



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

Mears Park Centre
230 East 5th Street
St. Paul, Minnesota 55101
612/292-8789

MEETING OF THE REGIONAL TRANSIT BOARD

Monday, November 21, 1988
Mears Park Centre Chambers
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of November 1, 1988 Board Meeting and November 7, 1988 Board Meeting

4. REPORT OF THE POLICY COMMITTEE

Doris Caranicas,
Chair

5. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Ruth Franklin,
Chair

- √ A. Financial Statements: August and September 1988
- B. I-35W Travel Demand Management Program Consultant Assistance
- C. Additional Allocation of Funding for the Maple Grove Transit Needs Assessment
- D. DARTS 1988 Contract Amendment
- E. Contract Award to Operate Roseville Area Service
- F. Contract Award for Regional Coordination Study
- G. Amendment to 1989 Regional Transit Board Capital Budget

6. OTHER BUSINESS

- A. Chairman's Report
- B. Members' Reports
- C. Advisory Committee Reports
- D. Staff Reports

7. PUBLIC COMMENTS

Elliott Perovich
Chairman

An Equal Opportunity Employer



REGIONAL TRANSIT BOARD

Mears Park Centre, 230 East Fifth Street, St. Paul, MN. 55101
612/292-8789

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Mears Park Centre Chambers
November 1, 1988

BOARD MEMBERS PRESENT: Paul Joyce, Acting Chair; Doris Caranicas; Ruth Franklin; Rochelle Graves; George Isaacs; Ed Kranz

MEMBERS ABSENT: Elliott Perovich, Alison Fuhr, Carole Faricy

OTHERS PRESENT: Gregory Andrews, Tom Beaver, Kathy Christopherson, Mary Fitzgerald, Judy Hollander, Ed Kouneski, Katie Turnbull, Howard Blin, Regional Transit Board Staff; Arnie Entzel, Amalgamated Transit Union; Emil Brandt, Metropolitan Council; Steve Bertrand, Transportation Handicapped Advisory Committee; Greg Failor, Metropolitan Transit Commission; Matt Peterson, Morley Bus Company

The meeting was called to order by Acting Chair Paul Joyce at 4:15 p.m. and roll was taken. Caranicas moved approval of the amended agenda; Isaacs seconded the motion. Motion carried unanimously.

APPROVAL OF RESOLUTION NO. 88-07, RESOLUTION OF APPRECIATION FOR TOM BEAVER

Tom Beaver, the RTB Public Information Officer, has resigned; his last day will be November 4. Caranicas moved and Joyce seconded that the board approve Resolution No. 88-07. Roll call vote was taken and the resolution was unanimously approved.

REPORT OF THE POLICY COMMITTEE

Committee Chair Caranicas reviewed the committee's report of its meeting of October 24, 1988.

REVIEW OF MIDWAY CORRIDOR LIGHT RAIL TRANSIT ANALYSIS AND RECOMMENDED ALIGNMENT

Caranicas moved and Isaacs seconded:

That the Regional Transit Board recommend University Avenue as the preferred alignment for light rail transit in the Midway Corridor and transmit this recommendation to the Ramsey County Regional Railroad Authority.

The motion carried unanimously.

REVIEW OF THE MINNEAPOLIS IBM OFFICE COMPLEX DRAFT ENVIRONMENTAL IMPACT STATEMENT

Caranicas moved and Franklin seconded:

That the Regional Transit Board notify the City of Minneapolis of the concerns raised in the staff report dated October 11, 1988 regarding the draft Environmental Impact Statement for the Minneapolis IBM Office Complex. These concerns should be considered in the final Environmental Impact Statement.

The motion carried unanimously.

REVIEW OF APPLICATIONS FOR MINNESOTA DEPARTMENT OF TRANSPORTATION (MN/DOT) LIGHT RAIL TRANSIT FUNDING

Caranicas reviewed the October 31, 1988 staff report that was distributed before the meeting. Staff is recommending substitute language for the motion, which would clarify the intent of the motion approved by the Policy Committee on October 24, but not change it. Caranicas moved:

That the Regional Transit Board approve the following recommendations:

