

Committee Report

Transportation Committee



Committee Meeting Date: July 11, 2022

For the Metropolitan Council: July 13, 2022

Business Item: 2022-187 SW

University of Minnesota Universal Pass Agreement

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to:

- Enter into an agreement with the University of Minnesota for a Universal Pass Agreement for registered students at the University of Minnesota for the period of August 15, 2022 to August 14, 2026.

Summary of Transportation Committee Discussion/Questions

Metro Transit Finance Director Ed Petrie and Metro Transit Sales Operations Specialist Dustin Crescini presented this item. Fredson asked if this requires regent approval and how the U of M fees compare to those of other colleges. Petrie and Crescini responded that this will be before the Board of Regents for approval on Wednesday and that the U of M has a different ridership usage compared to some of the other colleges, but staff will be monitoring the pricing of all schools to try and have more concise/equitable pricing. Sterner asked if other colleges have been approached with this opportunity. Crescini stated staff did outreach in 2019 but will do outreach to schools again. Petrie added that the U of M has approached staff with interest in a universal pass for their employees/faculty. Several Council members expressed excitement for this item.

Moved by Sterner, seconded by Chamblis. Motion carried.



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District(s), Member(s): All

Policy/Legal Reference: **Income/Grants Policy** FM 15-1

Staff Prepared/Presented: Wes Kooistra, General Manager, 612-349-7510
Edwin Petrie, Finance Director, 612-349-7624
Lisa Anderson, Revenue Operations Supervisor, 612-349-7626
Dustin Crescini, Sales Operations Specialist, 612-349-7718

Division/Department: Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to:

- Enter into an agreement with the University of Minnesota for a Universal Pass Agreement for registered students at the University of Minnesota for the period of August 15, 2022 to August 14, 2026.

Background

Since 1999 Metro Transit has partnered with the University of Minnesota to offer a transit pass program to their students for those who opted to participate. The student body over recent years has expressed interest in a program that would allow all registered students to obtain a transit pass for every student and would pay for these passes through University of Minnesota student fees. In partnership with the University of Minnesota, Metro Transit has developed a Universal Pass program and have offered this program to the University of Minnesota for all registered students. This program will generate a minimum of \$3.5 million each year over a 4-year period. The program will meet the goal of sustainability and accessibility for approximately 39,000 University of Minnesota students.

Universal Pass Contract Terms:

- Contract Period of August 15, 2022 to August 14, 2026 (4 year contract)
- All U of M registered students eligible to participate in the program (Approximate 39,000)
- Universal pass valid on all Regional Bus, Light Rail and Commuter Rail
- Metro Transit will utilize its current MiFare chip to be installed on the existing U of M U-Card technology. Backup option will be issuance of our standard SmartCard.
- Pricing Year 1 and 2 at \$3.5M per year. Year 3 and 4 at minimum of \$3.5M and maximum of \$4.375M.

Council Policy FM 15-1 requires Council approval on income agreements exceeding \$500,000.

Rationale

Execution of the Universal Pass agreement will continue to provide affordable quality transit service to registered students of the University of Minnesota during a time when congestion is growing, fuel price concerns are strong and environmental sensitivity is high.

Thrive Lens Analysis

Pass programs like the Universal Pass Program provide a discounted pass for all students that will give them accessibility to the metro area. The Universal Pass Program demonstrates efficient and effective management of public financial resources of both the Metropolitan Council and University of Minnesota.

Funding

Funding for the University of Minnesota Universal Pass program will be through student fees that the University of Minnesota will receive, and the University will be responsible to pay Metro Transit directly in three installments over the academic school year. Pass revenues have been included in the proposed 2023 Metro Transit Operating Budgets.

Small Business Inclusion

There are no funds being expended in relation to this agreement as it is a revenue contract. Therefore, no small business inclusion goal was established.

