



Minnesota Regional Transit
Board: Records.

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**MEETING OF THE REGIONAL TRANSIT BOARD
COMMITTEE OF THE WHOLE**

Monday, August 14, 1989
Mears Park Centre, Room A
Immediately After the Board Meeting

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Community Transit Planning Grant
4. 1989 Special Exurban Grant Approval
5. Nicollet Mall Shuttle - *add work*
6. Other Business

Michael J. Ehrlichmann
Chair

**REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET**

DATE: 8/14

BOARD OR COMMITTEE: CU

<u>Member Name</u>	<u>Present</u>	<u>Vote</u>	<u>Vote</u>	<u>Vote</u>	<u>Vote</u>
Mike Ehrlichmann	✓				
Doris Caranicas	✓				
John Finley	✓				
Ruth Franklin	✓				
Ed Kranz					
Sandra Hilary	✓				
Terry O'Toole	✓				
Jeff Spartz	✓				
Norbert Theis	✓				
Elwyn Tinklenberg	✓				
Richard Wedell	✓				

Visitors

Staff

REGIONAL TRANSIT BOARD

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

DATE: August 2, 1989
TO: Committee of the Whole
FROM: Cyndie Mayer, Senior Project Manager (CM)
Cynthia Curry, Paratransit Analyst
SUBJECT: 1989 Special Exurban Grant Approval

SUMMARY

The purpose of this memorandum is to present staff recommendations on the distribution of 1989 special exurban funds to five agencies in an amount totaling \$11,061.

BACKGROUND

The small urban and rural programs operating paratransit services in areas outside of the transit taxing district are eligible to receive exurban (property tax-related) funds from the Regional Transit Board (RTB). Since 1986, the RTB has annually programmed exurban funds to be used for special projects.

DISCUSSION

The RTB has received requests for special exurban funds from Carver County Transportation, Dakota County Volunteer Transportation Program, Hastings TRAC, Human Services, Inc. Transporter, and Westonka RIDES. The requests are for marketing/promotional and capital-related items. The total of the project expenditures is \$15,586.

Based on past practice and the exurban funding formula guidelines approved by the board in May 1988, the RTB share of funding, by project type, is as follows:

Item	Program	
	Small Urban	Rural
Marketing/Promotional	100%	100%
Capital-Related	60%	65%
Other	60%	65%

The following discusses the requests made by each provider.

- *Carver County Transportation* is requesting approval of \$1,245 for the development and printing of a new brochure. The informational brochure will be used as a marketing and promotional tool.
- *Dakota County Volunteer Transportation Program* is requesting approval of \$731 to cover expenses incurred to print promotional brochures and to purchase four tires and oil/filter changes for one vehicle.

- *Hastings TRAC* is requesting approval of \$3,160 for expenses incurred for the development and printing of new brochures (\$500); the striping and painting of the system's logo on four vehicles (\$1,000); the purchase of newspaper ads and radio spots to promote their transportation services during a holiday advertising campaign (\$1,000); and the tuition costs of a driver's training program for TRAC drivers (\$660).
- *Human Services, Inc.*, Transporter is requesting approval of \$8,000 to rehabilitate the body and replace the engine in two of the five vehicles recommended for rehabilitation. The rehabilitation of vehicles has proven to be a cost effective alternative to vehicle replacement.
- *Westonka RIDES* is requesting approval of \$2,450 for the purchase of computer equipment that would enhance their data and recordkeeping responsibilities and to develop various marketing tools to inform existing and future riders about their transportation program.

Of the total project expenditures of \$15,586, the RTB share would be \$11,061, with a local share of \$4,524. The calculations, by provider, are summarized below.

<u>Provider</u>	<u>Description</u>	<u>Total Request</u>	<u>RTB Share</u>	<u>Local Share</u>
Carver County Transportation	Marketing/Promotional Brochure	\$1,245 (100%)	\$1,245	---
Dakota County Volunteer Transportation Program	Marketing/Promotional Brochure	150 (100%)	150	---
	Vehicle Maintenance	581 (65%)	377	\$203
Hastings TRAC	Marketing/Promotional Brochure and Ad Campaign	1,500 (100%)	1,500	---
	Vehicle Repairs	1,000 (60%)	600	400
	Driver's Training Program	660 (60%)	396	264
Human Services, Inc.	Vehicle Rehabilitation	8,000 (65%)	5,200	2,800
Westonka	Computer Equipment	2,450 (65%)	1,593	857
	Grand Total	\$15,586	\$11,061	\$4,524

RECOMMENDATION

That the Regional Transit Board authorize the executive director to distribute 1989 special exurban fund grants to Carver County Transportation (\$1,245), Dakota County Volunteer Transportation Program (\$527), Hastings TRAC (\$2,496), Human Services, Inc. (\$5,200), and Westonka RIDES (\$1,593) in amounts not to exceed those shown here.

**REGIONAL TRANSIT BOARD**

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

EXURBAN TRANSIT SERVICES FACT SHEET

The exurban part of the Twin Cities Metropolitan Area lies outside of the transit taxing district and is taxed at ten percent of the mill levy for the district. Minnesota Statutes 473.446 requires that these proceeds be used to provide paratransit and ridesharing services in the exurban area.

Paratransit Service

The Regional Transit Board (RTB) currently holds contracts with ten paratransit providers. Those providers are serving the City of Hastings and the exurban portions of Anoka, Carver, Dakota, Scott, Washington, and western Hennepin counties. Hastings operates a dial-a-ride service for the general public, while county services provide, or coordinate, transportation for elderly, disabled and other transit dependent persons.

