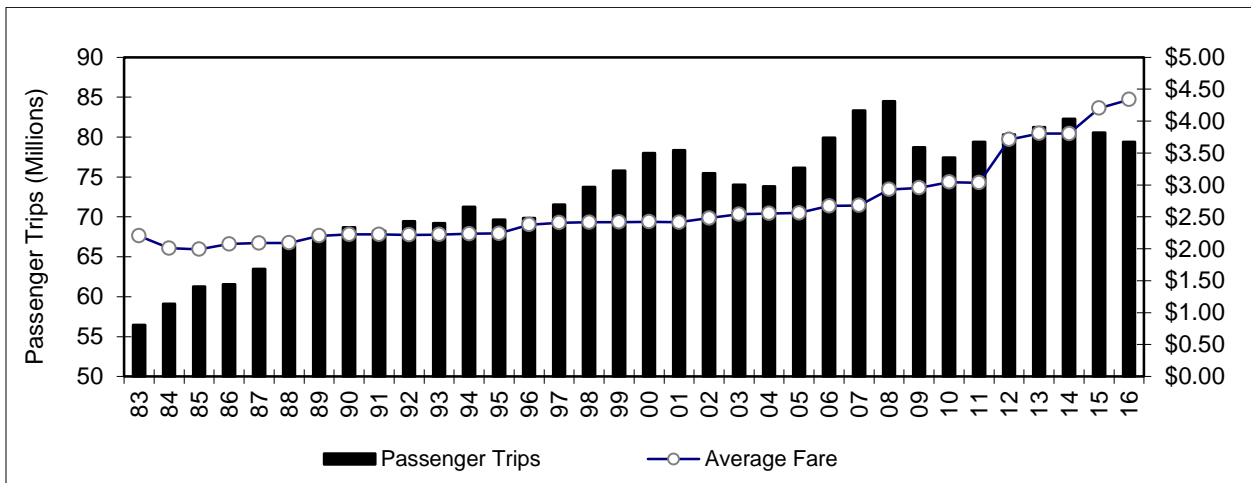
Figure 25: Ticket Sales, Passenger Trips, & Fare Revenue (in millions) & Share by Ticket Type



Average Fare

Each year, Metra calculates the average fare paid by fare-paying passengers. (The average fare calculation does not include free senior or Benefit-Access/Circuit-Permit rides.) In 2016, the average fare increased 3.2% compared to 2015 as a result of the fare increase approved in December 2015 and implemented in February 2016 (see Figure 26).

Figure 26: Average Fare and Annual Paid Trips



Note: Does not include free trips.

Table 12 illustrates the change in average fare paid and average miles traveled in 2015 and 2016 for each rail line.

Table 12: Average Fare Paid and Miles Traveled by Line

Line	2015		2016		% Change	
	Fare	Avg. Miles*	Fare	Avg. Miles*	Fare	Avg. Miles*
BNSF	\$4.28	23.47	\$4.41	23.47	3.1%	-0.01%
Electric Lines	\$3.90	19.73	\$4.02	19.56	3.3%	-0.84%
Heritage	\$4.46	27.70	\$4.62	27.77	3.5%	0.25%
Milw-N	\$4.33	23.10	\$4.47	23.12	3.2%	0.06%
Milw-W	\$4.38	24.66	\$4.51	24.74	3.0%	0.33%
North Central	\$4.97	31.83	\$5.11	31.71	2.9%	-0.40%
Rock Island	\$4.05	21.23	\$4.17	21.21	3.0%	-0.10%
SouthWest	\$3.99	19.18	\$4.12	19.11	3.5%	-0.37%
UP-N	\$3.84	17.14	\$3.95	16.90	2.9%	-1.41%
UP-NW	\$4.43	25.32	\$4.57	25.29	3.3%	-0.12%
UP-W	\$4.25	22.34	\$4.39	22.45	3.3%	0.50%
System	\$4.20	22.41	\$4.34	22.38	3.2%	-0.13%

