



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

270 Metro Square Building
St. Paul, Minnesota 55101
612/292-8789

MEETING NOTICE
Monday, March 4, 1985
Council Chambers
4:30 p.m.

AGENDA

Cancelled

1. Call to Order
2. Approval of Agenda
3. POLICY COMMITTEE
 - a. I-394 Bus Service and Facilities Plan
4. ADMINISTRATION AND FINANCE COMMITTEE
 - a. Appointment of Public Information Officer
5. Metropolitan Council Chargeback Presentation by Maurice Dorton, Executive Director
6. Science Museum Presentation
7. Status of Federal Funding
8. Other Business:
 - a. Chairman's Report
 - b. Members' Reports
 - c. Staff Reports

Elliott Perovich
Chairman



MEETING NOTICE

Thursday, March 7, 1985
Chambers
4:00 p.m.

AMENDED AGENDA

This meeting is rescheduled from Monday, March 4, 1985.

- 1. Call to Order
- 2. Approval of Agenda
- 3. Science Museum Presentation
- 4. POLICY COMMITTEE
- 5. ADMINISTRATION AND FINANCE COMMITTEE
 - a. Appointment of Public Information Officer
- 6. Metropolitan Council Chargeback Presentation by Maurice Dorton, Executive Director
- 7. Status of Federal Funding
- 8. Other Business:
 - a. Chairman's Report
 - b. Members' Reports
 - c. Staff Reports

Elliott Perovich
Chairman

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 5, 1985
TO: Regional Transit Board
FROM: Elliott Perovich, Chairman
SUBJECT: Appointment of Intern

Maureen Andrews has been offered a three-month internship with the Regional Transit Board (RTB) effective Wednesday, March 6.

Ms. Andrews is completing her Master's Degree from the Urban and Regional Studies Institute at Mankato State University and has recently completed an internship with the Minnesota Department of Transportation. Ms. Andrews will be assisting with a variety of planning and programs activities at the RTB including the LRT preliminary engineering request for proposal and I-394 staff paper.

RECOMMENDATION

That the Regional Transit Board approve the appointment of Maureen Andrews to a three-month internship, effective March 6, 1985, at an hourly wage rate of \$8.00.

EP:JH:jmo

REGIONAL TRANSIT BOARD

Record of Attendance and Vote

Date _____

Dist.	Member Name	Present	Roll		
			Vote	Vote	Vote
Chair	Elliott Perovich	OK	✓		
A	Todd Lefko	na OK	✓		no <i>vote</i>
B	Ruben Acosta	no OK	✓		ye
C	Bernard Skrebes	out of town na	—		—
D	Doris Caranicas	OK	✓		no
E	John Doyle, Sr. <i>lw.</i>	OK	✓		ye
F	Gail Marks Jarvis	OK	✓		ye
G	James Newland	OK	✓		no
H	Margaret Snesrud	OK	✓		ye
I	Alison Fuhr	OK	✓		no
J	Juanita Collins	? <i>may be late</i>	✓		ye
K	Steve Loeding	no OK no	✓		ye
L	Ruth Franklin	ye.	✓		ye
M	Paul Joyce	OK	✓		ye
N	Edward Kranz	LW - can't make it	✓		—

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: February 27, 1985
TO: Regional Transit Board
FROM: Elliott Perovich, Chairman



I hope you will be able to join me and the staff in the Board Room after the meeting on March 4 for refreshments. We have reached a milestone in a long and arduous process, and a celebration is in order.

EP/mf

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: February 27, 1985
TO: Regional Transit Board
FROM: Todd Lefko, Chairman
Policy Committee
SUBJECT: I-394 Bus Service and Facilities Plan

The I-394 Bus Service and Facilities Plan will be discussed at the Policy Committee meeting February 27, 1985.

A verbal report will be made to the Board.

TL:jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: February 27, 1985
TO: Regional Transit Board
FROM: Elliott Perovich, Chairman 
SUBJECT: Appointment of Public Information Officer

Michael Kuehn has been offered the position of Public Information Officer with the Regional Transit Board.

Mr. Kuehn was chosen from nine interviewees selected in turn from 108 applications. All nine individuals were interviewed by Ghaleb Abdul-Rahman, Leslie Johnson and myself. We were impressed with the quality of candidates and the final decision was difficult.

Mr. Kuehn is a University of Minnesota graduate with ten plus years professional experience, six and one-half years as a community services specialist with the Metropolitan Council and four years as a committee administrator for the Minnesota Legislature.

RECOMMENDATION

That the Regional Transit Board approve the appointment of Michael Kuehn to the position of Public Information Officer, effective March 4, 1985, at an annual salary of \$26,000 per year. The standard employee benefit package will apply.

EP:jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

REPORT OF THE REGIONAL TRANSIT BOARD

TO: Metropolitan Council
DATE: February 25, 1985
SUBJECT: Transit Improvements on University Avenue,
Southwest, and Hiawatha Avenue Corridors

At its meeting of February 25, 1985 the Regional Transit Board discussed the staff report dated February 11, 1985. After amending the wording of the second item in the Findings in the staff report, the Board adopted the following report. The recommendation provides a framework for the Board to resolve unanswered questions and proceed with the technical work that is required for implementation of improvements to the regional transit system. The recommendation recognizes the decision-making process and the interim policies already adopted in the Interim Implementation Plan, as well as the limited amount of time that has been available for the Board since its creation to address an issue of this significance and complexity. The corridors under consideration are shown in Attachment A.

BACKGROUND

The Steering Committee has now completed the majority of the work on the Southwest/University Avenue Corridors Study: Transit Alternatives Analysis and Draft Environmental Impact Study (DEIS). The preliminary DEIS is currently being reviewed by the Urban Mass Transit Administration (UMTA). UMTA has directed that a decision on a priority corridor must be made before the DEIS can be officially released. A public hearing will be conducted after UMTA authorizes release of the document for public review.

In the Hiawatha Corridor, the City of Minneapolis has conducted a study of alternative transportation improvements and completed a final Environmental Impact Statement (EIS). The Hiawatha study has concluded that the preferred alternative for the corridor is light rail transit and a four-lane, at-grade arterial roadway. The Minneapolis City Council and the Commissioner of Transportation have endorsed this recommendation. The Federal Highway Administration has approved the final EIS. Preliminary engineering activities for the roadway component of the Hiawatha Avenue solution are expected to begin on April 1, 1985.

The LRT Implementation Study, conducted by local and regional governmental bodies and the business community, is also near completion. Alternative management and financing strategies for all three corridors have been analyzed and recommendations have been developed. An analysis of Minneapolis downtown penetration is also being completed.

The Regional Transit Board and the Metropolitan Council have held 10 joint meetings since September 1984 to review the technical work being conducted for all three corridors and to expedite the decision-making process. In addition, a significant amount of public input was received at the public meeting held January 23, 1985 when 31 individuals, agencies and organizations presented testimony.

The RTB and the Metropolitan Council have established a timeline for taking a position on these issues. The RTB will act on February 25 and the Metropolitan Council will make its recommendation on February 28, 1985. The RTB and the Metropolitan Council will testify at the public hearing required under federal guidelines on the Alternatives Analysis/DEIS to be held later in the spring.

EVALUATION FRAMEWORK

Three types of deficiencies have been identified in the three corridors under consideration:

- o Transit service quality;
- o Roadway level of service; and
- o Downtown operation.

The transit service quality deficiencies affect a large number of riders. It is anticipated that transit services in these three corridors will carry up to one third of the total regional transit ridership. Roadway levels of service are not expected to be sufficient to serve future demand because no major highway improvements are anticipated in the three corridors. Downtown operations are also expected to be in serious difficulty because significant growth is planned in employment, retail activity and recreational/entertainment functions. More specific problems are:

- o Low transit operating speeds;
- o Insufficient existing transit capacity to handle future demand;
- o High concentration of transit vehicles on downtown streets;
- o Parking supply limitations in the downtowns;
- o High operating costs of existing bus service;
- o Roadway congestion at selected locations;
- o Poor accessibility to downtown Minneapolis from the Southwest; and
- o Use of local streets for commuting purposes.

In order to address the above problems or deficiencies, several transit alternatives have been considered in each corridor. These basic alternatives are:

- o Null: Continuation of existing bus service, with only slight revisions.
- o Transportation System Management (TSM): Improvements to existing service, primarily by adding routes or increasing service frequencies short of a major capital improvement.
- o Busway: Diesel buses operating on reserved rights-of-way, but with at-grade street crossings permitted. In the Hiawatha Avenue Corridor, this alternative is a high occupancy vehicle lane also including carpools and vanpools.
- o Light Rail Transit (LRT): Electrically powered (from an overhead wire power source) rail vehicles operating on reserved rights-of-way, but with at-grade street crossings permitted.

To evaluate the different alternatives and their ability to alleviate the anticipated problems, decision-making criteria have been developed. These criteria, based on the interim policies and decision-making strategies adopted by the Board in the Interim Implementation Plan (see Attachment B), are:

- o Quality of transit service;
- o Ridership potential;
- o Operating Costs;
- o Downtown transportation needs;
- o Capital costs;
- o Development potential;
- o Environmental impact; and
- o Cost-effectiveness.

DISCUSSION:

The following discussion establishes priorities among corridors, relates the proposed alternatives to the evaluation criteria, identifies future activities, and integrates this issue within the overall transit decision-making process.

Priority Corridor

Among the three corridors studied to date, University Avenue is the best candidate for major transit improvements. This supports the conclusion of the 1981 Feasibility Study by the Metropolitan Council. University Avenue serves

both downtowns, as well as the University of Minnesota, the anchors of the current transit system ridership. By the year 2000, the University Avenue corridor would account for about 15-percent of the total ridership in the metropolitan transit system. In addition, University Avenue exhibits the best cost-effectiveness characteristics such as the equivalent annual cost per passenger carried. The University Avenue corridor ties other individual corridors into a stronger, more effective overall regional system.

