



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

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

MEETING OF THE REGIONAL TRANSIT BOARD
April 21, 1986
Metropolitan Council Chambers
4:00 p.m.

AMENDED AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of April 7, 1986, Meeting
4. Consent List - No Business Items
5. REPORT OF THE POLICY COMMITTEE Todd Lefko,
Chair
6. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin,
Chair
 - a. Approval to Amend the Agreement and Conclude Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards, Resolution No. 86-__*
 - b. Termination of Office Space Lease with Metropolitan Government Center Limited Partnership
 - c. Metropolitan Transit Commission (MTC) Tax Anticipation Notes Escrow Agreement
7. OTHER BUSINESS
 - a. Chairman's Report
 - b. Members' Reports
 - c. Staff Reports
8. PUBLIC COMMENT

Elliott Perovich
Chairman

* Please bring material from committee meetings.

Tim Mah

Engel

LJ

KT

RD

GB

Steve Bertoni

MK

Emil

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: 4/21

BOARD OR COMMITTEE 4/21 - Board

MEMBER NAME	PRESENT	VOTE	G.A. VOTE	VOTE	VOTE	VOTE
Chairman	✓		✓			
Kenneth Bedeau (P)	X		✓			
Doris Caranicas (P)	✓		✓			
Ruth Franklin (Chair, A & F)	✓		✓			
Alison Fuhr (P)	✓		✓			
Paul Joyce (A & F)	✓		✓			
Edward Kranz (A & F)	✓		✓			
Todd Lefko (Chair, Policy)	✓		✓			
Bernard Skrebes (A & F)	✓		✓			

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
April 7, 1986

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

OTHERS PRESENT: Ghaleb Abdul-Rahman, Mary Fitzgerald, Judy Hollander, Katie Turnbull, Judith McCourt, Leslie Johnson, Bob Dietrick, Jerry Brechlin and Mike Kuehn, Regional Transit Board Staff; Tim Marx, legal counsel; Steve Bertrand; Greg Andrews, Metropolitan Transit Commission (MTC); Emil Brandt, Metropolitan Council; Arnie Entzel, Amalgamated Transit Union, Local 1005; Robert Pulscher, Springsted, Inc.

The meeting was called to order at 4:00 p.m. and roll taken. Fuhr moved approval of the amended agenda; Lefko seconded the motion. Motion carried unanimously. (Skrebes not present.)

Lefko moved approval of the minutes of the March 17, 1986 meeting; Caranicas seconded the motion. Motion carried unanimously. (Skrebes not present.)

CONSENT LIST

ENVIRONMENTAL ASSESSMENT WORKSHEET FOR THE RECONSTRUCTION OF VALLEY VIEW ROAD BETWEEN COUNTY STATE AID HIGHWAY (CSAH) 4 AND MITCHELL ROAD IN EDEN PRAIRIE

Fuhr moved approval of the consent list dated March 12, 1986; Caranicas seconded the motion. The motion carried unanimously. (Skrebes not present.)

REPORT OF THE POLICY COMMITTEE

REVIEW OF THE NORWEST CENTER (1985) DRAFT ENVIRONMENTAL IMPACT STATEMENT

Committee Chair Lefko reviewed the committee report dated March 31, 1986, and moved:

That the Regional Transit Board find the Norwest Center (1985) Draft Environmental Impact Statement and the Supplementary Transit Analysis for Minneapolis City Center II and Norwest Center (1985) consistent with the Regional Transit Board's Interim Implementation Plan.

Kranz seconded the motion. The motion carried unanimously. (Skrebes not present.)

1987 EXURBAN FUNDING CRITERIA

Committee Chair Lefko reviewed the committee report dated March 31, 1986, and moved:

That the Regional Transit Board adopt a two-stage process for the distribution of exurban funds. In the first stage, it is recommended that the Regional Transit Board solicit exurban proposals based on the existing guidelines. In the second stage, it is recommended that, based on the remaining available funding, a project be developed to solicit proposals for one-time funding commitments.

Fuhr seconded the motion. The chairman questioned whether this is a policy or a financial issue. Lefko said it is a short term, one-year policy and if there is additional funding it may continue to next year. The chairman said the board should discuss the process because this seems to be a financial issue as well. Lefko said there are two phases, first it will go through the regular process and, with additional funding, seek a one-time funding commitment. This is apart from money we give anyone. Caranicas said it gives the board flexibility to do something else with the money because it is one-time, extra money that could be used for a demonstration project. We do not know if we will have this kind of extra funding again. Kranz said a 50-percent match on behalf of the applicant is required. Traditionally, applicants were local units of government. With the latest effort with private providers, consideration should be given to waiving that requirement on an individual basis. Vote was taken; the motion carried unanimously. (Skrebes not present.)

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

METROPOLITAN TRANSIT COMMISSION TAX ANTICIPATION NOTES APPROVAL, RESOLUTION NO. 86-9

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986, and noted that Mr. Pulscher from Springsted, Inc. was present, along with Greg Andrews. Franklin moved:

That the Regional Transit Board approve Resolution 86-9 authorizing the issuance of \$17,600,000 in Tax Anticipation Certificates of Indebtedness of the Metropolitan Transit Commission, pursuant to Minnesota Statutes, Section 473.436, Subdivision 5.