1. Applications from Anoka, Hennepin, and Scott Counties be funded in the amounts requested.
2. Funding be provided to Dakota County for development of a comprehensive plan. Mn/DOT should, however, discuss with Dakota County the manner in which the proposed study could be reduced in scope and cost.
3. Funding be provided to Ramsey County for development of a comprehensive plan. Mn/DOT should, however, discuss with Ramsey County the manner in which the proposed study could be reduced in scope and cost.
4. With regard to Ramsey County's request for funding to conduct preliminary engineering in the Midway Corridor, at this time funding should be provided only to develop an Environmental Impact Statement and for Phase I of preliminary engineering, as described in the Ramsey County application. If needed, funding for Phase II of preliminary engineering could be provided from subsequent appropriations. In addition, it is strongly recommended that Ramsey County focus expenditure of preliminary engineering funds on the University Avenue alignment.
5. Ramsey County be permitted to conduct light rail transit preliminary engineering in the Midway Corridor concurrently with development of the county's comprehensive light rail transit plan.

Isaacs seconded the motion. In response to Isaacs' question, Blin said staff is recommending funding for Ramsey County's comprehensive plan at a reduced scope. The motion carried unanimously.

RIVERFRONT SHUTTLE SERVICE PROPOSAL

Caranicas moved and Franklin seconded:

That the Regional Transit Board direct staff to:

1. Explore options for funding the Riverfront shuttle service and proceed to discuss with the City of Minneapolis the provisions for a potential service agreement between the RTB and the Minneapolis Community Development Agency that includes local government financing and business support.
2. Engage private operator participation in the planning process by scheduling this item for discussion at the Transit Providers Advisory Committee's next meeting on November 10, 1988.

After these steps are taken, if a service agreement is to be recommended, staff will bring this item to the Administration and Finance Committee for action.

The motion carried (Isaacs voted no).

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Committee Chair Franklin said the committee will meet immediately after this board meeting.

OTHER BUSINESS

Isaacs reported that he has received communications from UTDC indicating interest in the proposed light rail vehicle demonstration, but no firm confirmation has been received to date. (Graves arrived.)

Kranz said at the October 10 meeting he had asked for a status report on the provider audits, particularly those dating back to 1980 and 1981. Andrews said he has been in frequent contact with the Mn/DOT contract administrator, who informed him that the work has been completed on these audits and reports were issued to Medicine Lake Lines. RTB has not received the reports, but comment was made that the findings cite all the costs in the contract; that is, all the costs are ineligible for reimbursement because the provider has not furnished supporting information in the form requested. The normal process calls for a response by the provider to the audit, after which a decision is made on what course will be taken. It is important that RTB know what concerns were raised and use that information to help decide if that provider should receive funds. The deputy commissioner of the Mn/DOT has been involved in deciding what position Mn/DOT will take. Christopherson said RTB's audit of Medicine Lake Lines will be completed this week. In response to Kranz' question about federal audits, Andrews said federal fund recipients must pass a single audit and he assumes the same is true of those receiving public funds from UMTA.

Andrews distributed a schedule of fare simplification hearings to be held jointly with MTC.

The second lease amendment for Mears Park Centre was received on October 31. It has been signed by all the parties except the executive directors of the three agencies. The developer is required to submit a blueprint of the proposed ramp before the amendment is approved. Evidence that the associated parking has been secured is also a requirement.

Andrews asked members to turn in the list of contacts as required by the Metro Governance Act. He also encouraged members to keep the staff reports from the Administration and Finance Committee meeting packets as they are a useful tool when talking to elected officials.

There being no other business, Graves moved and Caranicas seconded that the meeting be adjourned. The motion carried unanimously and the meeting was adjourned at 4:40 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary

Approved by the board: _____, 1988.



Mears Park Centre, 230 East Fifth Street, St. Paul, MN. 55101
612/292-8789

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Mears Park Centre Chambers
November 7, 1988

MEMBERS PRESENT: Rochelle Graves, Vice Chair; Doris Caranicas; Carole Faricy; Ruth Franklin; George Isaacs; Paul Joyce; Ed Kranz

MEMBERS ABSENT: Alison Fuhr, Elliott Perovich

OTHERS PRESENT: Gregory Andrews, Mary Fitzgerald, Judy Hollander, Mike Kuehn, Ed Kouneski, Katie Turnbull, Regional Transit Board Staff; Arnie Entzel, Amalgamated Transit Union; Dirk deVries, Emil Brandt and Natalio Diaz, Metropolitan Council; Steve Bertrand, Transportation Handicapped Advisory Committee; Greg Failor, Metropolitan Transit Commission; Matt Peterson, Morley Bus Company

The meeting was called to order at 4:00 p.m. and roll taken. Isaacs asked that the agenda be amended to include, after the committee reports, an informational item on the Metropolitan Council's action on the Hennepin County Light Rail Transit Plan. Franklin moved approval of the agenda as amended; Joyce seconded the motion. The motion carried unanimously.