The Hiawatha Avenue corridor will also derive significant benefits from a major transit improvement. The transit improvements would serve downtown Minneapolis and the Airport/Government Services Administration Complex employment concentrations, stimulate development in the corridor, and improve service levels for existing and future riders. Furthermore, the overall transportation solution for Hiawatha Avenue is predicated on a high quality transit component to complement the at-grade roadway solution. However, these benefits are not as significant as those expected along the University Avenue corridor.

In the Southwest Corridor, a major transit improvement would provide benefits to the transit riders. Downtown accessibility would be increased, commuter traffic through residential neighborhoods would be reduced and the corridor right-of-way is available with minimum disruption and impacts. These benefits, however, are less than those anticipated for the University Avenue and Hiawatha Avenue corridors. In addition, the 1981 Feasibility Study identified other corridors with equal or even greater potential benefits than the Southwest corridor.

Null and Transportation Systems Management (TSM):

The Null or "No Build" alternatives, as well as the TSM alternatives, do not adequately address the transportation needs in the Southwest, University Avenue and Hiawatha Avenue corridors. Selection of the Null or TSM alternatives would mean that existing transit services would remain essentially the same through the year 2000. The TSM alternative generally introduces limited service improvements to the existing bus system. These alternatives do not improve the quality of transit service, have limited potential to increase ridership, do not reduce operating costs, do not improve the capability to handle anticipated growing travel demand to the downtowns, do not enhance development potential, and generally do not lessen environmental impacts of the bus system, particularly in downtown areas.

Fixed Guideway Alternatives:

While the Null and TSM alternatives would not satisfy future transportation needs, the fixed guideway transit alternatives would significantly improve transit service in the three corridors. The fixed guideway alternatives, in general, would be capable of handling transit demand through the year 2000 and beyond. Furthermore, the fixed-guideway alternatives would represent a significant improvement in the level of service with respect to the Null and TSM alternatives because of much higher operating speeds.

Most of the fixed-guideway alternatives generate relatively comparable levels of benefits to the users and to the transportation system. However, light rail transit generates greater potential benefits than the corresponding busway alternatives. In all corridors, light rail transit attracts more daily riders than the corresponding busway. It also produces lower operating costs, provides higher quality service, faster travel times, more reliable service in our unpredictable climate, and produces no diesel exhaust fumes in restricted pedestrian areas or related engine noise. For the long term (i.e., beyond the year 2000), light rail transit would better handle growing demand without significant increases in operating expenditures. While the bus would be reaching both vehicle and street capacity in the downtowns by the year 2000, light rail transit would have much greater potential for addressing downtown transportation problems. Furthermore, light rail transit can play a major role in enhancing development policies that encourage growth in both downtowns and well developed areas, especially beyond the year 2000.

Light rail service for certain riders would require an additional transfer not necessary under bus options. However, such inconvenience can be minimized by developing well designed timed transfer techniques between the feeder bus system and the LRT line.

The capital costs of light rail transit are greater than the capital costs of the bus system. Light rail transit is not the cheapest solution. However, the benefits derived and other objectives achieved from these incremental capital investments make light rail transit cost-effective. The incremental capital costs to attain the potential for growth and eliminate the limitations of the existing transit technology, especially in the downtowns, are reasonable when compared to the overall transportation investments made over a 30- to 50-year period. In the long run, the lower operating cost of the LRT alternatives could offset the difference in capital costs because of inflationary pressures. Past experience shows that bus operating costs have increased at a much faster pace than the Consumer Price Index. Finally, a light rail transit element added to the metropolitan transit system would provide a unifying perspective that could bring together the individual parts of the transportation system into a stronger, more effective, overall regional system.

Future Activities:

Several issues will require further analysis prior to final commitment to implement major improvements in any of the corridors under consideration. Examples of such issues are:

- o Downtown penetration/circulation;
- o Connections among corridors;
- o Detailed descriptions of feeder systems;
- o Detailed station location and spacing;
- o Impacts on neighborhoods;
- o Downtown traffic operations;

- o Site specific economic development potential;
- o Financing arrangements; and
- o Construction and operations management.

To address the above issues, preliminary engineering and planning activities should be initiated. This effort should include the following:

- o Preliminary engineering for University Avenue;
- o Analysis of logical connection to other corridors;
- o Definition of the location, design and connection to a maintenance facility; the most promising location at this point is the Coach Yard in the Hiawatha Corridor;
- o Coordination with the roadway preliminary engineering activities in the Hiawatha Avenue Corridor should be undertaken. This would include LRT track work preliminary engineering, civil structure requirements, and station definition.

Both the Alternatives Analysis and LRT Implementation Study have analyzed potential funding mechanisms for implementation of the proposed transit improvements. Both studies have concluded that existing transportation funding sources, possibly supplemented with a small increase in the transit property tax levy, would be adequate to finance an LRT system. Uncertainties regarding the state and federal budgets will be resolved in the next few months. Therefore, better understanding of the financial feasibility of an LRT system would be available during the preliminary engineering effort.

Implementation of LRT offers significant potential for innovative private sector participation. One area of involvement includes the financing, implementation, and operation of the system. A second area is in the planning, financing, and implementation of development plans around the stations. A third area is in the financial support of system enhancements above the baseline design and in the support of the operating deficit. The follow-on planning activities would investigate the potential private sector participation mechanisms in these and other areas.

The final decision on implementing LRT would be made after the preliminary engineering and appropriate development planning activities are completed.

Relationship to Regional Transit System:

Major transit improvement decisions in all three corridors under consideration should conform with the transit decision-making process adopted by the Board in the Interim Implementation Plan. The Board's decision-making process prescribes that a major transit decision should be made on the basis of a series of transit service needs assessments conducted throughout the Metropolitan Area, should be guided by a regional financial resources analysis as well as

region-wide public input. The Board should utilize this decision-making process in making final decisions on major transit improvements. The results of the preliminary engineering studies, site-specific development planning, and the relationship of major transit improvements in the University Avenue corridor must be put into regional perspective. An overall strategy for all corridors must be put together based on service needs assessments in other major travel corridors. This overall strategy should also be evaluated within the context of the available financial resources to be identified in a comprehensive financial resources analysis.

FINDINGS

Based upon the previous discussion, the findings are:

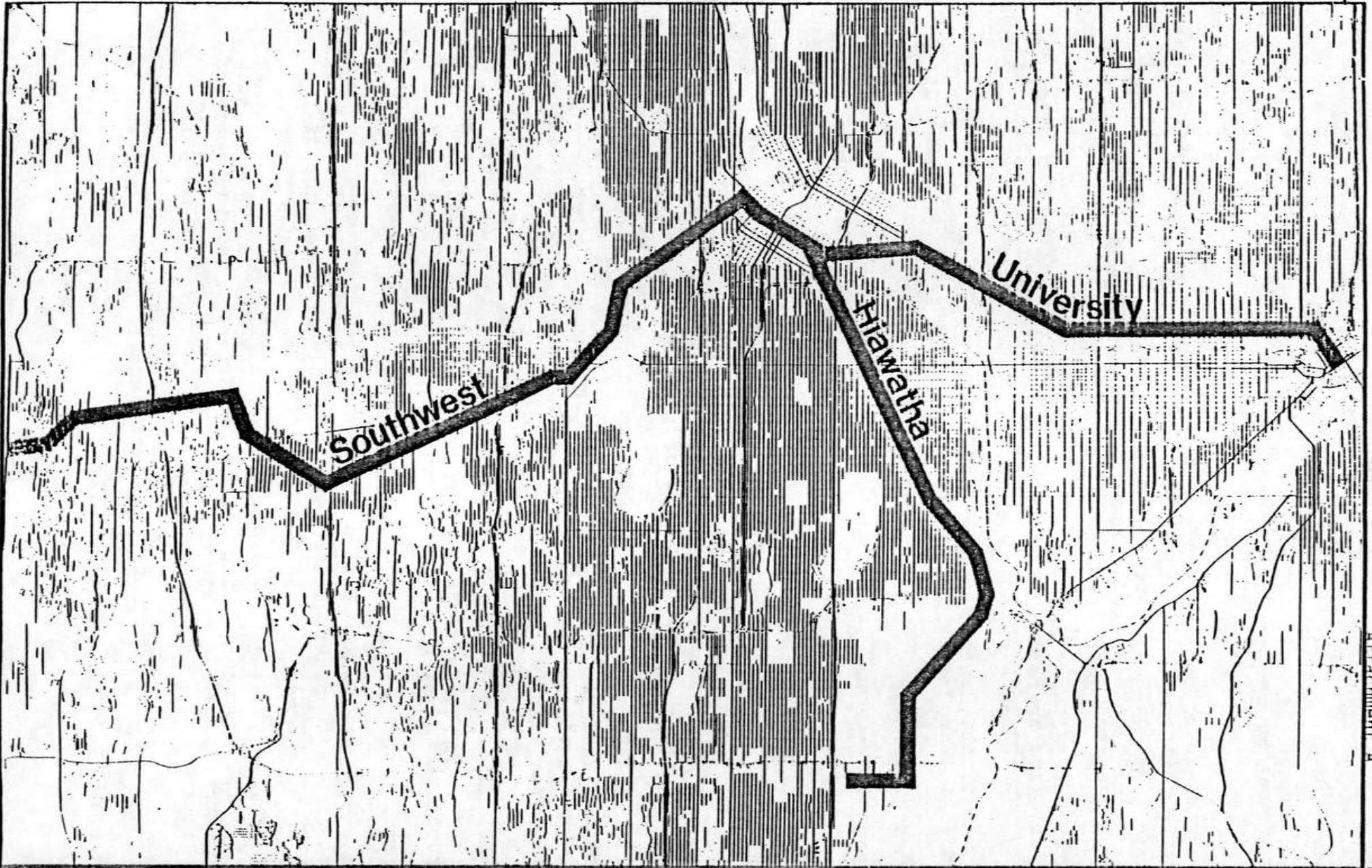
- o The University Avenue corridor is the best candidate for major transit improvements; major transit improvements in the Hiawatha corridor would also generate significant benefits.
- o Major transit improvements in the Southwest corridor would also generate many benefits, although not as many as in the University and Hiawatha Avenue corridors.
- o The Null and TSM alternatives do not adequately meet future transportation needs in the three corridors under consideration.
- o The fixed guideway alternatives significantly improve transit service in all three corridors.
- o Light rail transit alternatives generate greater potential benefits than busway alternatives.
- o The benefits derived and objectives achieved with light rail transit make it cost-effective despite higher capital costs.
- o Further engineering needs to be conducted prior to a final commitment to implement improvements in the corridors under consideration.
- o Transit improvement decisions in the three corridors and others should conform with the decision-making process adopted by the Board in the Interim Implementation Plan.

