



Minnesota Regional Transit  
Board: Records.

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Administration & Finance Committee  
SUBJECT: 1984 Regional Transit Board Audit

At its meeting of September 5, 1985, the Administration and Finance Committee approved recommendation that the "1984 Regional Transit Board Audit" be received and directed to be placed on file by the board.

Recommendation

That the board receive and direct to be placed on file the "1984 Regional Transit Board Audit".

CH006A

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: August 30, 1985  
TO: Administration and Finance Committee  
FROM: Leslie M. Johnson, Director of Administration  
SUBJECT: 1984 Regional Transit Board Audit

Attached are the audited financial statements of the Regional Transit Board for the Board's inception year 1984, as presented by the firm Deloitte, Haskins & Sells.

Also attached is Deloitte, Haskins & Sells commentary letter report for the year ended December 31, 1984.

Edward Robinson, partner in charge of the audit, will be present at the committee meeting to present the reports and respond to questions that members may have.

Recommendation

That the Administration and Finance Committee recommend the board receive the audited financial statements for the year 1984 and the commentary letter report for the year ended December 31, 1984 and direct that they be placed on file.

Attachments  
ch

CH006B

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55 East Fifth Street  
Saint Paul, Minnesota 55101  
(612) 291-8110  
Cable DEHANDS

Regional Transit Board  
270 Metro Square Building  
Saint Paul, Minnesota 55101

June 27, 1985

Members of the Regional Transit Board:

We have examined the combined balance sheet of the Regional Transit Board (RTB) as of December 31, 1984, and the related combined statement of revenues, expenditures and changes in fund balance for the period from July 1, 1984 (date of inception) to December 31, 1984 and have rendered our opinion thereon dated June 27, 1985.

#### AUDIT SCOPE

Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Our examination was designed to enable us to express an opinion on the fairness of the presentation of the RTB's combined financial statements and would not necessarily disclose defalcations or other irregularities. No restrictions were placed on the scope of our work by the Board or the staff of the RTB. We received full cooperation and assistance from all employees.

#### INTERNAL ACCOUNTING CONTROL

As part of our examination, we made a study and evaluation of the RTB's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the RTB's combined financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The responsibility of the Board and staff for establishing and maintaining a system of internal accounting control, the objectives of and inherent limitations on such a system, and the definition of a material weakness for purposes of this report are described in Appendix A.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the RTB taken as a whole. However, our study and evaluation disclosed the following conditions that we believe are material weaknesses.

### MATERIAL WEAKNESSES

The discussion of material weaknesses in the RTB's system of internal accounting controls, which follows, should be read with the understanding that the RTB began operations on July 1, 1984. Staffing was limited to the Chairperson through the end of September and three additional employees were added by the end of December 1984. Total receipts and disbursements were limited to less than 150 transactions in 1984. The Metropolitan Council staff established and maintained some preliminary accounting records during that period and through the date of this letter. The comments below are intended to be considered from the perspective of the rapidly expanding accounting system and internal accounting control needs of RTB. Because accounting and control needs had not been defined, staffing and transactions were limited, and responsibilities had not been ascertained; our comments should be used as the basis for corrective actions to address current and future needs.

#### 1) Accounting System

##### Observation

RTB's accounting system during the start-up period and continuing through the date of this letter was inadequate to permit the timely preparation of financial statements on the modified accrual basis of accounting for the Board, for the staff and for external reporting requirements.

##### Background

RTB's records consist of cash basis manual journals for receipts and disbursements. They are maintained on a current basis by a staff person at the Metropolitan Council. In addition, an accurate accounting of short-term investments was maintained separately by Metropolitan Council staff. No documented system existed to record accounts payable, other liabilities, accounts receivable, fixed assets/equipment, or other assets. The system did not provide for recording revenues or expenditures on the modified accrual basis necessitating year-end accrual entries prepared by the auditor.

### Recommendation

The RTB must take the responsibility for the establishment and maintenance of a comprehensive accounting system. RTB must assure itself that it has an adequate system and that it is maintained. It must provide adequate information from which financial statements can be prepared in conformity with generally accepted accounting principles and state law.

We recommend that:

- a) The manual accounting system should be immediately brought up to date on the modified accrual basis of accounting. The system must include a general ledger maintained on the modified accrual basis, as well as, an accounts payable ledger and other subsidiary records to support the amounts recorded in the general ledger, and a general journal.
- b) An RTB staff person should be given both the authority and the responsibility to ensure that the system is being maintained accurately on a current basis.
- c) At a later date, once the manual system is in place and operating, consideration can be given to any benefits from computerization.

### RTB Staff Response

*Selection and engagement of the auditor was part of the process of overall development and expansion of the RTB's accounting system. As a part of that engagement, it was recognized that the auditors would prepare year-end financial statements on the modified accrual basis of accounting. Further, that the auditor would provide their assessment of needs and make comments and recommendations.*

*Concurrent with the audit process, RTB and Council staff have been jointly involved in further development, expansions and refinements to the accounting system. As part of that process, the RTB has evaluated various vendor computer applications. Among these was a proposal by the Metropolitan Council for RTB capacity on the Council's computer hardware and fourth generation software programs. A contract for Council services has been signed and RTB financial data will go on line in August, 1985 in parallel with its manual system.*

*During this same period, RTB and Council staff have been involved in discussions of the RTB accounting system including a Metropolitan Council proposal to expand its accounting service to the RTB. RTB staff is now evaluating the Council proposal along with determining its personnel capability or needs to maintain its own comprehensive accounting system. In addition, comprehensive financial statements on the modified accrual basis have been prepared for the period ending June 30, 1985. This includes expansion and refinements to the general ledger, and the implementation of cost coding systems.*

## 2) Lack of Budget

### Observation

During the period from July 1, 1984 (date of inception) to December 31, 1984, RTB did not have a budget as required by generally accepted accounting principles and state law (Minnesota Statutes 473.38).

### Recommendation

We understand that a budget was prepared and adopted for 1985. RTB should ensure that the 1985 budget conforms to the additional funds that will be required to account for property taxes and state aids to be disbursed to transit providers and other contractors. RTB should also ensure the budget conforms to the modified accrual basis of accounting used in the audited financial statements.

### RTB Staff Response

*Prior to the Regional Transit Board's organization and at the request of the Governor's Office, a Task Force Committee was established and coordinated by the Metropolitan Council. The Task Force facilitated the Regional Transit Board's organizational development to meet actions specified in enabling legislation. One such action was to arrange for the transfer and establishment of the Regional Transit Board's operating funds. The specific schedule of funding provided the basis of budgetary restraints. During the latter part of 1984, detailed budgeting produced the program adopted for 1985 and financial plans for succeeding years.*

*The enabling legislation provided an extension for submission of 1985 Capital Budgets to December 1, 1984 (Minnesota Statutes 473.38, Subd. 3) which, in essence, recognized that formal budget submittals commenced with that submission.*

### 3) Internal Accounting Controls

#### Observation

The RTB has not documented systems of internal accounting controls over cash disbursements, accounts payable, property taxes and state aids receivable, fixed assets, budget reporting and some other areas. In addition there are some control weaknesses. As an example, the Metro Council staff person who handles many of the RTB accounting functions, has the capability of issuing checks without authorization because she handles all supporting documents, check requests, all ledgers and signed checks.

#### Recommendation

RTB should immediately ensure that internal controls are documented for all areas, implemented as soon as possible and monitor compliance on an ongoing basis. Signed checks should not be handled by the person who handles other disbursement records or documents.

#### RTB Staff Response

*The RTB has been following Council administrative procedures for travel, contracts, procurement and per diems. In addition, Council accounting procedures have been used to the extent they would be adapted. Corrective action for the example given was to have another individual distribute the checks.*

*As part of expansions of the existing manual system, division of duties amongst persons will provide a system of procedures with checks and controls. In fact, the documenting of internal control has been ongoing and among procedures existing now are procedures and controls over receipts, deposits and investments. Check disbursements are now being prepared, handled and transmitted by persons not having access to the general ledger or disbursement records and documents.*

\* \* \* \* \*

Our examination also disclosed conditions that, although not considered by us to be material weaknesses, are weaknesses in internal accounting control for which corrective action might be taken.

1) Petty Cash

Observation

A \$200 petty cash fund was established in October 1984. An additional fund was established in April 1985.

Background

A \$200 petty cash fund was established. No one was given the responsibility over the fund and no controls were instituted when it was established, resulting in an additional fund being established.

Recommendation

One person should be assigned responsibility over the petty cash fund.

RTB Staff Response

*Concur--Procedures for accounting and control of the petty cash fund are in place.*

2) Cash

Observation

Bank reconciliations are not prepared on a timely basis.

Background

While testing cash in June 1985 it was determined that the bank reconciliation for the RTB for December 31, 1984 had not yet been prepared.

Recommendation

Bank reconciliations should be prepared on a timely basis.

RTB Staff Response

*Concur--Bank reconciliations are being conducted currently.*

### 3) Fixed Assets

#### Observation

A written policy regarding whether a purchase is a fixed asset or an expenditure does not exist.

#### Background

Expenditures for fixed assets were expensed in the period purchased. No written policies regarding capitalization of fixed assets exist.

#### Recommendation

The RTB should establish a written policy for approval of capital expenditures and capitalization criteria.

#### RTB Staff Response

*Concur--Capitalization guidelines and authorization procedures with related accounting procedures and record maintenance have been prepared.*

\* \* \* \* \*

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our examination of the 1984 financial statements, and this report does not affect our report, dated June 27, 1985, on our examination.

This report is intended solely for the use of the Board and the staff of the Regional Transit Board and the Metropolitan Council and should not be used for any other purpose.

We wish to take this opportunity to express our sincere appreciation for the cooperation and assistance received from the employees of the Regional Transit Board and the Metropolitan Council during our examination.

Yours truly,

*Deloitte Haskins & Sells*

MANAGEMENT'S RESPONSIBILITY FOR, AND THE OBJECTIVES  
AND LIMITATIONS OF, INTERNAL ACCOUNTING CONTROL AND  
THE DEFINITION OF A MATERIAL WEAKNESS

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The following comments concerning management's responsibility for internal accounting control, the objectives of and the inherent limitations in a system of internal accounting control, and the definition of a material weakness are excerpts from Statements on Auditing Standards of the American Institute of Certified Public Accountants.

Management's Responsibility

Management...is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures.

Objectives

The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Limitations

Because of inherent limitations in any system of internal accounting control, errors or irregularities nevertheless may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Material Weakness

A material weakness [for the auditor's purpose] is a condition in which the specific control procedures, or the degree of compliance with them, do not [in the auditor's judgment] reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. These criteria may be broader than those that may be appropriate for evaluating weaknesses in accounting control for management or other purposes.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Administration & Finance Committee  
SUBJECT: Grant Agreement with MN/DOT

At its meeting of September 5, 1985, the Administration and Finance Committee approved a staff recommendation that the RTB enter into a Grant Agreement with the Minnesota Department of Transportation regarding the transmittal of administrative and planning funds to the RTB.

Recommendation

That the board approve Resolution No. 85-\_\_\_\_ entering into Grant Agreement No. 62922 with the Minnesota Department of Transportation regarding transmittal of F.Y. '86 administrative (\$1,080,000) and planning (\$1,750,000) funds to the RTB.

CH006A

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: August 30, 1985  
TO: Administration and Finance Committee  
FROM: Leslie M. Johnson, Director of Administration  
SUBJECT: Grant Agreement with MN/DOT

ACTION REQUESTED

The Committee is asked to recommend approval (Resolution 85-\_\_\_\_) of Grant Agreement No. 62922 with the Minnesota Department of Transportation for the transmittal of our administrative and planning allocations for F.Y.'86.

BACKGROUND

Board members are aware that for F.Y.'86, the state has allocated \$1,080,000 for RTB administration activities and \$1,750,000 for transit needs assessment, planning, and preliminary engineering. These funds are to be transmitted to us through the Minnesota Department of Transportation and require a written agreement.

Grant Agreement:

Proposed Agreement No. 62922 provides:

- 1) \$1,080,000 in administration funds paid twenty percent up front and one-tenth of remainder (\$864,000) on the first of each subsequent month thru F.Y.'86.
- 2) \$1,750,000 planning lump sum upon agreement execution.
- 3) Standard compliance with law, indemnification of state and like provisions.

Board members are advised that we intend to negotiate with the state for future direct transmittal of RTB funds in lump sum. It is the policy of the State Department of Finance, however, that unless specifically legislated otherwise, appropriations are transferred by apportioned payments thru the fiscal year in order to maximize the State General Fund. Some agencies are treated directly and we will negotiate for that status. Such negotiations will take time; therefore, we do not want to await results to approve this agreement. If negotiations are successful, we will process a future amendment to the agreement.

RECOMMENDATION

That the Committee recommend approval of Resolution No. 85-\_\_\_\_ entering into Grant Agreement No. 62922 with the Minnesota Department of Transportation regarding transmittal of F.Y.'86 administrative (\$1,080,000) and planning (\$1,750,000) funds to the RTB.

