

# T Transportation Committee

Meeting date: September 27, 2010

Metropolitan Council Meeting: October 13, 2010

**ADVISORY INFORMATION**

<b>Date:</b>	September 13, 2010
<b>Subject:</b>	Northstar Commuter Rail Fares
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Public Accountability Policy 2-1, Transit Fare Policy Changes 3-2-6, Implementing Procedure 3-2-6a
<b>Staff Prepared/Presented:</b>	Brian Lamb, General Manager, 612-349-7510 Ed Byers, Director Commuter Rail, 612-349-7080 Edwin D. Petrie, Director of Finance, 612-349-7624 Adam Harrington, Asst. Director Route & System Planning, 612-349-7797
<b>Division/Department:</b>	Metro Transit / Finance

**Proposed Action**

That the Metropolitan Council approve the deferral of the Northstar Commuter Rail cash fare increases to early 2012 to coincide with a planned regional fare increase and approves the extension of the current "introductory" Northstar Commuter Rail cash fares until that time and increase the Family Pass rates for 2011 as shown in the following tables:

**Weekday one-way cash fare to/from downtown Minneapolis**

- Big Lake \$7.00
- Elk River \$5.50
- Anoka \$4.00
- Coon Rapids \$4.00
- Fridley \$3.25
- Non-downtown Station-station \$3.25

**Saturday, Sunday/Holiday one-way cash fare to/from downtown Minneapolis**

- |                                | <b>ADULT</b> | <b>SENIOR, YOUTH, MEDICARE</b> |
|--------------------------------|--------------|--------------------------------|
| • Big Lake                     | \$5.25       | \$1.75                         |
| • Elk River                    | \$4.00       | \$1.25                         |
| • Anoka                        | \$3.00       | \$1.00                         |
| • Coon Rapids                  | \$3.00       | \$1.00                         |
| • Fridley                      | \$2.50       | \$0.75                         |
| • Non-downtown station-station | \$2.50       | \$0.75                         |

**Persons with Disabilities Weekday and Saturday, Sunday/Holiday one-way cash fare to/from downtown Minneapolis**

- Big Lake \$1.75
- Elk River \$1.25
- Anoka \$1.00
- Coon Rapids \$1.00
- Fridley \$0.75
- Non-downtown station-station \$0.75

**Family Pass round-trip cash fare to/from downtown Minneapolis**

Valid for up to two adults and three youth age 6-17. Children under five are free.

	<u>2010</u>	<u>2011</u>
• <b>Big Lake</b>	\$17.00	<b>\$20.00</b>
• <b>Elk River</b>	\$13.00	<b>\$16.00</b>
• <b>Anoka</b>	\$10.00	<b>\$13.00</b>
• <b>Coon Rapids</b>	\$10.00	<b>\$13.00</b>
• <b>Fridley</b>	\$8.00	<b>\$11.00</b>

**Background**

On August 26, 2009, the Metropolitan Council recommended an Introductory (temporary) and Permanent Commuter Rail Fares as shown in the tables below. The Introductory (temporary) Fares were effective the first day of Northstar Commuter Rail Revenue Operations November 16, 2009 and continuing for up to 12 months when the Big Lake and Elk River fares would increase as reflected below.

**Table 1: Weekday one-way adult cash fare to/from downtown Minneapolis**

	<b>Introductory</b>	<b>Permanent</b>
<b>Big Lake</b>	\$7.00	<b>\$8.00</b>
<b>Elk River</b>	\$5.50	<b>\$6.00</b>
Anoka	\$4.00	same
Coon Rapids	\$4.00	same
Fridley	\$3.25	same
Non-downtown Station-station	\$3.25	same

**Table 2: Saturday, Sunday/Holiday one-way adult cash fare to/from downtown Minneapolis**

	<b>ADULT</b>		<b>SENIOR, YOUTH, MEDICARE</b>	
	<b>Introductory</b>	<b>Permanent</b>	<b>Introductory</b>	<b>Permanent</b>
<b>Big Lake</b>	\$5.25	<b>\$6.00</b>	<b>\$1.75</b>	<b>\$2.00</b>
<b>Elk River</b>	\$4.00	<b>\$4.50</b>	<b>\$1.25</b>	<b>\$1.50</b>
Anoka	\$3.00	same	\$1.00	same
Coon Rapids	\$3.00	same	\$1.00	same
Fridley	\$2.50	same	\$0.75	same
Non-downtown Station-station	\$2.50	same	\$0.75	same

**Table 3: Persons with Disabilities Weekday and Saturday, Sunday/Holiday one-way cash fare to/from downtown Minneapolis**

	<b>Introductory</b>	<b>Permanent</b>
<b>Big Lake</b>	<b>\$1.75</b>	<b>\$2.00</b>
<b>Elk River</b>	<b>\$1.25</b>	<b>\$1.50</b>
Anoka	\$1.00	same
Coon Rapids	\$1.00	same
Fridley	\$0.75	same
Non-downtown Station-station	\$0.75	same

## **Rationale**

The Introductory fares were approved to encourage new customers to ride Northstar Commuter Rail during the first year of this new service. The ridership estimate based on this fare was 897,000 annual rides; and as of September, Metro Transit forecasts ending 2010 below that goal with 715,000 rides. The new 2011 ridership goal is 750,000 annual rides, with projected revenue of \$2,827,500 if current fares are maintained.

If fares are increased in November 2010, staff estimates a fare revenue range of \$2,740,000 to \$2,940,000 for 2011. Any revenue benefits of increasing fares would be offset by reducing the attractiveness of commuter rail for regular commuters and hamper ridership growth potential with projected ridership decreases of 7% to 15%.

Staff recommends maintaining the current fares to keep Northstar Commuter Rail competitive and cultivate ridership growth. Already the highest boardings are at Big Lake and Elk River with the highest average fares. Maintaining and building on this loyal customer base is important to the ongoing success of Northstar. Deferring the fare increase to 2012 will allow more time for the economy to improve and the unemployment rate to decline. With more people commuting to work, Northstar ridership will grow. The growth will be accelerated with additional Metro Transit strategies to improve ridership and revenue, including developing a pass program for frequent riders, continuing the strong partnership with the Minnesota Twins and increasing the Family Pass price for 2011 based on demand.

## **Funding**

Setting fares is essential for managing the operating budget, fare revenues, fare software and media, administration procedures, promotion and future operational budget preparation and funding of the transportation system. With the above recommended fares, fare revenue recovery for the 2011 Northstar Commuter Rail Operating Budget is forecasted at 20%.

## **Known Support / Opposition**

The action to maintain the introductory Northstar Commuter Rail cash fares is supported by the Northstar Joint Advisory Group which includes representation from CTIB, Sherburne County, Northstar Corridor Development Authority (NCDCA) and Metropolitan Council; as well as by the boards of NCDCA and Sherburne County.