Caranicas moved approval of the minutes of the October 24, 1988 meeting; Faricy seconded the motion. Joyce offered a friendly amendment that the minutes be amended on Page 5 as follows:

Joyce said it is disturbing that the Alliance for Progressive Transit application went directly to UMTA without review by the Metropolitan Council or the Regional Transit Board, particularly since UMTA has always been concerned about process. Joyce said he wants to be on record as opposing their process.

Mover and seconded accepted the amendment; the motion carried unanimously.

REPORT OF THE POLICY COMMITTEE

Committee Chair Caranicas said the committee has no report; its next meeting will be November 21, 1988.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Committee Chair Franklin reviewed the report of the committee's November 1, 1988 meeting.

APPROVAL OF PROVIDER CONTRACT POLICIES

Franklin moved and Caranicas seconded:

That the Regional Transit Board approve the Regional Transit Board Provider Contract Policies of October 26, 1988 to be incorporated into the provider contracts effective January 1, 1989.

The motion carried unanimously.

APPROVAL OF EXURBAN FUNDING GUIDELINES

Franklin moved and Joyce seconded:

That the Regional Transit Board amend the existing exurban funding guidelines as follows:

Existing Guideline No. 4

Funding participation from the RTB shall not exceed 50 percent of the project deficit. The project deficit shall be determined by taking the total operating cost and subtracting federal, state and operating revenues from it. A local match that is not less than the amount contributed by the RTB shall be provided by the applicant. If the project provides service in other than the exurban area, the funding provided by the RTB shall not exceed the actual deficit incurred by providing services to the exurban area.

Replace with:

Funding participation from the RTB shall be a maximum of 60 percent of the project deficit for small urban and 65 percent for rural programs. The project deficit shall be calculated as: fully allocated operating costs less operating revenues attributed to the exurban area served. (If federal or state funds are obtained from sources other than the RTB, the attributable portion of these revenues shall be subtracted from total operating costs before the RTB share is calculated.) The remaining local match shall be provided by the applicant.

New Guideline No. 6

Add:

Funding preference will be granted to projects that are structured to deliver service by or in coordination with an existing provider.

New Guideline No. 7

Add:

New projects will be initiated with a 12-month demonstration period, during which the funding participation from the RTB shall be a maximum of 75 percent of the project deficit, as defined above.

The motion carried unanimously.

AUTHORIZATION TO ENTER INTO PROVIDER CONTRACTS FOR CALENDAR YEAR 1989

Franklin moved and Caranicas seconded:

That the Regional Transit Board authorize the executive director to enter into contracts for calendar year 1989 with the following transit service providers in the amounts listed below:

	<u>State Funds</u>	<u>Tax-Related Funds</u>	<u>Total Contract Amount</u>
<u>Small Urban</u>			
City of Columbia Heights	\$ 21,420	\$ 0	\$ 21,420
City of Hastings (TRAC)	50,515	11,260	61,775
City of Hopkins	39,000	0	39,000
N.E. Suburban Transit (NEST)	95,610	0	95,610
St. Louis Park (STEP)	8,205	0	8,205
White Bear Area Transit	<u>102,508</u>	<u>0</u>	<u>102,508</u>
Subtotal	\$ 317,258	\$ 11,260	\$ 328,518
<u>Rural</u>			
Anoka County	\$ 23,401	\$ 62,440	\$ 85,841
Carver County	66,805	37,845	104,650
Dakota County (Volunteer)	0	10,800	10,800
DARTS (Dakota County)	273,374	102,634	376,008
Human Services, Inc.	174,461	50,499	224,960
Scott County	50,108	31,133	81,241
Senior Community Services	0	57,035	57,035
Senior Transportation Program	0	15,600	15,600
Westonka Rides	<u>0</u>	<u>15,559</u>	<u>15,559</u>
Subtotal	\$ 588,149	\$ 383,545	\$ 971,694
<u>Replacement Service (Opt-Out)</u>			
City of Plymouth	\$ 0	\$ 433,910	\$ 433,910
City of Shakopee	0	217,661	217,661
Southwest Metro	<u>0</u>	<u>910,830</u>	<u>910,830</u>
Subtotal	\$ 0	\$1,562,401	\$1,562,401
<u>Regular Route (Private Operator)</u>			
Airport Express	\$ 18,181	\$ 0	\$ 18,181
Medicine Lake Lines	748,900	0	748,900
North Suburban Lines	<u>651,510</u>	<u>0</u>	<u>651,510</u>
Subtotal	\$1,418,591	\$ 0	\$1,418,591

Franklin reminded members that the committee will meet immediately following today's board meeting.

