



Minnesota Regional Transit
Board: Records.

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

MF
Mtg Packet

MEETING OF THE REGIONAL TRANSIT BOARD
May 5, 1986
Metropolitan Council Chambers
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of April 24, 1986, Meeting
4. Consent List - No Business Items
5. Advisory Committee Reports:
 - a. Rideshare Advisory Committee Progress Report
(John Doyle, Chair)
6. REPORT OF THE POLICY COMMITTEE Todd Lefko,
Chair
 - a. Authorization on Submit Letter of Interest
to Urban Mass Transit Agency for Fully
Competitive Transit Service Demonstration*
 - b. Opt-Out Issues*
7. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin,
Chair
8. OTHER BUSINESS
 - a. Chairman's Report
 - b. Members' Reports
 - c. Staff Reports
9. PUBLIC COMMENT

Elliott Perovich
Chairman

* Please bring material mailed in committee packets.

Kara Lynn Dietrich J. Doyle
 J. H. Ryan Emil Brant
 Fish Jodie Kauer GA LJ
 JM Max
 de Vries K.T.
 Entzel
 Bruchli

REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET

DATE: 5/5/86

BOARD OR COMMITTEE RTB

MEMBER NAME	PRESENT	VOTE	VOTE	VOTE	VOTE	VOTE
Chairman	✓					
Kenneth Bedeau (P)	—					
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 21, 1986

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, Katie Turnbull, Judith McCourt, Leslie Johnson, Jerry Brechlin and Mike Kuehn, Regional Transit Board Staff; Emil Brandt, Metropolitan Council; Steve Bertrand; Arnie Entzel, Amalgamated Transit Union; Tim Marx, legal counsel

The meeting was called to order at 4:05 p.m. and roll taken. The chairman noted that an amended agenda had been distributed, deleting action on the Draft Final Report on Development of Financial and Performance Standards for Metropolitan Transit Commission Regular Route Transit Services and First Amendment to New Space Lease, and adding Termination of Office Space Lease with Metropolitan Government Center Limited Partnership, and Metropolitan Transit Commission (MTC) Tax Anticipation Notes Escrow Agreement. Joyce moved approval of the amended agenda; Caranicas seconded the motion. Motion carried unanimously. (Franklin and Bedeau not present.)

Lefko moved approval of the minutes of the April 7, 1986 meeting; Caranicas seconded the motion. Fuhr noted that the minutes should reflect that she questioned the difference in figures between the body of the committee report and the resolution on the Subhash Mundle and Associates contract. Mover and seconder accepted the friendly amendment. Motion carried unanimously. (Franklin and Bedeau not present.)

REPORT OF THE POLICY COMMITTEE

Committee Chair Lefko said the Draft Final Report on Development of Financial and Performance Standards for Metropolitan Transit Commission (MTC) Regular Route Transit Services was being sent back to the Policy Committee to await further comments from MTC.

The next committee meeting is Wednesday, April 23, 1986. Opt-Out will be one of the issues discussed.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

APPROVAL TO AMEND THE AGREEMENT AND CONCLUDE CONSULTING SERVICES OF SUBHASH MUNDLE AND ASSOCIATES FOR THE DEVELOPMENT OF REGIONAL FINANCIAL AND PERFORMANCE STANDARDS

Vice-Chair Joyce reviewed the report of the committee dated April 18, 1986, and moved:

That the Regional Transit Board approve Resolution No. 86-11, 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.

Franklin seconded the motion. Roll call vote was taken; the motion carried unanimously.

TERMINATION OF OFFICE SPACE LEASE WITH METROPOLITAN GOVERNMENT CENTER LIMITED PARTNERSHIP

Vice-Chair Joyce reviewed the report of the committee dated April 18, 1986, and moved:

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.