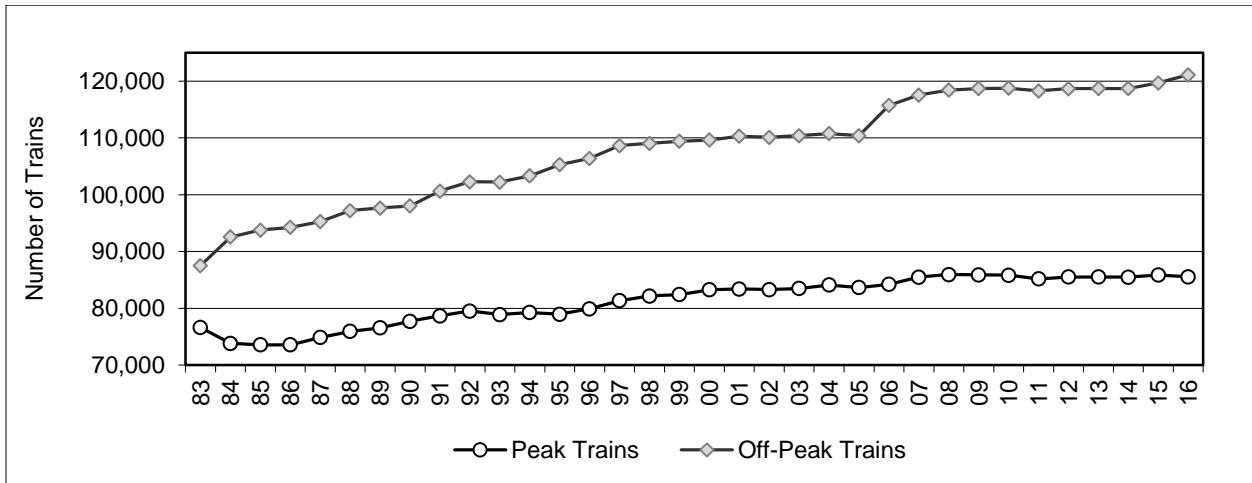
*Average passenger miles are calculated by dividing total passenger miles (excluding free trips) by total reported trips (excluding free trips).

Level of Service

In 2016, the level of service on most Metra lines was unchanged. There were temporary minor schedule changes to accommodate track construction throughout the year and to accommodate heavy ridership loads experienced during the summer and for the holidays. Minor permanent schedule changes were put into effect on the BNSF, Rock Island, and Union Pacific-West Lines, which had no influence on the total level of service on these lines. A permanent service change on the Heritage Corridor Line included the addition of one mid-afternoon outbound train. In addition to the minor permanent schedule change on the Rock Island Line in February, a trial weekday schedule change was implemented in July, which added two outbound midday trains, two inbound midday trains, and one inbound PM (reverse) peak train. The new Rock Island Lines trains had only a minimal effect on the level of service, as the new trains were “split” from five existing weekday trains, so that the existing trains only provide express service to the outer stations while five new trains serve only the inner Branch Line stations.

Figure 27 shows the number of peak and off-peak trains on an annual basis since 1984. Since 1984, service has increased 16% in the peak period and 31% in the off-peak period.

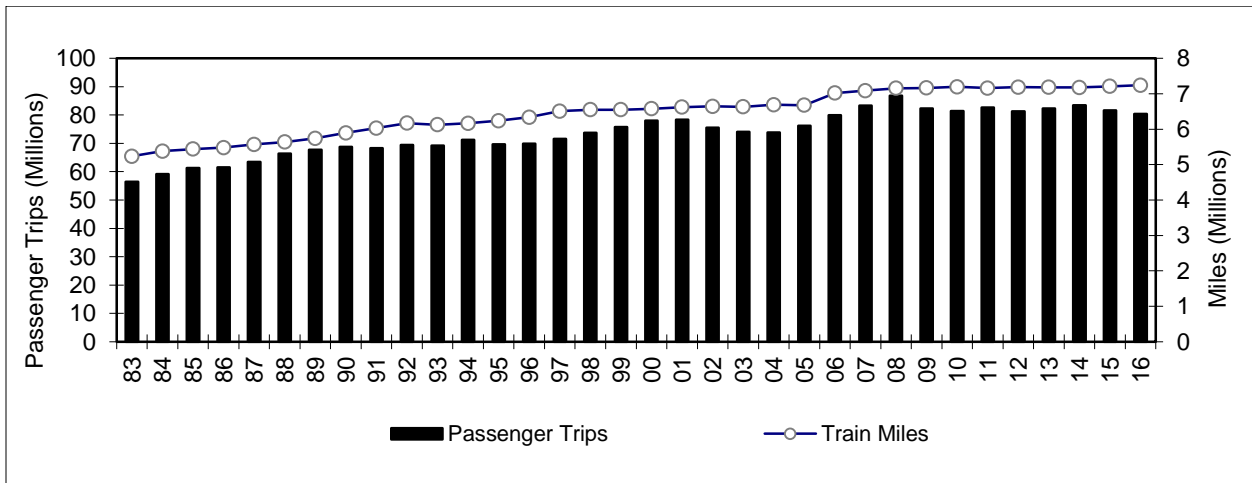
Figure 27: Trains per Year Peak vs. Off-Peak



Total Train Miles

Total train miles (revenue and non-revenue) are a useful measure of the quantity of service offered. Figure 28, combines annual train miles with ridership (including free trips) for the system, and illustrates the importance of service levels to the amount of passenger use. Since 1984, train miles have increased 34.5%, while passenger trips have increased 36%.

Figure 28: Annual Ridership vs. Annual Train Miles (in millions)



Stations

Metra did not open or close any stations in 2016. Since Metra began in 1984, 31 stations have been opened and 15 stations have been closed (see Table 13 and Table 14). The opening of stations tends to have a positive impact on Metra ridership as Metra becomes more accessible to commuters. The last station to be opened was the 35th Street “Lou” Jones Station on the Rock Island District’s Main Line in 2011.