The motion carried unanimously.

OTHER BUSINESS

Andrews said Fuhr was unable to attend the meeting for medical reasons. She also notified him that she is a member of the board of one of the providers, but has not voted on any related issues. Andrews asked all the members to keep in mind the possibility of conflict of interest.

METROPOLITAN COUNCIL'S ACTION ON HENNEPIN COUNTY'S LIGHT RAIL TRANSIT

Diaz had been invited to brief the board on action taken by the Metropolitan Council at its meeting of November 3 to change the priorities for light rail in Hennepin County. The Hennepin County Regional Railroad Authority (HCRRA) asked the council to extend the priority ranking on Hiawatha Corridor to 46th Street and the Northwest Corridor from Downtown Minneapolis to 63rd Street. Diaz reviewed the development of the issue.

Two weeks ago the Metro Systems Committee tabled the issue because of lack of information and questions about the council's review authority on the Hennepin County Regional Railroad Authority grant applications to the Urban Mass Transportation Administration (UMTA) for Section 8 and Section 3 funds. On November 1 the committee reconsidered the issue and voted against the staff recommendation to approve HCRRA's request. Since there was no recommendation, the issue was not on the agenda for the Council's November 3 meeting. However, at that meeting, Metro Systems Committee Chair Flynn moved that the staff recommendation be accepted and that the council should review and approve any grant applications according to federal regulation. By state statute, RTB is required to do the same. Council Member Wiger added a friendly amendment encouraging Ramsey and Hennepin Counties to submit a joint application in order to ensure equitable utilization of federal funding throughout the system. That amendment was accepted. The amended motion was approved on a 15-0 vote.

Since Ramsey County has corridors but no alignments, Joyce questioned whether a joint application is feasible. Diaz said the point is well taken; however, the case can be made that since there is a clear understanding that the decision is imminent and since Section 8 is for planning grants, a lot of work could be accomplished on the joint application. Diaz' suggestion is that both counties, interested agencies and cities work together to figure out what needs to be done to make it possible. The council can only "strongly encourage" a joint effort. In response to Faricy's question, he said a delicate balance can be worked out without spoiling the chance to get a federal grant. The grants depend on the UMTA chief administrator's interest in the concept of a turnkey or super turnkey project. It is not known if he will be part of the new administration after January 20, 1989.

Faricy asked, if Ramsey County is not ready in time, will there be any assurance the priority will remain intact? Diaz said if the federal funds become available and the MVET transfer takes place, that will be a concern. Caranicas said an alignment decision is not needed to start the planning process. Diaz said a clear commitment may be needed on when decision-making process will be complete. RTB and Ramsey County completed a study seven months ago and it has been undergoing review by a number of groups. There is a lot of information available to help Ramsey County make its decision.

Diaz said the council will attempt to complete review of the Section 8 application by the end of November. The council has not received the Section 3 grant application. Following up on the Council's action, Council Chair Keefe will write to Commissioner Finley stressing the importance of things happening quickly and the need to find a solution.

Faricy asked if the RTB was kept informed. Diaz said it is possible RTB was not notified about what was happening when the activity became hectic and he accepts responsibility for the oversight. Isaacs said this will be discussed further at the next meeting of the Ad Hoc Committee on Light Rail Transit.

OTHER BUSINESS

Andrews reported on the preparations for the RTB's annual conference on December 7.