Franklin seconded the motion. Lefko questioned the effects of the motion. The chairman said the policymakers committee voted last week. The developer missed a series of deadlines. The escrow deposit was not made in March and an extension to April 16 was granted. When that deadline was missed, the policymakers agreed to get out of the lease and initiate negotiations with Court International. This motion bails out of the Asset lease, but there is no commitment to Court International. Lefko said a letter was delivered Friday, April 18, from Metro Square indicating that they would allow the agencies to stay until the new quarters are ready, which satisfies one of the major concerns. The chairman said the intention of the Request for Proposal was to find a home. All the policymakers agreed to move out of Metro Square. The letter only deals with the Telecenter location to encourage the agencies to stay in the downtown area. Lefko asked, in terms of the effects of this action, what happens if a bid is received from Court International? Will it automatically be accepted? The chairman said it will come before the board. Lefko asked if others will have a chance to present proposals and discuss them with staff and the board. The chairman said his sense of the intent of the committee was to get a proposal from Court International and, if they agree, the agencies will move there. We have an option of looking somewhere else. The issue is open until the boards vote to go to another site.

Lefko said the logic until a week ago was that downtown is a good location. His objection is that it is still a logical location and other downtown sites may have potential. This is a 20-year decision and he would like a number of options on the table. Abdul-Rahman said Asset Development has defaulted on the agreement. The motion before the board is to authorize the RTB to vacate the agreement. Staff was directed to negotiate a contract with Court International only, with the provision that it be similar to the Asset contract. If it is not, the matter will go back to the committee and a decision will be made on whether or not to seek another contract. The Metro Square lease extension is an added factor that will be before the policymakers. Staff will not be affected by it at this time.

Kranz asked what the effect would be of taking no action now. The chairman said the lease should be cancelled because Asset cannot meet the terms. Franklin said the board should act now. There is a new group of people and a new lease would be necessary. Regarding the Metro Square lease, she said it is interesting that after all the time spent trying to get answers, they finally responded.

Joyce said this was botched everywhere. This motion cuts the knot and nothing is to be gained by holding it over. Lefko said he has no problem with dissolving the relationship with Asset. For the next few weeks we should focus on the best possible decision. In terms of process, does this action allow other people to come in and discuss it? He received calls over the weekend indicating the whole thing is over and he wants to be assured that other proposals will be considered. The chairman said everyone should understand that all the alternatives were considered; all the agencies decided to move. The news media inaccurately stated that the agencies were building a new building. In fact, they planned on leasing a portion of the building to be built by Asset Development. The City of St. Paul failed to make decisions on where the building would be situated. The mayor apologized for the way this was handled. The chairman wants the agency in another facility as soon as possible. Lefko said everyone wants to find the best location with the best price and the best arrangement in terms of staff support and relationships with other agencies. The chairman said the record should be clear that that was done. There was no place downtown that could handle the agencies.

Franklin said the space committee will continue to meet weekly and, even though they seem to have exhausted all the locations in the past studies, if someone comes forward with a good proposal, the committee would consider it. They went through extensive research with many deadlines set and broken. Since Metro Square would not respond, they had to make a decision. Fuhr said she did not see any necessity to explore any other space. Vote was taken; motion carried.

Lefko said he had received the reassurance he sought from Franklin's comments that if other proposals came forward they will be considered. Kranz asked if that was the understanding of the makers of the motion. Franklin said the motion was to terminate the lease; that is all there is. Kranz said the intent of the action should be a part of the record. Lefko said if there is a clear understanding of the intent of the board a motion is not needed.

Ronnie Brooks, Executive Director of the Downtown Council, said she sympathized with the frustration. If the decision to remain downtown was sound when it was made, it remains sound. This is a 20- to 30-year decision and over a long period of time the frustration will pale in terms of the needs of the agencies. There is a new proposal placing responsibility with M. A. Mortensen that creates an opportunity to stay downtown and it is worth consideration before it is rejected. The downtown business community wants to continue to have us downtown. The Downtown Council is willing to play whatever role is useful to iron out problems and get reliable people to provide the space.