Attachments: Resolution No. 85-\_\_\_\_  
Grant Agreement No. 62922

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REGIONAL TRANSIT BOARD  
Suite 270 Metro Square Building, St. Paul, Minnesota 55101  
612/292-8789

RESOLUTION NO. 85-\_\_\_\_

Resolution Approving Grant Agreement No. 62922  
with Minnesota Department of Transportation

WHEREAS, Minnesota Laws 1985, Extra Session, Chapter 10, Section 2 appropriated funds to the Regional Transit Board thru the Minnesota Department of Transportation in the respective amounts of \$1,080,000 for administrative activities and \$1,750,000 for transit needs assessment, planning and engineering work in F.Y.'86; and

WHEREAS, Administrative practices of the State of Minnesota require an Agreement between the State, acting thru the Minnesota Department of Transportation, as Grantor and the Regional Transit Board as recipient;

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the Regional Transit Board enter into Grant Agreement No. 62922 with the State of Minnesota, Department of Transportation, providing \$1,080,000 for Regional Transit Board administrative activities and \$1,750,000 for transit needs assessment, planning and preliminary engineering for the metropolitan area; and
2. THAT Chairman Elliott Perovich and Executive Director Ghaleb Abdul-Rahman be authorized to execute the aforementioned Grant Agreement and any amendments thereto.

CERTIFICATION

I hereby certify that the foregoing resolution is a true and correct copy of the resolution presented to and adopted by \_\_\_\_\_  
\_\_\_\_\_ at a duly authorized meeting thereof held on the  
\_\_\_\_ day of \_\_\_\_\_, 19\_\_ as shown by the minutes of said meeting in  
my possession.

\_\_\_\_\_  
(name)

\_\_\_\_\_  
(title)

GRANT AGREEMENT

Agreement #62922

THIS AGREEMENT is made by and between the State of Minnesota, acting by and through the Minnesota Department of Transportation ("State") and the Regional Transit Board ("Recipient").

WHEREAS, the State, pursuant to Minnesota Laws 1985, Extra Session, Chapter 10, Sec. 2, is authorized to provide financial assistance to the Recipient for Regional Transit Board administration and Regional Transit Board planning activities;

In consideration of the mutual covenants and agreements as hereinafter set forth, the parties to this grant agreement do agree as follows:

- I. The Recipient has requested these funds appropriated under Minnesota Laws 1985, Extra Session, Chapter 10, Sec. 2, and agrees to comply with the requirements of that law.
  
- II. Under Minnesota Laws 1985, Extra Session, Chapter 10, Sec. 2, the State agrees to grant the Recipient \$1,080,000.00 for Recipient administration activities, of which twenty (20) percent \$216,000.00 will be paid in August, 1985. The State further agrees to pay the Recipient one-tenth (1/10) of the remaining \$864,000.00 on the first day of each subsequent month of fiscal year 1986.

- III. Under Minnesota Laws 1985, Extra Session, Chapter 10, Sec. 2, the State agrees to grant the Recipient a lump sum of \$1,750,000.00 for transit needs assessment, planning, and preliminary engineering for the metropolitan area as prescribed in that same legislation.
- IV. Recipient's activities to accomplish the work set forth in paragraph III may be done by its personnel or under contract with others.
- V. The State agrees that it may accelerate part payment of the administration funds set forth in paragraph II, if the Recipient submits a request with justification to the Commissioner of Transportation (Commissioner) and that the request and justification is approved by the Commissioner. If an accelerated part payment of funds is approved by the Commissioner any fund balance available for payment will be paid in equal installments over the remaining months of fiscal year 1986.
- VI. The Recipient and its agents agree(s) to indemnify and to save and hold the State and its Department of Transportation, its agents and employees harmless from any and all claims in causes of action arising from the performance of this Agreement by the Recipient or Recipients agents or employees. This clause shall not be construed to bar any legal remedies Recipient or its agent may have for the State's failure to fulfill its obligation pursuant to this agreement.

VII. Pursuant to Minnesota Statutes §16B.06, Subd. 4 (1984) Recipient agrees that the books, records, documents, and accounting procedures and practices of the Recipient relevant to the contract are subject to examination by the contracting agency, and either the Legislative auditor or the State auditor as appropriate.

VIII. Any amendments to this agreement shall be in writing.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed intending to be bound thereby.

Department of Administration

Regional Transit Board

By: \_\_\_\_\_

By: Elliott Perneck

Title: \_\_\_\_\_

Title: Chairman

Date: \_\_\_\_\_

Date: 8-16-85

Department of Finance

Minnesota Department of Transportation

By: \_\_\_\_\_

By: David D. Hoff

Title: \_\_\_\_\_

Title: Asst. Commissioner

Date: \_\_\_\_\_

Date: 8-7-85

APPROVED AS TO FORM AND EXECUTION BY

THE ATTORNEY GENERAL:

By: \_\_\_\_\_

Date: \_\_\_\_\_

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Policy Committee  
SUBJECT: Bloomington Environmental Assessment Worksheet/Scoping Document

At its September 9, 1985, meeting, the Policy Committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board notify the City of Bloomington that the preliminary review of the EAW/Scoping Document for the Mall of America and Fantasyworld has been completed. The RTB acknowledges that transit has been identified as an issue for further analysis and strongly encourages the City of Bloomington to complete a detailed analysis of the transit impacts of the proposed project.

Todd Lefko  
Chair

jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 4, 1985  
TO: Policy Committee  
FROM: Katherine Turnbull, Planning Manager  
SUBJECT: Bloomington Environmental Assessment Worksheet/Scoping Document

ACTION REQUESTED:

That the Regional Transit Board (RTB) notify the City of Bloomington that the preliminary review of the Environmental Assessment Worksheet/Scoping Document for the Mall of America and Fantasyworld has been completed. The RTB agrees with the idea of transportation and transit as integral elements of the overall project. Additionally, the RTB will continue its involvement in the interagency committees examining these issues and will review further analysis in the site-specific Environmental Impact Statement. The RTB strongly encourages the City of Bloomington to complete a detailed analysis of the transportation and transit impacts of the proposed project.

BACKGROUND:

The Environmental Assessment Worksheet/Scoping Document (EAW) for the Mall of America and Fantasyworld was distributed for review on August 6, 1985, in accordance with Minnesota Rules part 4410.4400, subd. 11A. The Environmental Quality Board (EQB) rules require a public scoping process for any environmental impact statement (EIS) to reduce the scope and bulk of an EIS. These rules further state that an EAW shall be the basis for the scoping process. The Metropolitan Council has asked the RTB to review the EAW/Scoping Document due to the major significance of this project. Unlike some referrals, the RTB is not required by law to comment on the EAW.

The Mall of American and Fantasyworld project will have an aggregate gross square footage of approximately 10,000,000 square feet, consisting of 4,000,000 square feet of retail space, a 1,000,000 square foot indoor recreational/entertainment area, a 1,000,000 square foot convention center/trademart and an additional 4,000,000 square feet of hotel and office use. The project would either be built entirely on the former Met Stadium site (85 acres), or it may be built on 125 acres, including a 40-acre site located immediately to the east of the former Met Stadium site, which might be used for parking.

Transportation and transit have been identified as an important elements in the development of this project. The impact on the transportation system will be addressed through level of service determinations and traffic forecasts. Transit and travel demand management strategies will be analyzed on both the ability to accommodate the projected traffic volumes and the feasibility of

implementation. The EAW has also identified transit as an issue for further analysis in the EIS.

The role of transit is an important component of this development and the surrounding area and could be even greater in addressing the special characteristics of the proposed development. Two aspects of transit need to be analyzed--external access and internal circulation. For internal and external circulation, a variety of markets must be investigated.

External access should be further analyzed in relation to the connections between the proposed development and the airport, the two downtowns, and hotels and amenities along I-494 west of the site. Transit service focusing on external access would involve studying various alternatives and strategies. These alternatives/strategies should be evaluated along with transportation improvements for the inclusion of improvements specific to transit travel.

Internal circulation is vital through the linking of the proposed center to hotels and other activities in the immediate area. The area bounded by Cedar Avenue, I-494 and the Minnesota River is a major activity center including hotels, medium and high density residential, offices and retail, all of which are extremely important.

Equally important to both aspects is the interaction between external access and internal coordination. Both should be analyzed within one framework to ensure that each system is coordinated with the other to promote a more efficient transit system. The RTB is currently participating on several committees to ensure transit will be adequately addressed as an integral element of this project.

#### FINDINGS AND CONCLUSIONS:

- o The Mall of America and Fantasyworld development is proposed to be built on the former Met Stadium site and will include 10,000,000 square feet.
- o An Environmental Assessment Worksheet was distributed for review on August 6, 1985.
- o Transportation and transit have been identified as key elements in the development of this project and will be further analyzed in the site specific EIS.
- o Two aspects of transit need to be analyzed, external access and internal circulation, as well as the coordination between both systems.
- o The RTB will continue to have a role in the on-going process of this project and will also participate in the review of the site-specific EIS.

#### RECOMMENDATION:

That the Regional Transit Board notify the City of Bloomington that the preliminary review of the EAW/Scoping Document for the Mall of America and Fantasyworld has been completed. The RTB acknowledges that transit has been identified as an issue for further analysis and strongly encourages the City of Bloomington to complete a detailed analysis of the transit impacts of the proposed project.

METROPOLITAN COUNCIL

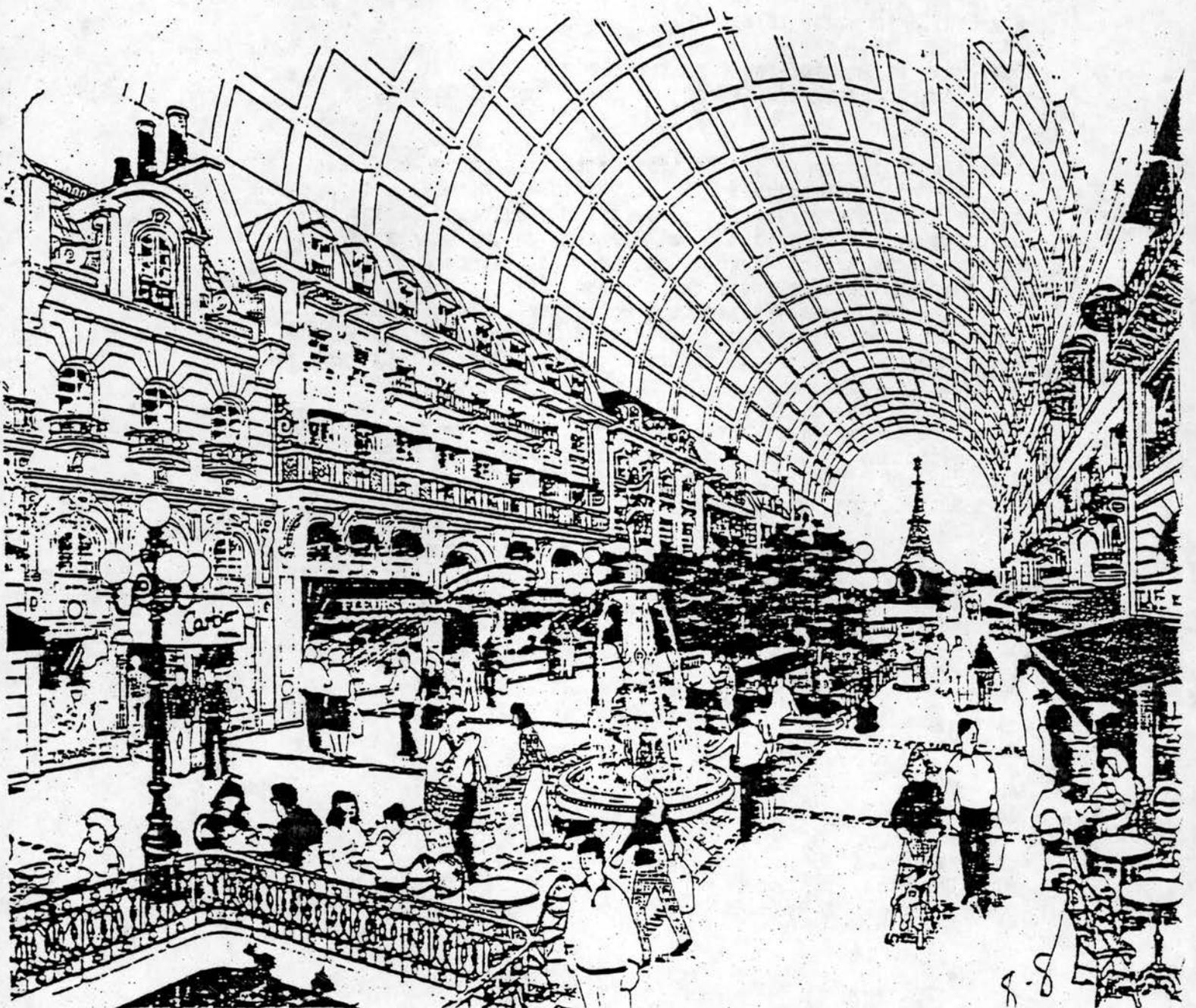
REFERRAL

FILE NO. 13053-1

# Mall of America and Fantasyworld

## Environmental Assessment Worksheet / Scoping Document

City of Bloomington, Minnesota August 5, 1985





city of  
Bloomington, Minnesota

Municipal Building • 2215 West Old Shakopee Road • Bloomington, Minnesota 55431-9971 • (612) 881-5811

METROPOLITAN COUNCIL

REFERRAL

EME NO. 15053-1

August 6, 1985

Gregg Downing  
Environmental Review Coordinator  
Minnesota Environmental Quality Board  
Room 100, Capitol Square Building  
550 Cedar Street  
St. Paul, Minnesota 55101

RE: Mall of America and Fantasyworld  
Environmental Assessment Worksheet/Scoping Document

Attached is a copy of the Environmental Assessment Worksheet for the Mall of America and Fantasyworld. I hereby certify that copies of this Environmental Assessment Worksheet/Scoping Document were distributed to all members on the Minnesota Environmental Review Program Distribution List on August 6, 1985, and that copies of a press release announcing the availability of this Environmental Assessment Worksheet/Scoping Document and announcing the date of the Scoping Meeting were issued to the Minneapolis Star and Tribune and Bloomington Sun-Current on this date.