Table 13: Stations Opened Since 1984

Opened Station	Line	Year	Opened Station	Line	Year
Big Timber	MD-N	1986	Antioch	NCS	1996
Route 59	BNSF	1989	Glen/N. Glenview	MD-N	2001
Orland Park/153 rd	SWS	1990	Prairie Crossing/Libertyville	MD-N	2004
Hickory Creek	RID-ML	1993	Palos Heights	SWS	2004
Orland Park/179 th	SWS	1995	Pingree Road	UP-NW	2005
Lake Cook Rd.	MD-N	1996	Manhattan	SWS	2006
O’Hare Transfer	NCS	1996	La Fox	UP-W	2006
Prospect Heights	NCS	1996	Elburn	UP-W	2006
Wheeling	NCS	1996	Franklin Park/Belmont Ave.	NCS	2006
Buffalo Grove	NCS	1996	Schiller Park	NCS	2006
Prairie View	NCS	1996	Rosemont	NCS	2006
Vernon Hills	NCS	1996	Grayslake/Washington St.	NCS	2006
Mundelein	NCS	1996	New Lenox, Laraway Rd.	SWS	2006
Prairie Crossing/Libertyville	NCS	1996	Grand/Cicero	MD-N	2006
Round Lake Beach	NCS	1996	35 th Street/”Lou” Jones	RID-ML	2011
Lake Villa	NCS	1996			

Table 14: Stations Closed Since 1984

Closed Station	Line	Year	Closed Station	Line	Year
67 th Street	MED	1984	Longwood/99 th	RID-ML	1985
Halsted	HER	1984	Abbott Platform	UP-N	1986
Brighton Park	HER	1984	Lockport/5 th	HER	1988
Rondout	MD-N	1984	Glenn	HER	1989
Wilson Road	MD-N	1984	Hermosa	MD-W	2006
Western Ave.	MD-N	1984	Cragin	MD-W	2006
Hartland	UP-NW	1984	Clyde	BNSF	2007
Givens	RID-ML	1984			

Parking Utilization

Since a majority of Metra riders drive to stations, parking utilization rates are usually consistent with changes in ridership. Knowing this, Metra has made a conscious effort to increase parking availability at stations. In 2016, the number of used parking spaces increased by 392 or 0.6% (see Table 15).

Over 38,500 net parking spaces have been added to the system since 1987. In 2016, some commuter parking was lost due to either lot reconfigurations with spaces reduced or municipal conversion of some spaces to local short-term parking. The lost spaces were replaced in greater number, but not necessarily

in the same locales, by either new lots built by Metra or the designation of existing parking for commuters by municipalities. Such annual gains and losses of commuter spaces is a normal occurrence. System-wide, 399 net spaces were added to the total parking capacity.

Table 15: Metra Commuter Parking

Year	Capacity	Used	Empty	% Used
1987	52,602	46,138	6,464	87.7%
1991	61,952	54,175	7,777	87.4%
1994	67,480	58,233	9,247	86.3%
1997	72,104	60,887	11,217	84.4%
1999	72,265	63,826	8,439	88.3%
2001	75,724	67,038	8,686	88.5%
2003	78,086	67,405	10,681	86.3%
2005	81,996	68,212	13,784	83.2%
2006	85,956	70,499	15,457	82.0%
2007	88,675	71,368	17,307	80.5%
2008	88,628	71,860	16,768	81.1%
2009	89,090	67,852	21,238	76.2%
2010	90,238	67,183	23,055	74.5%
2011	89,982	68,341	21,641	75.9%
2012	90,020	66,513	23,507	73.9%
2013	90,257	67,200	23,057	74.5%
2014	90,634	68,450	22,184	75.5%
2015	90,776	67,588	23,191	74.5%
2016	91,175	67,980	23,195	74.6%
Difference (net)				
'87-'16	38,573	23,972	14,466	62.2%

Telecommuting, Flextime, and Compressed or Alternate Work Schedules

Human resources practices such as telecommuting, flextime, and compressed or alternate work schedules have gained momentum at many Chicago area employers. According to the 2006-2010 American Community Survey, Chicago ranked 11th in telecommuting among major metro areas with 3.99% of employees working primarily from home. In Metra’s 2014 Customer Satisfaction Study, 50% of survey respondents reported that they sometimes telecommute, 32% reported working flextime hours, and 13% reported working compressed work weeks.

These changes in traditional five-day workdays have several potential implications for Metra ridership. First, riders commuting to work less than five days a week may opt to use ten-ride tickets instead of monthly passes. Second, Metra’s service is heavily concentrated during peak periods. Riders commuting to work on flexible hours outside of the peak period may find Metra’s off-peak service inconvenient, and therefore may opt to commute using an alternate mode. An indicator of this is that, according to the 2014 Customer Satisfaction Study, 36% of respondents reported driving to work when they expected to work late or have evening plans.