Marx noted that the resolution in the board packet was not needed and that the board should approve the resolution prepared by Springsted and distributed during this meeting. Franklin asked the Administration and Finance Committee members to read the agreement so that in the future they will be a little clearer about what is expected. She said resolutions should be received in a more timely manner. Pulscher said he was responsible for the revised information being delivered so late. The weakness in the commission issuing the certificates is that the RTB is the tax collector. He apologized for bringing this up at this late date. A letter will be sent to the members on April 8 explaining the process. As required by law, the board is agreeing to pay into an escrow account. Roll call vote was taken; the motion and resolution were approved unanimously. (Skrebes not present.)

MTC SECTION 9 GRANT APPROVAL, RESOLUTION NO. 86-10

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986 and moved:

That the Regional Transit Board approve Resolution 86-10 authorizing the application of the Metropolitan Transit Commission for \$19,207,509 of federal transit assistance.

Kranz seconded the motion. Roll call vote was taken on the motion and resolution; they were approved unanimously. (Skrebes not present.)

CONTRACT AMENDMENT WITH STRGAR-ROSCOE-FAUSCH, INC. ON TRANSIT SERVICE NEEDS ASSESSMENT

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986 and moved:

That the Regional Transit Board authorize the executive director to execute an amendment to the Transit Service Needs Assessment contract with Strgar-Roscoe-Fausch, Inc., to increase the amount of the contract to \$461,000.

Caranicas seconded the motion, noting that the original amount of the contract was \$300,000. This amendment covers work through Phase II. Franklin said the committee discussed the large increase at some length and, while she had misgivings about such a large change, it is important to move forward with the Transit Service Needs Assessment. Phase I identified extra items that must be done. Lefko said Strgar-Roscoe-Fausch should be notified that their estimates should be more exact in the future. Franklin said there has been criticism in the metro area about the amount of money spent on planning transit through the years. This is another transit planning expenditure that produces no results for the outlying areas.

Abdul-Rahman said that when the staff made the contract proposal it was not possible to outline the work program for Phase II because it would depend on what surfaced in Phase I. The chairman said Strgar-Roscoe-Fausch was not responsible for the increases because the program was expanded. Abdul-Rahman said Strgar-Roscoe-Fausch stated from the outset that they could not make a final estimate. Lefko said some members were uncomfortable with the size of the increase and would like to see a breakdown of the final figures. Caranicas said members should bear in mind that the legislation requires that RTB to do this study this year, before it does anything else. Vote was taken; the motion carried unanimously. (Skrebes not present.)

PERSONNEL CODE

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986, regarding the committee's action on the final draft of the proposed Personnel Code for 1986. The committee discussed the sick leave incentive program. It will review various programs and make recommendations. Franklin moved:

That the Regional Transit Board approve the Personnel Code as proposed.

Caranicas seconded the motion. There was discussion of the definition of "part-time" and "temporary" employment. The chairman noted that RTBs enabling legislation allows only three unclassified employees and suggested that the board designate the executive director, director of administration and the director of programs and planning as unclassified service. Vote was taken; the motion carried unanimously. (Skrebes not present.)

EMPLOYEE FIDELITY BOND

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986 and moved:

That the Regional Transit Board authorize the executive director to secure an Employee Fidelity Bond in the amount of \$500,000 for a premium of \$544 from United Pacific.

Lefko seconded the motion, questioning why the premium quoted is lower than the \$1,500 premium recommended to the committee. Johnson said it was concluded that a lower limit of coverage would be acceptable. The motion carried unanimously.

FINANCIAL STATEMENT (YEAR'S END)

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986 and moved:

That the Regional Transit Board approve the year-end 1985 financial statements and direct that they be placed on file subject to final approvals with acceptance of audited reports.

Joyce seconded the motion. The motion carried unanimously.

APPROVAL TO AMEND THE AGREEMENT AND CONCLUDE CONSULTING SERVICES OF SUBHASH MUNDLE AND ASSOCIATES FOR THE DEVELOPMENT OF REGIONAL FINANCIAL AND PERFORMANCE STANDARDS, RESOLUTION NO. 86-__

Committee Chair Franklin said there are corrections to the dollar figures shown in the committee report dated April 7, 1986. The correct cost is \$12,376.32. Franklin moved:

That the Regional Transit Board authorize the executive director to amend the Regional Transit Board's agreement with the Metropolitan Transit Commission to reimburse MTC an additional \$3,132.42 for 50-percent of labor costs plus 50-percent direct out-of-pocket expenses of the Subhash Mundle and Associates contract, total not to exceed \$12,376.32.

Skrebes seconded the motion. Caranicas said the original contract did not include payment of expenses. Abdul-Rahman said there was an agreement for payment of labor cost plus expenses, but the bill did not include the expenses. The bottom line is the same. The issue is how much is labor cost and how much is expense. Caranicas noted that there is an error in the recommendation. After discussion of what the correct figures should be, Joyce moved that the matter be referred back to committee. Skrebes seconded the motion. Franklin withdrew her motion; seconder concurred. Vote was taken to send the item back to committee; the motion carried unanimously.