John Morgan, Vice President of M. A. Mortensen, said he will not comment on their proposal but would briefly discuss the background. For many months he worked on the project with the original developer and shares the frustration.

Asset approached Mortensen last week and asked them to assume the role of developer. Mortensen determined they could go forward in that role. They are ready to go forward with the project if that option is exercised and they have the financial capability to do that. They can meet the schedule and adhere to the gross provisions in the lease. The chairman said Mortensen's reputation was the reason the policymakers stayed with the project so long.

METROPOLITAN TRANSIT COMMISSION TAX ANTICIPATION NOTES ESCROW AGREEMENT

Vice-Chair Joyce reviewed the report of the committee dated April 21, 1986, and moved:

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."

Franklin seconded the motion. Roll call vote was taken; the motion carried unanimously.

OTHER BUSINESS

CHAIRMAN'S REPORT

Chairman Perovich said he had copies of his testimony before the House Urban Affairs Committee in Washington on April 15 distributed to the members. The committee staff had called and asked him what the RTB had planned to do for privatization. The last workday before the hearing he was informed that there was a new set of questions. He thanked Commissioner Braun of Mn/DOT and Roger Borg, the chief administrator of the Federal Highway Administration, for their agencies' cooperation putting the testimony together.

Lefko complimented Mike Kuehn and the rest of the staff on the quality of the annual report.

Fuhr said there was a meeting last week on the Texas Avenue Station in St. Louis Park. It appeared that 90-percent of the people were very unhappy that they were not informed. Turnbull did an excellent job on her presentation and handling questions. Fuhr told them that notices would be sent to them of the Policy Committee meeting when this is on the agenda. Minnesota Department of Transportation will review the project and look at other sites. Fuhr said the Jim Lupient property should be considered and she hoped some accommodation could be made. The chairman said the city council is responsible for notifying property owners. People were concerned about constant noise. Turnbull assured them the site will be birmed. Joyce said a proposal for compatible use of the Arby's site was brought to the Minnetonka Council and it may be accepted. It accommodates both uses. He complimented staff, particularly Katie Turnbull, for working with all the parties.

Abdul-Rahman reported that two staff members in the Programs Division are on sick leave.

A legal opinion has been received from Holmes and Graven regarding members' travel to Vancouver sponsored by an light rail transit contractor that states that it is not illegal. The information from the Canadian Consulate is expected next week. The chairman said that, while there is nothing illegal involved, the question of influence may be raised as it was with the Triple 5 trip. Lefko said he has no problem with the Canadian Government sponsoring the trip, but he does have problems with Bombardier. Abdul-Rahman said that contributions to defray the trip expenses would be made to the Canadian Government. There would be no specific sponsorship by providers. Lefko said some members are interested in attending the Deloitte Haskins conference.

There being no further business, Skrebes moved that the meeting be adjourned; Kranz seconded the motion. The motion carried unanimously.

Respectfully submitted,

Mary Fitzgerald
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 28, 1986
TO: Regional Transit Board Members
FROM: John E. Doyle, Sr., Chairman
Rideshare Advisory Committee Progress Report
SUBJECT: Rideshare Advisory Committee Progress Report

Action Requested:

This is an informational item. No action is requested.

Discussion:

The purpose of this report is to update the board on the activities and accomplishments of the Rideshare Advisory Committee (RAC) since the establishment of the committee by the board on November 22, 1985.

The RAC has as its members 11 representatives from the public and private sectors. The committee elected Bruce Poulsen of Prudential as vice-chair. Kenneth Bedeau has been serving as the RTB liaison to the committee since its establishment.

As part of getting organized to advise the Board on ridesharing in the metropolitan area, the RAC adopted a set of bylaws and agreed upon a regular meeting schedule. The RAC meets the third Tuesday of each month from 10:30 a.m. to 12:30 p.m. in Conference Room E, Metro Square Building.