Ridesharing

The RTB also allocates exurban funds to Minnesota Rideshare, by contract with the Metropolitan Transit Commission (MTC), for the carpool and vanpool ride matching services it provides to exurban commuters.

Annual Applications

Each year the RTB accepts applications from providers to receive exurban funds. This year applications must be submitted by **August 14, 1989**, and will be available from the RTB on **June 30, 1989**.

Current Funding Guidelines

The RTB evaluates exurban funding requests based on the following guidelines:

1. Projects shall predominantly serve persons **residing** within the exurban area.
2. Projects shall be predominantly **subregional** in nature and should provide **access to existing service** wherever possible.
3. Funding preference will be granted to projects providing **accessible service**.

Current Funding Guidelines - Continued

4. 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.
5. Funding preferences will be granted to projects that are **cost effective**.
6. Funding preference will be granted to projects that are structured to deliver **service by or in coordination with an existing provider**.
7. 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.

1/19/89

REGIONAL TRANSIT BOARD

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

DATE: August 8, 1989
TO: Committee of the Whole
FROM: Howard Blin, Planning Manager *HB*
SUBJECT: City of Minneapolis *Section 3* Grant Application for Nicollet Mall Shuttle

SUMMARY

The City of Minneapolis has requested RTB approval of an UMTA Section 3 grant application and an amendment to the 1989-1991 Transportation Improvement Program (TIP) for the proposed Nicollet Mall Shuttle project. This memorandum describes the project and provides staff analysis. Action is requested to approve an application that includes funding for the first phase of project development.

BACKGROUND

The City of Minneapolis has developed plans for improvements to the Nicollet Mall. These improvements include operation of a shuttle transit system along the length of the mall. The City is seeking Urban Mass Transportation Administration Section 3 discretionary funding for the shuttle project.

RTB approval is required for this grant application. In addition, UMTA requires that all projects for which federal capital funds are sought be included in the region's Transportation Improvement Program (TIP). Transit projects included in the TIP must be approved by the RTB for submittal to the Metropolitan Council. In this case, an amendment to the previously adopted 1989-1991 TIP is required. In order to facilitate the City's timeline for submitting the grant application, the Transportation Advisory Board (TAB) and its Technical Advisory Committee are currently reviewing the project and will be forwarding a recommendation to the Metropolitan Council.

Project Description

On March 20, 1989, City staff briefed the RTB Policy Committee on the shuttle project. The shuttle would replace existing transit service on the Nicollet Mall and involve the transfer of passengers entering or leaving downtown on regular route express service to shuttle vehicles for the downtown portion of their trip. The attached map identifies locations of primary components of the project, which are described below:

- Vehicles - An objective of the project is to replace existing diesel buses on the Mall with quieter and less polluting vehicles. To achieve this, natural gas or propane fueled vehicles are proposed. The vehicles would have low floors and multiple doors to speed passenger loading. It is anticipated that the vehicles would be fully accessible to persons with disabilities. The City estimates approximately 30 shuttle vehicles would be required.

- South Terminal and Parking Ramp - Located at the Leamington Hotel site, this facility would include a 2,400 car parking ramp built over a shuttle terminal. Fifty percent of these spaces would be reserved for use by carpool vehicles. It is expected that as with the Third Avenue Distributor ramps, these carpool spaces would be provided at reduced rates. The terminal would serve as a transfer point between the shuttle and express buses entering downtown from the south in addition to providing space for bus layover. This facility would also provide connections to the River City Trolley and, if an underground light rail alignment is selected for downtown Minneapolis, a future LRT station to be located under the site.

The parking ramp would provide parking space needed for the adjacent Minneapolis Convention Center.

- North Terminal - This facility would be located on a portion of the old Nicollet Hotel site and provide for transfer between the shuttle and express buses entering downtown from the north. The North terminal could also provide connection to a possible underground light rail station located in this area. Only a limited amount of parking would be constructed with this facility.
- Nicollet Mall Renovation - The project involves reconstruction of the Nicollet Mall. UMTA funding is requested for transit-related improvements that include: roadway, - curb and gutter; sidewalks; and transit shelters.

A similar shuttle system has operated in downtown Denver since 1982. The Denver shuttle has served as a model for the proposed Nicollet Mall Shuttle.

Capital Funding

Capital costs for various elements of the project and proposed funding sources are as follows:

	(\$ Millions)			
	<u>UMTA</u>	<u>City</u>	<u>MTC</u>	<u>Total</u>
Vehicles	\$6.00	\$0.00	\$6.00	\$12.00
South Terminal and Ramp	20.72	18.72	0.00	39.44
North Terminal	0.75	0.75	0.00	1.50
Nicollet Mall Renovation	<u>3.80</u>	<u>21.80</u>	<u>0.00</u>	<u>25.60</u>
	\$31.27	\$41.27	\$6.00	\$78.54

The requested UMTA Section 3 funding represents 40 percent of total project costs. Typically, Section 3 funds are provided for 75 percent of project costs. Local matching funds are required for the remaining 25 percent. Under the recently announced New Incentive Program, UMTA assigns a higher priority to projects proposing a local overmatch. For this reason, the City is proposing local funding for 60 percent of project costs.

Sources of City funding include general funds, assessments levied within the Nicollet Mall Special Assessment District and, for costs associated with the North Terminal, a public/private cost sharing arrangement and tax increment financing.

RTB capital funding totaling \$6.0 million would be requested for vehicle purchases.