RECOMMENDATIONS

Based on the staff findings and conclusions, it is recommended that Regional Transit Board and the Board adopt the following positions:

1. University Avenue through the two downtowns should be selected as the priority corridor for transit improvements.
2. Light rail transit should be selected as the preferred fixed guideway alternative in the three corridors.
3. The final decision on implementation of light rail transit should be made after preliminary engineering, additional development planning, regional needs assessments, and financial resource analyses are completed.
4. A work program for the next 18 months should be adopted that includes the following:
 - a. Preliminary engineering for light rail transit in the University Avenue corridor, including logical connections to other corridors through the two downtowns and connections to maintenance yards and shops, as well as site specific development planning for corridor stations in the University Avenue corridor (completed by December 1986.)
 - b. Preliminary engineering activities to facilitate maximum coordination with the roadway preliminary engineering activities for the Hiawatha corridor. The work should include LRT trackwork definition, civil works engineering, and station development planning (completed as dictated by Hiawatha roadway design activities).
 - c. Service needs assessments in all other major regional transit corridors in the region, including a comprehensive financial resource analysis that includes assessment of the potential for federal/state/regional funds (completed by March 1986).
 - d. Establishment of an intergovernmental advisory committee to guide these activities within the context of the regional planning process.
5. A final decision on implementation of light rail transit, selection of priority corridors for final design, and transit decisions in other regional corridors should be made by December 1986.
6. A specific proposal to the 1987 legislative session should be prepared, describing the priority transit improvements recommended by the Regional Transit Board and recommending the financial mechanisms and organizational structure to carry out the final decision.

Elliott Perovich
Chairman



Attachment A

LRT Implementation Program

5. INTERIM TRANSIT SERVICE POLICIES

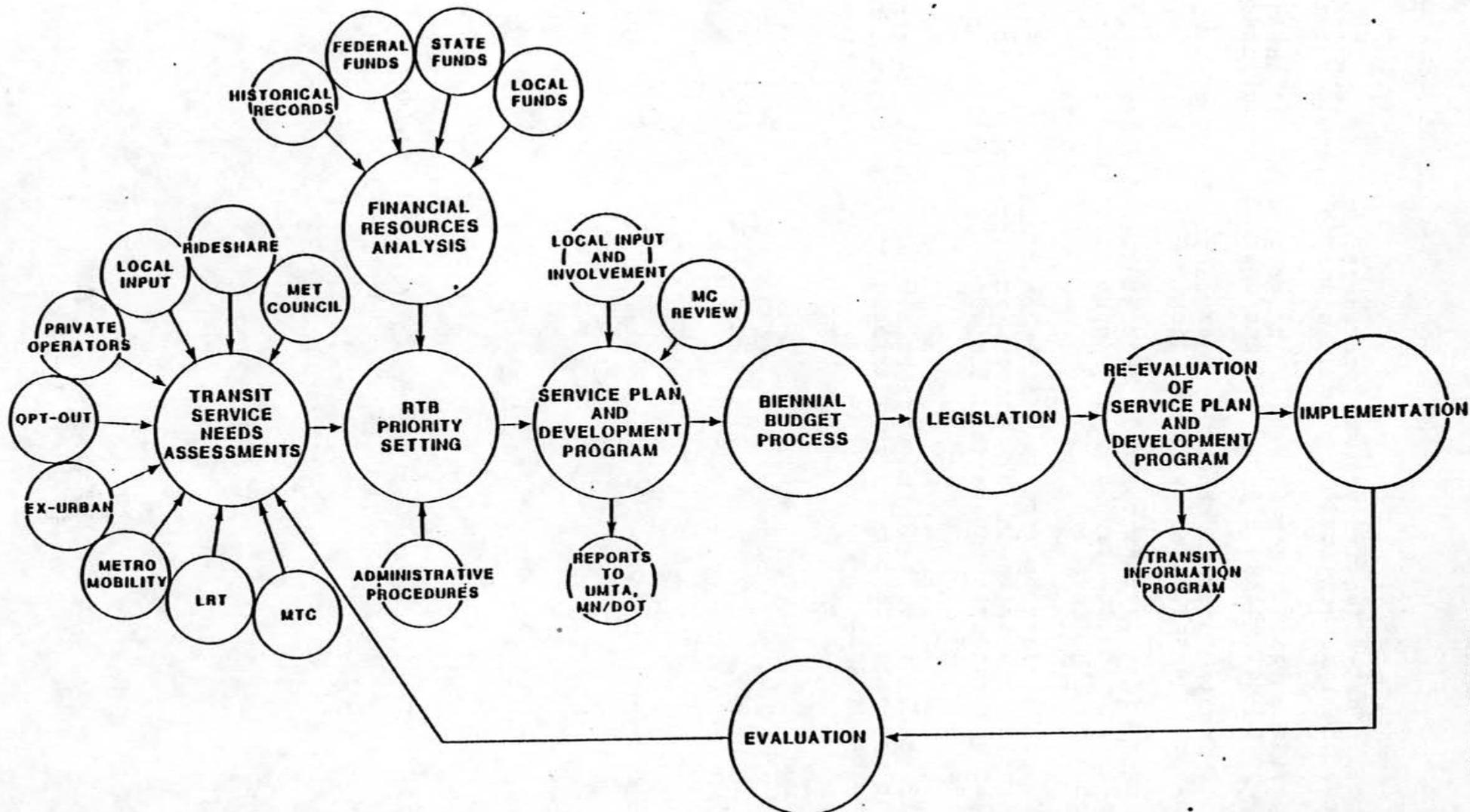
This chapter describes the RTB's interim transit service policies. The interim policies are based on the existing transit policies of metropolitan transit agencies. These policies will be refined and detailed as the RTB's implementation plan is developed and needs assessments are conducted.

The existing policies of MC, MTC and Mn/DOT were described in Chapter 2. The following transit service policies will govern RTB activities during the interim period:

1. The Regional Transit Board (RTB) shall develop all plans, policies and programs in a manner that will meet all mandated schedules and will assure timely decisions and service implementations.
2. The RTB shall develop plans, policies and programs consistent with the Metropolitan Council's Transportation Policy Plan.
3. RTB programming decisions shall be made on the basis of transit service needs, the availability of financial resources, and adopted RTB transit policies and plans.
4. Transit service needs assessments shall be conducted for all transit programs, including type of service, location, schedule, level of service and level of investment. These assessments shall consider alternative service concepts or operations strategies, involve representatives of affected users and governmental agencies and evaluate alternatives against specific performance objectives, including Metropolitan Council transportation policies.
5. The primary objective of the RTB shall be the setting of priorities for the allocation of available financial resources among the competing transit service needs in the Twin Cities Metropolitan Area.
6. Transit investment priorities shall be given to: a) travel corridors with the highest congestion and poorest travel times to downtown Minneapolis and St. Paul; b) areas with the highest level of unmet transit needs; and c) areas with the highest density of population dependent on transit.
7. Transit service needs assessments and transit investment decisions shall recognize and balance the special service needs of the central cities, suburban and ex-urban areas in the Metropolitan Area.
8. Individual transit programs shall be planned, managed and evaluated to use all funds effectively and efficiently.

Attachment B.2

9. The most cost-effective transit providers, whether public or private, shall be selected to provide specific transit services.
10. Metropolitan transit services shall be responsible to the needs of the young, disabled, elderly and economically disadvantaged.
11. A stable funding program shall be developed in support of the funding goals established by legislation.
12. A transit fare structure shall be established that will be equitable and in balance with the cost of transit service and available funding levels.
13. The RTB shall develop and maintain a continuous and comprehensive transit decision-making process in cooperation with local units of government, interested individuals, organizations and agencies.
14. The RTB shall encourage and support new and innovative transit service programs through a regular research, demonstration and evaluation program.



RTB DECISION MAKING PROCESS

FIGURE 6-1

METROPOLITAN COUNCIL

Suite 300 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 7, 1985
TO: Chair and Members of Regional Transit Board
FROM: Maurice K Dorton, Executive Director, Metropolitan Council 
SUBJECT: Metropolitan Council Chargeback to Commissions

A. STATUTORY PROVISIONS

Minn. Stat. §473.164 provides that the Metropolitan Parks and Open Space Commission, the Regional Transit Board, the Metropolitan Waste Control Commission, the Metropolitan Airports Commission, and the Metropolitan Sports Facilities Commission annually reimburse the Council for costs incurred by the Council to carry out its responsibilities related to each commission. The statute provides:

1. Each commission may use any available revenue source to pay the reimbursement costs.
2. By May 1 of each year, the Council must transmit to the commissions an estimate of the costs for the next budget year.
3. Prior to December 15 of each year, the Council must advise the commissions of any changes in costs that may occur in the coming budget year.
4. At the conclusion of each budget year, the Council adopts a final statement of costs for each commission.