Calendar Differences

Since Metra’s heaviest passenger loads are during the weekday commute hours, ridership is impacted by the number of weekdays in the year. As shown in Table 16, 2016 had one less weekday, one more Saturday, and one more Sunday/Holidays as 2015. Metra operates Sunday schedules on major holidays. Having one less weekday in 2016 likely had a slight negative effect on total annual ridership.

Table 16: Calendar Differences 2015 and 2016

Month	Weekday			Saturday			Sunday/Holiday			All Days		
	2015	2016	Diff	2015	2016	Diff	2015	2016	Diff	2015	2016	Diff
Jan	21	20	-1	5	5	0	5	6	1	31	31	0
Feb	20	21	1	4	4	0	4	4	0	28	29	1
Mar	22	23	1	4	4	0	5	4	-1	31	31	0
Apr	22	21	-1	4	5	1	4	4	0	30	30	0
May	20	21	1	5	4	-1	6	6	0	31	31	0
Jun	22	22	0	4	4	0	4	4	0	30	30	0
Jul	23	20	-3	4	5	1	4	6	2	31	31	0
Aug	21	23	2	5	4	-1	5	4	-1	31	31	0
Sep	21	21	0	4	4	0	5	5	0	30	30	0
Oct	22	21	-1	5	5	0	4	5	1	31	31	0
Nov	20	21	1	4	4	0	6	5	-1	30	30	0
Dec	22	21	-1	4	5	1	5	5	0	31	31	0
YEAR-TO-DATE	256	255	-1	52	53	1	57	58	1	365	366	1

IV. 2016 TICKET SALES

Metra offers a wide array of ticket types including monthly, ten-ride, one-way, and weekend tickets. One-way tickets can be purchased on-board the train from the conductor or at a station with a ticket agent. The total number of tickets bought in 2016 declined by 1.3% compared to 2015 (see Table 17).

In 2016, ten-ride ticket sales increased 5.8%, monthly tickets sales decreased 3.9%, and total one-way tickets decreased 2.6%. The continued shift between ten-ride ticket and other sales in 2016 was attributable to the ten-ride ticket price change from ten to nine equivalent one-way fares, effective February 1, 2015. In 2016, station sales were down and mobile one-way ticket sales were up. Together, station and mobile ticket sales increased by 13.8%. Conductor one-way sales decreased 26.6%, and weekend ticket sales increased by 0.8%.

Table 17: Ticket Sales by Type

	January-December			Percent Change	
	2014	2015	2016	14 vs. 15	15 vs. 16
Monthly	1,242,471	1,179,231	1,133,464	-5.1%	-3.9%
Ten-Ride	1,444,553	1,656,461	1,753,264	14.7%	5.8%
One-Way					
<i>Station and Mobile</i>	6,514,736	5,771,648	6,568,058	-11.4%	13.8%
<i>Conductor</i>	4,352,262	3,934,718	2,889,580	-9.6%	-26.6%
Total One-Way	10,866,998	9,706,366	9,457,638	-10.7%	-2.6%
Weekend and Special Events	1,470,595	1,484,020	1,495,940	0.9%	0.8%
Total	15,024,617	14,026,078	13,840,306	-6.6%	-1.3%