Please be advised that the Scoping Meeting for this environmental review process will be held on Thursday, August 29, 1985, from 2:00 to 4:00 p.m. in the Bloomington National Guard Armory, 3300 West 98th Street, Bloomington, Minnesota 55431.

If you have any questions with regard to this matter, please contact me at 887-9636, and I will be pleased to be of assistance.

Sincerely,

Rick Geswiler  
Director of Planning

uh  
Attach.

cc: Members of Environmental Review Program  
Distribution List

## ENVIRONMENTAL ASSESSMENT WORKSHEET (EAW)

MARK APPROPRIATE BOX:

 REGULAR EAW SCOPING EAW

NOTE TO REVIEWERS: For regular EAWs, written comments should address the accuracy and completeness of the EAW information, potential impacts that may warrant investigation and/or the need for an EIS. For scoping EAWs, written comments should address the accuracy and completeness of the information and suggest issues for investigation in the EIS. Such comments must be submitted to the Responsible Government Unit (RGU) during the 30-day period following notice of the EAW's availability in the EQB Monitor. Contact the EQB (metro: 612/296-8253; non-metro: 1-800-652-9747, ask for environmental review program) or the RGU to find out when the 30-day comment period ends.

1. Project Name Mall of America and Fantasyworld2. Proposer Triple Five Corporation 3. RGU City of BloomingtonContact Person Dave Sellenoren  
Legal CounselContact Person Rick Geshwiler  
Director of Planning

Address

Larkin, Hoffman, Daly & Lindoren  
1500 Northwestern Financial Center  
7900 Xerxes Avenue South  
Bloomington, MN 55431

Address

Planning Division  
City of Bloomington  
2215 West Olc Shakopee Road  
Bloomington, MN 55431Phone (612) 835-3800Phone (612) 887-96364. Project Location: S 1/2 NW 1/4 Section 1 Township 27N Range 24W  
N 1/2 SW 1/4  
& NW 1/4 SE 1/4a. County/Name Hennepin City/Township(s)/Name Bloomington

b. Attach each of the following to the EAW:

1. a county map showing the general area of the project. (See Figure 1)
2. a copy(ies) of USGS 7-1/2 minute, 1:24,000 scale map. (See Figure 2)
3. a site plan showing the location of significant features such as proposed structures, roads, extent of floodplain, wetlands, wells, etc. (See Figure 3)
4. an existing land use map and a zoning map of the immediate area, if available. (See Figure 4)

5. Describe the proposed project completely (attach additional sheets as necessary).

The Mall of America and Fantasyworld will have an aggregate gross square footage of approximately 10,000,000 square feet, consisting of 4,000,000 square feet of retail space, a 1,000,000 square foot indoor recreational/entertainment area, a 1,000,000 square foot convention center/trade mart and additional 4,000,000 square feet of hotel and office use. The hotel and office use were originally conceived to be of equal proportion, but may be developed with greater space devoted to hotel use and less space devoted to office use. Development alternatives considering the mix of hotel and office use will be examined in the site-specific EIS.

The site-specific environmental review for the Mall of America and Fantasyworld is tiered from the Airport South Generic EIS (ASGEIS), prepared by the Minnesota Environmental Quality Board, et al, and found adequate by the Minnesota Environmental Quality Board on November 20, 1984. A comparison of the development projection from the ASGEIS to the modified Airport South totals considering development which has been approved by the Bloomington City Council since the ASGEIS projection (April 1983), plus the Mall of America and Fantasyworld, is presented in the following table:

<u>Land Use</u>	<u>ASGEIS Projection</u>	<u>Existing &amp; MA&amp;F Projection</u>	<u>Net Change</u>
Retail/Recreation	900,000 sq ft	5,000,000 sq ft	+ 4,100,000 sq ft
Office/Other Comm'l	7,546,000 sq ft	5,937,000 sq ft	- 1,609,000 sq ft
Hotel	4,300 rooms	4,565 rooms	+ 265 rooms
Residential	3,510 units	1,119 units	- 2,391 units
Convention Center	-0- sq ft	1,000,000 sq ft	+ 1,000,000 sq ft

The table above considers the mix of hotel and office use in the Mall of America and Fantasyworld to be 2,000 hotel rooms and 2,000,000 square feet of office use. The Existing and MA&F includes existing development and development approved by the City Council as of August 5, 1985, and the MA&F proposal.

NOTICE: THE EIS WHICH IS BEING PREPARED FOR THE MALL OF AMERICA AND FANTASYWORLD IS TIERED FROM THE AIRPORT SOUTH GENERIC ENVIRONMENTAL IMPACT STATEMENT AND INCORPORATES FINDINGS FROM THIS PREVIOUS ENVIRONMENTAL IMPACT STATEMENT FOR ISSUES THAT DO NOT HAVE A SUBSTANTIVE CHANGE, BASED UPON THIS SPECIFIC DEVELOPMENT PROPOSAL.

6. Reason for EAW preparation:

List all mandatory category rule #'s which apply: Minnesota Rules part 4410.4400 subd. 11A

7. Estimated construction cost: \$1.2 to 1.5 Billion

8. Total project area (acres): either 85 or 125 acres or length (miles) N/A

The project would either be build entirely on the former Met Stadium site (85 acres), or it may be build on 125 acres, including a 40-acre site located

immediately to the east of the former Met Stadium site, which might be used for parking. In either instance, the project development would remain approximately 10,000,000 square feet.

9. Number of residential units: -0- or commercial, industrial, or institutional square footage: 10,000,000 square feet

10. Number of proposed parking spaces: 20,000 to 30,000 spaces

11. List all known local, state and federal permits/approvals/funding required:

<u>Level of Government</u>	<u>Type of Application</u>	<u>Status</u>
Federal: Federal Aviation Administration	Determination of No Hazard to Air Navigation (see Appendix C)	Determination of No Hazard Current to Dec. 25, 1986
Federal Highway Administration	Federal Aid Urban Funding	Pending
State: <u>Probable Permits</u>		
Minnesota Pollution Control Agency	Indirect Source Permit #85-1	Issued/Current
Minnesota Pollution Control Agency	Indirect Source Permit Amendment	Future
Minnesota Pollution Control Agency	Sewer Extension Permit	Future
Minnesota Department of Health	Water Main Permit	Future
Minnesota Department of Transportation	TH77 Highway Funding	Future
<u>Possible Permits</u>		
Minnesota Pollution Control Agency	Surface Water Discharge (NPDES)	Future
Minnesota Department of Natural Resources	Water Appropriation	Future
Local: City of Bloomington	Grading & Foundation Plans	Approved
City of Bloomington	Building Permit	Future
City of Bloomington	Rezoning CX-2(PD)	Approved
City of Bloomington	Final Site & Building Plans	Future
City of Bloomington	Replatting Approval	Future
Port Authority of the City of Bloomington	Tax Increment Financing	Future
Regional: Lower Minnesota River Watershed District	Grading and Land Alteration	Future
Metropolitan Council State of Minnesota	Metropolitan Significance Fiscal Disparities Exemption	Potential Possible

12.

Is the proposed project inconsistent with the local adopted comprehensive land use plan or any other adopted plans?  
If yes, explain:

No  Yes

The City of Bloomington's Comprehensive Plan was adopted on March 16, 1961, after its approval by the Metropolitan Council on December 18, 1980. On May 4, 1981, the City Council of the City of Bloomington adopted the CX-2 zoning district, as called for in the Comprehensive Plan, and on November 26, 1984, applied the CX-2 designation to the former stadium property. On August 5, 1985, the City Council adopted an ordinance rezoning the former stadium property to CX-2(PD) and thereby adopted a preliminary development plan for a 10,000,000 square foot, mixed-use center.

Specific sections of the Comprehensive Plan address this site and are contained in the Airport South District Plan element and other elements of the plan. The concepts and district policies for the High-intensity, Mixed-use Area (former stadium site) are contained on pages A2/8-9 of the Airport South District Plan (see Appendix A).

The CX-2 primary district provisions and the (PD) overlay district provisions govern the use of the former stadium site and are attached as Appendix B.

The 40-acre property considered with this proposal, located in the northeast quadrant of the 24th Avenue/Killebrew Drive/East Old Shakopee Road intersection, is designated Employment-oriented, Mixed-use in the Comprehensive Plan, and is zoned CO-1. It is anticipated this property will be used for parking, but may be used for some part of the 10,000,000-square-foot development proposal.

The Airport South Generic Environmental Impact Statement was approved by the Minnesota Environmental Quality Board on November 20, 1984, and the Airport South Generic Indirect Source Permit was issued on January 22, 1985, by the Minnesota Pollution Control Agency.

13. Describe current and recent past land use and development on and near the site.

The Airport South Generic Environmental Impact Statement used existing development as of April 1983, plus a development projection to the year 2000. Since April 1983, the City Council of the City of Bloomington has approved the following developments:

<u>Name</u>	<u>Comments</u>	<u>Status</u>
VTC	155,000 square feet of office and computer chip manufacturing; 302 parking spaces	Under Construction
Appletree Condominiums	90 condominium units; 159 parking spaces	45 Units Complete
Embassy Suites Hotel	310 rooms; 334 parking spaces	Under Construction
International Plaza	259,000-square-foot office building; 972 parking spaces	Under Construction

<u>Name</u>	<u>Comments</u>	<u>Status</u>
Vantage Company Office/Warehouse	41,000-square-foot office/warehouse building; 136 parking spaces	Under Construction
Sheraton Hotel Addition	100 rooms; 10 additional parking spaces	Under Construction
B & N Office Park	192,000-square-foot office building addition; 515 additional parking spaces	Under Construction
Crowne Plaza (Holiday Inn Addition)	120 hotel rooms; 130 additional parking spaces	Approved
Cedar Pointe	54 dwelling units; 120 parking spaces	Under Construction

The table below summarizes the increase in development in the Airport South area from the 1983 base of commercial floor area, hotel rooms, dwelling units and parking spaces used to prepare the Airport South Generic Environmental Impact Statement and Generic Indirect Source Permit.

	<u>Commercial Floor Area</u>	<u>Hotel Rooms</u>	<u>Dwelling Units</u>	<u>Parking Spaces</u>
1983	3,280,000	2,035	975	21,045
Increment	<u>657,000</u>	<u>530</u>	<u>144</u>	<u>2,569</u>
1985	3,937,000	2,565	1,119	23,714

14. Approximately how many acres of the site are in each of the following categories? (Acreages should add up to total project area before and after construction.)

	<u>Before</u>	<u>After</u>		<u>Before</u>	<u>After</u>
Forest/Wooded	-0-	-0-	Urban Commercial	-0-	125
Brush	-0-	-0-	Wetland (types 3-8)	-0-	-0-
Grassland	-0-	-0-	Urban Single-family	-0-	-0-
Pasture	-0-	-0-	Urban Multi-family	-0-	-0-
Cropland	40	-0-	Urban Vacant	85	-0-

15. Describe the soils on the site, giving the SCS soil classification types, if known.

The soils are described in detail in the Scoping Document/Environmental Assessment Worksheet of the Airport South Generic EIS (see Page 24, Figure 9).

16. Does the site contain peat soils, highly erodible soils, steep slopes, sinkholes, shallow limestone formations, abandoned wells, or any geologic hazards? If yes, show on site map and explain: X No      Yes

7. What is the approximate depth (in feet) to:

Depth to Groundwater:	10' Min.	20' Avg.
Depth to Bedrock:	250-300' Min.	250-300' Avg.

18. Does any part of the project involve:

- |   |  |                              |
|---|--|------------------------------|
| a. shoreland zoning district:                             | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| b. delineated 100-year floodplain?                        | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
| c. state or federally designated river land use district? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes |
- If yes, identify water body and applicable state classification(s), and describe measures to protect water and related land resources:

19. Describe any physical alteration (e.g., dikes, excavation, fill, stream diversion) of any drainage system, lake, stream and/or wetland. Describe measures to minimize impairment of the water-related resources. Estimate quantity of material to be dredged and indicate where spoils will be deposited.

Site development for the project area will include grading and filling. No excavation or filling is anticipated which would alter any drainage system.