There being no other business, Joyce moved and Faricy seconded that the meeting be adjourned. The motion carried unanimously and the meeting was adjourned at 4:45 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary

Approved by the board: _____, 1988.

de Vries Entzel
 Haber Sachs
 Bertoni Ding
 C. G. van P. von Vede
 Barton
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REGIONAL TRANSIT BOARD
 ROLL CALL AND ATTENDANCE SHEET

DATE: Board

BOARD OR COMMITTEE: 11/21/88

MEMBER NAME	PRESENT	VOTE	VOTE	VOTE	VOTE	VOTE
Chairman	✓					
Doris Caranicas	✓					
Ruth Franklin	✓					
Carole Faricy	✓					
Alison Fuhr	✓					
Rochelle Graves		✓				
George Isaacs	✓					
Paul Joyce	✓					
Edward Kranz	✓					



Mears Park Centre, 230 East Fifth Street, St. Paul, MN. 55101
612/292-8789

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

At its meeting of November 7, 1988, the Administration and Finance Committee reviewed and approved the following recommendations. The board is expected to take action on the recommendations at its meeting of November 21, 1988.

FINANCIAL STATEMENTS: AUGUST AND SEPTEMBER 1988

That the Regional Transit Board receive the August and September 1988 financial statements and direct that they be placed on file.

I-35W TRAVEL DEMAND MANAGEMENT PROGRAM CONSULTANT ASSISTANCE

1. That the Regional Transit Board approve the revised scope and use of consultants and public sector resource people in the development of the I-35W Travel Demand Management Program; and
2. That the \$50,000 previously approved for consultant assistance be used to support the consultant and public sector working group to be used in the development of the I-35W Travel Demand Management Program under this revised approach.

ADDITIONAL ALLOCATION OF FUNDING FOR THE MAPLE GROVE TRANSIT NEEDS ASSESSMENT

That the Regional Transit Board approve the request from the City of Maple Grove for an additional \$3,000 for the transit service needs assessment and authorize the executive director to enter into an agreement with Maple Grove to fund consultant services to conduct the assessment in an amount not to exceed \$13,000.

DARTS 1988 CONTRACT AMENDMENT

That the Regional Transit Board approve amending the DARTS 1988 contract (87/11/16-38) from \$348,968 to \$361,598.

CONTRACT AWARD TO OPERATE ROSEVILLE AREA SERVICE

That the Regional Transit Board authorize the executive director to negotiate and enter into contract with Morley Bus Company for an amount not to exceed \$716,200 to operate weekday and weekend service in the Roseville area for the period March 11, 1989 through September 10, 1990 with options to extend the contract for two additional one-year periods.

CONTRACT AWARD FOR REGIONAL COORDINATION STUDY

That the Regional Transit Board authorize the executive director to negotiate and enter into contract with Wells and Miller for an amount not to exceed \$65,000 to study the coordination of public transit operations and the establishment of a transit information program.

AMENDMENT TO 1989 REGIONAL TRANSIT BOARD CAPITAL BUDGET

That the 1989 Regional Transit Board Capital Budget be amended to increase the level of capital funding for Scott County, the City of Hastings and Carver County, not to exceed the following amounts:

	<u>Exurban Funds</u>	<u>State Funds</u>	<u>Total</u>
Scott County			
1st Vehicle	\$ 3,200	\$17,600	\$20,800
2nd Vehicle	3,200	0	3,000
City of Hastings	20,000	4,000	24,000
Carver County	<u>11,363</u>	<u>6,015</u>	<u>17,378</u>
TOTAL	\$37,763	\$27,615	\$65,378

OTHER BUSINESS

The committee reviewed, but took no action on, The Metro Mobility Over Eight-Mile Coupon Fare Program. The next meeting of the committee will be November 28, 1988.

Ruth Franklin
Chair

RF/mff
AFtoBD
RTRBTX1

REGIONAL TRANSIT BOARD

Mears Park Centre,
230 East Fifth Street, Saint Paul, Minnesota 55101
292-8789

DATE: November 8, 1988
TO: Members of the Regional Transit Board
FROM: Elliott Perovich, Chairman 
SUBJECT: Appointments to the Metro Mobility Certification Appeals Board

ACTION REQUESTED

This item is presented for informational purposes, no action is requested.

BACKGROUND

The Rules Governing Individual Eligibility for Metro Mobility adopted November 4, 1985, Section V calls for the establishment of an appeals board:

The Certification Appeals Board shall be a standing subcommittee of the THAC serving the RTB. The Chair of the RTB shall select board members and appoint a chairperson. The composition of the Appeals Board shall be five (5) members, including the chair, and include at least three (3) consumer members. Appeals board members may not alter eligibility criteria, but will be responsible for making the final determination on an applicant's certification, revocation or suspension.

