

**T** Transportation Committee  
Meeting date: June 11, 2012,  
For the Council Meeting of June 27, 2012

ADVISORY INFORMATION	
Date:	June 5, 2012
Subject:	Northstar Commuter Rail Fare and Tokens: Temporary Fare Change
District(s), Member(s):	All
Policy/Legal Reference:	Transit Fare Policy Changes 3-2-6, Implementing Procedure 3-2-6a
Staff Prepared/Presented:	Brian J. Lamb, General Manager, (612-349-7510) Vince Pellegrin, Chief Operating Officer, (612) 349-7511 Ed Petrie, Director of Finance, Metro Transit, (612-349-7624) Ed Byers, Deputy Chief Operating Officer, Rail (612-349-7080) Tom Randall, Senior Manager Revenue Operations, (612-349-7624 )
Division/Department:	Metro Transit

**Proposed Action**

That the Metropolitan Council:

- 1) Approve a Temporary Fare Change for Northstar Commuter Rail as set forth in the tables below, effective for the period of August 1, 2012 to April 30, 2013.

**Current Fare Structure**

Northstar Fares	Weekday (Rush Hour)	Weekend (Non-Rush Hours)	
		Adults	Seniors (65+), Youth (6-12) and Medicare card holders. <i>Valid at all times for persons with disabilities.</i>
One-way fares to/from downtown Minneapolis	All customers except persons with disabilities	Adults	Seniors (65+), Youth (6-12) and Medicare card holders. <i>Valid at all times for persons with disabilities.</i>
Big Lake	\$7.00	\$5.25	\$1.75
Elk River	\$5.50	\$4.00	\$1.25
Anoka	\$4.00	\$3.00	\$1.00
Coon Rapids-Riverdale	\$4.00	\$3.00	\$1.00
Fridley	\$3.25	\$2.50	\$0.75
Station-to-Station	\$3.25	\$2.50	\$0.75

**Proposed Temporary Fare Change: August 1, 2012 to April 30, 2013**

<b>Northstar Fares</b>	<b>Weekday (Rush Hour)</b>	<b>Weekend (Non-Rush Hours)</b>	
One-way fares to/from downtown Minneapolis	All customers except persons with disabilities	Adults	Seniors (65+), Youth (6-12) and Medicare card holders. <i>Valid at all times for persons with disabilities.</i>
Big Lake	\$6.00	\$5.25	\$1.75
Elk River	\$4.50	\$4.00	\$1.25
Ramsey	\$3.50	\$3.50	\$1.00
Anoka	\$3.00	\$3.00	\$1.00
Coon Rapids-Riverdale	\$3.00	\$3.00	\$1.00
Fridley	\$3.00	\$2.50	\$0.75
Station-to-Station	\$3.00	\$2.50	\$0.75

The \$1.00 value of a bus issued transfers towards Northstar fares will not apply during this temporary fare change period.

- 2) Approve a Temporary Fare Change for Tokens where a single token will be valid for both local peak and off-peak fares for up to a value of \$2.25 with the token price set at \$1.75.

**Background**

In July and August of 2009, the Metropolitan Council established Permanent and Introductory Fares for the Northstar Commuter Rail. In October 2010, the Council approved the introductory fare as the permanent fare for the Northstar Commuter Rail with consideration of economic conditions at the time and the desire to attract ridership.

The establishment of recommended fare pricing reflects current travel market conditions for commuter’s value of long distance and high quality service, while balancing ridership impacts and fare revenue generation. It programs pricing flexibility in a time of economic recovery and encourages customer integration to public transportation. Ridership on the Northstar Line was 710,426 in 2010 and 703,427 in 2011. The Northstar Ridership budget in 2012 is 765,000 with current ridership as of May 2012 YTD at 7.25% below budget. Our surveys of non-Northstar riders living within the Northstar Corridor shows that a prime factor in the decision to not ride commuter rail is the established fare set.

Tokens are sold to Social Service Organizations who distribute them to their clients at no cost. The tokens are sold for a list price of \$1.58 and are valid for local off-peak fares for a value of up to \$1.75. If a customer rides during the local peak the \$2.25 fare requires use of two tokens for full payment which creates confusion with the customer and also leads to fare disputes with the operators.

### **Rationale:**

Current surveys of non-Northstar Commuter Rail riders living within the Northstar Corridor shows that a prime factor in the decision to not ride the train is the current fare structure and fare set. The recommended temporary fare change reflects current travel market conditions for commuter's value of long distance service while balancing impacts on fare revenue.

Tokens are valid for local off-peak fares for a value of up to \$1.75. As a means to simplify the fare structure, improve customer convenience, reduce operator fare disputes, and take into consideration the requests of simplification by the Social Service Organizations, this action would approve a temporary fare change for Tokens where a single token is valid for both local peak and off-peak fares for up to a value of \$2.25. The last survey of organizations purchasing tokens found over 92% of those responding favored this change.

### **Funding**

The maximum potential fare revenue loss resulting from the Northstar Temporary Fare Change will be approximately \$323,000 for the 9-month period August 1, 2012 to April 30, 2013 with no increase in ridership (\$180,000 in 2012 and \$143,000 in 2013). Revenue forecast models have calculated a ridership increase of 19.5% to offset the reduced revenue from the temporary fare change. The \$180,000 maximum potential fare loss with no increase in ridership in 2012 will be covered by cost savings in Professional and Technical Services. The \$143,000 maximum potential fare loss with no increase in ridership in 2013 will be covered by Northstar Commuter Rail Fund Balance Reserves if necessary, which currently exceed the Council required Fund Balance Target.

The maximum potential fare revenue loss resulting from the Token Temporary Fare Change will be approximately \$52,000 for the 9 month period of August 1, 2012 to April 30, 2013. The \$52,000 will be covered by cost savings in Metro Transit Bus Operations.

### **Known Support / Opposition**

There is no known opposition to this action.