The chargeback provisions for each commission were developed under the following concepts:

1. The Council's basic research and system plans related to and benefitting each commission should be paid for by each commission.
2. The users of each regional system should pay a portion of the costs in the planning necessary to develop and maintain regional system policies and plans.

B. HISTORY OF CHARGEBACKS

The concept of council chargeback to the commissions has been in existence since the late 1960s. The concept has grown and expanded with the number of commissions and the kinds of activities undertaken by each commission.

- 1969 - The Metropolitan Sewer Act, which created the Metropolitan Sewer Board, later the Metropolitan Waste Control Commission, provided that the sewer board was to fund the work of the Council to develop the regional sewer plan and finance it.
- 1974 - The Metropolitan Reorganization Act provided for a uniform system for each commission for the development of a policy plan, development program (long-range capital program) and annual capital budget review. This legislation also set the Council's mill levy at 8/30ths of a mill.
- 1976 - The chargeback provision was expanded from its application only to the Metropolitan Waste Control Commission to the other metropolitan commissions.
- 1979 - The Metropolitan Sports Facilities Commission was created and the chargeback provision was included in its statute.
- 1984 - The statute creating the Regional Transit Board was passed, and it included chargeback provisions similar to the other regional commissions.

C. METROPOLITAN COUNCIL ACTIVITIES CHARGED TO THE COMMISSIONS

These activities are related to work the Council does in carrying out its responsibility in supporting the commissions.

1. Development of policy and systems plans. (60%)
2. Research on land use, population, regional finance and other subjects related to commissions responsibilities. (3% - 10%)
3. Comprehensive planning. (6%)
4. Referral (12%) and general administration (100%).

D. TRENDS IN THE CHARGEBACK FUNDS

The Metropolitan Council's annual budget includes a number of sources of revenue. Attached are charts 1 and 2 indicating the sources of revenue and the role that chargebacks to the regional commissions have played in this revenue source. The revenue source has not been a major source of revenue to support the Council.

The following are the actual chargebacks to the Transit Commission.

1976	\$ 160,500.00
1977	181,500.00
1978	232,600.00
1979	164,300.00
1980	281,900.00
1981	213,900.00
1982	183,000.00
1983	174,000.00
1984	192,000.00 (est. RTB & MTC)
1985	212,000.00 (est. RTB)

Chart 1
**ESTIMATED REVENUES
 PLANNING AND ADMINISTRATION
 1974-1985**

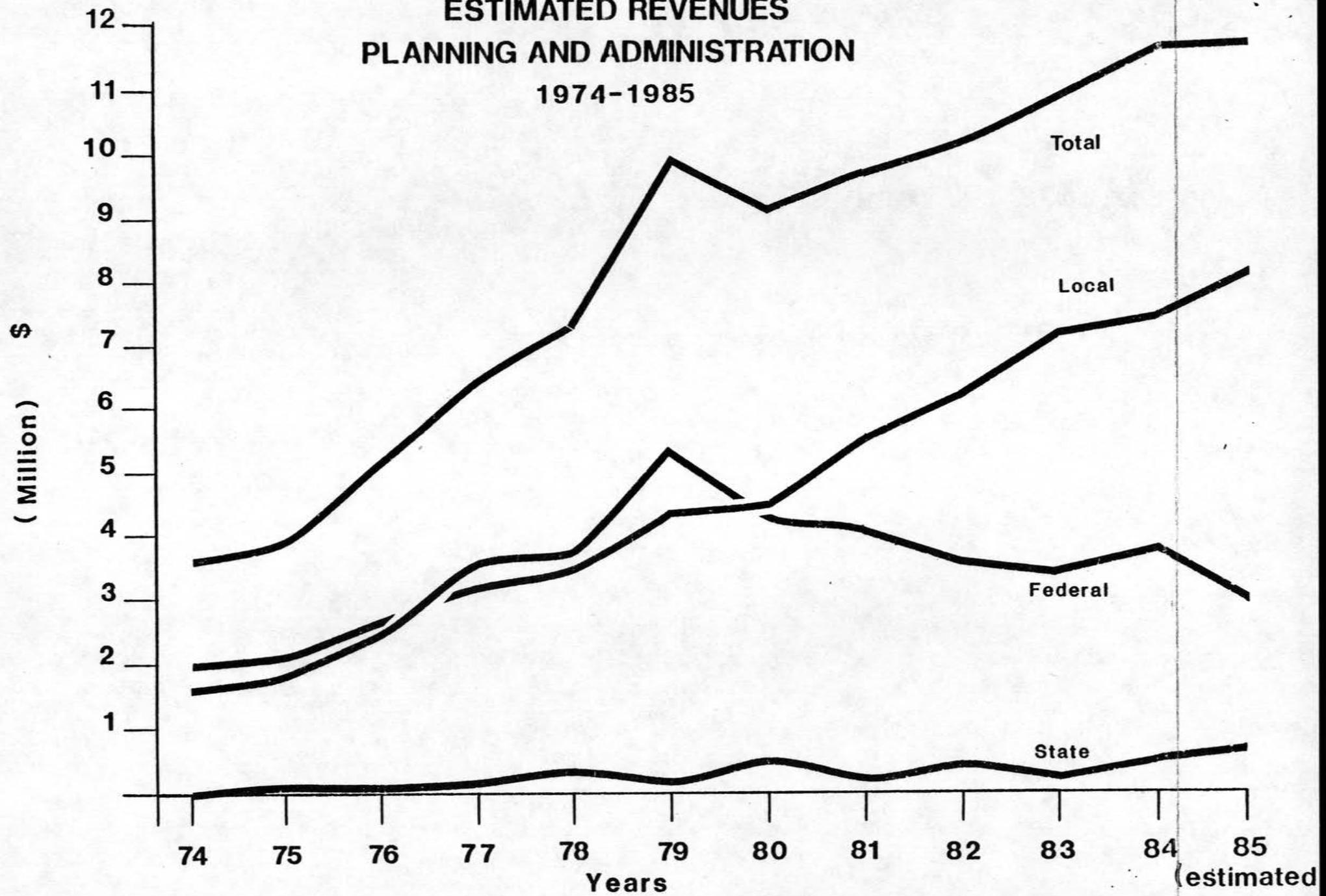
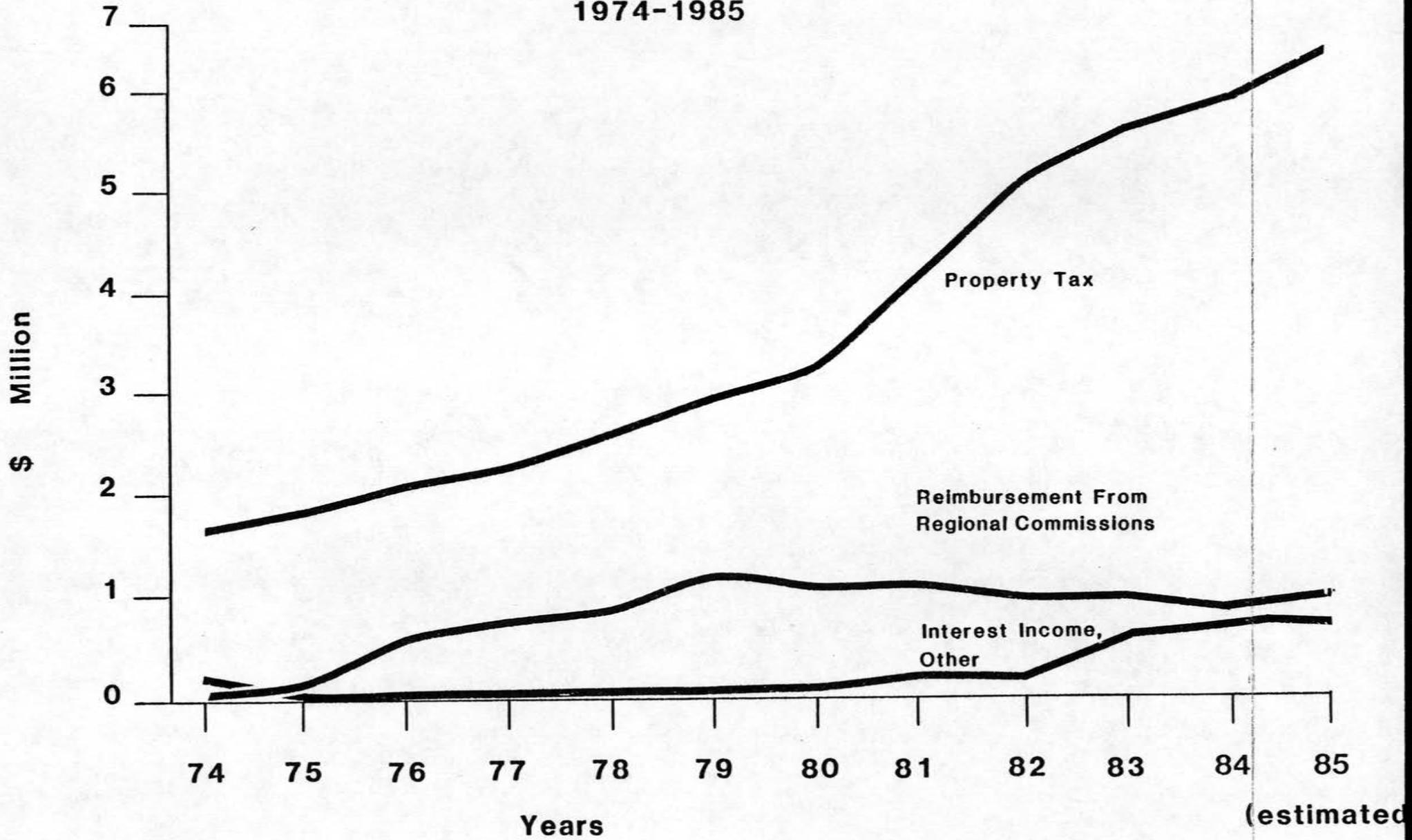


Chart 2
THREE SOURCES OF LOCAL REVENUE

1974-1985



MOVING MINNESOTA

Proposal for a Museum Exhibition on Future Choices in Transportation for Minnesota

Introduction

1. The Science Museum of Minnesota and the Regional Transit Board have joined together to explore the feasibility, both technical and financial, of a major museum exhibit on transportation. The exhibit will be concerned with the influence of transportation throughout history, but will emphasize new and traditional options in transit in the present that face our five-state region.
2. The aim of the exhibit is to create a major public attraction locally that will provide the general public with a fuller appreciation of how transportation has and will influence their lives; how they earn their living, where they live, what they eat, and how they spend their leisure time, etc.