In March 1988, the RTB changed the composition of the appeals board to include a resident expert to assist the board in appeal decisions. In August 1987, the following THAC members were appointed to serve on the appeals board: Jerry Hayes (Chair), Clarence Sindt, Jesse Ellingworth, Marilyn Farinella, and Bette Undis. One member declined the appointment and another has resigned from the THAC. Therefore, it is necessary to fill these vacancies.

DISCUSSION

As Chairman of the Regional Transit Board I have appointed the following to serve on the Metro Mobility Certification Appeals Board:

Mimi Joan Nachman to serve as the resident expert. Ms. Nachman is an Occupational Therapist and Functional Community Specialist with the St. Paul Society for the Blind.

Page 2
November 8, 1988

Kurt Strom, THAC member. Mr. Strom is the Community Program Advocate for the Minnesota State Council on Disability, and serves as co-chair of the Motion/Vision Impaired Consumer Advisory Panel for U.S. West Communications. Mr. Strom is also a board member of the Metropolitan Center for Independent Living.

*Please note that the Certification Appeals Board did meet in October 1988, to review a request from a certified Metro Mobility rider. In order to expedite that process, THAC Chairman Bill Hopkins, asked Mr. Strom to serve on the committee. This memorandum serves to formally appointed Mr. Strom to the appeals board.

REGIONAL TRANSIT BOARD

Mears Park Centre
230 East Fifth Street, Saint Paul, Minnesota 55101
292-8789

DATE: November 21, 1988
TO: Members of the Regional Transit Board
FROM: Elliott Perovich, Chairman
SUBJECT: Ad Hoc Committee on Agency Transportation

ACTION REQUESTED

No action is requested. This is an informational item only.

BACKGROUND

Several months ago the Transportation Handicapped Advisory Committee passed a motion requesting that the RTB chair appoint an ad hoc committee to discuss the issue of agency trips now being served by Metro Mobility. Members of the ad hoc committee have now been contacted and their first meeting will be in the next few weeks.

DISCUSSION

The goal of the Ad Hoc Committee on Agency Transportation will be to get various agency people together to gather information on all aspects of this issue from all perspectives, to discuss this information and the current circumstances regarding agency trips on Metro Mobility and, most importantly, develop recommendations for the RTB to consider which could be possible solutions to the current Metro Mobility situation. Regional Transit Board, Metropolitan Transit Commission, Metro Mobility Administrative Center, and legislative staff members will be notified of the ad hoc committee meetings and invited to attend and participate, although they will not be members of the committee.

The Ad Hoc Committee on Agency Transportation will include:

Ad Hoc Committee on Agency Transportation

Transportation Handicapped
Advisory Committee

Jerry Hayes
Steve Bertrand
Clarence Sindt

Department of Human Services

Bob York, Social Services Division
Larry Woods, Medical Assistance Divn.

Department of Rehabilitation
Services

Bill Niederloh

County Representatives

Tom Ryan, Ramsey County

George Steiner, Community Health and
Social Services Director, Anoka Cty.

Al Kohls Division Mgr. Community
Services, Hennepin County

Advocacy Groups

Mary O'Hara Anderson, State Council
on Disability

Vic Rosenthal, Board on Aging

Service Providers

Sherry Mortenson Brown, Minnesota
Association of Rehabilitation
Facilities

Wanda Schumacher, Minnesota Habilitation
Coalition

Sue Abderholden, Association for
Retarded Citizens of Minnesota

Metropolitan Council

Gary Kelsey, Program on Aging
Karen Lyons, Transportation Planning
Division

State Planning Agency

Donna Allen (Chair)

RTB Board Liaison

Carole Faricy

EP:MK

PORT AUTHORITY

OF THE CITY OF ST. PAUL

Memorandum

TO: METROPOLITAN COUNCIL MANAGEMENT COMMITTEE

DATE: November 14, 1988

FROM: Eugene A. Kraut, Executive Vice President
James E. Terrell, Director Economic Development

SUBJECT: LEASE AMENDMENT - METROPOLITAN AGENCIES' SUBLEASES
WITH PARK CENTRE BUILDING - AMERITAS

1. HISTORY

Since late December 1986, the Port Authority has been working with the Agencies and the Developer of Park Centre Building to complete the project as a long term home for the 400 plus employees of the Metropolitan Agencies. The project received approval by the Port Authority Commission in February 1987, and the bonds were sold in May of 1987 with project construction commencing shortly thereafter. Port Authority staff met on numerous occasions with agency staff during the construction period to assist in resolving issues ranging from adherence to the construction schedule, to problems or issues in negotiating subleases. The project was substantially completed and ready for occupancy in June of 1988, with the agencies taking possession at this time.