Shuttle Operations

To facilitate transfers from express routes and provide circulation within downtown, a relatively high frequency of service is proposed. During the peak periods, vehicle headways would be 45 seconds with off-peak headways of 2-3 minutes. The City estimates that the shuttle system would result in the elimination of the existing 80 peak hour diesel buses from the Nicollet Mall and a reduction in the number of buses on Marquette Avenue from 105 to 55 during the afternoon peak hour.

The City's application proposes operation of the shuttle by the Metropolitan Transit Commission. Annual operating costs are estimated at \$2.1 million. The RTB is identified as the source of funding for all operating costs. As the shuttle is proposed to be a free service, no operating revenues would be generated.

Timing

Shuttle operations are proposed to begin in 1991. The City is seeking RTB approval of the grant application at this time to ensure that acquisition of the Leamington Hotel site is eligible for federal funding and to meet construction deadlines for the South Terminal parking ramp. Provision of the ramp parking spaces is required to open the second phase of the Minneapolis Convention Center in 1991.

DISCUSSION

In reviewing the project, concerns regarding shuttle operations have been raised by the staffs of the RTB, Metropolitan Council and Metropolitan Transit Commission. In response to these concerns, and at the suggestion of the agencies involved, the City has divided the project into two phases:

Phase 1 - Construction of the parking ramp at the South Terminal site, including a ground-floor bus layover facility and construction of Nicollet Mall improvements. An UMTA application expected to total \$24.5 million is being prepared for this phase.

Phase 2 - Purchase of shuttle vehicles, construction of the North Terminal, and construction of a shuttle terminal facility at the South Terminal site. An application for UMTA funding of Phase 2 elements may be submitted in the future.

An application including the Phase 1 elements of the project is recommended for approval at this time. The provision of approximately 1,200 carpool spaces in the South Terminal parking ramp is consistent with RTB strategies for providing incentives for carpooling. In addition, the South Terminal bus facility would provide needed spaces for off-street bus layover in the southern area of downtown.

Issues related to Phase 2 of the project will continue to be examined by the RTB, City and MTC. These include:

- Capital Costs. The City proposes that 50 percent of vehicle costs, or \$6 million, be funded through the MTC's capital budget, which is approved by the RTB. This would nearly double the amount needed for bus purchases in the MTC's projected 1990 capital budget, and require the RTB to request additional bonding authorization from the 1990 legislature. There will be additional capital costs to provide fuel storage and dispensing facilities if alternative fuels are used. These additional costs have not yet been identified.
- Operating Costs. Shuttle operating costs are proposed to be funded entirely by the RTB. Annual operating costs are estimated at \$2.1 million. Some of this cost will be offset by operational savings resulting from no longer routing express buses through downtown, estimated at \$800,000 annually. The RTB would, therefore, be required to provide additional regular route funding of approximately \$1.3 million.

The effect of this added cost on the remainder of the regional transit system requires analysis. In addition, cost sharing arrangements involving financial participation by the City or private sector need to be further explored. RTB and Metropolitan Council policy direction calls for examination of cost sharing arrangements for transit services such as the shuttle. Statutory requirements for transit funding may also limit the amount of RTB financial participation in the project.

- Use of Alternative Fuels - The MTC has raised concerns regarding the use of alternative fueled vehicles, which are currently an unproven technology. Further study of vehicle options is required.
- Coordination with Light Rail Transit - An objective of the shuttle project is the reduction of bus traffic in downtown Minneapolis. Currently the Marquette Avenue and Second Avenue bus lanes are at or near capacity in the peak period. The shuttle is seen as a means by which additional express service can be provided to downtown Minneapolis without increasing bus traffic on downtown streets.

This issue must be examined in relation to plans for LRT. Implementation of light rail, particularly in the South Corridor, could significantly reduce the number of express buses entering downtown Minneapolis. In this case, the shuttle would function only as an internal downtown circulator. It is questionable whether the proposed scope of the project can be justified on the basis of this function alone.

It is expected that if these issues can be satisfactorily resolved, the City would submit a future application for funding of the Phase 2 elements of the shuttle project.

FINDINGS AND CONCLUSIONS:

- The City of Minneapolis has prepared an UMTA Section 3 grant application for the Nicollet Mall Shuttle project. RTB approval is required for applications from local units of government for federal transit funding.
- The project also requires an amendment to the federally required Transportation Improvement Program (TIP) for the Twin Cities Metropolitan Area. RTB approval is required for transit projects included in the TIP.
- Based on concerns relating to shuttle operations raised by RTB, Metropolitan Council and MTC review of the project, the City has divided the shuttle project into two phases: Phase 1, including the South Terminal parking ramp and Nicollet Mall improvements; and Phase 2, which includes purchase of shuttle vehicles and construction of the North and South Terminal shuttle facilities.
- Phase 1 development would benefit the regional transportation system by providing reserved carpool parking spaces and bus layover facilities. RTB approval of an application for federal funding of Phase 1 improvements is recommended.
- Further examination is required of issues related to shuttle operations included in Phase 2 of the project.

RECOMMENDATION

That the Regional Transit Board approve the City of Minneapolis application for Urban Mass Transportation Administration Section 3 funding for Phase 1 of the Nicollet Mall Shuttle project, which includes construction of the South Terminal parking ramp/bus layover facility and Nicollet Mall improvements.

HB:jmo

*rtb into city staff - add language
TIP amendment request
— add.*

OFFICE OF CITY COORDINATOR
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JOHN M. GUNYOU 348-6370

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OLIVER E. BYRUM 348-6315

minneapolis

city of lakes

August 9, 1989

Mr. Michael J. Ehrlichmann, Chair
Regional Transit Board
Mears Park Centre
230 E. 5th Street
St. Paul, MN 55101

Dear Mr. Ehrlichmann:

Attached is a summary of the draft Nicollet Mall Shuttle Project application to be considered at the RTB Committee of the Whole meeting on August 14, 1989.