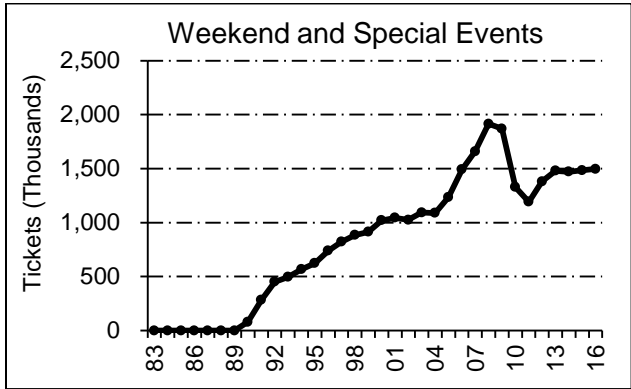
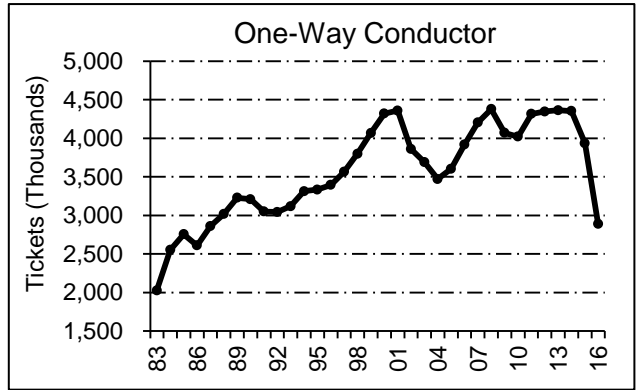
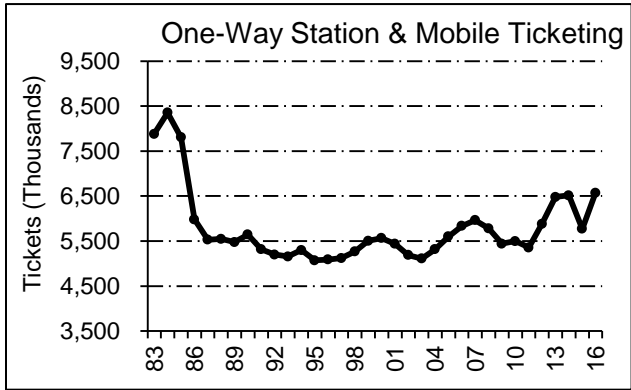
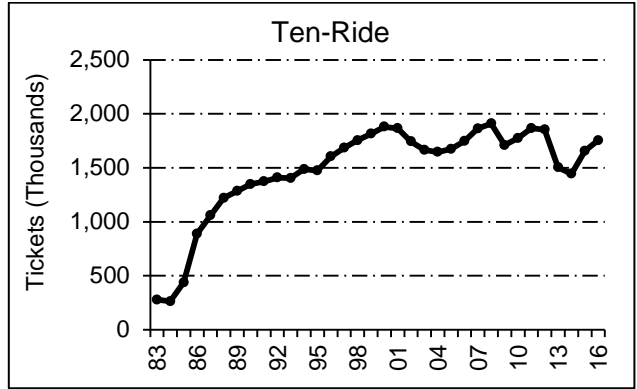
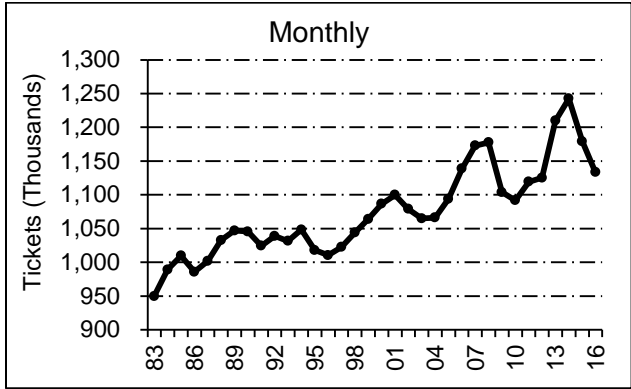
Table 18 shows the percent share of tickets, passenger trips, and revenue by ticket type for the last three years. As a result of the price of the ten-ride ticket being decreased to the cost of nine one-way tickets in 2016, the percentage of ten-ride tickets has increased from 11.8% to 12.7%. This percentage shift in ticket sales by type translates into ten-ride ticket trips now making up 21.1% of the passenger trips, up from 17.5% in 2014.

Table 18: Percent Share by Ticket Type

Ticket Type	2014			2015			2016		
	Tickets	Trips	Revenues	Tickets	Trips	Revenues	Tickets	Trips	Revenues
Monthly	8.3%	64.8%	57.4%	8.4%	62.8%	56.5%	8.2%	61.3%	54.7%
Ten-Ride	9.6%	17.5%	22.3%	11.8%	20.5%	24.2%	12.7%	22.1%	26.0%
One-Way	72.3%	13.2%	17.1%	69.2%	12.0%	15.8%	68.3%	11.9%	15.8%
Weekend and Special Events	9.8%	4.5%	3.3%	10.6%	4.6%	3.4%	10.8%	4.7%	3.4%

Figure 29 shows the total numbers of tickets by ticket type sold since 1984. A large decrease in the number of monthly tickets sold corresponds with a large increase in the number of ten-rides sold in 2015 compared to 2014. This continued in 2016 to a much smaller degree. The number of one-way tickets sold by conductors dropped dramatically in 2016 as mobile ticketing was adopted.