METRO MOBILITY COMPUTER SYSTEM CONSULTANT CONTRACT APPROVAL

Committee Chair Franklin reviewed the report of the committee dated April 7, 1986 and moved:

That the Regional Transit Board authorize their executive director to enter into a contract for consulting services with the firm of Arthur Young & Company for an amount not to exceed \$6,500.

Skrebes seconded the motion. Caranicas asked if this is a firm figure; McCourt said staff will alert the members if problems develop. Vote was taken; motion carried unanimously.

CONTRACT FOR COMPUTER PROGRAMMING

This item was added to the agenda. Committee Chair Franklin reviewed the report of the committee dated April 7, 1986 and moved:

That the Regional Transit Board authorize the executive director to execute a retainer contract with Albers Associates, Inc., for computer programming services not to exceed 100 hours at \$45 per hour.

Joyce seconded the motion. The motion carried unanimously.

OTHER BUSINESS

The chairman described the budget cuts for transit made by the 1986 Legislature. The Administration and Finance Committee will have to discuss how to handle them. The chairman distributed copies of his memorandum to Joseph Sizer, Director of the Intergovernmental Section, State Planning Agency, regarding Legislative Trends and Issues. He asked the board to consider a source of stable funding. A parking tax was one proposed alternative. Lefko said the board should schedule half a day to discuss this type of issue. On April 9 the Policy Committee will begin to discuss competitive bidding. The chairman said the members need some time to discuss the cost of human services. In the fall, when the legislative package is put together, the State Planning Agency will ask for information on what RTB wants to come out of the 1987 session.

Franklin reported on the Office Space Policymakers meeting on April 2. Staff had recommended that a clause be inserted calling for a deposit of \$55,000 in escrow to cover liquidation damages. The deposit was delivered on April 4. The committee is considering alternative space. Court International is one possibility.

Fuhr said it is important for board members to travel to conferences in order to be better informed. The chairman said the budget is limited and each trip must be carefully evaluated.

Skrebes said a senior high-rise in St. Louis Park has had problems with insurance for its vans. He asked that the legal requirements for these vehicles be investigated. Marx said he will report back; it is likely that the regulations of the Transportation Regulatory Board would apply.

Abdul-Rahman reported that he is discussing a members' visit to the Vancouver Expo '86. It is possible Canada's Department of External Affairs will pay the air fare, with local operators of LRT paying the hotel expenses. A committee of the government will consider and choose between the proposed visits. The LRT linear induction system will be in operation before the proposed trip. The chairman directed legal counsel to investigate having a supplier pay for members' travel. Franklin said she will attend the Deloitte Haskins audit conference. Abdul-Rahman also asked the members to indicate whether they are interested in attending the Mankato transit conference on May 8 and 9.

There being no further business, Fuhr moved that the meeting be adjourned. Caranicas seconded the motion. The motion carried unanimously; meeting adjourned at 5:35 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 14, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Draft Final Report on Development of Financial and Performance Standards for MTC Regular Route Transit Services

At its April 16, 1986, meeting, the Policy Committee will be discussing the subject report. A recommendation will be presented at the April 21 board meeting.

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 18, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Approval to Amend the Agreement and Conclude Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards, Resolution No. 86-__

At its meeting April 17, 1986, the Administration and Finance Committee reviewed the corrected figures to amend the agreement with MTC and close out the contract with Subhash Mundle and Associates.

RECOMMENDATION

That the Regional Transit Board approve Resolution No. 86-__ authorizing the executive director to amend the agreement with the Metropolitan Transit Commission to reimburse fifty-percent of the contract fees plus fifty-percent of the direct out-of-pocket expenses, total reimbursement not to exceed \$12,376.32, and close out said agreement.

RUTH FRANKLIN
CHAIR

A&F411

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 15, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Approval to Amend the Agreement and Conclude Consulting
Services of Subhash Mundle and Associates for the Development
of Regional Financial and Performance Standards
Resolution No. 86-___*

At its meeting April 17, 1986, the Administration and Finance Committee will review the corrected staff memorandum regarding the contract with MTC for Mundle and Associates. An oral report will be presented to the full board at the meeting scheduled for April 21, 1986.

RUTH FRANKLIN
CHAIR

A&F411

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101

RESOLUTION NO. 86-

RESOLUTION

Approving an Amended Agreement and Conclusion of Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards

WHEREAS, The Regional Transit Board (hereinafter called the RTB) is jointly involved with the Metropolitan Transit Commission (hereinafter called the MTC) in a Joint RTB/MTC Committee to develop financial and performance standards for regular route transit service in the metropolitan area; and

WHEREAS, The MTC retained the services of Subhash Mundle of Mundle and Associates to assist with the development of regional financial and performance standards; and

WHEREAS, The RTB, date of October 21, 1985, agreed to share in the expenses of the contract with Mundle and Associates and to reimburse the MTC for an amount not to exceed \$7,500 plus fifty-percent of direct out-of-pocket expenses of said contract; and

WHEREAS, The expenses associated with Mr. Mundle's assignment exceed the contracted \$15,000 due a request of MTC and RTB staff that Mr. Mundle complete some work beyond the original scope of work.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Regional Transit Board authorize the executive director to amend the agreement with the Metropolitan Transit Commission to reimburse fifty-percent of the contract fees plus fifty-percent of the direct out-of-pocket expenses, total reimbursement not to exceed \$12,376.32 and close out said agreement.