Transportation has played a vital role in the development of cultures, cities and societies. People throughout history have searched for better opportunities to discover what lies beyond the horizon.

In the last century changes in transportation have dramatically affected the fabric of society and have provided dramatic improvements in living standards. Transportation and new technology will continue to shape development patterns and the cities in which we live and work.

An important function of the exhibit will be to show how transportation has historically influenced the development of cities and will continue to do so. This exhibit is expected to emphasize future changes yet give the viewer an historical perspective.

3. Exhibits at the Museum are seen by between 600,000 and 800,000 visitors annually, including almost 200,000 youngsters in organized school groups from all regions of the state. The Museum appeals to all ages, from toddlers through senior citizens, and to persons of all backgrounds. There is, however, a preponderance of visitors from those more motivated toward education and personal achievement.

CENTRAL THEME: MOVING MINNESOTA

4. The heart of the exhibit is expected to show how transportation might affect the future of the region. The viewer will be provided with an historic anchor by providing key reference points in the development of the Twin Cities. It will provide benchmarks such as steamboat travel on the Mississippi, the empire of James J. Hill and Thomas Lowry and the evolution of public transportation as we know it today.
5. The exhibit will reach beyond the 1980's and explore future trends. These may include light rail, personal rapid transit, automated guideway transit

and automated busways. The exhibit will also explore the technology that will effect transportation, for example, the development of monitoring systems that will permit the tracking of vehicles and cargo via satellite. Automation is also expected to revolutionize the way transportation could be provided from moving walkways to automated vehicles. The development of alternative power sources from the perfection of electric automobiles to magnetic levitation will be included.

Many displays about future advances in transportation are now under development for Expo 86, a world's fair scheduled for Vancouver, Canada on the theme of Transportation and Communication. We are in a position to borrow a number of their more spectacular displays if we can move early enough.

6. Further development of a plan for the local Minnesota exhibition will require additional research and design efforts guided by an advisory committee of transportation specialists.

SCALE OF THE EXHIBIT

7. The size of the proposed exhibit will be determined by the extent of coverage of transportation we attempt and by the desire to create an event that is a major public attraction locally. This suggests a size between 5,000 and 9,000 square feet.

COST

8. Exhibits on this scale at the Museum have required resources ranging between \$150,000 and \$500,000 and up. We can anticipate that most of the manufactured products will be loaned to the exhibit without cost. Most of the cost, therefore will be in constructing the stage setting that carries the unifying theme of the exhibit and in adapting manufactured products to the needs of an interactive visitor experience.

A definite and detailed plan for the exhibit will be developed with the assistance of a volunteer expert committee to be drawn from local transportation organizations. Once a plan is determined, we will be in a position to establish budgets for several levels of implementation as a basis for determining a target for fundraising.

SCHEDULING

9. Once a preliminary plan is approved and adopted, a project of this scope requires from 12 to 18 months to develop, and proceeds in about five phases from more detailed planning and budgeting, through a commitment to proceed, to fundraising, construction and the opening to the public. Attachment A outlines these phases in more detail and indicates a possible schedule for proceeding.

The first phase requires financial support of about \$25,000 to provide for further surveys of potential components of the exhibit, preliminary design and design graphics. A detailed planning budget is presented as Attachment B.

10. According to this schedule, the exhibit could open at the Science Museum for the summer of 1987 and could continue at least through August, 1988. It could then be considered for a much extended life if public interest warrants.

Attachment B

Budget for Planning Phase
of
Proposed Exhibition on Transportation in Minnesota

Travel to Vancouver 2 trips for 3 persons.....	\$ 6,000
Advisory Committee expenses.....	2,000
Consultants.....	2,500
Designers - 3 months.....	7,000
Graphics - 1 1/2 months.....	3,000
Materials & supplies.....	1,000
Research Materials.....	1,000
Model.....	1,500
Contingency.....	<u>1,000</u>
	\$25,000

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Special Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
February 25, 1985

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Ruben Acosta; Doris Caranicas; Juanita Collins; John Doyle; Ruth Franklin; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko; Steve Loeding; Gail MarksJarvis; Jim Newland; Bernard Skrebes; Peg Snesrud

STAFF PRESENT: Ghaleb Abdul-Rahman, Mary Fitzgerald, Judy Hollander, Leslie Johnson, Larry Wertheim of Holmes and Graven, Joe Kern of Strgar-Roscoe-Fausch, Inc.

The meeting was called to order at 4:30 p.m. and roll taken. Caranicas moved approval of the agenda; Loeding seconded the motion. Motion carried unanimously (Kranz not present).

Caranicas moved approval of the minutes of the February 4, 1985 meeting, which were distributed at the February 19 meeting; Newland seconded the motion. Motion carried unanimously (Kranz not present).

The chairman noted that the draft legislation for the Regional Transit Board was included in the packet.

TRANSIT IMPROVEMENTS ON UNIVERSITY AVENUE, SOUTHWEST AND HIAWATHA AVENUE
CORRIDORS

The chairman noted that a packet for the meeting had been handed out prior to the start of the meeting that includes communications received during the last week with respect to the topic of today's meeting (Exhibit A). This meeting is for the purpose of continued discussion of the staff report dated February 11, 1985. He asked that members offer amendments or make statements.

The chairman observed that eight board members have returned from inspection trips to Edmonton/Calgary or San Diego/Portland.

Doyle offered suggested amendments to the staff report (Exhibit A). He said the reason for making these changes is not to alter the content or substance of the staff report or to tie the Regional Transit Board into anything beyond the original staff report in terms of subsequent development. The underlined portions are additional language to the staff Findings and Recommendations and the language to be deleted is crossed out. He moved that the Findings and Recommendations be amended as shown to clarify the original staff report. Joyce seconded the motion.

Loeding offered a friendly amendment that the two items be debated separately. Mover and seconded accepted the friendly amendment.

Loeding said he has no objection to the first change. He feels the board is not opposed to the Southwest corridor, but a service needs assessment must be done first.

Newland said it is his understanding that the staff report is that of staff; therefore, it appears that those are staff findings and he questioned whether they are debatable. Caranicas said that if the board approves the report it becomes the report of the board itself. The board can make whatever changes it desires and adopt them as its own. The chairman said that what comes out of this board meeting will become a document from the board and will no longer be a staff report.

Franklin said she thought there was concensus that staff language regarding Finding 2 were more negative than the board wanted and the recommended changes are good, making it much more positive. It is important that we not be too negative because all the corridors have potential.

Caranicas called the question.

Fuhr called a point of order: and asked whether the Findings begin with "whereas." The chairman said they will be the Findings of the board and will be passed on to the Metropolitan Council. It will be a report and recommendation. The board will go through the modifications and then go back and adopt the total. Vote was taken on the motion to amend the Findings. Motion carried (Lefko voted nay; Kranz not present).

Doyle moved the amended Recommendation 4.c. as follows; Collins seconded the motion.

Limited preliminary engineering needs to be conducted on the Southwest corridor to ensure coordination with other corridor connections.

Doyle stated the board has an extremely difficult and challenging task. It is important that it try to be reflective of the concerns of its constituents and try to make a decision consistent with the needs of the entire region. In order to do that it is important that the board develop a way to make decisions that is not going to create unnecessary controversy within the group it works with and with what the board is trying to do. It is not intended to commit the board or staff to anything they would not otherwise plan to do with respect to LRT in this region. He pointed out that this report does not commit to building LRT in any corridor. This amendment calls for taking a look at all the corridors and collect data. Chances are we will build in the University Avenue corridor. The point is how would that impact other corridors. In order to know, we need to get the information and the only thing we would get from preliminary engineering is to see if anything there would be compatible with other corridors.

Lefko asked what "limited preliminary engineering" means. We tried to differentiate between the quality of other lines and Southwest and we seem to say here we are prejudging. In decision-making we need to make unpopular decisions. The figures are different in Southwest and it does not stack up as well. If we have limited resources we should put them into a priority corridor. He said the existing language should be kept.

Loeding agreed with Lefko. People are asking why these corridors were picked. He particularly likes the call for a service needs assessment in the report. Southwest will probably prove itself in that study, but he thinks it would confuse the message for the assessment if the language is changed. It should be an objective study of the need for corridors within the seven-county metropolitan area.