I am pleased to report that we have been active in addressing the expectations of the RTB for CY '86 as directed by the RTB. It is our understanding that the RAC will have input in five major areas during 1986:

1. Rideshare Management Alternatives Study--We have received and reviewed the scope of services prior to the RTB selecting a consultant; appointed Dean Fenner to represent the RAC on the selection team for a consultant and we are prepared to review and comment on major work products of the study.
2. Private Sector Involvement in the Delivery of Ridesharing Services--I have appointed an ad hoc committee to recommend possible strategies and a plan for implementing those strategies to involving the private sector in ridesharing. Bruce Poulsen, Marilyn Martin, Roger Huss, Bob Owens, and I serve on this committee. The focus of our discussions is on possible strategies that the RTB could do to increase the involvement of the private sector in ridesharing. We expect to have recommended strategies and a plan drafted by May 20 for the RAC's consideration prior to forwarding them to the board during early summer. The RAC is prepared to monitor the plan once it receives board approval.

3. Minnesota Rideshare--The RAC is receiving monthly updates from RTB and MTC Rideshare staff on major elements of the Minnesota Rideshare Program, at which time members have provided comments regarding the work program. The RAC stands ready to work with RTB in the development of the 1987 work program.
4. Service Needs Assessment--Katie Turnbull has provided the RAC two presentations on major elements of the Transit Service Needs Assessment concerning ridesharing. The RAC has included periodic updates of Phase I in its meeting schedule and will share any pertinent comments resulting that might impact the ridesharing program. We ask that the planning staff keep the committee advised of those elements which particularly impact ridesharing. It is important that we keep such elements in mind as we advise the board on future directions of ridesharing.
5. Parking Policies--While a plan has not been developed, the committee has been involved in fact-finding on this issue. At the February 18, 1986, meeting of the RAC, we invited representatives from the Cities of Minneapolis and St. Paul to brief us on their parking policies to promote increased ridesharing. The results of those presentations were shared with the board in RAC's minutes of February 18, 1986. We anticipate that parking matters will surface again through the work of the RAC's Ad Hoc Committee on Private Sector Involvement as we brainstorm strategies for RTB to consider for increased employees and employers involvement in ridesharing.

The majority of the time spent has been on fact finding to decipher issues and information that would serve to produce substantive advice to the board. Other items of discussion have included:

- o Briefing on the history of ridesharing in the metropolitan area and the status of the existing program;
- o Preliminary briefing on alternative rideshare management structures;
- o Briefing on the Association for Commuter Transportation and their interests in ridesharing;
- o 1-394 overview and updates; and
- o Review of Mn/RS 1986 management and advertising plans.

I am pleased to report that the committee has been active and has shown great interest in addressing our advisory role. The time spent, thus far, has been productive in that we gained greater insights into the program for which advice is sought. The staffs at the RTB and Mn/RS have been most cooperative in providing support to the RAC as requested.

We shall continue to provide you notices and minutes of our meetings and we look forward to providing you future updates of our progress.

OP020A-TX2
Attachments

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 24, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Authorization to Submit Letter of Interest to UMTA for Fully
Competitive Transit Service Demonstration

At its meeting on April 23, 1986, the Policy Committee approved the following recommendation:

RECOMMENDATION

That the Regional Transit Board (RTB) authorize the submittal of a letter of interest on the part of the RTB to UMTA for a fully competitive transit service demonstration.

jmo
PC/BD

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 17, 1986
TO: Policy Committee
FROM: Katherine F. Turnbull, Planning Manager *KT*
SUBJECT: Authorization to Submit Letter of Interest to UMTA for Fully
Competitive Transit Service Demonstration

Action Requested:

That the Policy Committee authorize the submittal of a letter of interest on the part of the Regional Transit Board (RTB) to UMTA for a fully competitive transit service demonstration.

Background:

Competitive bidding of transit services is currently being discussed at both the local and national level. One of the elements which emerged from the Metropolitan Transit Commission (MTC)/RTB Joint Committee and other discussions is the concept of increasing the efficiency of transit services, both publicly and privately provided, through providing for fully competitive transit services. The RTB has begun to examine the issues, possible procedures and testing of the competitive bidding concept.