20. a. Will the project require an appropriation of ground or surface water? If yes, explain (indicate quantity and source):  No  Yes
- b. Will the project affect groundwater levels in any wells (on or off the site)? If yes, explain:  No  Yes

A detailed description of the site geology and the groundwater system is presented in the Draft EIS of the ASGEIS (see Pages 6-82 to 6-85).

21. Describe the erosion and sedimentation control measure to be used during and after construction of the project.

This item is discussed in detail in the Airport South Generic Environmental Impact Statement (see Pages 7-33 to 7-39 of the Draft EIS).

22. a. Will the project generate:
- |  |  |   |
|--|--|---|
| 1. surface and stormwater runoff?          | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> Yes |
| 2. sanitary wastewater?                    | <input type="checkbox"/> No            | <input checked="" type="checkbox"/> Yes |
| 3. industrial wastewater?                  | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes            |
| 4. cooling water (contact and noncontact)? | <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes            |
- If yes, identify sources, volumes, quality (if other than normal domestic sewage), and treatment methods. Give the basis or methodology of estimates.

a.1 No change in surface or stormwater runoff quantity or quality from that discussed in the ASGEIS are anticipated. Although an increase in parking spaces is identified, much of this parking will be structured parking and not exposed to stormwater runoff. Therefore, pollutant loadings are not likely to be different from those analyzed in the

ASGEIS. The receiving body of water is the Minnesota River via stormwater holding ponds. The assumption for stadium site use in the ASGEIS was for an intensively developed site consisting of mixed uses, and that the site would consist almost entirely of impervious surfaces. The conclusions regarding surface and stormwater runoff in the ASGEIS will likely hold true for the presently proposed development.

- a.2. The sanitary sewer flow generated from the Airport South area, giving consideration to a revised development projection for the project site, will be approximately 1,440,000 gallons per day in 1990. This flow projection is based upon the standard generation rate for all office, hotel and residential uses analyzed in the generic Environmental Impact Statement, plus 210,000 gallons per day flow for the retail, recreation and convention components of the Triple Five proposal. The 210,000 gallons per day projection is twice the flow of the average daily flow from the West Edmonton Mall, Edmonton, Alberta, Canada, owned by the proposers, and it is the best comparable example since the proposed project is twice the size of the West Edmonton Mall.

The flow of 1,440,000 gallons per day compares with the projections of the generic Environmental Impact Statement of 1,133,000 gallons per day for 1990, and 1,836,000 gallons per day for the year 2000. The 1990 sewer flow is 27% above the 1990 projection, and 22% below the year 2000 projection. The revised Airport South 2000 sewer flow is 2,045,000 gallons per day.

The additional daily sewer flow could increase Bloomington's 1990 total projected daily sewer flow from 9.39 million gallons per day to 9.70 million gallons per day, an increase of 3%.

Sanitary sewer system capacity is primarily determined by the capacities of the trunk lines and the main interceptor that conveys flows to the Metropolitan Waste Control Commission's Seneca Plant.

The portion of the Airport South District north of East 86th Street where the majority of the future development is projected is served by a major trunk line with a capacity of 3.23 MGD. The capacity of the Cedar Avenue interceptor is 9.95 MGD.

Peak daily sewer flows can be anticipated to be twice average daily sewer flows, thus the sewer system's capacity limitation is the ability to serve peak day flows. The Cedar Avenue interceptor has the capacity to accommodate these projected flows without alteration. The portion of the Airport South area south of 86th Street has a year 2000 peak day flow of .32 MGD, resulting in a year 2000 peak day flow assignment of 4.09 MGD  $((2.043 \times 2) - .32)$  for the portion of the Airport South area north of 86th Street. Based on these projections, an excess peak flow of .86 MGD is projected in the year 2000 for the main trunk line serving the Airport South area north of 86th Street.

Subsequent to the project completion in 1990, mitigative measures to either serve or reduce this flow in excess of capacity include: 1) construction of a parallel trunk sewer; 2) surcharge of existing sewer lines; or 3) flow reduction or pumped sewage technologies may be implemented.

- b. Identify receiving waters, including groundwater, and evaluate the impacts of the discharges listed above. If discharges to groundwater are anticipated, provide percolation/permeability and other hydrogeological test data, if available.

The disposition of stormwater and sanitary sewer flow is described in the Draft EIS of the ASGEIS (see Pages 6-64 to 6-88).

23. Will the project generate (either during or after construction):

a. air pollution?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
b. dust?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
c. noise?	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes
d. odors?	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes

If yes, explain, including as appropriate: distances to sensitive land uses; expected levels and duration of noise; types and quantities of air pollutants from stacks, mobile sources, and fugitive emissions (dust); odor sources; and mitigative measures for any impacts. Give the basis of methodology of estimates.

The air quality and noise analysis done for the ASGEIS will be updated to reflect revised traffic forecasts and potential roadway system improvements. The revised analysis will focus on carbon monoxide (CO) concentrations resulting from traffic sources, and will be done for EIS Alternative 1 year 1990 and Alternative 2 year 2005. The EIS will also address construction impacts on air quality, including construction related dust and traffic delays due to highway construction activities. The noise analysis will evaluate traffic noise levels and the consistency of the proposed project with the Metropolitan Council's Guidelines for Land Use Compatibility with Aircraft Noise.

Dust will be generated during construction. Mitigation measures to control dust are discussed in the Draft EIS of the ASGEIS (see pages 7-30 and 7-31 of the Draft EIS).

24. Describe the type and amount of solid and/or hazardous waste, including sludges and ashes that will be generated and the method and location of disposal:

The Mall of America and Fantasyworld project will not generate hazardous wastes. The Airport South area will generate approximately 58 to 63 tons of waste per day with the Mall of America and Fantasyworld, an increase of 40 to 45 tons per day over the previous ASGEIS projection. A variety of alternative waste management strategies are being considered at this time. Energy cogeneration and recycling are actively being investigated by the City as alternatives to hauling and disposal of waste in approved sanitary landfills, but the proposer intends to use approved sanitary landfills until other environmentally sound and economically feasible alternative solid waste management technologies are available in the metropolitan area.

25. Will the project affect:
- a. fish or wildlife habitat, or movement of animals?  No  Yes
- b. any native species that are officially listed as state endangered, threatened, or of special concern (animals and/or plants)?  No  Yes

If yes, explain (identify species and describe impact):

These items have been addressed in the EAW/Scoping Document and the Airport South Generic Environmental Impact Statement (see Pages 6-91 to 6-103 in the Draft EIS).

26. Do any historical, archaeological or architectural resources exist on or near the project site? If yes, explain (show resources on a site map and describe impact):  No  Yes

These items have been addressed in the EAW/Scoping Document and the Airport South Generic Environmental Impact Statement (See pages 6-103, 6-107 to 6-109 in the Draft EIS).

27. Will the project cause the impairment or destruction of:
- a. designated park or recreation areas?  No  Yes
- b. prime or unique farmlands?  No  Yes
- c. ecologically sensitive areas?  No  Yes
- d. scenic views and vistas?  No  Yes
- e. other unique resources (specify)?  No  Yes
- If yes, explain:

These items have been addressed in the EAW/Scoping Document and the Airport South Generic Environmental Impact Statement (see Pages 6-92 to 6-94, and 6-109 to 6-129 of the Draft EIS).

28. For each affected road, indicate the current average daily traffic (ADT), increase in ADT contributed by the project and the directional distributions of traffic.

Impacts on traffic volumes and traffic operations will be addressed in detail in the site-specific EIS. The EIS will document revised background traffic using the revised Minnesota Department of Transportation and Metropolitan Council regional forecasts. Using trip generation data from the West Edmonton Mall, project related traffic forecasts will be developed. Due to the significantly greater retail land use component proposed, the peak traffic hour of the development and the peak hour on the surrounding street system will likely be different. Thus, the traffic forecasts will address the following periods:

- Average weekday traffic;
- Saturday daily traffic;
- P.M. peak hour average weekday background traffic;
- Peak hour traffic of the Triple Five development;
- Saturday peak hour traffic.

The impact of the forecast traffic volumes will be addressed through level of service determinations on the Airport South District street system. While it is not possible to pre-judge the results of this analysis, given the order of magnitude of the Triple Five proposal, traffic operational problems are expected. Mitigation measures to resolve these problems will focus on roadway geometric improvements and travel demand management strategies. The roadway geometric improvements may include but will not be limited to the following:

- Widening 24th Avenue to a six-lane section south to Killebrew Drive.
- Modifying the design of the 24th Avenue/I-494 interchange.
- Providing the half-diamond interchange at TH77/76th Street, as discussed as an alternative in the ASGEIS.
- Modifying the design of the TH77/Killebrew interchange to better accommodate the characteristics of the Triple Five development.
- Adding through and turn lanes to the intersections serving the stadium site as needed.
- Modifying the design of the TH77/I-494 interchange.

Transit and travel demand management strategies will be evaluated and will include fixed guideway transit systems, public bus system improvements, and private shuttle bus operations. The feasibility of the selected strategies/improvements will be evaluated both on the basis of their ability to accommodate the projected traffic volumes and the feasibility of implementation.

29. Are adequate utilities and public services now available to service the project? If not, what additional utilities and/or services will be required?        No   X   Yes

Northern States Power has indicated that sufficient electrical generating capacity exists to serve the proposed project. Minnegasco and its primary natural gas supplier, Northern Natural Gas Company, has also indicated that natural gas supplies are available for the project. Transmission facilities within the Airport South District will need to be improved in order to provide service to the project.

The City is evaluating the project's potential as the base load for a district heating and cooling system serving the Airport South area. Bloomington has been and is currently involved in district heating and cooling planning activities. District heating and cooling system alternatives are being evaluated to serve the project, and include (1) a gas/oil-fired cogenerating central plant with coolant generation equipment; and (2) the utilization of warm water waste heat from Northern States Power's Black Dog Power Plant. Any district heating and cooling project is not an integral part of this project, and is separable from the project. Any district heating and cooling system would be considered in a subsequent environmental review.

## SUMMARY OF ISSUES

For regular EAWs, list the issues as identified by "yes" answers above. Discuss alternatives and mitigative measures for these issues. For scoping EAWs, list known issues, alternatives, and mitigative measures to be addressed in EIS.

The Airport South Generic Environmental Impact Statement adequately addressed many issues which would be the subject of investigation in a project-specific environmental review. The Minnesota Environmental Quality Board was the Responsible Governmental Unit for the Airport South Generic Environmental Impact Statement (ASGEIS), and approved the adequacy of the ASGEIS on November 22, 1984. The ASGEIS is incorporated as part of this EIS process by tiering (reference).

## ISSUES IDENTIFIED FOR ANALYSIS IN THE EIS

This EAW/Scoping Document adequately addresses many issues which were identified or addressed in the ASGEIS or specific issues related to this development proposal. The following issues have been identified for further analysis in the EIS.

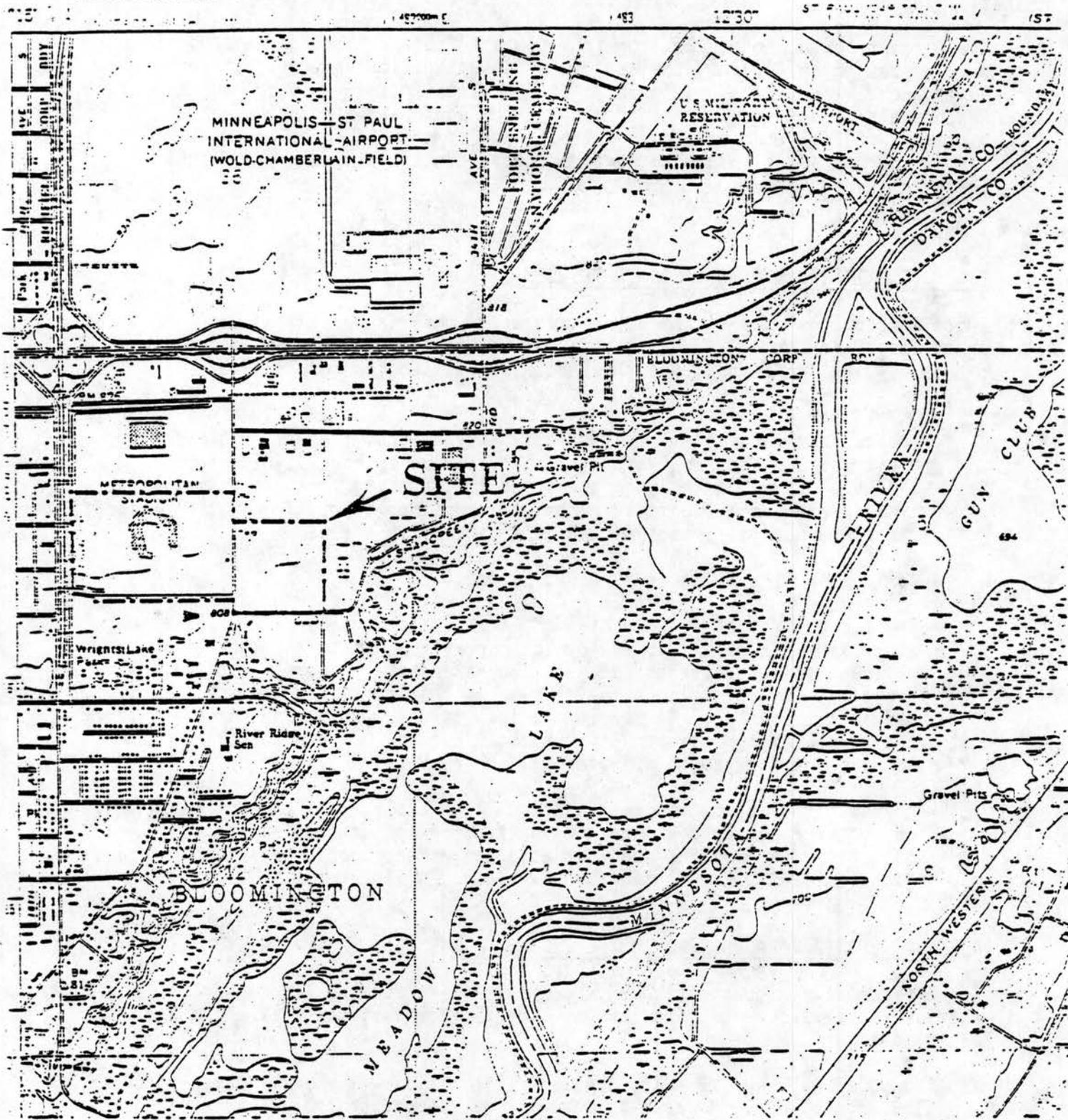
- The capacity and safety of the local and regional roadway system serving the project. This analysis will also examine the ability of transit service, travel demand management and ride sharing to solve potential traffic problems. Specific recommendations for the design of the proposed Cedar Avenue interchange serving the site will be made.
- Air quality and noise as a result of traffic.
- The economic impact of the Mall of America and Fantasyworld will be addressed with regard to employment generation, state and local tax revenues generated by the project, and the primary tourism impacts of the project. The economic analysis will not incorporate an analysis of retail market competition. This economic analysis is consistent with the scoping decision of the Minnesota Environmental Quality Board with regard to the Airport South Generic Environmental Impact Statement.
- The tourism impacts of the project will be analyzed. This analysis will project the number of tourists generated by the project and their mode of travel to the project. An evaluation of effect upon aircraft operation at Minneapolis-St. Paul International Airport will be made.