Acosta said he felt Doyle's comments with respect to the constituencies were good, but the greatest constituency is the whole public in the metropolitan area. He believes LRT can be a successful system in the appropriate corridors. He has a problem with Southwest because he does not think the ridership numbers reach the threshold yet. The Technical Advisory Committee report shows that the best Southwest could do is an operating deficit of \$79.25 million over a four year period. Having just returned from San Diego/Portland, he found that their LRTs parallel the freeways. Acosta would like to see LRT succeed. He opposes the amendment and would like to reconsider the ridership numbers in Southwest in terms of a service needs assessment.

Caranicas said that in terms of the approved Interim Implementation Plan, the amendment would be inconsistent.

Skrebes said he is concerned about creating a Hatfield and McCoy situation between the cities. He suggested a meeting with the commissioners to overcome this problem. The board is considering cost-effectiveness and the needs of the entire public, but should sit down with the Hennepin County commissioners and find out their feelings. He asked if this was presented to Hennepin County. The chairman said it was presented to their staff and their reaction was solicited.

Joyce said he supports the amended 4.c. language because down the road the board is considering preliminary engineering and he believes that all three corridors should be reviewed. If one corridor has to go on the back burner all the numbers will not be available and we will be making a de facto selection of a corridor. He asked what is meant by limited preliminary engineering.

MarksJarvis said a number of people spoke of responsibility to various constituencies, but she thinks the original staff report was a responsible approach to all the constituencies. The amendment appears to upgrade the Southwest position and undermine the regional approach the staff tried to take. She asked why Southwest should be mentioned when constituents in northwest are wondering what will happen to them. She asked why 35W and I-94 are not mentioned. There are questions about the viability of LRT in Southwest. During the recent Edmonton trip, the manager of operational planning said their Clairview extension seemed to be similar to Southwest and Clairview was a big mistake. It was put out on an existing right-of-way and rail line. There was little in the area, it is mostly industrial, with no highway access and cars cannot get there. It was installed thinking that development would

come and it never happened. They cannot generate the needed ridership and the operational costs are skyrocketing. As a result of a shakeup, the people who pushed for it have left. Their philosophy has now changed to serving existing ridership. They look at demand and serve it. They are now putting in a new line in a high density area to provide enough riders to bail out of high operating costs.

Franklin said that in looking at Recommendation 4.a., is it possible it would include in the preliminary engineering some of the Southwest corridor which could be construed as limited preliminary engineering activity. Abdul-Rahman said that was the intent of the recommendation--penetration of downtown and connections to other corridors. Referring to maps, he said for the Southwest we will have to go as far as France Avenue and Lake Street.

Fuhr said she would like to do more and go back to the original premise and go as far as Hopkins. Preliminary engineering is not the last word, but involves taking a closer look. The cost effectiveness and ridership to Hopkins are the same as other corridors. She disagreed with MarksJarvis, saying you cannot compare Clairview to Southwest. Southwest goes through built-up suburbs. In Edmonton they had effective feeder bus lines. The chairman said, to clarify, that preliminary engineering is more than taking another look at the corridors. It is pre-design, gathering information to do preliminary design. It is explained in Item 3 of the packet.

Snesrud said that during the Edmonton/Calgary trip they met with nationally known consultants and they said again and again to keep politics out of the decision. If it is not a regional decision, we will have the same situation as the Clairview line. She was pleased to see a service needs assessment for the seven-county Metropolitan Area included in the staff report. That must be done so all the corridors can be considered, including Southwest.

Doyle asked what the board is doing today. It is here to make a decision to gather more detailed information with respect to corridors feasible for LRT development. We are not here to make a commitment to build a corridor. We are saying the board should look at Southwest corridor. The only thing we are trying to do is not close doors on that corridor. When the board makes the LRT decision it can decide if it is appropriate or not. Chances are it will point to University Avenue, but it does not preclude Southwest. The projections say Southwest will result in as many riders taken from cars as University. What impact will Southwest have if it connects with University? Those are some questions that have not been answered. This language says we want to look at those things. Doyle asked Abdul-Rahman if the proposed amendment to the recommendations would compromise in any way what staff sees as the next step in public transit development in the region. Abdul-Rahman said that as long as it is understood that we are talking about penetration of downtown and local connections, which for the Southwest will go to France and Lake. We have to do that anyway. If the amendment goes beyond that, there are questions. Doyle said the language does not say we should do more or less than the professional staff has recommended.

Acosta said preliminary engineering is part of the building design process. The decision should be on transit planning. The board must demonstrate that it can make sound transit decisions in a tough political climate. The door should not be closed on Southwest, but with the needs assessments we will look at corridors in the entire Metropolitan Area.

Joyce said Doyle covered many of his points. Again, we are not making a decision to build in any one corridor. We have to have all the preliminary engineering on all three corridors. This goes back to the 1981 feasibility studies. The meaning of the numbers in South have to be determined. The Southwest numbers are better than in the places visited. Clarview is not a good line. The second line was unsuccessful because it was built during a recession but the initial line was successful.

Newland said he does not feel adopting the staff recommendations would close doors. He agrees that the service needs assessment is appropriate and will reveal what will be needed to choose what will follow. The concern he has is the cost of preliminary engineering. It does not always lead to construction. As many as half of the projects he has been involved with did not go to construction. Having served as staff, he feels strongly about supporting the professional staff and cannot support this amendment.

Caranicas said Recommendation 4.a. does what Doyle wants to do. Part of the amended language is repetitive and confusing.

The chairman summarized: the issue before the board is the matter of whether the staff report deals with what Doyle wants it to contain, or whether we need to reemphasize or state in another way what staff says it wants to say. The board is reviewing adding Recommendation 4.c. Vote was taken; the motion failed.

Referring back to the staff report, Fuhr said she agrees with Skrebes about alienating Hennepin County. They have borne the burden of this by themselves. Ramsey County has not done anything. It is essential that the board has a good relationship with Hennepin County. The suburbs support it. She is concerned about where the board stands with them.

The chairman said he is hearing the board say that in no one is attempting to exclude Southwest corridor from consideration. Doyle said he was saying that in another way. The decision lies with this group and it should keep good intergovernmental relationships with everyone it deals with. A lot of time was spend asking for information.

Franklin said "The board has the opportunity to take a giant step forward for transit in the Metropolitan Area. We have been charged with the responsibility of solving transit problems and with planning transit for our area. After a great deal of reading, listening to presentations, questions and answers, I have come to the conclusion that the best transit system for our region is a combination of LRT and buses.

Significant growth in employment, retail activity and entertainment functions in our downtowns will add to the existing congestion, pollution and parking problems. Rush hour traffic already causes frustration, delay and some pollution. If we don't address this issue, the situation will become worse as more jobs are created to fill all the new buildings under construction. Whether we live in Minneapolis, St. Paul or the suburbs, we all make many trips a year to the center cities for work, shopping, education or for entertainment. If traffic is snarled and we can't find parking, we would in time avoid the downtowns. They are too important to the total area to have that happen. To survive, the area needs effective, efficient mass transit and I believe LRT is the answer for several corridors.

"My other reason for supporting LRT is because of operating costs. The Metropolitan Systems Committee report tells us that from 1971 to 1983, both costs per mile and costs per passenger on MTC buses increased by more than 450 percent. Even adjusted for inflation, the real cost increases were over 200 percent. Around 80 percent of the MTC operating budget is for salary and fringe benefits. LRT offers an opportunity to reduce operating costs and increase efficiency. A 40-foot bus carries about 50 passengers, an articulated bus carries about 80 passengers. An LRT vehicle carries about 166 passengers; two LRT vehicles with one driver carries about 332 passengers; three LRT vehicles with one driver carries about 498 passengers. In busy corridors, the LRT would help reduce operating costs.

"One last point, not talked about a lot. There is a ripple effect on the local economy in the construction of any major project. Portland is in the process of building a light rail line and has estimated the ripple effect could be as much as \$385 million added to the local economy and that the project means around 665 construction jobs per year over four years.

"As a Regional Transit Board, we have the responsibility to solve problems by planning ahead--not just for 10 or 20 years, but for the future--40 to 50 years ahead and I look on this as a very positive step for transit for our region.

"I wish we could move ahead with LRT, not only in these three corridors, but in other potential corridors in the region, but I understand that we can't do all at one time and that we have to prioritize and stage the effort and I will support the steps outlined in the staff report."

Franklin moved approval of the recommendations in the staff report; Acosta seconded the motion.

Loeding said he had intended to make that motion and felt Franklin's remarks were well put. He commended staff in putting these together, particularly in view of comments by people who feel studies were premature and the first thing we need is a service needs assessment and then move ahead after preliminary engineering on the current system in University corridor. He said the recommendations are exactly on target and he is pleased to support them.

Lefko said he wanted to complement staff, Natalio Diaz, Steve Groschala and the board itself. This was a test and the discussion reached a high level and the chairman set a good tone. He continued "We have defined the transportation problem well. Our problem is that our proposed solution doesn't relate to the defined problem. It is not an issue of technology...technology is feasible. It is not an issue of financing or cost. If we wish to spend the money and believe it is a priority, as a region, it can be afforded. The issue, therefore, is not cost, nor cost of LRT relative to alternative freeways or public works, but cost-effectiveness of this project as a limited resource relative to how well this proposal will solve our problems. It is on this point and others that LRT fails to meet our test and should be rejected.

"The issue is not whether it is plausible in Portland, suave in San Diego, or efficacious in Edmonton, but is this the best thing for the Twin Cities? We appear to have a fascination with technology. Call it warm fuzzies for street cars, or a confusion between a belief in a technological fix and how we define the problem that is facing us.

"I have heard from proponents that we are doing a transportation solution, or at least a contribution to an overall transportation issue. I have heard others say it is economic development. For others, air pollution and for others, downtown congestion.

