

T Transportation Committee

Meeting date: October 27, 2008

For Metropolitan Council meeting: November 12, 2008

ADVISORY INFORMATION

Date:	October 16, 2008
Subject:	University of Minnesota U-Pass and Metropass Agreements
District(s), Member(s):	All
Policy/Legal Reference:	Income/Grants Policy 3-2-2
Staff Prepared/Presented:	Brian J. Lamb, General Manager (612) 349-7510 Edwin D. Petrie, Director of Finance (612) 349-7624
Division/Department:	Metro Transit/Finance

Proposed Action:

That the Metropolitan Council authorizes the Regional Administrator to:

- 1) Execute a renewal of a U-Pass Agreement with the University of Minnesota for student participants for the period of December 1, 2008 to August 25, 2013, and;
- 2) Execute a renewal of a Metropass Agreement with the University of Minnesota for staff and faculty participants for the period of December 1, 2008 to September 30, 2013.

Background:

The University of Minnesota was previously a recipient of Congestion Mitigation Air Quality (CMAQ) funds from the 1999 Transportation Advisory Board TEA-21 solicitation process. This grant was designed to increase transit use at the University of Minnesota over the term of the CMAQ grant. A combination of deeply discounted fares for students, staff and faculty and increased service provided to the University is the package of transit incentives designed to meet the ridership growth objective. The CMAQ funds are exhausted, and since the program has been so successful with continued ridership growth, the University has continued to finance the program with its own funding.

Ridership for the U-Pass program has been very successful. U-Pass ridership for 2007 reached nearly 4.3 million students with ridership as of YTD September 2008 at a pace of 38% ahead of 2007. U-Pass sales to students are over 20,000 per semester. Metropass sales are strong with approximately 2,046 U of M staff and faculty participants.

U-Pass Contract Terms:

- 1) 5-year Contract
- 2) Projected Annual Pass Sales 48,153
- 3) Base Price per card year one of \$83.91
- 4) Base Price of Contract Year one of \$4,040,518
- 5) Provision to change Base Price Per Card annually
- 6) Provision to adjust Annual Contracted Cards and adjust Annual Base Price of Contract years 2 to 5
- 7) Provision for Annual Contract True-up based on number of student pass sales in comparison to the number contracted for the year.
- 8) Forecasted 5-year Contract Term value of \$20 million

Metropass Contract Terms:

- 1) 5-year Contract
- 2) Contracted Monthly Metropasses of 2,046
- 3) Base Price of Contract Year one of \$1,694,088
- 4) Provision to change Base Price Per Card Annually
- 5) Provision to adjust Annual Contracted Cards and adjust Annual Base Price of Contract years 2 to 5
- 6) Provision for Annual Contract True-up based on number of employee pass sales in comparison to the number contracted for the year.
- 7) Forecasted 5-year Contract Term value of \$8 million

Rationale:

Council approval of the University of Minnesota U-Pass and Metropass contracts will continue to provide affordable quality transit service to students and faculty of the University of Minnesota during a time when congestion is growing, fuel price concerns remain strong and environmental sensitivity is high.

Funding:

The funding for the University of Minnesota U-Pass and Metropass programs will be financed directly by the University of Minnesota and paid directly to Metro Transit. This funding for the University will be offset by revenues generated for student and faculty monthly and semester transit passes. The pass revenues generated from these University of Minnesota contracts have been included in the proposed 2009 Metro Transit Operating Budgets.

Known Support

None known.