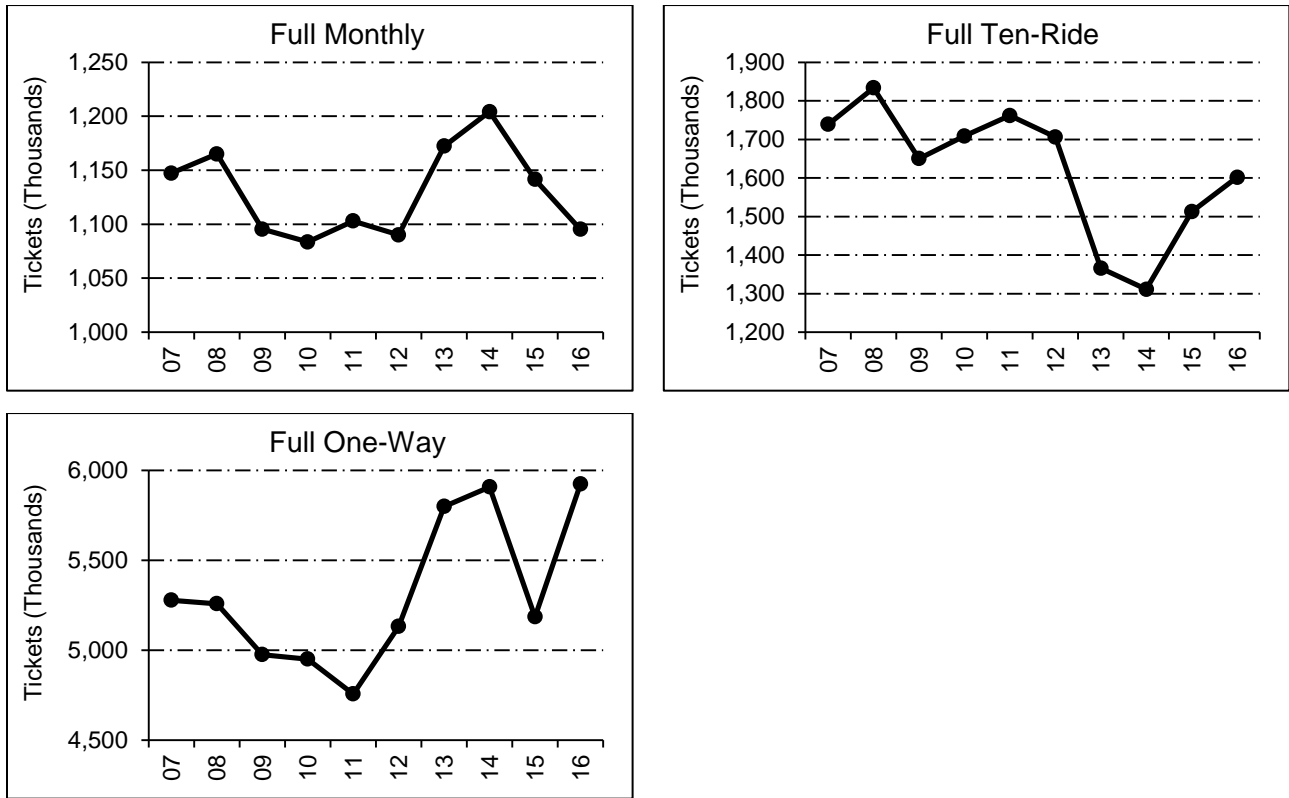
Figure 29: Total Ticket Sales by Type (in 000s)



Full-Fare Sales

Figure 30 shows the total numbers of full-priced tickets by ticket type (monthly, ten-ride, and one-way) sold since 2007.

Figure 30: Full-Priced Ticket Sales by Type (in 000s)



Reduced-Fare Sales

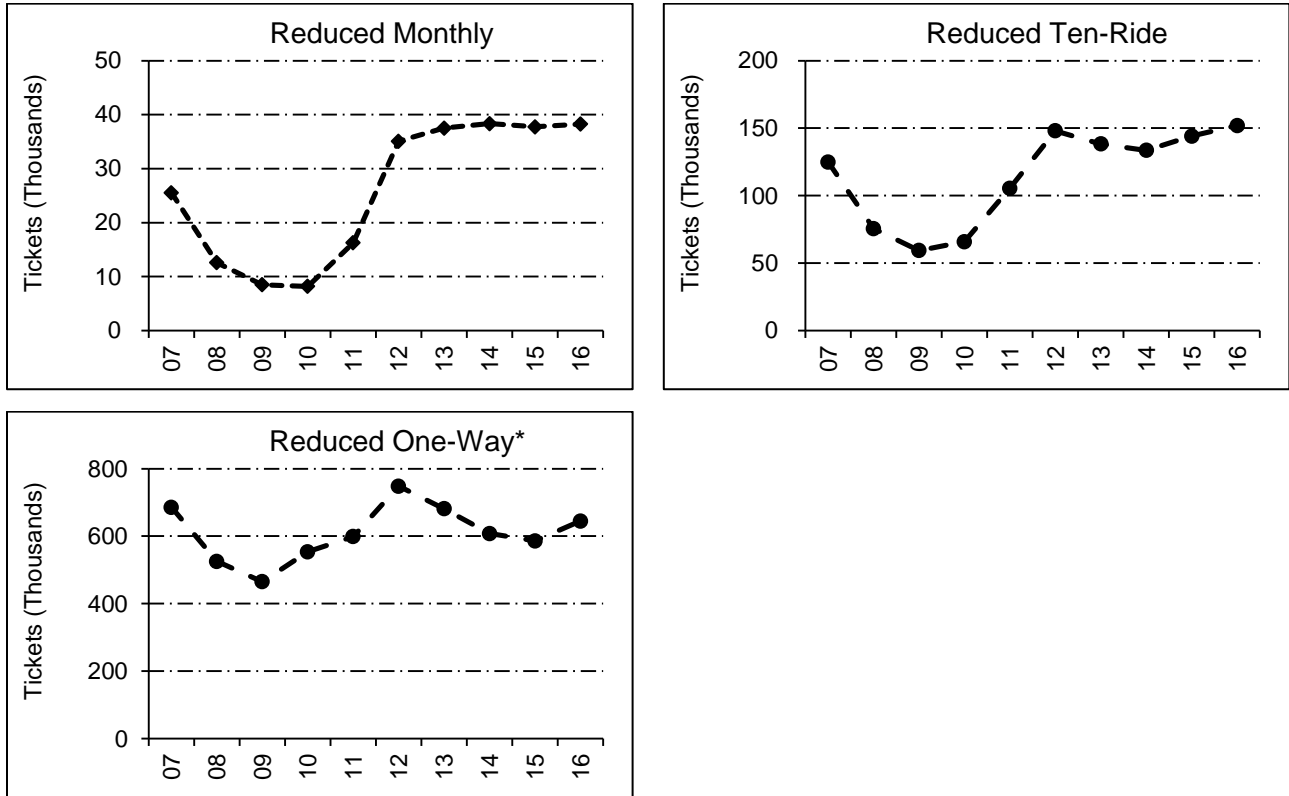
In 2016, reduced-fare monthly, ten-ride, and one-way tickets increased while reduced-fare conductor ticket sales decreased compared to 2015. Table 19 shows all reduced-fare ticket sales by month for 2015 and 2016. Reduced-fare monthly ticket sales increased 1.4%, reduced-fare ten-ride tickets increased 5.4%, reduced-fare one-way ticket sales increased 10.0%, and reduced-fare conductor ticket sales decreased 12.4% from 2015 to 2016 as people have adopted mobile ticketing.