"I realize LRT is not a panacea, but what we must ask as public officials is whether the cost relative to investment justified the expenditure. It is a subjective decision, and I have determined that two percent of riders off freeways, or questionable modest economic development, little ridership gain and potential costs do not meet our needs. A number of questions remain for me which have not been answered and will not be answered by preliminary engineering: are we replacing bus riders for street car riders? If this is the majority of our action, then is the justification worth the expense? Are we, by this action, redirecting a major portion of our resources, relative to future overall transit needs? Are we, in fact, limiting our future financial options?

"The Citizens League and the Metropolitan Council staff have raised a number of basic issues relative to effectiveness and if shifts in population and work location make this an investment that does not meet future demand. They have raised issues which state more eloquently problems with this decision than many things I can state. It has been said that we are building a system for not only 2000, but 2030 and 2050. That is why it should be relevant to our needs and able to have an impact. We should build a system for the long haul, but the data on ridership, congestion and location indicate that investment in LRT will have a very, very limited impact.

"Is it realistic to assume that all of the growth in the Twin Cities will go into these three corridors? Will there be other options throughout the city and suburban region that will lessen our figures? I was very struck by the comments of our economic experts, who suggested that we may be high as to economic impact.

"Operation versus capital costs: it has been stated that operating costs make the system cost-effective. Read Jose Gomez-Ibanez.

While LRT systems probably do save on vehicle operator costs, as LRT proponents suggest, these gains are likely to be offset by the added expense of maintaining the LRT vehicles and right-of-way unless the passenger volumes on the LRT are extremely high. An LRT vehicle is considerably more complex than a bus, and thus the ratio of car maintenance and employees to vehicles is likely to be higher on an LRT than a bus system. Maintenance of track, signaling, overhead catenary, power distribution systems, fare collection systems and stations also tend to increase the operating costs of LRT over those of buses. The ratio of employees per vehicle is twice as high on the San Diego LRT as on the bus system, for example, which suggests that San Diego's passenger densities are far too low for the savings in operating costs to offset other LRT costs.

LRT maintenance costs may be understated during those early years of operation because the vehicles and right-of-way were brand new and much of the equipment under warranty. In addition, the simple comparison of bus and LRT operations in the same system disguises the cost of LRT feeder service. The new LRT lines may skim the cream off the older bus system by taking over one or two of the most heavily travelled and profitable trunk bus routes and leaving the buses to operate the less profitable, but necessary feeder services.

Costs of LRT vehicles, track, power and signal systems should increase as the new systems age. Whatever the ultimate operating cost increase, the added costs of LRT vehicle and way maintenance and feeder service have clearly offset any economies the LRT might offer in a larger vehicle or a greater number of passengers carried per operator.

"Will we be in the position of continually having to expand the system to justify our initial expense?"

What would I suggest instead--busway, freeway changes, changes in bunching of streets for buses downtown. Let us ask, as the Citizens League has asked, how is the problem defined...there is no single strategy...HOVs...flexible vehicles...other solutions. The one thing that is certain is that LRT comes back the wrong answer. We should not go to preliminary engineering because it becomes too easy to become committed to a decision and then seek the information to justify our decision. I have realized how my perceptual filter has affected my bias against fixed rail systems. I sought out those facts on the trip and during meetings and reading, which justified my biases. I am afraid that this is a commitment to LRT, no matter how it is phrased, and this commitment to LRT increases the psychological commitment to that system.

"I think this is a wrong action. The long-term future of transit in this area is in the service needs assessment. I think this decision negates the logical planning process and suggest that LRT is the wrong decision for the Twin Cities."

Acosta said LRT will not solve all our transit roles. The bulk of people ride buses because they have to. That is a mistake, it is a shame. It is no longer efficient. We have some problems that will be compounded as we move to the year 2000. LRT potentially can carry 300 people with one operator. As we look into the future we see operating deficits that will be growing, sooner than we expect. We may have \$30,000,000 or more shortfall. In certain corridors, University is one, we have the opportunity to provide better efficiency and an alternative to the automobile. It will do something for land use and do something for industry. We spent \$400 to \$500 million to build I-394, which is a 10-mile link. People deserve to ride something that is not broken down. They deserve a system that is efficient, modern, and can go to the year 2000 and beyond. We have to replace highways every seven years, not counting the millions spent on repairing potholes. He thinks the staff recommendations are good and he thanked everyone who worked on the Alternatives Analysis.

MarksJarvis said she shares Lefko's concerns and the reason she can vote for this package is that it is a step toward more detailed information. She thinks LRT can attract riders who would not ordinarily use transit. There is major concern about operating costs. In Calgary the operating costs increased. It is a new system that has not proved itself. She is not ready to say it is successful, but thinks it raises questions about operating costs.

Although there is a feeling there is magic in trains, MarksJarvis said she thinks that may be true, but we cannot be blinded by that magic because we have some important questions to ask this year.

Lefko said that in reacting to Acosta's statement, the issue is not whether other expenditures in other roads are good or bad or large or small. The issue is what we should do. The bus system will be the backbone and major portion of the system no matter how many lines are built. He urged everyone to read the Harvard Study. The question is, "Is this the answer?" When you go to our own figures, as we face financial crisis, heavy expenditures may compound those. If we add to the debt, it may hurt us ten years from now.

Newland said the critical mass question is a good point. It gets to the question of how deep we will dig for this information. This is not a "go/no go" vote yet.

Vote was taken to adopt the report as amended. Motion carried (Lefko voted nay).

The chairman said he has strong feelings on this. He had spoken less than at previous meetings because he has seen this board jell in the last month and a half. The members have taken on a tough issue, considered the information, researched, and soul-searched. This is not the end; it is the beginning of their transit planning responsibility. It is more diverse than LRT. This decision was put to this board with a short leadtime. The board wants to look at total transit needs and where LRT, buses, dial-a-ride, and other things fit, and what can RTB bring to that.

Perovich said each member did an excellent job in soul-searching and making his or her decision. He commended staff and thanked the people from Hennepin County, MTC and others who spent hundreds of hours with staff in putting together the implementation study. It will be useful in many ways. He thanked Natalio Diaz, Larry Dallam and Steve Alderson and people from the Transportation Advisory Board and Metropolitan Council who put all this information together. This is a job well done. It was a good decision and he sees this as an opportunity to put together a transit system.

Acosta said one member from an engineering board suggested that the chairman appoint a special committee. Acosta moved:

That the Regional Transit Board chairman appoint a special committee of three board members to assist in the scoping of preliminary engineering tasks associated with Light Rail Transit. The charge of this committee will also include making recommendations to the full board concerning the maximum cost of such engineering work.

Snesrud seconded the motion. Loeding suggested that it be discussed at the Policy Committee level first. MarksJarvis asked Newland to discuss his reasoning. Newland said he is interested in limiting preliminary engineering fees. He is interested in serving on such a committee and has no problem with taking it first to the Policy Committee.

Fuhr asked what will happen now. Who is going to be involved? Perovich said the motion would preempt staff from presenting a procedure. He would not be comfortable with appointing three board members now. Staff needs a chance to put that together. There are experienced people on the board, but he would like to give Abdul-Rahman an opportunity to deal with this and make recommendations.

Caranicas said the motion is premature. It should be taken up later.

Loeding offered an amendment that the motion be tabled and referred to the Policy Committee; Joyce seconded the amendment. Vote was taken to table; motion carried unanimously.

Fuhr said it should go to Policy Committee before staff. Lefko said members will work closely with staff to develop recommendations along suggested lines.

Referring to the LRT report, Abdul-Rahman said the board recommendations have to go to the Metropolitan Council, which will act by mid-March, before going to preliminary engineering studies. Staff will have a chance to put together a document on how to do the study itself. There is more than just engineering work; included are financial impact and needs assessment. We have to receive the final decision from the Metropolitan Council.

Newland said that since this may require additional action by the Legislature and some consultants will not work without pay, the issue may be moot.

OTHER BUSINESS:

The chairman announced that Dirk deVries has been reappointed by the Metropolitan Council as liaison to the Regional Transit Board and he should be recognized for his contribution to the Alternatives Analysis Study.

The chairman noted that the handouts include drafts of two bills that include those items needed to improve or correct the original legislation and the financial program. Authors have not been selected.

Perovich said there is a misconception about the \$10 million on preliminary engineering. It is expected that the preliminary engineering will cost between \$3 or \$4 million but we are asking to carry over the \$10 million for other transit needs. The media should understand that the preliminary engineering is substantially less than \$10 million. Fuhr said there are also misconceptions on the whole scope of the thing. She asked how we will educate the Legislature about what we have done. Lefko said there is a difference between explaining and marketing what we are doing. He would object to selling LRT when in effect we have not taken formal action yet.

There being no further business, Joyce moved to adjourn. Kranz seconded the motion; Motion carried unanimously. The meeting adjourned at 6:30 p.m.

Respectfully submitted,

Mary Fitzgerald

M 385

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 1, 1985
TO: Administration and Finance Committee
FROM: Leslie M. Johnson, Director of Administration
SUBJECT: Escrow Agreement for MTC TANs Issue



In that the Regional Transit Board is issuing Tax Anticipation Notes for the Metropolitan Transit Commission (MTC) and must therefore approve the "form and content" of the Escrow Agreement protecting the payment of said notes, the Committee is asked to review the attached Escrow Agreement. The Escrow Agreement is routine in content nature and does not present policy issues separate from the decision to issue TANs. Nevertheless, I will be happy to respond to any Committee questions on the document.

Attached to the Escrow Agreement is a copy of the Holmes and Graven bond opinion for your information.