Adopted this _____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 15, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: First Amendment to New Space Lease

At its meeting April 17, 1986, the Administration and Finance Committee will review the staff memorandum regarding the first amendment to the new space lease. An oral report will be presented at the full board meeting scheduled for April 21, 1986.

RUTH FRANKLIN
CHAIR

A&F411

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 11, 1986
TO: Administration and Finance Committee
FROM: Leslie M. Johnson, Director of Administration
SUBJECT: Reimbursement Agreement with MTC for Subhash Mundle and Associates Contract

ACTION REQUESTED

Pursuant to the board's having referred the above issue back to the Administration and Finance Committee, the committee is asked to review the corrected figures, per memorandum and resolution attached, and confirm their recommendation of April 3, 1986 to accordingly amend the agreement with MTC and close out the contract with Subhash Mundle and Associates.

BACKGROUND

The committee is aware of the origin, purposes and work program of the MTC contract, and attendant MTC/RTB reimbursement agreement, with Subhash Mundle and Associates for the development of regional financial and performance standards.

The committee is also aware that our agreement with MTC, approved October 21, 1985, calls for the RTB to reimburse the MTC for "fifty-percent of said contract fees not to exceed \$7,500 plus fifty-percent of direct out-of-pocket expenses".

Finally, the committee is aware of the need to amend the agreement with MTC and appropriate additional funds, due to a request of RTB and MTC staff that Mr. Mundle complete some work beyond the original scope of work, in order to reimburse MTC the appropriate fifty-percent and close out the contract.

The fifty-percent of contract fees plus fifty-percent of direct out-of-pocket expenses coupled to the contract increase is at the core of the incorrectly written memoranda for which I personally apologize to the committee.

The correct figures are as follows:

	<u>Contract Fees</u>	<u>Direct Out-of-Pocket Expenses</u>	<u>Total</u>
Original Scope of Work	\$15,000	\$5,314.10	\$20,314.10
Amended Scope	3,480	958.53	4,438.53
Total	\$18,480	\$6,272.63	\$24,752.63
RTB's fifty-percent	\$ 9,240	\$3,136.32	\$12,376.32

MUNDLE AGREEMENT
April 11, 1986
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RECOMMENDATION

That the Regional Transit Board approve Resolution No. 86-_____ authorizing the executive director to amend the agreement with the Metropolitan Transit Commission to reimburse fifty-percent of the contract fees plus fifty-percent of the direct out-of-pocket expenses, total reimbursement not to exceed \$12,376.32 and close out said agreement.

Attachment
A&F411

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101

RESOLUTION NO. 86-

RESOLUTION

Approving an Amended Agreement and Conclusion of Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards

- WHEREAS, The Regional Transit Board (hereinafter called the RTB) is jointly involved with the Metropolitan Transit Commission (hereinafter called the MTC) in a Joint RTB/MTC Committee to develop financial and performance standards for regular route transit service in the metropolitan area; and
- WHEREAS, The MTC retained the services of Subhash Mundle of Mundle and Associates to assist with the development of regional financial and performance standards; and
- WHEREAS, The RTB, date of October 21, 1985, agreed to share in the expenses of the contract with Mundle and Associates and to reimburse the MTC for an amount not to exceed \$7,500 plus fifty-percent of direct out-of-pocket expenses of said contract; and
- WHEREAS, The expenses associated with Mr. Mundle's assignment exceed the contracted \$15,000 due a request of MTC and RTB staff that Mr. Mundle complete some work beyond the original scope of work.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Regional Transit Board authorize the executive director to amend the agreement with the Metropolitan Transit Commission to reimburse fifty-percent of the contract fees plus fifty-percent of the direct out-of-pocket expenses, total reimbursement not to exceed \$12,376.32 and close out said agreement.

Adopted this _____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 18, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Termination of Office Space Lease with Metropolitan
Government Center Limited Partnership

At its meeting April 17, 1986, the Administration and Finance Committee reviewed the staff recommendation to terminate the office space lease with Metropolitan Government Center Limited Partnership. The following was approved:

RECOMMENDATION

That the Regional Transit Board authorize the chairman and executive director to take such steps as are necessary to terminate the lease with Metropolitan Government Center Limited Partnership.

RUTH FRANKLIN
CHAIR

A&F411

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 17, 1986
TO: Administration and Finance Committee
FROM: Leslie M. Johnson, Director of Administration
SUBJECT: Termination of Office Space Lease with Metropolitan
Government Center Limited Partnership

ACTION REQUESTED

The committee is asked to review the latest events in the saga of acquiring new space and recommend authorizing the chairman and executive director to take steps to terminate the lease with Metropolitan Government Center Limited Partnership (MGCLP).