Table 19: Reduced-Fare Tickets Sales (2015-2016)

Month	2015				2016			
	Monthly	Ten-Ride	One-Way	Conductor	Monthly	Ten-Ride	One-Way	Conductor
Jan	3,194	12,701	29,752	31,566	3,227	13,652	29,830	27,709
Feb	3,136	8,722	26,460	30,165	3,229	10,806	32,860	28,032
Mar	3,337	11,446	43,689	38,790	3,328	12,215	56,952	34,402
Apr	3,134	11,848	47,752	38,249	3,286	12,109	43,836	29,853
May	3,174	11,078	42,979	40,082	3,223	12,472	51,834	36,428
Jun	2,970	12,989	73,214	50,145	3,064	13,604	75,390	45,745
Jul	3,050	12,526	87,205	49,640	3,104	12,094	86,271	41,886
Aug	2,822	12,792	66,996	41,582	2,803	12,941	67,737	38,311
Sep	3,342	12,529	35,973	33,656	3,389	13,287	42,399	29,616
Oct	3,438	13,325	40,336	36,099	3,439	13,521	47,203	31,237
Nov	3,320	12,238	37,391	32,810	3,308	13,559	51,255	28,764
Dec	2,820	11,917	54,298	37,473	2,851	11,693	59,212	31,034
Total	37,737	144,111	586,045	460,257	38,251	151,953	644,779	403,017

Figure 31 shows the total number of reduced-fare tickets by ticket type (monthly, ten-ride, and one-way only) sold since 2007.

Figure 31: Reduced-Fare Ticket Sales by Type (in 000s)



*Note: Reduced One-Way Fare Chart does not include conductor sales.

Mobile Ticketing Adoption

The Ventra Mobile App was publicly launched in November 2015. Figure 32 shows the percentage of total tickets purchased using the app. Table 20 and Table 21 break out mobile ticketing adoption by ticket type.

Figure 32: Mobile Ticketing Adoption (% of total ticket sales)