The City of Minneapolis is proposing to replace the diesel buses currently operating on the Nicollet Mall with clean-burning, alternative fueled shuttle vehicles. Shuttle terminals to be constructed at the north and south ends of the Mall will intercept express buses which currently operate on Nicollet, Marquette, and Second Avenues.

This movement towards a terminal approach to transit in Downtown Minneapolis will relieve peak-period bus congestion and provide some reserve capacity along Second and Marquette. The contra-flow bus lanes on these two streets have already reached capacity during peak periods.

The City is seeking a total of about \$31 million in federal UMTA funds for the Project and plans to submit separate applications for the two phases of the Project. The first phase application, which will be before your board on Monday, includes the construction of the South Shuttle Terminal and the South Terminal Parking Ramp (total cost: \$38.9 million) and the substantial renovation of the Nicollet Mall including major transit-related improvements (total cost: \$25.6 million).

AFFIRMATIVE ACTION EMPLOYER

TTY/VOICE (612) 348-2157



Michael Ehrlichmann

Page 2

August 9, 1989

The South Terminal will function as an express bus layover facility. The parking ramp will contain 2400 stalls with half of these stalls reserved for high-occupancy vehicle (HOV) usage. These stalls are essential to help relieve parking for the new Convention Center. The complete renovation of the Nicolet Mall has been judged for a long time to be essential to maintaining not only the vitality of the Mall itself in the face of stiff competition from suburban malls, but also the economic vitality of Downtown Minneapolis. About 20 percent of these improvements are directly transit related. It is clear to the City of Minneapolis that construction of Phase I of the Project is essential even if the resources are not secured to proceed with Phase II.

The second phase of the project includes the construction of the North Shuttle Terminal (total cost: \$1.5 million), the purchase of the Shuttle rolling stock (total cost: \$10.5 million), and the construction of refueling facilities for the alternative-fueled Shuttle vehicles (total cost: \$600,000). The City intends to bring this second phase application before your board in early 1990.

The attached report provides additional detail regarding both phases of the Nicollet Mall Shuttle Project.

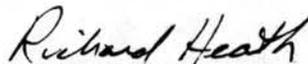
To date, 3 regional committees have reviewed and approved the application: The RTB Policy Committee reviewed it on 3/20/89. Two Metropolitan Council Committees—the Technical Advisory Committee (TAC), Funding and Programming Subcommittee and the full TAC committee—reviewed the draft application and approved its submission subject to subsequent RTB approval.

The City of Minneapolis is requesting that the RTB approve the submission of the UMTA application for Phase I of the Nicollet Mall Shuttle Project and recommends that the Metropolitan Council do the same. Furthermore, the City requests that the RTB approve of amending the Transportation Improvement Plan (TIP) to include the components of the Phase I application and recommends that the Metropolitan Council do the same.

Should you have any questions regarding this matter, please consult with my staff, Jim Orange, 348-6037.

Thank you for your consideration of this important project.

Sincerely,



Richard Heath
Acting Planning Director

**FEDERAL URBAN MASS TRANSIT ADMINISTRATION
APPLICATION
NICOLLET MALL SHUTTLE PROJECT**

(8/9/89)

EXHIBIT A. PROJECT DESCRIPTION AND JUSTIFICATION

I. PROJECT DESCRIPTION (both Phases of the Project)

A. SUMMARY

Applicant: City of Minneapolis

Grantor: UMTA Section 3 Capital Grant Funds (\$24 million for Phase I and \$1.2 million for Phase II)
UMTA Alternative Fuel Initiative Program Funds (\$5.55 million for Phase II of the Project)

Project Title: Nicollet Mall Shuttle Project

Uses of UMTA Funds: South Terminal and Ramp--\$39.4 million total cost; (53% federal share: \$20.7 million)
Nicollet Mall Improvements--\$25.6 million total cost; (75% Federal share of \$5.1 million in transit-related costs: \$3.8 million)
Shuttle Rolling Stock and Refueling Facility--\$11.1 million total cost; (50% federal share: \$5.55 million)
North Terminal--\$1.5 million total cost; (50% federal share: \$0.75 million)

Total Project Costs--\$77.6 million; (federal share of total Project costs: \$30.8 million [40% overall]; both phases of Project)

Brief Description: Refer to Attachment 9 for a brief look at the Project components and functions over time.

B. GENERAL PROJECT CONCEPT

The Nicollet Mall Shuttle Project (hereinafter referred to as the "Shuttle" or the "Project") is intended to improve public transit within Downtown Minneapolis and within the Twin Cities region in general. The Project is a critical part of the upgrading of the Nicollet Mall transitway and is consistent with overall plans to improve public and private transit within the region.

1. Project Components

Currently, express buses (the "freeway flyers") and local buses provide block-by-block service along the Nicollet Mall in full-sized diesel buses (a total of 790 trips during the average weekday). The proposed Shuttle system will replace these noisy, polluting buses with a modern shuttle vehicle which will be powered by an alternative fuel source of probably natural gas or propane. The 80 express buses which currently operate on the Nicollet Mall will instead be

intercepted at two terminals to be built on the northern and southern fringes of Downtown. These terminals will also intercept the express buses which currently operate on the one-way paired streets of Marquette and Second Avenues (130 daily trips).