BACKGROUND

At the last board and Administration and Finance Committee meetings, board members were briefed on the progress of the proposed new office space. A summary of events is that at the April 2 Policymakers meeting, there was a decision by MWCC, Met Council and RTB to allow two additional weeks (until April 16) for the developers to bring their activities into conformance with the lease that had been approved and signed by all three agencies in late February, subject to the immediate provision of a "good faith" check in the amount of \$55,000.

Since they had missed nearly every deadline that was in the lease, there was strong agreement that no further lease extensions or revisions would be granted. Four additional conditions also were written up as a lease amendment and would have come before the Administration and Finance Committee for your consideration April 17, today:

Those conditions included:

1. Extend agencies option to terminate by amending the following dates:
 - a) Amend dates for establishing escrow account (\$1,847,000) to April 16 at 4:00 p.m.
 - b) Amend date for financing certification to May 16.
2. Insert clause for \$55,000 liquidated damages to be divided among agencies with \$50,000 amount escrowed immediately.
3. Insert clause to pay agencies for legal fees associated with lawsuit.
4. After the April 16 Policymakers meeting, open discussions with an agent regarding costs and availability of space elsewhere in St. Paul.

TERMINATION OF OFFICE SPACE

April 17, 1986

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On Friday, April 6, Jon Elam of the Metropolitan Council received a call from the MGCLP that they had deposited a check for \$55,000 with Security Title Company in Bloomington and later that evening he received a copy of the escrow agreement at his home. After review, it was found to be deficient, but the decision was to move ahead on the negotiations with the hope that the major escrow fund would be established by the April 16 deadline.

On Monday evening (April 14), Mr. Elam received a call at home from the principal partner in MGCLP telling him they would not be able to meet the escrow requirements and wondering about getting another developer to pick up the project.

At the Policymakers meeting April 16, the three agencies met to discuss this latest date deadline failure and decided unanimously to recommend to their respective boards that the lease be officially terminated.

The group also unanimously voted to begin lease negotiations with Court International, an Estes Company development located on University Avenue next to Highway 280 in St. Paul.

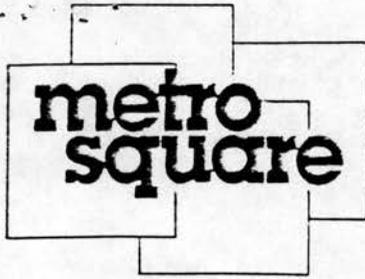
No additional options were approved, but the committee did set up weekly meetings to review the status of these negotiations. In summary, this new proposal has a number of very beneficial features, including;

- A metropolitan-wide central location with easy access.
- The space would be available by December 31, 1986, thus avoiding the need to seek a lease extension at Metro Square.
- Very good amenity package with good aesthetics, free parking and a very attractive building.
- Provides a significantly larger per square foot finish-out allowance (\$15.00 versus \$8.25/foot).
- All three agencies would be accommodated on three floors versus six as proposed at the TeleCenter.
- Rent levels would be capped at the same maximum (\$13.00/square foot) as the TeleCenter proposal.

Thus, in order to clear the deck from the MGCLP lease agreement and move directly into negotiations for space in Court International, the committee is requested to adopt the following recommendation.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board authorize the chairman and executive director to take such steps as are necessary to terminate the lease with Metropolitan Government Center Limited Partnership.



metro square partnership
7th and Robert • Suite 580 • St. Paul, Minnesota 55101 • (612) 291-0916

April 18, 1986

Ms. Sandra Gardebring
Metropolitan Council
300 Metro Square
St. Paul, Minnesota 55101

Mr. Elliott Perovich
Regional Transit Board
270 Metro Square
St. Paul, Minnesota 55101

Mr. Paul McCaron
Metropolitan Waste Control
350 Metro Square
St. Paul, Minnesota 55101

Dear Ms. Gardebring and Messrs. Perovich and McCarron:

We were sorry to learn about your agencies' decision to leave downtown St. Paul. This is obviously a loss to not only Metro Square but to all of downtown St. Paul. This loss is being recognized by us and the downtown business community. In fact we have recently met with a representative of the Downtown Council who has urged us to restructure our lease proposals to you as an inducement for you to delay your departure from downtown St. Paul sufficiently so the downtown business community can continue to work to achieve your ultimate goal of moving to new and modern space in the downtown area. While the Block L project has received a setback, the downtown business community is committed to make every effort to retain your agencies and their employees in downtown and believe that given time downtown St. Paul can meet your every need. At the urging of the downtown business community we would like to offer the following lease proposals to you.