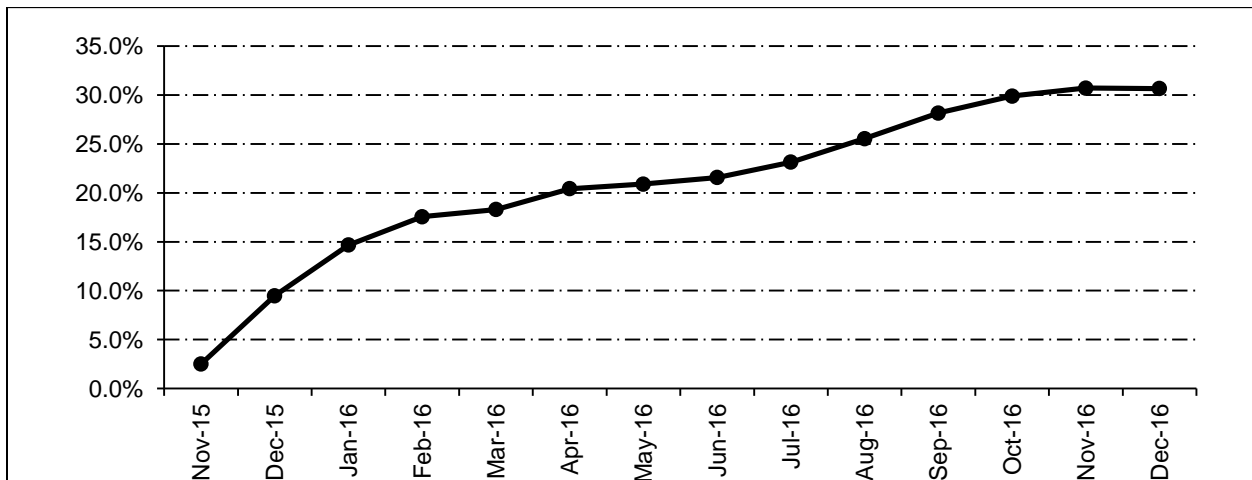


Table 20: Mobile Ticketing Adoption by Ticket Type (total mobile ticket sales)

Month	Monthly	One-Way	Ten-Ride	Weekend	Special Event	Total
Nov-15	84	16,454	5,959	3,222	-	25,719
Dec-15	7,300	73,888	23,135	7,590	-	111,913
Jan-16	12,832	82,761	37,060	6,863	-	139,516
Feb-16	15,610	97,700	35,812	7,465	-	156,587
Mar-16	16,924	127,371	43,190	10,181	-	197,666
Apr-16	17,732	129,430	44,537	11,062	-	202,761
May-16	17,893	157,703	48,718	15,382	-	239,696
Jun-16	18,998	201,236	56,181	17,525	-	293,940
Jul-16	18,448	226,747	57,298	28,940	2,943	334,376
Aug-16	20,433	238,269	63,993	19,524	-	342,219
Sep-16	20,728	216,806	64,494	21,510	-	323,538
Oct-16	22,952	224,234	65,774	24,921	-	337,881
Nov-16	22,307	222,028	63,396	24,851	38,349	370,931
Dec-16	18,991	240,738	60,081	27,485	-	347,295

Table 21: Mobile Ticketing Adoption by Ticket Type (% of total ticket sales)

Month	Monthly	One-Way	Ten-Ride	Weekend	Special Event	All Tickets
Nov-15	0.1%	2.4%	4.2%	3.1%	-	2.5%
Dec-15	8.3%	9.0%	17.0%	5.8%	-	9.5%
Jan-16	13.6%	13.6%	24.2%	7.3%	-	14.7%
Feb-16	16.1%	16.6%	27.7%	9.8%	-	17.6%
Mar-16	17.3%	17.1%	30.9%	10.2%	-	18.3%
Apr-16	18.3%	19.2%	32.9%	12.8%	-	20.4%
May-16	18.8%	19.9%	34.1%	13.2%	-	20.9%
Jun-16	19.8%	20.5%	36.0%	13.7%	-	21.6%
Jul-16	19.6%	22.2%	39.1%	16.9%	25.4%	23.1%
Aug-16	22.4%	24.7%	40.1%	15.9%	-	25.6%
Sep-16	21.8%	27.6%	42.5%	18.5%	-	28.2%
Oct-16	23.6%	29.2%	43.0%	22.1%	-	29.9%
Nov-16	23.4%	30.7%	42.5%	20.7%	32.0%	30.7%
Dec-16	22.8%	30.0%	43.9%	25.0%	-	30.7%

Table 22 shows total ticket sales of all types by sales channel and tender type. In 2016, 23.7% of all ticket sales were made through the Ventra Mobile App. The adoption rate grew as the year progressed: 30.7% of ticket sales were made through the app in November and December 2016.

Table 22: All Ticket Sales by Sales Channel and Tender Type (000's)

Sales Channel	2015	2016	Change	2015 Share	2016 Share
Commuter Benefit	532	507	-4.8%	3.8%	3.7%
Conductor	4,975	3,783	-24.0%	35.5%	27.3%
Internet	98	56	-42.2%	0.7%	0.4%
Mail	58	44	-24.5%	0.4%	0.3%
Ticket Agent	6,723	5,127	-23.7%	47.9%	37.0%
<i>Cash & Other</i>	3,347	2,569	-23.2%	23.9%	18.6%
<i>Credit Card</i>	3,376	2,558	-24.2%	24.1%	18.5%
Vending Machine	1,504	1,037	-31.0%	10.7%	7.5%
<i>Cash</i>	285	267	-6.6%	2.0%	1.9%
<i>Credit Card</i>	1,219	770	-36.8%	8.7%	5.6%
Ventra Mobile App	139	3,286	2269.0%	1.0%	23.7%
<i>Credit Card</i>	115	2,918	2444.2%	0.8%	21.1%
<i>Mixed & Other</i>	3	56	1566.5%	0.0%	0.4%
<i>Ventra</i>	15	312	1962.3%	0.11%	2.25%
Total	14,026	13,840	-1.3%	100%	100%