

Business Item

Transportation Committee



Committee Meeting Date: September 25, 2023

For the Metropolitan Council: October 11, 2023

Business Item: 2023-209

Micro Pilot Project Fare Change

District(s), Member(s):	District 6 (Lilligren), District 7 (Osman)
Policy/Legal Reference:	FM 12-2 Transit Fare Policy Changes Policy
Staff Prepared/Presented:	Lesley Kandaras, General Manager, Metro Transit, 612-349-7513 Charles Carlson, Executive Director, MTS, 651-602-1761 Adam Harrington, Director, Service Development, 612-349-7797 Gerri Sutton, Director, Contracted Services, 651-602-1672 Cyndi Harper, Manager of Route Planning, Service Development, 612-349-7723 John Harper, Manager, Contracted Services, 651-602-1744 Victoria Dan, Senior Planner, Service Development, 612-349-7648 Sheila Holbrook-White, Program Manager, Contracted Services 651-602-1618
Division/Department:	Metro Transit, Metropolitan Transportation Services

Proposed Action

That the Metropolitan Council authorize an increase of Metro Transit micro pilot fare from local to express fares.

Background

Metro Transit micro is a 24-month pilot of on-demand, curb-to-curb rideshare service (i.e. “microtransit”) that launched in North Minneapolis on September 10, 2022. Year 1 pilot goals were to (1) expand access to the High Frequency Network, (2) test technology and the service model, and (3) expand mobility choices, especially for low-income areas and communities of color.

In Spring 2023, staff conducted a mid-pilot evaluation to assess micro’s performance and develop recommendations for the pilot after the initial twelve months of service. Trip data revealed that one-third of micro trips could have been completed on fixed route within a comparable travel time window. Also, survey results suggest micro serves mostly low-income riders who likely qualify for or presently receive discounted fare through the Transit Assistance Program (TAP). Ongoing performance monitoring also show an increasing trend of ride request denials due to unavailable capacity.

Since launch, micro fare has matched local fares (\$2 off-peak, \$2.50 peak). Customers may transfer for free between micro rides and between micro and local fixed route within 2 ½ hours of initial fare payment. Staff recommend increasing micro fare to match express fares (\$2.50 off-peak, \$3.25 peak). Beginning Fall 2023, customers requesting a ride will see fixed route options next to on-demand ride options in the micro app, which may be especially helpful for riders who could have a cheaper fixed route alternative.

Rationale

Increasing micro fare reflects the premium customer experience of on-demand, curb-to-curb service that provides a convenient one-seat option for trip-making anywhere in the micro service area. The fare change is also consistent with fares implemented on other demand-response services in the region. Previous evaluation showed one-third of micro trips had a comparable fixed route option, and riders will soon see fixed route options in the micro app. Combining this new feature with a fare increase will help manage service capacity to better accommodate riders with no reasonable fixed route option during the busiest times of day. Low-income riders who pay \$1 fare using TAP are protected from fare increase impacts, as are riders using a transit pass (e.g. Student Pass, MetroPass) or paying reduced fares (Mobility Fare and non-rush hour reduced fare for youth, seniors, and Medicare card holders). Microtransit is not a mode specified in the Council's fare change policy, which would typically require a public hearing process prior to implementing a fare increase.

Thrive Lens Analysis

Increasing fare on micro advances *Thrive MSP 2040* regional outcomes by positioning on-demand service as an affordable alternative to car ownership and a premium service compared to local fixed route. This approach reinforces ridership and service investment on both micro and fixed route, contributing to regional prosperity, equity, and livability.

Funding

Metro Transit micro is fully funded through a combination of MTS and Metro Transit budgets. In the future, micro will be funded through new local sales tax authorized by the Omnibus Transportation Bill in the 2023 Minnesota Legislative session.

Small Business Inclusion

Small business inclusion was not a requirement of micro pilot software and operations procurement. It may be considered in future competitive procurement related to micro.