The Urban Mass Transportation Association (UMTA) has demonstration programs available for competitive bidding. Initial conversations between the RTB and UMTA have resulted in the development of a letter of interest on behalf of the RTB to participate in an UMTA-funded fully competitive transit service demonstration program in the Twin Cities area.

The attached letter of interest outlines the RTB's proposal. The proposal focuses on the western crescent area surrounding I-394. The purpose of the demonstration would be to establish a competitive bidding process to improve the efficiency of both public and private providers. The key work tasks would include: the identification and evaluation of the capability of local, regional and national providers, the identification of barriers to their participation in the provision of transit services, developing a method to evaluate costs of different providers based on fully allocated costs, and establishing, implementing, monitoring and evaluating a competitive bidding process.

The proposal requests funding for a full-time staff position and RTB staff assistance. It is anticipated that this staff position would be a two-year appointment with continuation contingent upon continued funding availability. In addition, funding for consultant support in developing full allocation costing procedures is also being requested.

Policy Committee
April 17, 1986
Page 2

Findings and Conclusions:

- o The RTB has begun to examine competitive bidding as one method of increasing the efficiency of both public and private transit providers.
- o The Urban Mass Transportation Association has funding available for demonstration programs to develop fully competitive transit services.
- o Initial discussions with UMTA have indicated their interest in a demonstration proposal from the RTB on fully competitive transit services.

Recommendation:

That the Policy Committee authorize the submittal of a letter of interest on the part of the Regional Transit Board (RTB) to UMTA for a fully competitive transit service demonstration.

KT:jmo
Attachment

D R A F T

Date

Ralph Stanley
UMTA Administrator
400 Seventh Street SW
Washington, D.C. 20590

Dear Mr. Stanley:

The purpose of this letter is to express interest on behalf of the Regional Transit Board (RTB) to participate with the Urban Mass Transportation Administration (UMTA) in a demonstration project to increase the efficiency of transit in the metropolitan area through fully competitive transit services. The proposed project is uniquely suited to the RTB, which was created by the Minnesota Legislature in 1984 and charged with transit planning, policy making, program development and administration in the Twin Cities.

The RTB's proposal for increasing the efficiency of transit through fully competitive transit services focuses on the suburban area to the west of the city of Minneapolis, as shown on the attached map. This area encompasses approximately twenty-five suburban communities. The 1980 population of this area was 530,000, which represents 27 percent of the total population for the metropolitan area. The area is projected to experience a growth in population of some 20 percent by the year 2000. The twenty-five communities also represent a major share of the metropolitan area's employment. In 1980 the communities had an employment base of 305,000, representing 28 percent of the metropolitan area's employment. By 2000, this is projected to increase by 67 percent or 204,000 jobs, and will represent 37 percent of the metropolitan area's employment.

Travel in the area is oriented both into downtown Minneapolis and between suburban areas. Currently approximately 80 transit routes serve in the area. This represents a significant portion of the existing metropolitan regular route service. Both the Metropolitan Transit Commission, the public operator in the Twin Cities, and Medicine Lake Lines, a private operator, provide service in the area. The majority of these routes are oriented to the downtown areas, while the remainder are suburban based crosstown routes. Carpool and vanpool services are also provided in the area through Minnesota Rideshare.

Ralph Stanley
Page Two

A major transportation improvement, I-394, is currently under construction. This facility, which involves construction of a major freeway, will include the first High Occupancy Vehicle (HOV) lanes in the State of Minnesota. The design of I-394 is based on the concept of carrying more people in fewer vehicles due to the limited carrying capacity of the facility. Major efforts are underway through the joint cooperation of the Federal Highway Administration (FHWA), Minnesota Department of Transportation (Mn/DOT), RTB, Metropolitan Transit Commission (MTC), and Medicine Lake Lines to restructure existing regular route services based on the timed-transfer concept, to construct major transit stations and park-and-ride facilities, to expand regular route and paratransit services to currently unserved areas and expand and improve carpool and vanpool services. These efforts represent a major commitment from these agencies and the first time a coordinated approach of this magnitude has been undertaken.