2. TERMS OF EXISTING AGREEMENTS

Under the terms of the subleases in force between Ameritas, Inc. and the Metropolitan Agencies, the Agencies are able to withhold rent beginning September 23, 1988 in the event that the parking structure is not substantially completed by the end of September 1988. Do to the Developer's problems in obtaining equity financing and to changes in the final design of the parking deck, this deadline has not been met. The Agencies have therefore, enforced their right to withhold rent by nonpayment of several days of the September 1988 rent, all of the October 1988 rent, and all of the November 1988 rent, to date. It is anticipated that this nonpayment would continue through January or February of 1989 when the parking deck would be substantially completed.

In addition, under the terms of the existing subleases, the Agencies are able to withhold double rent for the month of November 1988, based on a formula which waives November rent as a Developer concession for changes in the parking structure, then counts each day of November which the ramp is not complete and abates this amount as well.

3. CURRENT STATUS

In an effort to bring stability to the project and to facilitate the completion of the parking deck in a timely manner, the Port Authority has worked with Kraus Anderson Construction Company toward completing the ramp as soon as possible. Construction has begun and it is anticipated that the first level of the deck will be completed by the end of December 1988 with the ramp being substantially completed in late January to mid-February 1989. In addition, the Port Authority has obtained parking stalls in the City owned ramp near the Mears Park Centre Building for possible use by the Agencies. These parking stalls would be provided at the Port Authority's expense.

The Agencies' withholding of rent until the completion of the parking structure has to date, resulted in approximately \$245,000 of rental abatement to the benefit of the Metropolitan Agencies. This amount would increase by an additional \$328,000 in the event that the ramp is not completed until mid-February 1989.

4. RECOMMENDED REQUEST FOR LEASE AMENDMENT

With the construction of the ramp now underway and the provision of up to 100 parking stalls in a near by ramp to be made available for the Agencies' use, we believe that the Agencies have been compensated fairly for any inconvenience in the delays in construction of the parking facility. Therefore, we request approval of a lease amendment which limits the rent abatement to that which has been abated through November 15, 1988, without the double counting of the month of November, and that the Agencies commence paying rent effective November 16, 1988 based on our full assurance that the parking structure is under construction on and will be completed as soon as physically possible.

EAK/JET:ajc

PORT AUTHORITY

OF THE CITY OF ST. PAUL

Memorandum

TO: METROPOLITAN COUNCIL MANAGEMENT COMMITTEE

DATE: November 14, 1988

FROM: Eugene A. Kraut, Executive Vice President
James E. Terrell, Director Economic Development

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In addition, under the terms of the existing subleases, the Agencies are able to withhold double rent for the month of November 1988, based on a formula which waives November rent as a Developer concession for changes in the parking structure, then counts each day of November which the ramp is not complete and abates this amount as well.

3. CURRENT STATUS

In an effort to bring stability to the project and to facilitate the completion of the parking deck in a timely manner, the Port Authority has worked with Kraus Anderson Construction Company toward completing the ramp as soon as possible. Construction has begun and it is anticipated that the first level of the deck will be completed by the end of December 1988 with the ramp being substantially completed in late January to mid-February 1989. In addition, the Port Authority has obtained parking stalls in the City owned ramp near the Mears Park Centre Building for possible use by the Agencies. These parking stalls would be provided at the Port Authority's expense.

The Agencies' withholding of rent until the completion of the parking structure has to date, resulted in approximately \$245,000 of rental abatement to the benefit of the Metropolitan Agencies. This amount would increase by an additional \$328,000 in the event that the ramp is not completed until mid-February 1989.

4. RECOMMENDED REQUEST FOR LEASE AMENDMENT

With the construction of the ramp now underway and the provision of up to 100 parking stalls in a near by ramp to be made available for the Agencies' use, we believe that the Agencies have been compensated fairly for any inconvenience in the delays in construction of the parking facility. Therefore, we request approval of a lease amendment which limits the rent abatement to that which has been abated through November 15, 1988, without the double counting of the month of November, and that the Agencies commence paying rent effective November 16, 1988 based on our full assurance that the parking structure is under construction on and will be completed as soon as physically possible.

EAK/JET:ajc