

T Transportation Committee

Business Item

Item: 2009-178

AMENDED

Meeting date: July 13, 2009

For Metropolitan Council: July 22, 2009

ADVISORY INFORMATION	
Date:	July 8, 2009
Subject:	Northstar Commuter Rail fare approval
District(s), Member(s):	All
Policy/Legal Reference:	Public Accountability Policy 2-1, Public Hearings Procedure 2-1b; Transit Fare Policy Changes 3-2-6, Implementing Procedure 3-2-6a
Staff Prepared/Presented:	Brian J. Lamb, General Manager, Metro Transit (612) 349-7510 Mark Fuhrmann, Deputy General Manager, Metro Transit, (651) 602-1942 Edwin D. Petrie, Director, Finance Metro Transit, (612) 349-7624 Adam Harrington, Asst. Director Route & System Planning, Metro Transit (612) 349-7797
Division/Department:	Northstar Project Office, Metro Transit

Proposed Action/Motion

That the Metropolitan Council approves the recommended temporary and permanent Northstar Commuter Rail Fares as set forth in the table below.

Background

After a lengthy discussion at the June 24 Metropolitan Council meeting, the Council took action to send this item back to Transportation Committee for refinement and agreement on a recommendation. The recommendation below reflects the intention of that discussion.

Recommendation

A Temporary Fare (Option A, seven days/week) will be effective the first day of Northstar Commuter Rail Revenue Operations (up to a 12 month demonstration) in late 2009. The Permanent Fare will be effective at or within 12 months of the first day of Northstar Commuter Rail Revenue Operations.

The Metropolitan Council is required by Policy to approve a permanent fare structure prior to the expiration of the Temporary Fare Demonstration Period for the Northstar Commuter Rail Revenue Operations within 12 months of the first day of Northstar Commuter Rail Revenue Operations, and may do so without an additional public hearing, in an amount up to but not to exceed (Option D, seven days/week) fares as presented at the Northstar Fares Public Hearings in April 2009.

One-way cash fare to/from downtown Minneapolis – seven days/week

	Temporary (Option A)	Permanent (Option D)
Big Lake	\$7.00	\$8.00
Elk River	\$5.50	\$6.00
Anoka	\$4.00	\$4.00
Coon Rapids	\$4.00	\$4.00
Fridley	\$3.25	\$3.25
Non-downtown station-station	\$3.25	\$3.25

Rationale

The 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 volatile economy, and time for the weekend market to be established over the next twelve months.

Family/Group pass: Over the next year staff will develop and implement family or group discount programs. The objective is to make fares more affordable for those customers traveling as a family or group such as those who may ride Northstar Commuter Rail on weekends/holidays.

Non-peak discounts: Consistent with current Metro Transit practice a discount will be given to "non-peak/weekend" fare categories of:

Seniors (65+), Youth (6-12), Medicare Card holder, ADA: **up to 50% (\$4 max) discount**

Children (5 and under): **free**

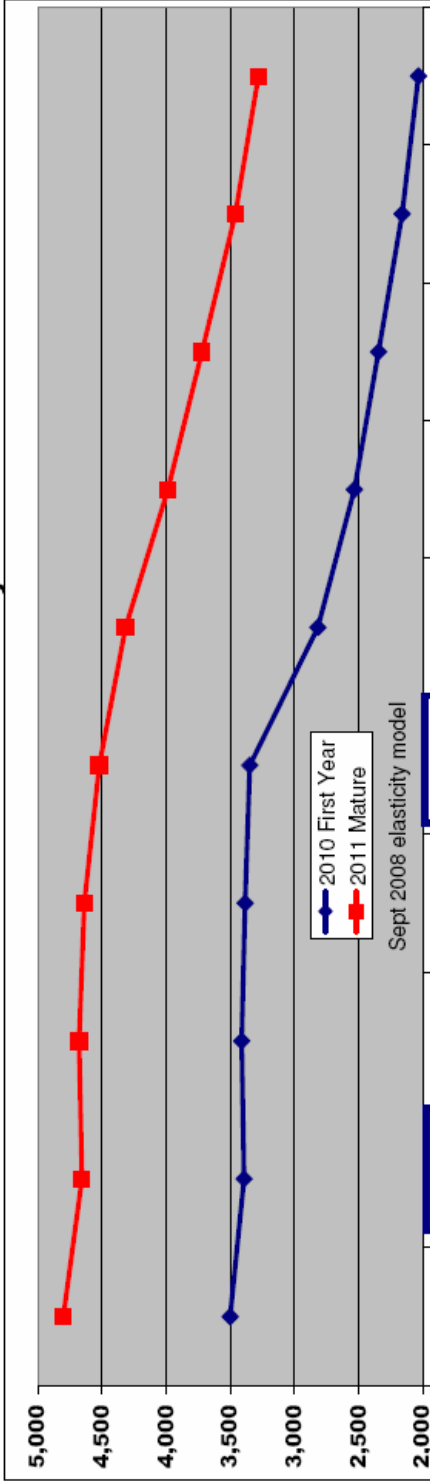
Funding

Setting fares is essential for managing the operating budget fare, software, media, administration procedures, promotion and future operational budget preparation. Fare revenue for the first year of operation is expected at 21% (see table below).

Known Support / Opposition

A Joint Policy Group representing NCDA and the Council, and April 2009 public comments supported a permanent fare priced the same as "temporary (Option A)" prices in this item.

Northstar Commuter Rail Rides by Fare Price



	Base	A	B	C	D	E	F	G	H	I
Big Lake	\$7.00	\$7.50	\$7.50	\$7.50	\$8.00	\$8.00	\$8.50	\$9.00	\$9.50	\$10.00
Elk River	\$4.75	\$5.50	\$5.50	\$5.50	\$6.00	\$6.00	\$6.50	\$7.00	\$7.50	\$8.00
Anoka	\$3.00	\$4.00	\$3.50	\$4.00	\$4.00	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Coon Rapids	\$3.00	\$4.00	\$3.50	\$4.00	\$4.00	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Fridley	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25
2010 Annual Fare Revenue	\$3,038,022	\$3,450,102	\$3,391,593	\$3,488,420	\$3,639,511	\$3,291,407	\$3,030,332	\$2,863,877	\$2,665,608	\$2,530,807
2010 Fare Recovery	18%	21%	20%	21%	22%	20%	18%	17%	16%	15%
2011 Annual Fare Revenue	\$4,217,955	\$4,776,685	\$4,705,805	\$4,863,923	\$4,948,570	\$4,947,187	\$4,673,765	\$4,437,355	\$4,156,068	\$3,964,800
2011 Fare Recovery	25%	28%	28%	28%	29%	29%	27%	26%	24%	23%