Our proposal would build on the efforts already underway in the area. The purpose of the proposal is to increase the efficiency of transit in the metropolitan area by competitively bidding services to provide for fully competitive transit services in the metropolitan area. The RTB's role in this process, following the agency's legislative mandate, would be in the development and implementation of competitive bidding procedures. The process would allow the MTC and private operators to compete for different types of services based on fully allocated costs. The awarding of service would be based on a decision-making process which would include cost, service quality and other appropriate criteria.

The results of this process will have a dramatic effect on the way transit is provided in the Twin Cities area. As noted, the western suburban area currently accounts for 27 percent of the population, 28 percent of the employment, and is served by 80 of the metropolitan area's transit routes. The improvements envisioned as part of the I-394 project will only increase the significance of the area and the role transit plays in meeting the travel needs of residents.

We have discussed our ideas with Ron Kirby and Gerry Miller of the Urban Institute. Based on their response to our proposal, we would like to formally request that UMTA consider the RTB and the Twin Cities for a demonstration project in developing fully competitive transit services. We feel our request, which will create a substantial change and innovation in transit in the Twin Cities, justifies special assistance. Specifically, we would like to request the following assistance to carry out this project:

- Funding for additional staff support to the RTB to establish, administer, monitor and evaluate the competitive bidding process. A full-time staff person would be responsible for identifying and evaluating the capability of local, regional and national providers, identifying barriers to their participation and establishing, implementing, monitoring and evaluating the competitive bidding process. The full-time staff person and other RTB staff assistance would be needed for a minimum of two years, at an estimated cost of \$300,000.

Ralph Stanley
Page Three

- Specialized consulting services to assist with the development of cost models to allow for comparison between public and private operators by fully allocating cost. The estimated cost of the consultant is \$50,000.
- Clarification from UMTA on administrative and regulatory issues including the use of federal operating and capital assistance for both public and private operators.
- Continued assistance from the Urban Institute.
- Priority assistance from UMTA on Section 3 capital requests needed to implement the competitive bidding process and support the transit improvements in the proposed area. This may include vehicles, equipment, and fixed facilities.

I hope UMTA will seriously consider our proposal. The RTB offers the unique institutional arrangements necessary to develop and implement a competitive bidding process. With your assistance, we can make great strides toward improving the efficiency of transit in the Twin Cities area. I feel the successful results of this project will provide a model for the rest of the metro area and for other systems throughout the country.

Thank you again for your consideration of this request. Please let me know if you have any questions or desire additional information. I look forward to hearing from you.

Sincerely,

Elliott Perovich
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 24, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Opt-Out Issues

At its meeting on April 23, 1986, the Policy Committee approved the following recommendation:

RECOMMENDATION

That the Regional Transit Board establish April 30, 1987, as the final date for receipt of applications for replacement service by eligible communities.

jmo
PC/BD

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 17, 1986
TO: Policy Committee
FROM: Judith McCourt, Programs Manager *JM*
SUBJECT: Opt-Out Issues

Action Requested: That the Policy Committee establish April 30, 1987, as the final date for receipt of applications for replacement service by eligible communities.

Discussion:

The replacement service program, commonly known as the opt-out program, was established in 1981 by the legislature in response to concerns from several suburban communities regarding the level of transit service received in relationship to the amount of property tax paid by the community.

The original concept of the opt-out program was to provide financial assistance to projects that were interested in testing the efficiency and effectiveness of alternative methods of providing public transit service for communities that are within the transit taxing district and meet the eligibility requirements.