Ms. Sandra Gardebring
Mr. Elliott Perovich
Mr. Paul McCarron
April 18, 1986
Page Two

- A. Lease Term: One year with options to renew for additional one year terms.
- B. Rental Rate: \$9.90 gross per usable square foot during the initial term.
- C. We acknowledge your strong desire to ultimately move from Metro Square. However, as a member of the downtown community we wish to cooperate with the downtown business community in its efforts to keep you in the downtown area and wish to work with you in reaching some accommodation which will allow you to move from our premises when new quarters are available for you in the downtown area. If you wish to move at any time other than upon the expiration of a one year lease term, we will agree to abate your rent to the extent new tenants are found for your space. We of course will commence our efforts to place new tenants in your space as soon as you give us notice of your intended move.

Harmon Glass Company is scheduled to commence pulling the metal panels from the building in preparation for the exterior renovation and window installation within the next two weeks. By the method of construction to be used we can delay the installation of the interior openings for the windows to be located within your premises and thereby require very little disruption of your office space and personnel. In the alternative, if during your interim stay you direct us to install the interior openings we will do so with as little inconvenience as possible.

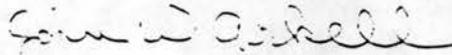
Metro Square has already entered into a contract to retain Judy Mueller and Robert VanHoef as our new property managers commencing May 1, 1986. We hope you will give them an opportunity to meet with you. These two individuals enjoy a very fine management reputation in the Twin Cities area.

Ms. Sandra Gardebring
Mr. Elliott Perovich
Mr. Paul McCarron
April 18, 1986
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If the above will help induce you to delay your departure from Metro Square so that more suitable space can be found or developed for you in downtown St. Paul, we will be very pleased to have participated in keeping your agencies in downtown St. Paul. If however your decision is to ultimately move from downtown St. Paul, we will work with you to make the move as smooth as possible. In either case, we believe there is sufficient matter for us to discuss and would like the opportunity to visit with you at your earliest convenience.

Very truly yours,

METRO SQUARE PARTNERSHIP



John W. Arkell
Managing General Partner

JWA/jjb

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 21, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: MTC Tax Anticipation Notes Escrow Agreement

Action Requested:

The Board is asked to reconfirm their action of April 7th approving the MTC Tax Anticipation Note sale and Escrow Agreement with one change in the Agreement.

Background:

At its meeting April 17, 1986, the Administration and Finance Committee reviewed the Tax Anticipation Note Escrow Agreement to be fully aware of its contents and requirements. The Escrow Agreement is returned to the board to confirm the agreement with the change of a section as indicated below.

Board members will recall our action at the April 7th Board meeting to approve the MTC Tax Anticipation Note Sale and Escrow Agreement. The Escrow Agreement was presented at the Board meeting and had not been previously reviewed by the committee.

At Administration and Finance, staff recommended that Section 4, Page 3, of the Escrow Agreement be changed to provide that any residual interest in the escrow account return to the RTB rather than the MTC. The rationale for this change is for the Regional Transit Board to take control of the use of tax proceeds assuring responsiveness to policy decisions made at the RTB and to insure that there will be no revenues accruing to the MTC in excess of the Transit assistance appropriation approved by the RTB in the 1986 budget process.

The committee concurred on this change and there were no other issues raised by staff and/or committee members.

RECOMMENDATION:

That the Regional Transit Board make the following change in the Escrow Agreement on Page 3, Section 4, second sentence: "...The money in the Account has been and is hereby irrevocably appropriated by the Board and Commission for the purposes of paying the principal of and interest on the payment of the Certificates and the interest thereon shall be transmitted to the Board on the day following final maturity and delivery to the Paying Agent of an amount sufficient to pay in full principal of and interest on the Certificates; and reconfirm its April 7th approval of the Escrow Agreement."

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 18, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: MTC Tax Anticipation Notes Escrow Agreement

At its meeting April 17, 1986, the Administration and Finance Committee reviewed the Tax Anticipation Note Escrow Agreement to be fully aware of its contents and requirements. The Escrow Agreement is returned to the board to confirm the agreement with the change of said section as indicated below.

RECOMMENDATION:

That the Regional Transit Board make the following change in the Escrow Agreement on Page 3, Section 4, second sentence; and recommends approval of the following: "...The money in the Account has been and is hereby irrevocably appropriated by the Board and Commission for the purposes of paying the principal of and interest on the payment of the Certificates and the interest thereon shall be transmitted to the Regional Transit Board on the day following the final maturity and delivery to the Paying Agent of an amount sufficient to pay in full principal of and interest on the Certificates."

RUTH FRANKLIN
CHAIR

A&F411

REGIONAL TRANSIT BOARD

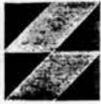
Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 11, 1986
TO: Administration and Finance Committee
FROM: Regional Transit Board
SUBJECT: MTC Tax Anticipation Note Escrow Agreement

Pursuant to the request of Committee Chair Ruth Franklin at the April 7, 1986 board meeting, the committee is asked to review the attached Tax Anticipation Note Escrow Agreement to be fully aware of its contents and requirements. It is accompanied by a letter from Robert Pulscher of Springsted. In that the board approved the Escrow Agreement at the April 7 meeting, no further action is required at this time.