## ALTERNATIVES TO BE ADDRESSED IN THE EIS

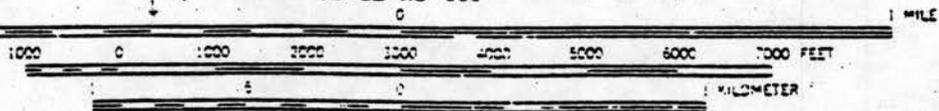
The Environmental Impact Statement for Mall of America and Fantasyworld will examine six development alternatives. The alternatives to be examined will be as follows:

**NO-BUILD ALTERNATIVE** - The no-build alternative will be evaluated for year 1990 conditions. No development will be assumed on the 125-acre site. Existing and approved development as of August 1, 1985, will be assigned to the existing roadway network.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

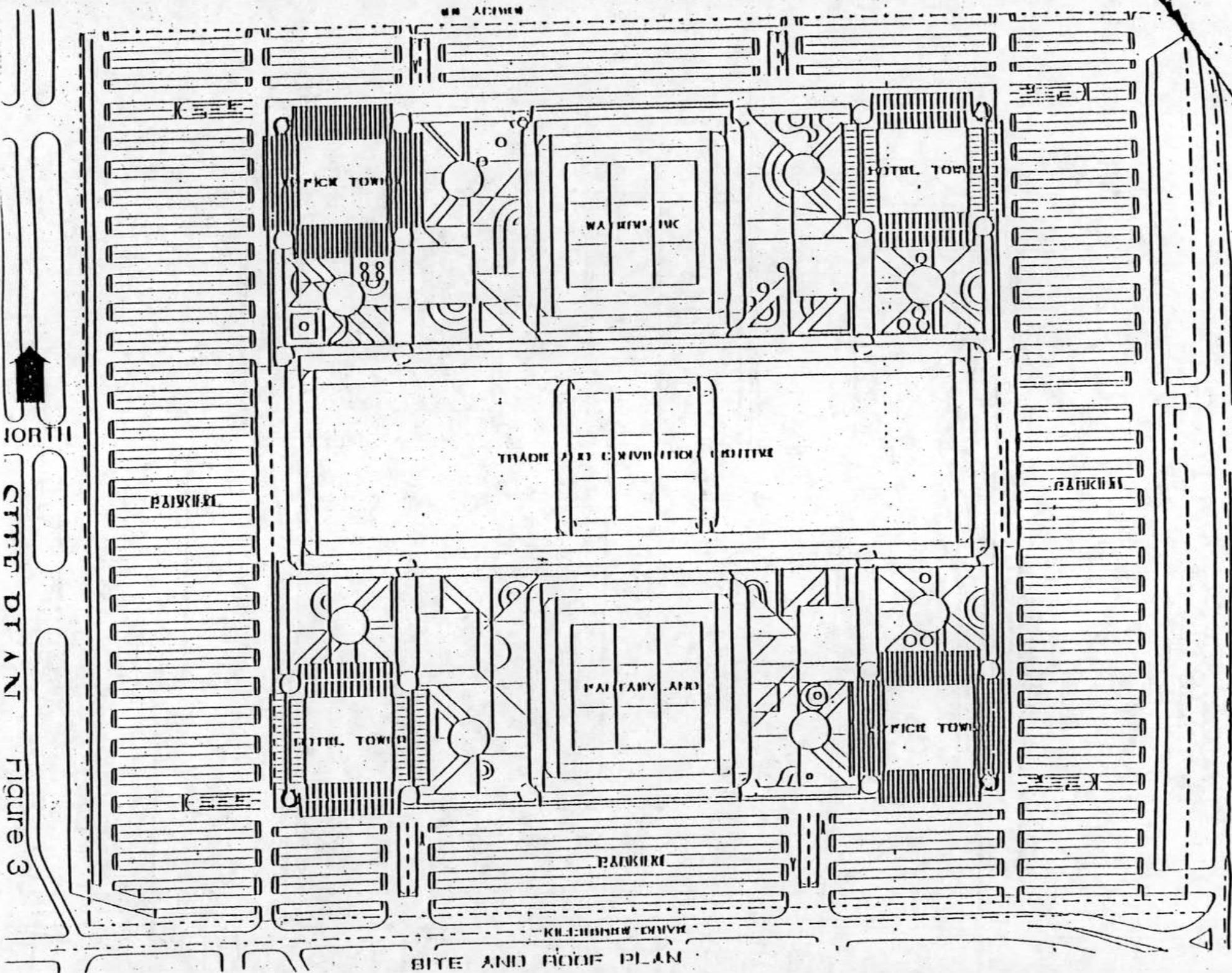


SCALE 1:24,000



CONTOUR INTERVAL 10 FEET  
DATUM IS MEAN SEA LEVEL

54  
98 MILES



NORTH  
 CITY PLAN  
 FIGURE 3

SITE AND FLOOR PLAN

# EXISTING ZONING

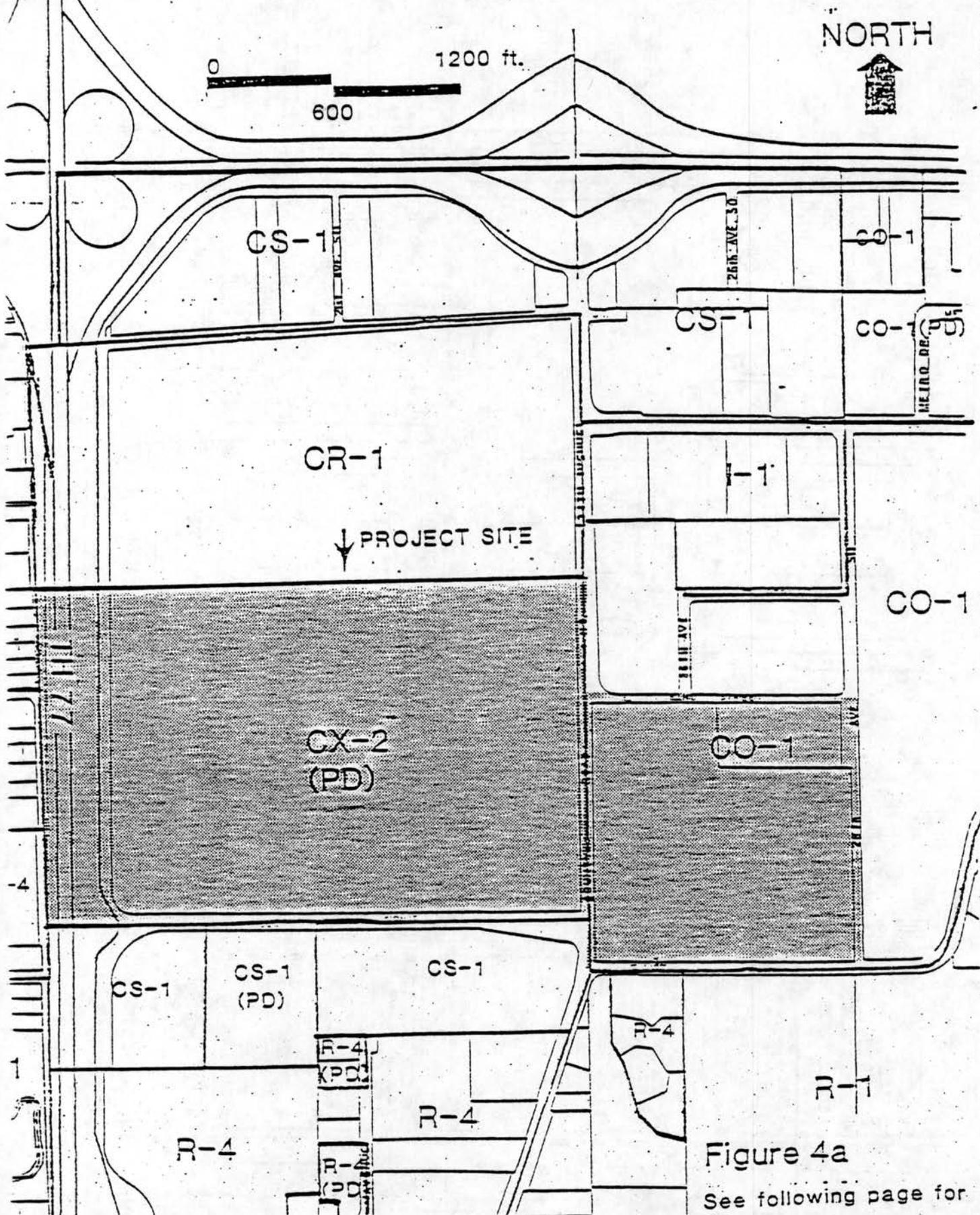


Figure 4a  
See following page for

AIRPORT SOUTH GENERIC ENVIRONMENTAL IMPACT STATEMENT (ASGEIS) ALTERNATIVE -  
 The ASGEIS alternative will be evaluated for year 2005 conditions.  
 Development assumptions for the 85-acre site will be 2,066,000 of office  
 use, 900,000 square feet of retail use, 840 hotel rooms and 700 dwelling  
 units. The development projections from Figure 3.4 or the ASGEIS (Draft  
 EIS) will be used for the balance of the Airport South area. The existing  
 roadway system plus the ASGEIS identified improvements to TH77 and the I-  
 494/24th Avenue interchange will make up the roadway system.

DEVELOPMENT PROPOSAL - ALTERNATIVE 1 - The Mall of America and Fantasyworld  
 development proposal will be evaluated for year 1990 conditions.  
 Development assumptions for the 125-acre site will be 4,000,000 square feet  
 of retail use, 1,000,000 square feet of recreation use, a 1,000,000 square  
 foot convention center, 2,000,000 square feet of office use and 2,000 hotel  
 rooms. Analysis of two subalternatives will also be made, assuming the  
 same mix of retail, recreation and convention use with 1,000,000 square  
 feet of office use and 3,000 hotel rooms, and no office space and 4,000  
 hotel rooms. Existing and approved development as of August 1, 1985, will  
 be assumed. The roadway system which will be used for analysis will be the  
 roadway system identified for Alternative 2.

AIRPORT SOUTH DEVELOPMENT PROJECTION - ALTERNATIVE 2 - The Mall of America  
 and Fantasyworld development proposal will be evaluated for year 2005  
 conditions. Development assumptions for the Mall of America and  
 Fantasyworld will be the same as for Alternative 1 and both subalterna-  
 tives. A revised development projection for the Airport South area will be  
 made using Figure 3.4 of the ASGEIS (Draft EIS) as its basis. The roadway  
 system will be identified as being the existing system, plus improvements to  
 TH77 from 86th Street through the I-494 interchange, improvements to the  
 24th Avenue interchange, improvements to I-494 and whatever improvements  
 are necessary to support the projected level of development.