This shift to a terminal-oriented system will provide a secure and climate-controlled environment for passenger transfer to the Shuttle. The Shuttle will stop at every block on its route along the entire length of the Nicollet Mall and will provide shorter headways and more reliable service. (Refer to Attachment 1 for a map of the Shuttle route and the location of the terminals.) The Shuttle vehicle will employ clean-burning alternative fuel technology, will be more accessible, and user-friendly. The service will be free of charge. Diesel-powered local buses currently operating on the Mall (a total of 710 trips on an average weekday) will be relocated one or two blocks east on to the one-way paired streets of Second and Marquette Avenues. The Shuttle Project will be integrated with the Nicollet Mall Improvement Project which is a \$26 million effort to upgrade the Nicollet Mall.

As a part of the Project, a South Terminal will be built on the site of the Leamington Hotel at 11th St. and Second Ave. This terminal will include a bus layover facility for the express buses serving South Minneapolis and the south and southwest Minneapolis suburbs. The eventual development of the South Corridor of the proposed light rail transit (LRT) system may eliminate the need for express bus service into Downtown. The LRT system is expected to come on line after the year 2000. If the need for express bus service will have been eliminated, the South Terminal will then begin serving as a layover facility for local buses which are currently using city streets.

The South Terminal will also include a 2400-stall parking ramp which will also include 1200 stalls reserved for high-occupancy-vehicle (HOV) use. The multi-modal and multi-purpose ramp will also provide parking for the adjacent new Convention Center. The ramp will become a part of the City's peripheral parking system which rings the Downtown core. The South Terminal will be constructed over the planned underground LRT station and will serve as an inter-modal transfer point for the users of the Shuttle, local and express buses, the parking ramp and LRT. The proposed RiverCity Trolley will also service the Terminal users.

The project includes a North Terminal on the southern portion of the old Nicollet Hotel site at Washington Ave. on the Nicollet Mall. The North Terminal will function similarly to the South Terminal with 2 significant exceptions: No public parking ramp will be constructed on the Terminal site and no bus layover function will be incorporated into the Terminal design.

2. The UMTA Application and Costs of the Project's Two Phases

This application is seeking federal funding for the 4 major components of the Shuttle Project: (1) To assist in the construction of the South Terminal and ramp; (2) to partially fund the purchase of Shuttle rolling stock and refueling facilities; (3) to partially fund necessary transit improvements to the Nicollet Mall; and (4) to partially fund the costs of developing the North Terminal. Total project costs are expected to be nearly \$78 million with about 40% (\$31 million) to be paid for with federal dollars.

The City of Minneapolis is proposing this project. Upon obtaining the approvals of the Regional Transit Board (RTB) and the Metropolitan Council, the City will submit the application for the first phase of the Project. The application will seek \$24 million in UMTA Section 3 Capital Grant Program funds to help construct the South Terminal and ramp and the improvements to the Nicollet Mall. A total of \$40.5 million in Minneapolis General Funds will be committed to this first phase of the Project. (Tables 1-3 provide additional detail regarding the funding of the Project.)

Proceeding with Phase I of the Project is important even if adequate funding cannot be secured for the second phase of the Project. The South Terminal will still serve the important function as an express bus layover facility and as an intermodal transfer point for users of the ramp, local and express buses, and eventually LRT. The ramp and its HOV stalls are already needed to address parking demand in Downtown Minneapolis. The major renovation of the Nicollet Mall has long been judged as essential to maintaining the vitality of not only the Mall itself in the face of competition of suburban malls, but also essential to the vitality of Downtown Minneapolis. From its inception, the Mall functions as a transit corridor and fully 20% of the planned improvements are directly related to public transit.

The City of Minneapolis will work with the RTB to secure private, State and City dollars to fund the needed local match for the second phase of the Project. It is expected that by the summer of 1990 a total of \$6.3 million in local funds will be secured. The Phase II application for the Project will seek an additional \$6.8 million from the UMTA. UMTA Section 3 dollars totaling \$1.25 million will be used to complete the work on the South Shuttle Terminal and to fund half of the costs of constructing the North Shuttle Terminal. The Phase II application will also seek \$5.55 million in UMTA Alternative Fuel Initiative (AFI) Program dollars to fund half of the costs of purchasing the Shuttle rolling stock and building the refueling facility.

The RTB will determine the public or private agency/company most appropriate to operate the Shuttle system. Minnegasco Co. has expressed interest in participating in the development, funding and continuing operation of the Project (refer to the letter from Sharon L. Bailey-Bok; Attachment 11).

Table 3 summarizes the expected operating costs of the Project. Phase I of the Project will entail a total of \$2.75 million per annum in operational expenses. It is expected that parking revenues from the South Terminal ramp will cover the costs of operating the South Terminal and the ramp (\$1.75 million per year). The \$1 million operational costs for the Nicollet Mall will be paid via special assessments from the benefitting property owners within the Nicollet Mall Special Assessment District.

Phase II of the Project will add \$2.225 million in operational commitments. To maintain and fuel the Shuttle rolling stock and the refueling facility will require \$2.1 million per year. However, this additional cost will be offset by two types of savings which are not reflected in this figure. According to the City's consultants on the Project, Strgar-Roscoe-Fausch, Inc. (SRF), the change in Downtown operations with the Shuttle in full operation will result in a daily reduction of about 400 bus miles and about 80 bus hours for the regional system. This will provide the opportunity to reuse the existing fleet for additional service. Individual bus round-trip savings could be around 25 minutes. Nor does this additional operational cost account for the savings which would result from replacing diesel fuel with an alternative fuel such as compressed natural gas (CNG). Diesel fuel plus operating costs are about 33% higher than for CNG. Operating costs for the North Terminal are expected to be about \$125,000 per year.