Attachment
A&F411

SPRINGSTED INCORPORATED



Public Finance Advisors
85 East Seventh Place, Suite 100
Saint Paul, Minnesota 55101-2143
612-223-3000

8 April 1986

Mr. Elliot Perovich, Chair
Ms. Ruth Franklin, Committee Chair
Members, Administration and Finance Committee
Regional Transit Board
270 Metro Square Building
Saint Paul, Minnesota 55101

We have attached a copy of the Escrow Agreement for which we asked your approval on Monday, April 7, 1986. The draft agreement was discussed with Mr. Leslie Johnson and Mr. Gerald Brechlin prior to your meeting, and I believe the agreement generally met with their approval.

This agreement in essence requires you to fund the Escrow Account in an amount sufficient to guarantee the payment at maturity of the \$17,600,000 tax anticipation notes, together with accrued interest. Funding of the Escrow Account must be from taxes levied pursuant to Minnesota Statutes, Section 473.446, Subdivision 1(a), and initial deposits must begin at the time 110% of the amount equal to the total principal and interest due May 15, 1987 remains to be collected from total property tax proceeds. While the 110% requirement affects the timing of the initial deposit, you are only required to fund 100% of the actual requirement of principal and interest.

The Escrow Agreement designates Norwest Bank Minneapolis as Escrow Agent. Norwest Bank was selected by MTC after solicitation of bids. Expenses of the agent will be paid by MTC. Any investment earnings from the account will be retained by MTC.

This Escrow Agreement formalizes for rating purposes the obligation of the Board relative to the Commission's temporary borrowing which is spelled out in detail in Minnesota Statutes, Section 473.436, Subdivision 6 which states in part that. . ."The Commission is authorized to pledge to the payment of the note or notes, taxes levied by the Regional Transit Board under Section 473.446, Subdivision 1, Clause (a) and if taxes are so pledged, the Board shall transfer amounts received from the levy to the Commission for payment of the note or notes."

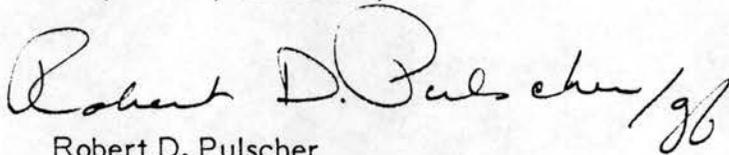
I am the one to blame for this item not appearing on the April 3, 1986 meeting of the Administration and Finance Committee. I did not think the Board's participation in the agreement was necessary in view of the statutory language quoted above. It was not until after that meeting that I learned the Board and Commission have not entered into agreements to date which spell out the amount and timing of Commission funding through property tax proceeds, and in the absence of any such formal agreement we felt the Board's obligation in

Regional Transit Board
8 April 1986
Page 2

the form of this agreement to fund the Escrow Account was essential to receipt of Moody's Investors Service highest short-term credit rating of MIG-1.

We apologize for this approval procedure but it was necessary if the notes were to be offered for sale on April 22nd, since the documentation must be submitted to Moody's Investors Service by approximately April 12th. We believe receipt of the MIG-1 rating, if obtained, will prove to be in the best interest of the Board and Commission.

Respectfully submitted,

A handwritten signature in cursive script that reads "Robert D. Pulscher / gb". The signature is written in dark ink and is positioned above the typed name.

Robert D. Pulscher
Springsted Incorporated

/mgh

Enclosure

cc: Mr. Leslie Johnson
Mr. Gerald Brechlin

ESCROW AGREEMENT

THIS ESCROW AGREEMENT made and entered into as of the _____ day of May, 1986 (the "Agreement") by and between the Metropolitan Transit Commission, a public corporation and political subdivision of the State of Minnesota (the "Commission"), the Regional Transit Board, a public corporation and a political subdivision of the State of Minnesota (the "Board") and Norwest Bank Minneapolis, N.A., a national banking association (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Commission has heretofore agreed with the purchasers and holders from time to time of its \$17,600,000 Tax Anticipation Certificates of Indebtedness, Series 1986 (the "Certificates") pursuant to the terms of a resolution adopted by the Commission on April 22, 1986 (the "Sale Resolution") that it will escrow certain tax receipts and other monies for payment of the principal of and interest on the Certificates and that it has approved the form and content of this Agreement and authorized its execution; and

WHEREAS, pursuant to the Sale Resolution the Commission has authorized the issuance of the Certificates and has designated Norwest Bank Minneapolis, N.A. to act as Escrow Agent under this Agreement; and

WHEREAS, pursuant to resolution adopted by it on April 7, 1986, the Board has approved the issuance of the Certificates by the Commission and has approved the form of this agreement and has authorized the execution hereof by its Chair and Director of Administration.