Legislation specified that financial assistance could be provided under the program to a statutory or home rule charter city or town or combination of cities and towns that:

- 1) Is located within the transit taxing district;
- 2) Is not served by the Metropolitan Transit Commission (MTC) or is served only with MTC bus routes which begin or end within the applying city or town; and
- 3) Receives four or fewer weekday scheduled runs, during the hours of 9:00 a.m. to 3:30 p.m.

Cities or towns can only participate in the opt-out program if they submitted a letter of intent to the Minnesota Department of Transportation by July 1, 1984. On July 1, 1984, the program was sunset.

Fifteen eligible communities submitted letters of intent prior to July 1, 1984. The cities of Plymouth and Shakopee have approved applications and are operating a replacement service. The cities of Chaska, Chanhassen and Eden Prairie have completed a comprehensive study evaluating transit options and are expected to submit an opt-out application shortly. The City of Rosemount has recently indicated an interest and is expected to discuss opt-out at an

upcoming city council meeting. The cities of Apple Valley, Burnsville, Eagan, Lillydale, Maple Grove, Medicine Lake, Mendota, Prior Lake and Savage also filed a letter of intent by the July 1, 1984, deadline but have not taken any additional action.

Opt-out participants are eligible to receive ⁹⁰ percent of the property tax proceeds levied to fund alternative transit services. The cities must also propose a service that:

- 1) Replaces and substitutes for existing MTC service. Replacement service means that similar origin/desination travel opportunities must be provided; and
- 2) Requires a subsidy per passenger no greater than the subsidy per trip set by the MTC as its standard. This standard is currently \$1.50; however, the Joint Committee report that was forwarded to the RTB for approval by the Policy Committee, would raise the standard to \$2.45.

As mentioned, the deadline for filing letters of intent to opt-out was July 1, 1984. At the same time, the RTB came into being. One of the legislative directives to the RTB was to facilitate the establishment of new and alternative transit services for the Twin Cities metropolitan area.

In the past year, the RTB has been conducting the Service Needs Assessment. This project, which is scheduled to be completed in late summer, will provide some of the guiding principles for the development of new transit services in the area. The Service Needs Assessment, in many ways, accomplishes the same objective as the opt-out program which is to look for innovative ways to improve the delivery of service and address unmet transit need. With the Service Needs Assessment approaching completion, and new ideas for serving the metropolitan area surfacing, it seems appropriate to ask the remaining opt-out communities to declare whether or not they intend to exercise their opt-out option.

It is suggested that all eligible communities must submit an opt-out application prior to April 31, 1987. With the RTB responsible for mid-range transit planning activities, it seems appropriate to consolidate the function of planning and arranging for the delivery of transit services into the RTB. It also seems that at this time the spirit of the opt-out legislation has been met. Ample opportunity has been given to communities to come forth with transit service alternatives. With the completion of the Service Needs Assessment, the RTB has come forth with its plan. The communities now have the option to review the Service Needs Assessment and to determine whether or not the plans set forth in it or community generated alternatives provide the best option.

The April 30, 1987, deadline will provide one year for communities to review the Service Needs Assessment, consider local options, and to develop an opt-out application if necessary.

Findings and Conclusions:

- o The opt-out program was established in 1981 in response to concerns from suburban communities regarding the level of transit services in the community.
- o On July 1, 1984, the opt-out program sunset. At that time fifteen eligible letters of intent had been filed.
- o Two communities have implemented programs. Three communities have completed a comprehensive study evaluating transit options and are expected to file an opt-out application shortly. Nine communities have taken no action. One community has recently renewed its interest in opt-out.
- o Since the creation of the RTB in 1984, it has undertaken the Service Needs Assessment, a comprehensive study of transit needs in the Twin Cities metropolitan area. The Service Needs Assessment will make recommendations on addressing the unmet transit needs. Communities will have the option to review the Service Needs Assessment and its findings and will have the option of developing an opt-out application prior to April 30, 1987, if desired.

Recommendations:

That the Policy Committee establish April 30, 1987, as the final date for receipt of applications for replacement service by eligible communities.