Three potential sources are being examined to fund the net operating expenses of the Shuttle system and the North Terminal: The State Legislature (via RTB Operating funds), private sources such as Minnegasco, and the City of Minneapolis. City funds could be derived from special assessments of property owners benefitting from the operation of the Shuttle.

3. Project Benefits

Attachment 14, from SRF, provides a brief synopsis of the benefits of the Project.

Both the Shuttle Project and the Nicollet Mall improvement project will be integrated into the overall plan to construct an LRT system in the Twin Cities. The first portions of the LRT system are expected to be operational in 1995 or 1996. Also integrated into the aforementioned plans are the Downtown parking scheme, bus system routing and the creation of more freeway high-occupancy-vehicle (HOV) lanes. As such, the Nicollet Mall Shuttle Project represents a linchpin transit project for Downtown Minneapolis which ties together all of these proposed public transportation improvements. The overall effect will be to substantially improve transportation conditions in the Twin Cities.

While it is important to note that the Project is consistent with the region's plans for transit and other transportation improvements, it should be clear that the Project is not dependent on the implementation of these other plans. Transportation conditions are such in Downtown Minneapolis that the Project is warranted even if none of the other proposed improvements ever go forward. The existing bus volumes in Downtown Minneapolis along the Second and Marquette contra-flow lanes have reached capacity during peak periods. Little if any additional regional peak-period service can be accommodated along these streets. Operation of a Downtown Shuttle system along the Nicollet Mall will relieve peak-period bus congestion and provide some reserve capacity along Second and Marquette.

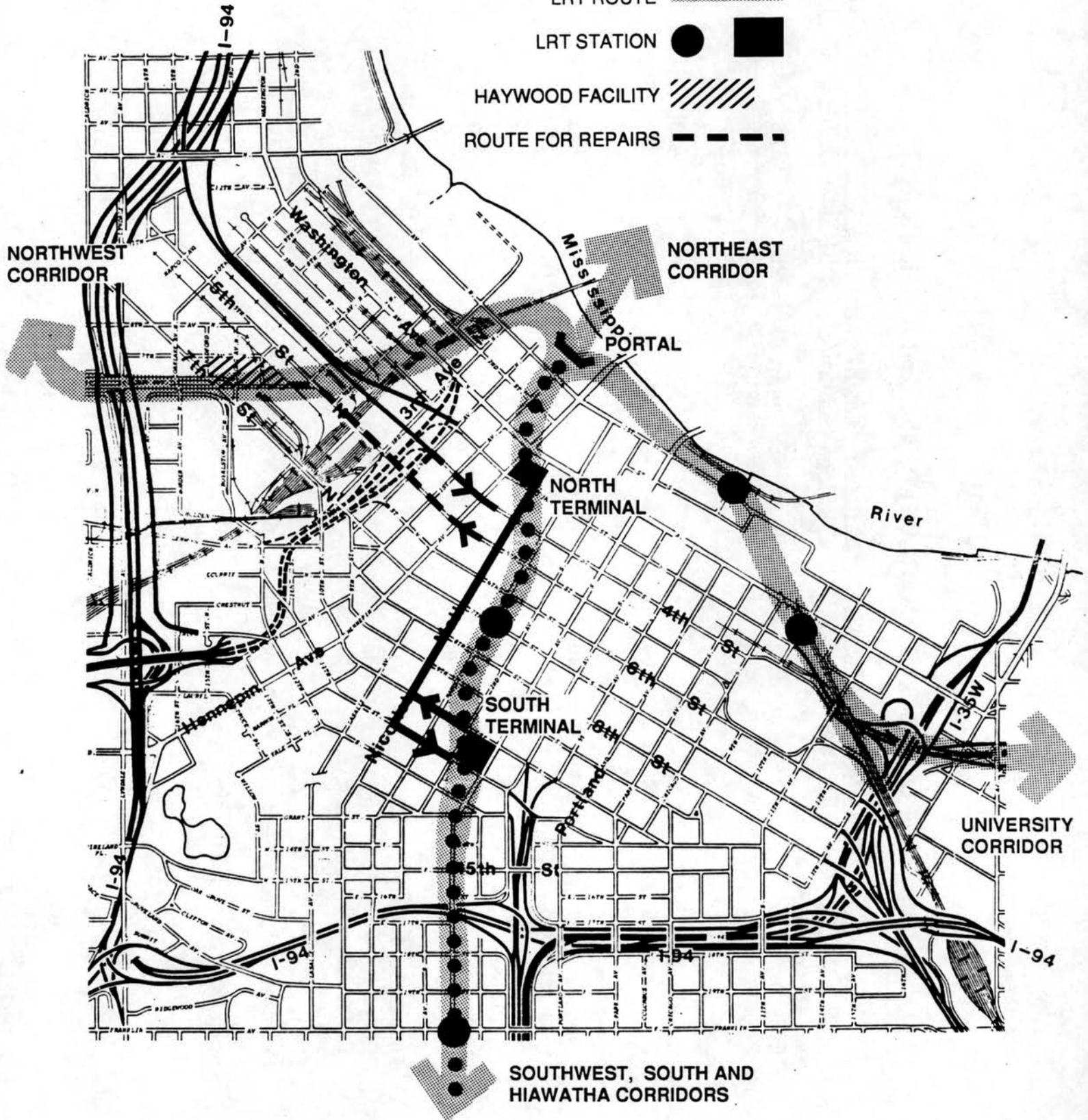
4. Supplemental Information

The following Attachments and Tables provide useful information summarizing the various aspects of the Project:

- Attachment 1: Project Area Map
- Attachment 7: Tally of Bus Trips on Nicollet, Marquette and Second Avenues
- Attachment 8: Project Timeline
- Attachment 9: Summary Table of Project Components Over Time
- Attachment 11: Minnegasco Letter
- Attachment 12: Review and Approval Schedule
- Attachment 14: Nicollet Mall Shuttle Impacts
- Table 1: Sources and Uses of Funds
- Table 2: Nicollet Mall Improvement Costs, Portion Attributable to Public Transit, UMTA Share of Costs
- Table 3: Operating Costs and Sources of Funds

NICOLLET MALL SHUTTLE PROJECT

- SHUTTLE ROUTE 
- LRT ROUTE 
- SUBTERRAINIAN LRT ROUTE 
- LRT STATION 
- HAYWOOD FACILITY 
- ROUTE FOR REPAIRS 



UMTA Application: NICOLLET MALL SHUTTLE PROJECT (DRAFT)

TALLY OF BUS TRIPS ON NICOLLET, MARQUETTE AND 2nd AVENUES

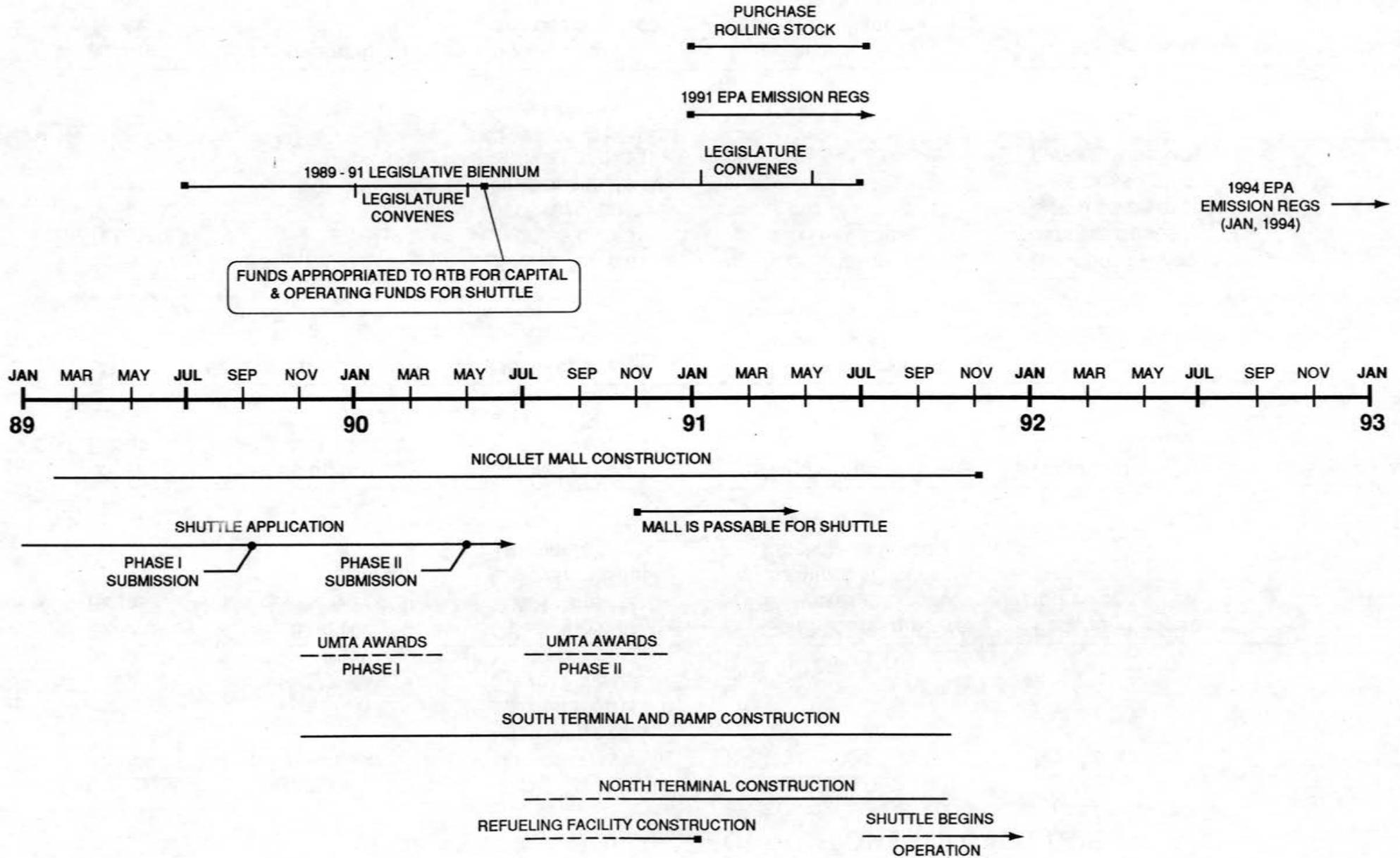
	EXISTING CONDITIONS			POST-1991				TOTAL % CHANGE NOW TO 1991
	LOCAL	EXPRESS	TOTAL	LOCAL	EXPRESS	SHUTTLE	TOTAL	
Nicollet								
Daily:	710	80	790	0	0	726	726	(8%)
Peak-Hour:	75	6	81	0	0	175	175	116%
Marquette								
Daily:	115	230	345	470	0	0	470	36%
Peak-Hour:	16	90	106	55	0	0	55	(48%)
2nd Street								
Daily:	90	250	340	440	0	0	440	29%
Peak-Hour:	18	40	58	55	0	0	55	(5%)
Total Trips								
Daily:			1475				910	(38%)
Peak-Hour:			245				285	16%
Total Deisel Trips								
Daily:			685				184	(73%)
Peak-Hour:			164				110	(33%)