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

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

upon the covenant of the Commission that such tax receipts and other monies would be placed in escrow as stated in the offering materials related to the Certificates;

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

Section 1. The Board shall deposit and use all taxes levied by it pursuant to Minnesota Statutes, Section 473.446, Subdivision 1(a) (the "Taxes") in 1985 and collected in 1986 by the County Auditors of Anoka, Carver, Dakota, Ramsey, Hennepin, Scott and Washington Counties together with all state aids paid in lieu of such taxes collected in 1986 (including, without limitation, the homestead credit, agricultural credit, wetlands credit and machinery credit) (the "Taxes"), which are receivable by the Board after the date of this Agreement as follows:

(a) The Taxes shall be used for the purposes for which such taxes were levied until all but 110% of the total amount of the principal of and interest due on the Certificates on May 15, 1987, remains unspent, at which time the Board shall pay to the Escrow Agent for deposit in the Account (as defined below) Remaining Taxes received by the Board in an amount equal to \$_____ (the total principal of and interest due on the Certificates on May 15, 1987) less the amount then on hand in the Account. Any Remaining Taxes held by the Board following such deposit shall be used by the Board for the purposes for which they were levied. Accordingly, the Escrow Account will be fully funded in 1986.

Section 2. If the amounts received by the Escrow Agent from the Board pursuant to Section 1 hereof (together with amounts deposited into the Account pursuant to Section 3 hereof, and investment earnings on such amounts) are insufficient for any reason to pay in full the principal of and interest on the Certificates on May 15, 1987, the Commission shall pay the difference to the Escrow Agent for deposit in the Account, from any taxes, income or revenue received or accrued during fiscal year 1986 or any other money of the Commission lawfully available therefor. The Escrow Agent shall notify the Commission of any deficiency not later than December 30, 1986, and the Commission shall make such payment immediately upon receipt of such notice.

Section 3. The Escrow Agent hereby acknowledges the receipt on May 15, 1986, from the Commission of \$ _____, which represent the accrued interest received on the sale of the Certificates. Such \$ _____ has been deposited in the Account.

Section 4. All Taxes and other monies paid over to the Escrow Agent shall be held in a separate escrow account to be designated "Metropolitan Transit Commission 1986 Tax Escrow Account" (the "Account"). The money in the Account has been and is hereby irrevocably appropriated by the Board and Commission for the purpose of paying the principal of and interest on the Certificates, provided that any balance remaining in the Account after the payment of the Certificates and the interest thereon shall be transmitted to the Commission on the day following the final maturity and delivery to the Paying Agent of an amount sufficient to pay in full principal of and interest on the Certificates.

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

Section 6. Sums from time to time on deposit in the Account shall be invested by the Escrow Agent pursuant to instruction from the Commission, but only in securities authorized for investment as provided by Minnesota Statutes, Section 475.66, and only in securities which mature no later than the maturity date of the Certificates. The Escrow Agent is hereby authorized to trade to or from any of its affiliated banks. Earnings on sums on deposit in the Account may be used for the same purposes for which other monies in the Account may be used. Investment decisions or instructions may be initially communicated orally to the

Escrow Agent, but shall be confirmed and transmitted in writing within 48 hours thereafter. The Escrow Agent shall have no responsibility to invest sums from time to time on deposit in the Escrow Account except on instruction from the Commission.

Section 7. The Escrow Agent shall provide monthly accounting statements commencing October, 1986 to the following:

Richard Bunde	Director of Administration
Metropolitan Transit Commission	Regional Transit Board
560 - 6th Avenue North	270 Metro Square
Minneapolis, MN 55411-4398	Saint Paul, MN 55101

Section 8. If for any reason the Escrow Agent shall fail or refuse to act in accordance with the provisions of this Agreement, the Commission may terminate this Agreement, and in such event the Commission and the Board shall enter into another escrow agreement with another bank or financial institution which in their reasonable opinion is qualified to act as escrow agent hereunder, and the Escrow Agent shall, on demand, deposit with the new escrow agent any cash or securities on hand in the Account.

Section 9. The Escrow Agent may conclusively rely upon, and shall be protected in acting upon, any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper parties. The Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be only to act as expressly set forth in this Agreement. The Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement unless first indemnified to its satisfaction. The Escrow Agent may consult legal counsel with respect to any question arising hereunder and the Escrow Agent shall not be liable for any action taken or omitted by it in good faith upon advice of such legal counsel. All monies held by the Escrow Agent pursuant hereto shall constitute trust property for the purposes for which they are held and the Escrow Agent shall not be liable for any interest thereon.

Section 10. The Escrow Agent has agreed to serve hereunder in consideration of \$_____ which amount shall be paid to the Escrow Agent by the Commission on _____, 198___. In addition, the Escrow Agent shall be reimbursed by the Commission for its out-of-pocket expenses and disbursements hereunder, including, but not limited to, fees of such legal counsel as it may select to assist in the performance of its duties hereunder, including review of this Agreement.

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

Section 11. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and shall terminate in its entirety when all monies escrowed in accordance herewith have been paid and disbursed as herein provided.

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

METROPOLITAN TRANSIT COMMISSION

By _____
Frank Snowden
Chair

By _____
John J. Capell
Chief Administrator

REGIONAL TRANSIT BOARD

By _____
Elliot Perovich
Chair

By _____
Leslie M. Johnson
Director of Administration

NORWEST BANK MINNEAPOLIS, N.A.
Escrow Agent

By _____
Its _____

By _____
Its _____