PHASED DEVELOPMENT IN 1990 - ALTERNATIVE 3 - An incremental phase of  
 development equivalent to 70% of the development proposal will be examined  
 for the year 1990. It will include the full retail, recreation and  
 convention components, plus 1,000 hotel rooms. Existing and approved  
 development as of August 5, 1985, will be assumed. The roadway system  
 which will be used for analysis will be the roadway system identified  
 for Alternative 2.

1995 PROJECTED CONDITIONS - ALTERNATIVE 4 - The development proposal and  
 subalternatives identified in Alternative 1 will be examined for 1995  
 conditions. A development projection for the remainder of the Airport  
 South area will be made, equal to 1/2 of the corresponding projections in  
 Alternative 2. The roadway system which will be used for analysis will be  
 the roadway system identified for Alternative 2.

A summary table of the six alternatives follows:

<u>Name</u>	<u>Year</u>	<u>Development Assumption</u>	<u>Roadway Network</u>	<u>Sub-Alternatives*</u>
No-build	1990	Existing	Existing	N/A
ASGEIS	2005	ASGEIS	Existing +	N/A

<u>Name</u>	<u>Year</u>	<u>Assumption</u>	<u>Network</u>	<u>Sub-Alternatives*</u>
Alternative		Figure 3.4	ASGEIS Recommendation	
Alternative 1 Development Proposal	1990	Existing + MA&F	Same as Alternative 2	1A (2/2) 1B (1/3) 1C (0/4)
Alternative 2 Airport South Projection	2005	Revised ASGEIS Fig. 3.4 + MA&F	Improvements to make it work	2A (2/2) 2B (1/3) 2C (0/4)
Alternative 3 Phased 1990	1990	Existing + 70% MA&F	Same as Alt. 2	N/A
Alternative 4 1995 Projection	1995	50% Revised ASGEIS Fig. 3.4 + MA&F	Same as Alt. 2	4A (2/2) 4B (1/3) 4C (0/4)

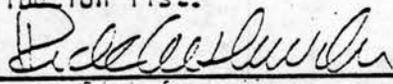
- \* (2/2) = 2,000,000 square feet office/2,000 hotel rooms  
 (1/3) = 1,000,000 square feet office/3,000 hotel rooms  
 (0/4) = less than 100,000 square feet office/4,000 hotel rooms

#### MITIGATION MEASURES

Mitigative measures for each of the four scoped issues will be addressed for Alternatives 1 and 2. Alternatives 3 and 4 will not be considered for mitigation since they are phasing alternatives to Alternatives 1 and 2 respectively. The No-build Alternative need not consider mitigation by definition. The ASGEIS Alternative incorporates the mitigative measures of the ASGEIS by reference.

#### CERTIFICATION BY RESPONSIBLE GOVERNMENTAL UNIT

I hereby certify that the information contained in this document is true and correct to the best of my knowledge and that copies of the completed EAW have been made available to all points on the official EOB distribution list.

Signature   
 Rick Geswiler

Title Director of Planning

Date August 6, 1985

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Policy Committee  
SUBJECT: RTB Review--Hennepin County Environmental Assessment Worksheet  
for the Reconstruction of CSAH 9 from I-494 to Nathan Lane in  
Plymouth

At its September 9, 1985, meeting, the Policy Committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board find the proposed reconstruction of CSAH 9 from I-494 to Nathan Lane in Plymouth to have no significant impact on transit services.

Todd Lefko  
Chair

jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 3, 1985  
TO: Policy Committee  
FROM: Katherine Turnbull, Planning Manager  
SUBJECT: RTB Review--Hennepin County Environmental Assessment Worksheet  
for the Reconstruction of CSAH 9 from I-494 to Nathan Lane in  
Plymouth

ACTION REQUESTED:

That the Policy Committee find the proposed reconstruction of CSAH 9 from I-494 to Nathan Lane in Plymouth to have no significant impact on transit service.

BACKGROUND:

The project, as proposed by Hennepin County, is the reconstruction of County State Aid Highway (CSAH) 9 from I-494 to Nathan Lane in Plymouth as a 72 foot wide road with concrete median, curb and gutter and a bituminous surface. To reduce conflict points and provide better access control, 1.8 miles of CSAH 9 will be constructed on a new alignment. CSAH 9 will maintain its present alignment for 0.3 miles from I-494 to West Medicine Lake Road. At West Medicine Lake Road it will depart from the old alignment by continuing in an east-northeasterly direction to a point midway between Larch Lane and Zachary Lane where it will curve eastward, matching into the in-place roadway west of Nathan Lane (see attached map).

Medicine Lake Lines operates routes on CSAH 9 from West Medicine Lake Road to Zachary Lane. Conversations with representatives of Medicine Lake Lines indicate that there will be no adverse impacts on their service due to the proposed project. The project should improve traffic flow in the area and thus have a positive impact on transit service. Medicine Lake Lines services could be impacted during construction. However, Hennepin County has indicated that the existing CSAH will be kept open to the fullest extent possible as the contractor has to provide access on the highway.

The Medicine Lake Lines operations along CSAH 9 include:

A.M. Peak

Line Run 33, 6:02 a.m.  
Line Run 21, 6:35 a.m.

P.M. Peak

Line Run 20, 4:35 p.m.  
Line Run 22, 5:08 p.m.

Policy Committee  
September 3, 1985  
Page Two

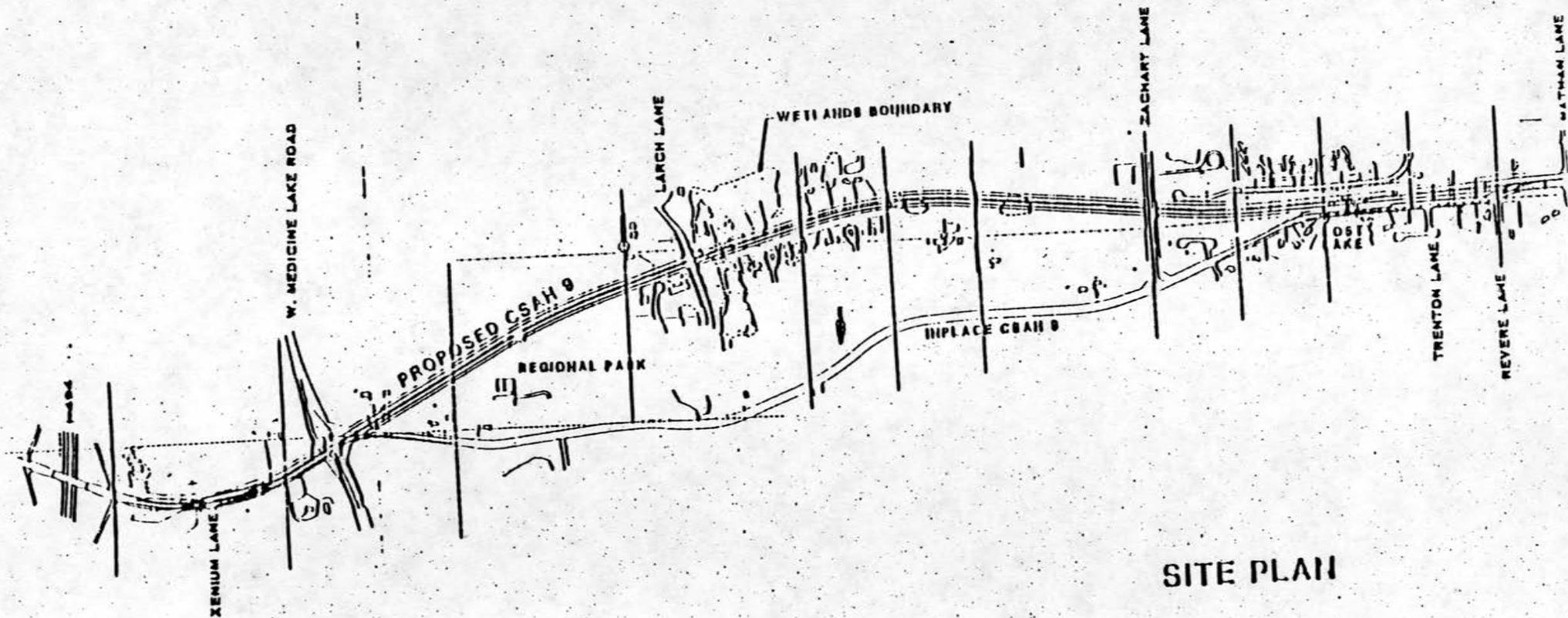
FINDINGS AND CONCLUSIONS:

- o Hennepin County has completed an Environmental Assessment Worksheet (EAW) for the proposed reconstruction of CSAH 9 from I-494 to Nathan Lane in Plymouth.
- o Medicine Lake Lines currently operates two a.m. peak hour buses and two p.m. period buses along CSAH 9 from West Medicine Lake Road to Zachary Lane. The improvements should have a positive impact on this service by improving traffic flow.
- o Hennepin County has indicated that it will maintain service on the existing alignment to the fullest extent possible during construction of the new segment.

RECOMMENDATION:

That the Policy Committee find the proposed reconstruction of CSAH 9 from I-494 to Nathan Lane in Plymouth to have no significant impact on transit services.

KT:jmo



SITE PLAN

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Policy Committee  
SUBJECT: Jobseekers' Program

After discussing this item at the September 9, 1985, meeting, the Policy Committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board request the Metropolitan Transit Commission to continue its WIN pass program through December 31, 1985.

Todd Lefko  
Chair

jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 3, 1985  
TO: Policy Committee  
FROM: Judith McCourt, Programs Manager *Jm*  
SUBJECT: Jobseekers' Program

ACTION REQUESTED:

No action is requested at this time. This memorandum is being presented as an information item. Additional information and recommendations will be presented at the following Policy Committee meeting.

BACKGROUND:

Under legislation passed during the 1985 session, the Regional Transit Board (RTB) is required to provide a program to address the transit needs of the unemployed and to report its progress on establishing such a program to the legislature by October 1, 1985. Minnesota Statute 473.387, Section 101, subdivision 3, legislates:

The Board shall establish a program and policies to increase the availability and utility of public transit services and reduce transportation costs for persons who are seeking employment and who lack private means of transportation.

The Metropolitan Transit Commission, MTC, currently administers two programs that serve the unemployed. These programs are known as the Jet pass program and the WIN pass program. These programs expire on December 31, 1985, and September 30, 1985, respectively. The MTC staff has indicated that they are willing, at the request of the RTB, and the approval of the Commission, to continue the WIN program through December 31, 1985, by which time an RTB program could be in place.

The purpose of this memorandum is to discuss the history of the current programs, discuss the MTC experiences in administering them and to offer options for implementing a program for the RTB. Based on discussion of the committee, a final proposal will be developed and presented to the Policy Committee on September 23, 1985.

As part of the development process for the Jobseekers' Program, staff has held a series of meetings with involved parties. Staff has met with the MTC to discuss the current program and Mary Jo Richardson from the Minnesota Department of Economic Security. The Minnesota Department of Economic Security has expressed a great deal of interest in the project and has submitted a proposal to staff for developing a transportation program for the unemployed.

DISCUSSION:

The WIN program provides vocational counseling for unemployed and underemployed Aid to Families with Dependent Children (AFDC) recipients. Registering for WIN is mandatory for people who are considered work eligible and receive AFDC. WIN monitors the jobseeking efforts of its recipients to ensure that they are making a reasonable attempt to seek employment.

Under the transit program for the WIN clients, the MTC provides 575 monthly All-You-Can-Ride passes to the WIN office. These passes are distributed by the WIN offices to eligible clients. The number of passes distributed to the WIN program was legislatively mandated. The current value of these passes is \$18,500 per month for an estimated annual cost of \$220,000. The legislative mandate for the MTC to provide these passes expired on June 30, 1985; however, the MTC has continued to operate this program until the RTB implements its jobseekers' program.

The MTC perceives the WIN program to work well. Much of this satisfaction stems from the perceived lack of abuse and the ease of program administration. The lack of abuse is attributed to the low volume of passes that are distributed and the lack of restrictions on pass use. The MTC perceives that the users are also satisfied with the program although user satisfaction is difficult to measure because of client confidentiality.

The Jet pass program is the second program, administered by the MTC, that provides reduced fares to the unemployed. This program was legislatively mandated during the 1982-1983 period of high unemployment. The legislature required the MTC to design a program to serve the unemployed that were seeking work. This program was required in addition to the WIN pass program. The MTC developed the Jet pass program to satisfy this requirement. The program permits the unemployed to receive a pass which entitles them to travel when seeking employment during the off-peak periods for \$.25 per ride. The passes were originally distributed by the Community Employment and Training Act (CETA) offices; however, they were eventually distributed by other government agencies, civic and community organizations and non-profit organizations that assist jobseekers. Initially the MTC issued 30,000 passes, each of which lasted six months. A falling unemployment rate and the MTC's perception of program abuse led the MTC to reduce the number of passes and to limit their life to three months. The MTC estimates that 2,000 passes are used daily.

Abuse of the Jet pass program has been a concern to the MTC. There are no eligibility standards enforced and the MTC perceives that the various agencies that distribute the passes have different criteria for distribution. This differs from the WIN program where a standard set of eligibility criteria is enforced and clients' jobseeking efforts are monitored consistently by caseworkers. Riders are also perceived to be using the pass for travel other than jobseeking, however this allegation is difficult to measure. From the client's perspective, the program provides no anonymity; unlike the WIN program, JET pass recipients are easily identifiable by their passes.