JM:jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 28, 1986
TO: Regional Transit Board Members
FROM: John E. Doyle, Sr., Chairman
Rideshare Advisory Committee Progress Report
SUBJECT: Rideshare Advisory Committee Progress Report

Action Requested:

This is an informational item. No action is requested.

Discussion:

The purpose of this report is to update the board on the activities and accomplishments of the Rideshare Advisory Committee (RAC) since the establishment of the committee by the board on November 22, 1985.

The RAC has as its members 11 representatives from the public and private sectors. The committee elected Bruce Poulsen of Prudential as vice-chair. Kenneth Bedeau has been serving as the RTB liaison to the committee since its establishment.

As part of getting organized to advise the Board on ridesharing in the metropolitan area, the RAC adopted a set of bylaws and agreed upon a regular meeting schedule. The RAC meets the third Tuesday of each month from 10:30 a.m. to 12:30 p.m. in Conference Room E, Metro Square Building.

I am pleased to report that we have been active in addressing the expectations of the RTB for CY '86 as directed by the RTB. It is our understanding that the RAC will have input in five major areas during 1986:

1. Rideshare Management Alternatives Study--We have received and reviewed the scope of services prior to the RTB selecting a consultant; appointed Dean Fenner to represent the RAC on the selection team for a consultant and we are prepared to review and comment on major work products of the study.
2. Private Sector Involvement in the Delivery of Ridesharing Services--I have appointed an ad hoc committee to recommend possible strategies and a plan for implementing those strategies to involving the private sector in ridesharing. Bruce Poulsen, Marilyn Martin, Roger Huss, Bob Owens, and I serve on this committee. The focus of our discussions is on possible strategies that the RTB could do to increase the involvement of the private sector in ridesharing. We expect to have recommended strategies and a plan drafted by May 20 for the RAC's consideration prior to forwarding them to the board during early summer. The RAC is prepared to monitor the plan once it receives board approval.

3. Minnesota Rideshare--The RAC is receiving monthly updates from RTB and MTC Rideshare staff on major elements of the Minnesota Rideshare Program, at which time members have provided comments regarding the work program. The RAC stands ready to work with RTB in the development of the 1987 work program.
4. Service Needs Assessment--Katie Turnbull has provided the RAC two presentations on major elements of the Transit Service Needs Assessment concerning ridesharing. The RAC has included periodic updates of Phase I in its meeting schedule and will share any pertinent comments resulting that might impact the ridesharing program. We ask that the planning staff keep the committee advised of those elements which particularly impact ridesharing. It is important that we keep such elements in mind as we advise the board on future directions of ridesharing.
5. Parking Policies--While a plan has not been developed, the committee has been involved in fact-finding on this issue. At the February 18, 1986, meeting of the RAC, we invited representatives from the Cities of Minneapolis and St. Paul to brief us on their parking policies to promote increased ridesharing. The results of those presentations were shared with the board in RAC's minutes of February 18, 1986. We anticipate that parking matters will surface again through the work of the RAC's Ad Hoc Committee on Private Sector Involvement as we brainstorm strategies for RTB to consider for increased employees and employers involvement in ridesharing.

The majority of the time spent has been on fact finding to decipher issues and information that would serve to produce substantive advice to the board. Other items of discussion have included:

- o Briefing on the history of ridesharing in the metropolitan area and the status of the existing program;
- o Preliminary briefing on alternative rideshare management structures;
- o Briefing on the Association for Commuter Transportation and their interests in ridesharing;
- o I-394 overview and updates; and
- o Review of Mn/RS 1986 management and advertising plans.

I am pleased to report that the committee has been active and has shown great interest in addressing our advisory role. The time spent, thus far, has been productive in that we gained greater insights into the program for which advice is sought. The staffs at the RTB and Mn/RS have been most cooperative in providing support to the RAC as requested.

We shall continue to provide you notices and minutes of our meetings and we look forward to providing you future updates of our progress.

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Attachments