LMJ:jmo
Attachments

ESCROW AGREEMENT

THIS ESCROW AGREEMENT made and entered into as of the ____ day of April, 1985 (the "Agreement") by and between the Regional Transit Board, a public corporation and a political subdivision of the State of Minnesota (the "Board") and First Trust Company of Saint Paul, a corporation organized and existing under the laws of the State of Minnesota (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Board has heretofore agreed with the purchasers and holders from time to time of its \$16,500,000 Tax Anticipation Certificates of Indebtedness, Series 1985 (the "Certificates") pursuant to the terms of a resolution adopted by the Board on March 18, 1985 (the "Sale Resolution") that it will escrow certain tax receipts and other monies for payment of the principal of and interest on the Certificates and that it has approved the form and content of this Agreement and authorized its execution; and

WHEREAS, pursuant to the Sale Resolution the Board has authorized the issuance of the Certificates and has designated First Trust Company of Saint Paul to act as Escrow Agent under this Agreement; and

WHEREAS, pursuant to the Sale Resolution the Certificates were sold to _____ as purchaser (the "Purchaser"), and _____ has been designated as paying agent for the Certificates (the "Paying Agent"); and

WHEREAS, a primary reason and object for providing for the escrow pursuant to this Agreement of tax receipts and other monies was to induce the sale of the Certificates, and the Purchaser, in making its offer to purchase the Certificates relied upon the covenant of the Board that such tax receipts and other

monies would be placed in escrow as stated in the offering materials related to the Certificates;

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements hereinafter set forth, it is agreed by and between the parties hereto as follows:

Section 1. The Board shall deposit and use all taxes levied by it in 1984 and collected in 1985 by the County Auditors of Anoka, Carver, Dakota, Ramsey, Hennepin, Scott and Washington Counties together with all state aids paid in lieu of such taxes (including, without limitation, the homestead credit, agricultural credit, wetlands credit and machinery credit) (the "Taxes"), which are receivable by the Board after the date of this Agreement as follows:

(a) First, all Taxes levied by the Board pursuant to Minnesota Statutes, Section 473.446 Subdivision 1(b) and (c) for debt service on obligations of the Board or the Metropolitan Transit Commission shall be deposited whenever such Taxes are received in the appropriate sinking funds designated by the Board or the Board for payment of the obligations with respect to which such Taxes are levied; and all Taxes levied for capital expenditures or other non-operating purposes of the Board shall be deposited whenever such Taxes are received in the appropriate funds created by the Board for such non-operating purposes.

(b) All Taxes levied by the Board for purposes other than as set forth in paragraph (a) above shall be referred to as "Remaining Taxes". The Remaining Taxes levied and received by the Board shall be deposited and used as follows:

(1) Remaining Taxes shall be used for the purposes for which such taxes were levied until all but 110% of the total amount

of the principal of and interest due on the Certificates on April 1, 1986, remains unspent, at which time the Board shall pay to the Escrow Agent for deposit in the Account (as defined below) Remaining Taxes received by the Board in an amount equal to \$ _____ (the total principal of and interest due on the Certificates on April 1, 1986) less the amount then on hand in the Account. Any Remaining Taxes held by the Board following such deposit shall be used by the Board for the purposes for which they were levied.

Section 2. If the amounts received by the Escrow Agent from the Board pursuant to Section 1 hereof (together with amounts deposited into the Account pursuant to Section 3 hereof, and investment earnings on such amounts) are insufficient for any reason to pay in full the principal of and interest on the Certificates on April 1, 1986, the Board shall pay the difference to the Escrow Agent for deposit in the Account, from any taxes, income or revenue received or accrued during fiscal year 1985 or any other money of the Board lawfully available therefor. The Escrow Agent shall notify the Board of any deficiency not later than December 30, 1985, and the Board shall make such payment immediately upon receipt of such notice.

Section 3. The Escrow Agent hereby acknowledges the receipt on April _____, 1985, from the Board of \$ _____, which represents the unused principal amount added as interest (\$ _____), premium (\$ _____) and accrued interest (\$ _____). Such \$ _____ has been deposited in the Account.

Section 4. All Taxes and other moneys paid over to the Escrow Agent shall be held in a separate escrow account to be designated "Regional Transit Board

1985 Tax Escrow Account" (the "Account"). The money in the Account has been and is hereby irrevocably appropriated for the purpose of paying the principal of and interest on the Certificates, provided that any balance remaining in the Account after the payment of the Certificates and the interest thereon shall be transmitted to the Board on the day following the final maturity and delivery to the Paying Agent of an amount sufficient to pay in full principal of and interest on the Certificates.

Section 5. The Escrow Agent shall pay over to the Paying Agent only from the sums on hand in the Account a sum sufficient to pay in full the principal of and interest on the maturing Certificates on their stated maturity date. If the sum on hand in the Account should be insufficient for this purpose, the Escrow Agent shall notify the Board of the deficiency pursuant to Section 2 of this Agreement, but the Escrow Agent shall not be required to make any further payments or take any further action, and in such event the Board agrees to pay over to the Paying Agent the amount of such deficiency from other moneys available to the Board pursuant to Section 2 of this Agreement. All sums in the Account which are needed to pay the principal of and interest on the Certificates at maturity shall be available in federal funds not later than the maturity date of the Certificates.

Section 6. Sums from time to time on deposit in the Account shall be invested by the Escrow Agent pursuant to instruction from the Board, but only in securities authorized for investment as provided by Minnesota Statutes, Section 475.66, and only in securities which mature no later than the maturity date of the Certificates. Earnings on sums on deposit in the Account may be used for the same purposes for which other moneys in the Account may be used. Investment decisions or instructions may be initially communicated orally to the Escrow Agent, but shall be confirmed and transmitted in writing within 48 hours thereafter.

Section 7. If for any reason the Escrow Agent shall fail or refuse to act in accordance with the provisions of this Agreement, the Board may terminate this Agreement, and in such event the Board shall enter into another escrow agreement with another bank or financial institution which in its reasonable opinion is qualified to act as escrow agent hereunder, and the Escrow Agent shall, on demand, deposit with the new escrow agent any cash or securities on hand in the Account.

Section 8. The Escrow Agent may conclusively rely upon, and shall be protected in acting upon, any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper parties. The Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be only to act as expressly set forth in this Agreement. The Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement unless first indemnified to its satisfaction. The Escrow Agent may consult legal counsel with respect to any question arising hereunder and the Escrow Agent shall not be liable for any action taken or omitted by it in good faith upon advice of such legal counsel. All moneys held by the Escrow Agent pursuant hereto shall constitute trust property for the purposes for which they are held and the Escrow Agent shall not be liable for any interest thereon.

Section 9. The Escrow Agent has agreed to serve hereunder in consideration of \$ _____ which amount shall be paid to the Escrow Agent by the Board on April 1, 1986. In addition, the Escrow Agent shall be reimbursed by the Board for its out-of-pocket expenses and disbursements hereunder, including, but not limited to, fees of such legal counsel as it may select to assist in the performance of its duties hereunder, including review of this Agreement.

The Escrow Agent expressly waives any lien upon or claim relating to payments or reimbursements required to be paid to the Escrow Agent pursuant to this Agreement against any moneys and investments in the Escrow Account, to the extent that such moneys and investments are needed to pay principal of and interest on the Certificates.

Section 10. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and shall terminate in its entirety when all moneys escrowed in accordance herewith have been paid and disbursed as herein provided.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

REGIONAL TRANSIT BOARD

By _____
Elliott Perovich
Chair

By _____
Leslie M. Johnson
Director of Administration

FIRST TRUST COMPANY
OF SAINT PAUL,
Escrow Agent

By _____
Its _____

By _____
Its _____

HOLMES & GRAVEN

CHARTERED

470 Pillsbury Center, Minneapolis, Minnesota 55402

\$16,500,000
Regional Transit Board
Tax Anticipation Certificates of Indebtedness,
Series 1985

We have acted as bond counsel in connection with the issuance by the Regional Transit Board (the "Board") of its \$16,500,000 Tax Anticipation Certificates of Indebtedness, Series 1985 (the "Certificates") dated April 1, 1985. The Certificates are issued pursuant to Minnesota Statutes, Section 473.39, and resolutions adopted by the Board on February _____, 1985, and March 18, 1985. The Certificates are issued as bearer bonds without coupons, bear interest payable at maturity and mature on April 1, 1986. We have examined such laws, certified proceedings, and other documents, materials, and papers as deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged to, nor have we undertaken to, review the accuracy, completeness, or sufficiency of the Official Statement or other offering materials related to the Certificates (except to the extent, if any, expressly stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based on the foregoing, we are of opinion, as of the date hereof, as follows:

1. The Board is a political subdivision of the State of Minnesota and is authorized to issue the Certificates.
2. By resolution adopted on March 18, 1985, the Board has authorized the issuance of the Certificates.
3. The Certificates are valid and binding obligations of the Board payable from taxes levied by the Board in 1984 payable in 1985, any taxes, income and revenue received or accrued during 1985, and any other money of the Board lawfully available therefor, including ad valorem taxes levied on the metropolitan transit taxing district within the limitations set forth in Minnesota Statutes, Section 473.446.
4. Under existing laws, as presently enacted and construed, interest on the Certificates is not includable in gross income for purposes of United States and State of Minnesota income taxation, except that no opinion is expressed as to the exemption of such interest from State of Minnesota corporate and bank excise taxes measured by income.

It is to be understood that the rights of the holders of the Certificates and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the constitutional powers of the United States of America and of the sovereign powers of any State or other governmental units having jurisdiction, and to bankruptcy, insolvency, reorganization, moratorium, and similar laws affecting creditor's rights heretofore or hereafter enacted.

April ____, 1985