It should be noted that under the Jet pass program and the WIN pass program the MTC is not reimbursed for lost revenues. The revenue loss per month for the Jetpass program is estimated at \$20,000 or approximately \$240,000 annually. As noted earlier, the estimated revenue loss for the WIN pass program is \$220,000 annually. Collectively the estimated revenue loss for both programs is \$460,000 annually. Recent legislation requires the MTC to achieve a 35% farebox recovery and therefore the Jet pass program, under its current structure, interferes with this effort.

The RTB should endeavor to meet three objectives when it develops a jobseekers' program:

1. The program should provide access to transit service by the unemployed while being relatively easy to administer.
2. The program should be expanded to include other transit providers.
3. The program should not interfere with the transit providers' efforts to meet the 35% farebox recovery standard.

Utilization of a user-side subsidy approach for the jobseekers' program would satisfy these objectives. Under a user-side subsidy arrangement, vouchers for transportation are acquired by users who redeem them for passes or tokens with any eligible provider. The service providers redeem the vouchers with the subsidizing agency for an agreed upon value.

Under the user-side subsidy scenario the RTB could distribute serially numbered vouchers to agencies for distribution to the unemployed. Specified agencies serving the unemployed would distribute the vouchers to jobseekers. These vouchers could then be redeemed by the client at eligible transit provider outlets. The vouchers could be used by the client to either purchase a number of rides equivalent to the face value of the coupon, or the voucher could be applied against the value of a higher denomination pass. The vouchers could be redeemed at ticket outlets as designated by the participating providers. The vouchers would in turn be submitted by the providers to the RTB for reimbursement. It is anticipated that the RTB would set the monetary limit for the voucher amount based on the average number of jobseeking trips an unemployed person might make in a month. This would be an established standard that would be periodically reviewed. Specific program costs are under development and will be presented at the next Policy Committee meeting on September 23, 1985.

It is estimated that a period of three months will be needed to implement this program. This time is necessary to advise the affected agencies of change, advise the providers of new system procedures and to develop a timely method for reimbursing providers. Because the MTC currently has scheduled the Jet pass program to expire in December, it is recommended that the RTB's jobseekers' program, be implemented on January 1, 1986. It is also recommended that the RTB request that the MTC continue its WIN pass program until December, 1985.

As mentioned earlier, the Department of Economic Security has developed a two-part proposal for a program to serve jobseekers. The first element involves expanding the number of All-You-Can-Ride passes that are distributed from 575 to 1245 per month to include clients of two other programs--the Job Training Partnership Act (JTPA), and the Minnesota Employment and Economic Development Program (MEED). These programs also provide services to persons seeking employment. The estimated annual cost of this program element would be \$450,000 based on a \$30.00 denomination All-You-Can-Ride card. The second element of the Department of Economic Security's proposal involves the development of two circulator van systems for the unemployed. The purpose of the circulator systems would be to provide access to transportation in areas that are not served by regular route transit service. The estimated cost of the circulator van system, according to the proposal, is \$137,000. The total estimated annual cost of the proposal from the Department of Economic Security is \$587,000.

The proposal raises several questions for discussion:

1. What should be the scope of the RTB's Jobseekers' program?
2. Should the RTB develop a program that reaches beyond the scope of traditional transit and paratransit programs by developing a segregated program to serve the unemployed?
3. Can the RTB afford to implement an expanded jobseekers' program?
4. What is the role of the RTB in establishing a transit program versus a social service agency program to provide transportation to the unemployed?

#### CONCLUSIONS AND FINDINGS:

- o The RTB is required by statute to implement a jobseekers' program and to report its progress on the effort to the legislature by October 1, 1985.
- o The MTC currently administers two programs that provide transportation to the unemployed. The programs are the WIN pass program and the Jet pass program. The programs are scheduled to terminate on September 30, 1985, and on December 31, 1985, respectively. The annual estimated revenue loss from these program is \$460,000.
- o The WIN program is perceived to work well, be easy to administer and to be subject to little fraud. The JET pass program is not perceived to be as effective. It is more difficult to administer and is subject to more abuse.

Policy Committee  
September 3, 1985  
Page Five

- o Jet pass program and the WIN program participants are limited to using their passes on MTC service.
- o The jobseekers' program implemented by the RTB should contain three basic elements. It should be easy to administer, involve other providers, and it should not interfere with the ability of a provider to meet the 35% farebox recovery standard.
- o The RTB program should be implemented on January 1, 1986.
- o The Department of Economic Security is advocating for an expanded jobseekers' program. The RTB must decide to what extent it is reasonable and affordable to provide additional access to transportation for the unemployed.

JM:jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Selection Committee  
SUBJECT: Taxicab Advisory Committee

The ad hoc selection committee will meet on Thursday, September 12, at 10 a.m. in the RTB Board Room to review applications to the Taxicab Advisory Committee. A written report will be distributed to the board at its meeting of September 16, 1985.

Doris Caranicas  
Chair



MEETING OF THE REGIONAL TRANSIT BOARD  
Monday, September 16, 1985  
Council Chambers  
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. REPORT OF THE POLICY COMMITTEE Todd Lefko  
Chair
  - a. Bloomington Environmental Assessment Worksheet/  
Scoping Document
  - b. Jobseekers' Program
  - c. Hennepin County Environmental Assessment Worksheet  
for the Reconstruction of CSAH 9 from I-494 to  
Nathan Lane in Plymouth
4. REPORT OF ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin  
Chair
  - a. Financial Statements as of June 30, 1985
  - b. 1984 Regional Transit Board Audit
  - c. Grant Agreement with Minnesota Department of  
Transportation for Transfer of Revenues, Res. 85-17
5. REPORT OF THE SELECTION COMMITTEE Doris Caranicas  
Chair
  - a. Taxicab Advisory Committee
6. OTHER BUSINESS
  - a. Chairman's Report
  - b. Members' Reports
  - c. Staff Reports
7. PUBLIC COMMENT

Elliott Perovich  
Chairman

*An Equal Opportunity Employer*

*J. Dymally  
Weaver  
Engel*

*ht  
lj  
jon  
Kueh  
J. J. J.  
gbr*

REGIONAL TRANSIT BOARD  
ROLL CALL AND ATTENDANCE SHEET *Fairley*

DATE: 9/10/25

BOARD OR COMMITTEE RTB

MEMBER NAME	PRESENT	<i>4.c.</i> VOTE	VOTE	VOTE	VOTE
Chairman	<i>no</i>				
Kenneth Bedeau	<input checked="" type="checkbox"/>	<i>2</i>			
Doris Caranicas	<input checked="" type="checkbox"/>	<i>2</i>			
Ruth Franklin	<input checked="" type="checkbox"/>	<i>2</i>			
Alison Fuhr	<input checked="" type="checkbox"/>	<i>2</i>			
Paul Joyce	<input type="checkbox"/>				
Edward Kranz	<input type="checkbox"/>	<i>2</i>			
Todd Lefko	<input checked="" type="checkbox"/>	<i>2</i>			
Bernard Skrebes	<input checked="" type="checkbox"/>	<i>2</i>			

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Board Room  
September 9, 1985

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Kenneth Bedeau, Doris Caranicas; Ruth Franklin; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko and Bernard Skrebes

OTHERS PRESENT: Ghaleb Abdul-Rahman, Mary Fitzgerald, Judy Hollander, atie Leslie Johnson, Regional Transit Board Staff; and Larry Wertheim, legal counsel

The chairman called the meeting to order at 4:30 p.m. and roll was taken. Skrebes moved approval of the agenda; Joyce seconded the motion. Motion carried unanimously.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

APPROVAL OF RESOLUTION ANNOUNCING INTENT TO LEVY AD VALOREM PROPERTY TAX, RESOLUTION NO. 85-16

Committee Chair Franklin reviewed the staff report dated August 30, 1985 and moved:

That the Regional Transit Board approve Resolution No. 85-16, "Resolution Announcing Intent to Levy Ad Valorem Property Tax."

Kranz seconded the motion.

Johnson said that on September 10 the information will be mailed to local units of government with a request that the communities respond in writing by September 24. The board is expected to take final action on September 30, 1985. Roll call vote was taken; motion carried.

OTHER BUSINESS

Johnson reported on the search for office space for metropolitan agencies that is being conducted by the Metropolitan Council. A final decision by all the affected agencies is expected the middle of November.

Skrebes discussed the luncheon meetings hosted by Council member Chuck Wiger during the last three weeks in his district for legislators, city managers, mayors and commissioners to discuss waste control, parks, transportation, light rail transit and other issues. The chairman said it was suggested that citizen groups meet to discuss major transit corridors and force development along those corridors. That can then be discussed with Hollander and Turnbull at the upcoming Service Needs Assessment forums.

There being no further business, Fuhr moved that the meeting be adjourned.  
Lefko seconded the motion; motion carried unanimously. The meeting adjourned  
at 5:00 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

REGIONAL TRANSIT BOARD

OK

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: September 10, 1985  
TO: Regional Transit Board  
FROM: Administration & Finance Committee  
SUBJECT: Financial Statements as of June 30, 1985

At its meeting of September 5, 1985, the Administration and Finance Committee approved recommendation that the "Financial Statements as of June 30, 1985" be received and directed to be placed on file by the board.

Recommendation

That the board approve and direct to be placed on file the "Financial Statements of June 30, 1985".

CH006A

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: August 30, 1985  
TO: Administration and Finance Committee  
FROM: Leslie M. Johnson, Director of Administration  
SUBJECT: Financial Statements as of June 30, 1985

Attached are Regional Transit Board financial statements dated June 30, 1985. They have been prepared on the modified accrual basis and in accordance with generally accepted accounting principles. They are as follows:

- Combined balance sheet.
- Combined statement of revenues, expenditures and changes in fund balance.
- RTB statement of budget status investment schedule.

The financial data is being monitored on a monthly basis so that in subsequent months, line item budget revisions can be submitted to the committee and board with comments and recommendations.

Recommendation

That the Administration and Finance Committee recommend the board receive the June 30, 1985 financial statements and direct that they be placed on file.

Attachment  
ch

CH006B

## COMBINED BALANCE SHEET

JUNE 30, 1985

Assets	Fund		Account Group	Total (Memorandum Only)
	General	Property Tax Levy	General Fixed Assets	
Cash	\$ 56,197	\$	\$	\$ 56,197
Due from Council	510,402			510,402
Due from State	89,490			89,490
Due from other fund	5,000			5,000
Restricted assets: (for retirement of tax anticipation notes)				
Cash		159		159
Investment with escrow agent		25,483		25,483
Tax anticipation note proceeds paid to MTC		16,713,228		16,713,228
General fixed assets			60,598	60,598
Total Assets	<u>\$ 661.089</u>	<u>\$ 16.738.870</u>	<u>\$ 60.598</u>	<u>\$ 17.460.557</u>
<u>Liabilities and Fund Equity</u>				
Liabilities:				
Accounts payable	\$ 191,378	\$ 4,520	\$	\$ 195,898
Salaries payable	18,147			18,147
Accrued vacation payable	20,569			20,569
Due to Council	228,958			228,958
Due to other fund		5,000		5,000
Payable from restricted assets:				
Tax anticipation notes		16,500,000		16,500,000
Accrued interest payable		229,350		229,350
Total Liabilities	<u>\$ 459.052</u>	<u>\$ 16.738.870</u>	<u>\$ -0-</u>	<u>\$ 17.197.922</u>
Fund Equity:				
Invested in general fixed assets			60,598	60,598
Undesignated	\$ 202,037	\$	\$	\$ 202,037
Total Fund Equity	<u>\$ 202.037</u>	<u>\$ -0-</u>	<u>\$ 60.598</u>	<u>\$ 262.635</u>
Total Liabilities & Fund Equity	<u>\$ 661.089</u>	<u>\$ 16.738.870</u>	<u>\$ 60.598</u>	<u>\$ 17.460.557</u>

## EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
6 MONTHS ENDED JUNE 30, 1985

	Fund		Totals (Memorandum Only)
	General	General Property Tax	
Revenues:			
Taxes	\$	\$ 11,064,077	\$ 11,064,077
State Grant	441,330		441,330
Interest	17,614	46,418	64,032
Reimbursement by MTC		16,713,387	16,713,387
Miscellaneous	628		628
<b>Total Revenue</b>	<b>\$ 459,572</b>	<b>\$27,823,882</b>	<b>\$ 28,283,454</b>
Expenditures:			
Salaries	\$ 191,578	\$	\$ 191,578
Benefits	37,026		37,026
Per Diems	28,550		28,550
Travel	32,744		32,744
Committee, Board Meetings	121		121
Recruitment	5,172		5,172
Membership Dues	2,515		2,515
Telephone	11,811		11,811
Postage	3,781		3,781
Legal Notices	4,733		4,733
Printing	2,776		2,776
Office Rent	23,138		23,138
Members Expense	1,405		1,405
Insurance	3,455		3,455
Rental of Furniture/Equip	6,243		6,243
Office Supplies	7,360		7,360
Equipment Maintenance	3,823		3,823
Computer Expense	2,839		2,839
Miscellaneous	18,433		18,433
Legal Services	29,094		29,094
Fixed Assets	57,487		57,487
Consultants	78,499		78,499
Contractual Svcs.-others	18,632		18,632
Metro Council - Indirect Non-Labor	2,280		2,280
Metro Council - Planning	123,505		123,505
Transit provider payments		27,585,012	27,585,012
Interest on tax anticipation notes		229,350	229,350
Financing expense		9,520	9,520
<b>Total Expenditures</b>	<b>\$ 697,000</b>	<b>\$27,823,882</b>	<b>\$ 28,520,882</b>
Excess of Revenues Over (Under) Expenditures	\$ (237,428)	\$ -0-	\$ (237,428)
Fund Balance January 1, 1985	439,465	-0-	439,465
Fund Balance June 30, 1985	\$ 202,037	\$ -0-	\$ 202,037

## STATEMENT C

## RTB STATEMENT OF BUDGET STATUS

ACCOUNT TITLE	BUDGET	CURRENT MONTH	YEAR-TO-DATE	% OF BUDGET
*****				
Salary & Benefits	\$574,831	\$xx,xxx	\$228,604	39.8
Board Expenses	99,776	xx,xxx	52,721	52.8
Computer Expense	36,000	xx,xxx	2,839	7.9
Contractual Legal Services	113,643	xx,xxx	29,094	25.6
Contractual Technical Services	152,643	xx,xxx	97,131	63.6
Recruitment	3,500	xx,xxx	5,172	147.8
Training	5,000	xx,xxx	-0-	N.A.
Conference Fees	3,900	xx,xxx	1,812	46.5
Membership Dues	2,400	xx,xxx	2,515	104.8
Local Travel	10,000	xx,xxx	1,621	16.2
Non-Local Travel	18,400	xx,xxx	6,666	36.2
Rent & Utilities	45,000	xx,xxx	23,138	51.4
Furnishings	60,000	xx,xxx	57,487	95.8
Rent of Equipment	8,600	xx,xxx	6,243	72.6
Equipment Maintenance	4,200	xx,xxx	3,823	91.0
Office Supplies	37,300	xx,xxx	7,360	19.7
Telephone	18,000	xx,xxx	11,811	65.6
Postage	25,000	xx,xxx	3,781	15.1
Legal Notices	3,000	xx,xxx	2,776	92.5
Printing	60,300	xx,xxx	4,733	7.8
Council Reimbursement	125,000	xx,xxx	123,505	98.9
General Overhead	10,000	xx,xxx	24,168	241.7
Contingencies	-0-	xx,xxx	-0-	N.A.
Total	1,416,493	xx,xxx	697,000	49.2

Charges as of: June 30, 1985

Percent of year elapsed: 50.0%

## REGIONAL TRANSIT BOARD

Statement D

INVESTMENT SCHEDULE

<u>Investment With</u>	<u>Investment Instrument</u>	<u>Investment Purchase</u>	<u>Period Settlement</u>	<u>Effective Interest Rate</u>	<u>Amount Invested</u>	<u>Scheduled Interest</u>
Capital Bank of St. Paul	Certificate of Deposit	6-18-85	7-23-85	7.35	410,000	2930
Marquette Bank of Minneapolis	Purchase Agreement	6-25-85	7-02-85	7.65	100,000	149
					<u>\$510,000</u>	<u>\$3079</u>

Depository Collateral

<u>Depository Bank</u>	<u>Collateral Security</u>	<u>Held in Safekeeping for RTB Account</u>	<u>Market Value at 6-30-85</u>
Capital Bank-St. Paul	U.S. Treasury Note	Norwest Bank-Minneapolis	\$418,500
Capital Bank-St. Paul	Federal National Mortgage Assn.	Norwest Bank-Minneapolis	\$210,562
TOTAL PLEDGED			<u>\$629,062</u>

REGIONAL TRANSIT BOARD

Financial Statements for the  
Period July 1, 1984 (Date of Inception)  
to December 31, 1984  
and Auditors' Opinion

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AUDITOR'S OPINION

Regional Transit Board:

We have examined the combined balance sheet of the Regional Transit Board as of December 31, 1984 and the related combined statement of revenues, expenditures and changes in fund balance for the period July 1, 1984 (date of inception) to December 31, 1984. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The accompanying statement of revenues and expenditures for the period July 1, 1984 (date of inception) to December 31, 1984 does not include a comparison with a formal budget, as required by generally accepted accounting principles.

In our opinion, except for the omission of the information mentioned in the preceding paragraph, such financial statements present fairly the financial position of the Regional Transit Board at December 31, 1984 and the results of its operations for the period then ended, in conformity with generally accepted accounting principles.

June 27, 1985

*Deloitte Haskins + Sells*

REGIONAL TRANSIT BOARD

COMBINED BALANCE SHEET AS OF DECEMBER 31, 1984  
ALL FUND TYPES AND ACCOUNT GROUPS

	GOVERNMENTAL ACCOUNT		
	FUND TYPE	GROUP	
	<u>GENERAL</u>	<u>GENERAL</u>	<u>TOTAL</u>
	<u>FUND</u>	<u>FIXED</u>	<u>(MEMORANDUM</u>
		<u>ASSETS</u>	<u>ONLY)</u>
<u>ASSETS</u>			
Cash and temporary cash investments	\$436,200		\$436,200
Intergovernmental receivable	176,384		176,384
Property and equipment		\$3,110	3,110
Total Assets	<u>\$612,584</u>	<u>\$3,110</u>	<u>\$615,694</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Bank overdraft	\$ 28,752		\$ 28,752
Accounts payable	134,308		134,308
Accrued expenses	10,059		10,059
Total Liabilities	<u>173,119</u>		<u>173,119</u>
Fund Equity:			
Investment in general fixed assets		\$3,110	3,110
Fund balance:			
Unreserved	<u>439,465</u>		<u>439,465</u>
Total Fund Equity	<u>439,465</u>	<u>3,110</u>	<u>442,575</u>
Total Liabilities and Fund Equity	<u>\$612,584</u>	<u>\$3,110</u>	<u>\$615,694</u>

See accompanying Notes to Combined Financial Statements.

REGIONAL TRANSIT BOARD

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE PERIOD JULY 1, 1984 (DATE OF INCEPTION) TO DECEMBER 31, 1984

	GOVERNMENTAL FUND TYPE
	<u>GENERAL FUND</u>
REVENUES:	
State grants	\$747,660
Interest	13,541
Total Revenues	<u>761,201</u>
EXPENDITURES:	
Salaries and benefits	83,849
Per diem	20,950
Travel	14,829
Professional and technical services	161,627
Rent	21,971
Publications	5,162
Miscellaneous	10,238
Capital expenditures	3,110
Total Expenditures	<u>321,736</u>
EXCESS OF REVENUES OVER EXPENDITURES	439,465
FUND BALANCE, JULY 1, 1984	<u>-0-</u>
FUND BALANCE, DECEMBER 31, 1984	<u>\$439,465</u>

See accompanying Notes to Combined Financial Statements.

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# REGIONAL TRANSIT BOARD

## NOTES TO COMBINED FINANCIAL STATEMENTS

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### 1. PURPOSE AND NATURE OF ORGANIZATION

The Minnesota State legislature established the Regional Transit Board (RTB) according to Minnesota Statutes section 473.146. The RTB is being financed by a state grant of \$1,099,500 for the initial period from July 1, 1984 to June 30, 1985.

The RTB directs, coordinates and prioritizes transit services in the Twin Cities Metropolitan Area through needs assessment, policy development, distribution of public funds, facilitation of the implementation of programs and research, and demonstration projects. This is accomplished within the direction of the Legislature and the long-range transportation policy planning role of the Metropolitan Council. The RTB facilitates the implementation of transit service programs recognizing the transit operating role of the Metropolitan Transit Commission and other transit service providers; and the need for continuous involvement of local units of government and the public.

The RTB's financial statements include all funds and account groups over which the RTB exercises oversight responsibility. In applying the entity definition criteria of the National Council on Governmental Accounting, it is the opinion of the RTB that it is neither a component unit of the Metropolitan Council nor is the Metropolitan Transit Commission a component unit of RTB.

#### Metropolitan Transit Commission

The RTB is legally responsible for financing deficits and guaranteeing certain debt of the MTC, however, it cannot utilize any of MTC's fund balances for other purposes. The RTB selects commission members of the MTC but cannot designate its management. RTB reviews and approves MTC budgets but does not approve its outside contracts, control its properties, nor resolve matters affecting recipients of MTC services. Beginning in 1985 RTB will collect property taxes and receive state aids that were previously collected by the MTC, however, federal aids, federal grants and farebox revenues will continue to be collected directly by MTC.

RTB does not hold title to MTC assets and does not have authority for audits of the MTC. The activities of MTC are for the benefit of RTB and the same general geographic boundaries and residents are served by both. While a number of the MTC

authorities, funding sources and functions are dependent on the RTB, the significance of those that are not leads to the conclusion that MTC is not a component unit of RTB as was the intent of the State Legislature in establishing the RTB.

#### Metropolitan Council

The Metropolitan Council (Council) has no responsibility for funding any RTB deficits, guaranteeing any RTB debt nor can it use the RTB fund balances. The Council does select RTB board members but not its management. The Council has only limited authority over RTB budgets and no authority over their contracts, hiring, properties or in resolving matters affecting recipients of RTB services. The geographic area and populations served by both entities are substantially the same, however, the Council does not provide funding to RTB.

The RTB authorities, funding sources, and functions over which the Council has limited or no oversight responsibility leads to the conclusion that the RTB is not a component unit of the Council as was the intent of the State Legislature in establishing the RTB.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Fund Accounting

The accounts of the RTB are organized on the basis of a general fund and an account group, each of which is considered a separate accounting entity. The operation of each is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The General Fund is the general operating fund of the RTB and was its only fund from inception to December 31, 1984.

The General Fixed Assets Account Group is used to account for the RTB's property and equipment. Fixed assets used in governmental fund type operations (general fixed assets) are recorded at historical cost. No depreciation has been provided on general fixed assets.

### Basis of Accounting

The RTB uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period; this period does not exceed 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

#### Cash and Temporary Cash Investments

Cash balances are invested to the extent available in certificates of deposit and repurchase agreements. Temporary cash investments are stated at cost which approximates market.

#### Accumulated Unpaid Vacation and Sick Pay

The RTB compensates all employees upon termination for unused vacation up to a maximum based upon length of service. Such pay is accrued as an expenditure when it is earned.

RTB employees are entitled to sick leave at a defined rate for each period of service. Employees are not compensated for unused sick leave upon termination. Sick pay is recorded as an expenditure when it is paid.

#### Property Taxes

Effective for taxes collectible in 1985, the RTB is authorized to levy certain property taxes to be used for providing transit service in the Twin Cities metropolitan area. These taxes were levied by the Metropolitan Transit Commission for prior years.

Property tax levies are set by the RTB in October each year, and are certified to the counties for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. The counties generally provide tax settlements to the taxing districts four times per year, in February, April, June and November.

The RTB levied upon all taxable property within the Metropolitan Transit Taxing District the amount of \$47,402,042 for use by the RTB for payment of the expenses of operating transit and paratransit services. This represents a two (2) mill levy on all taxable property within the Metropolitan Transit Taxing District, except that the levy on taxable property located in certain communities is reduced by specific amounts to reflect lower levels of transit services available. In addition, the RTB also levied upon all taxable property within the Metropolitan Transit Area, but outside the Metropolitan Transit Taxing District an amount payable in 1985 of \$406,999.

The counties spread all levies over taxable property. Such taxes become a lien on January 1 and are recorded as taxes receivable by the RTB at that date. Revenues are accrued and recognized in the year collectible, net of delinquencies.

3. BUDGET

The RTB did not adopt a budget for the period from July 1, 1984 (date of inception) to December 31, 1984 as required by generally accepted accounting principles and Minnesota Statutes section 473.38. Consequently, the financial statements do not include budget information or budgetary comparisons as required by generally accepted accounting principles.

4. CHANGES IN GENERAL FIXED ASSETS

	Balance July 1, <u>1984</u>	<u>Additions</u>	Balance December 31, <u>1984</u>
Office Equipment	<u>\$ -0-</u>	<u>\$3,110</u>	<u>\$3,110</u>

5. RETIREMENT PLANS

The RTB employees belong to the state-wide retirement plan administered by the Minnesota State Retirement System (MSRS). The RTB contribution to this plan of \$4,454 was based on statutory percentages determined by MSRS for the period ended December 31, 1984, with full funding required by the year 2010. MSRS is a state-wide contributory retirement plan having annual actuarial valuations. An individual entity's portion of the unfunded liability is not available because no entity is directly liable for any unfunded liability under Minnesota law.

6. SUBSEQUENT EVENT

On February 19, 1985 the RTB authorized the public sale of \$16,500,000 Tax Anticipation Certificates of Indebtedness. The Certificates bear an interest rate of 5.56% per annum and mature on April 1, 1986. Collections of property taxes and certain intergovernmental revenue to be received from the State of Minnesota must be placed in escrow to the extent of 110% of the indebtedness.

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