Sources: Strgar-Roscoe Fausch, Inc. memoranda dated: 7/13/89; 4/12/88; 4/6/88

(Bustally, 7/24/89, JMO)

NICOLLET MALL SHUTTLE PROJECT TIMELINE (1989 - 1993)

ATTACHMENT 8



UMTA Application: NICOLLET MALL SHUTTLE PROJECT (DRAFT)

SUMMARY TABLE OF PROJECT COMPONENTS OVER TIME

<u>Component</u>	<u>Currently</u>	<u>1991 To 1995</u>	<u>1996 To 2000</u>	<u>2000+</u>
Shuttle	Not in operation	Operates on Mall Possible limited operation on 3,4 or 5 Ave. S., peak hrs.	No change	No change
Express Buses	Operate on Nic., Marquette & 2nd St.	Operate out of N & S terminals. Layover in South Terminal	Southbound operate & layover in South Terminal. Others function as feeders to LRT.	Function as feeders to LRT.
Local Buses	Operate on Nic. Marquette & 2nd St.	Nicollet buses shift to Marquette and 2nd St.	No change	No change
LRT	Not in operation	Not in operation	4 lines in operat.: University, SW., Hiawatha & NW.	2 more lines added: South & Northeast
South Terminal & Ramp	Not in operation	Serves Shuttle, express buses (incl. layover), local buses, HOV and car parking (peripheral park system)	Additional service to LRT (4 lines)	No more service to express buses. Serve as layover for local buses plus parking functions.
North Terminal	Not in operation	Serves Shuttle, express and local buses	Additional service to LRT (4 lines). No more service to express buses.	No change

(Sumtab, 7/21/89, JMO)



Sharon Bailey-Bok
Director
Market Development

June 22, 1989

Mr. Ken Brunsvold
Director
Grants & Special Projects
Room 200 City Hall
OFFICE OF CITY COORDINATOR
Minneapolis, Minnesota 55415

RE: Nicollet Mall Shuttle Project -- Natural Gas as Vehicle Fuel

Dear Mr. Brunsvold,

Thank you for your letter of June 8 regarding the Nicollet Mall Shuttle Project and the group's interest in natural gas as the clean air vehicle fuel for the project.

We at Minnegasco would very much like to discuss involvement in this major city effort with you and your colleagues. Natural gas is a safe and economical fuel with environmental benefits that is used by a number of local commercial fleets as well as by Minnegasco. As indicated in the attached Letter-to-the-Editor of the STAR TRIBUNE just this week by Gary Petersen, Executive Vice President and Chief Operating Officer, we have a corporate commitment to the natural gas for transportation market.

We would be interested in meeting with you to discuss the plans for the Nicollet Mall Shuttle Project further and our potential contribution. As you know, along with the City of Minneapolis, we anxiously await UMTA funding for the RiverCity Trolley. Similar to that project, our contribution for the shuttle could involve the establishment of the fueling facility, technical expertise, marketing and related support.

I'd like to suggest that the next step be an informal discussion of your needs and our capabilities. I'll ask Dan Petrik, Manager, Natural Gas Vehicle Market Development, to help us arrange such a meeting. Again, thank you for your interest and we'll look forward to learning more.

Sincerely,

Sharon L. Bailey-Bok
Director, Market Development

cc: Gary N. Petersen
Charles Applequist
Dan Petrik
Steve Johnson



A Company of Diversified Energies, Inc.

Sharon L. Bailey-Bok
Director
Market Development

201 South Seventh Street
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Letters

from
readers

Star Tribune

Established 1867

Roger Parkinson Publisher and President

Joel R. Kramer Executive Editor

Tim J. McGuire Managing Editor

Robert J. White Editorial Editor

Wednesday/June 21/1989

12A

Natural gas

The Bush administration's proposed clean-air legislation is clear evidence that the president is serious about improving our environment in a cost-efficient and effective manner. Minnegasco is especially pleased that the alternative motor fuels portion of the proposal specifically recognizes natural gas as a clean-air fuel that can contribute significantly to reductions in harmful exhaust emissions.

Natural gas is already beginning to play a role in this process. Over 30,000 vehicles throughout the United States and more than half a million worldwide are fueled by natural gas, according to estimates by the American Gas Association. The RiverCity Trolley, a public/private partnership involving the city of Minneapolis, Minnegasco and other downtown businesses, will operate on natural gas. The "people mover" trams at the Minnesota State Fair are also being converted to run on natural gas for this year's fair.

The use of natural gas, a safe and economical fuel that is in abundant supply and which has significant environmental advantages, will make a major contribution to the success of our renewed national effort for cleaner air. — Gary N. Petersen, executive vice president and chief operating officer, Minnegasco, Inc., Minneapolis.

UMTA Application: NICOLLET MALL SHUTTLE PROJECT (DRAFT)

REVIEW SCHEDULE
FOR PHASE I OF THE NICOLLET MALL SHUTTLE APPLICATION AND
PROJECT INCLUSION ON THE REGION'S TRANSPORTATION
IMPROVEMENT PLAN (TIP) (8/9/89)

	<u>DATE</u>	<u>STATUS</u>
A. MINNEAPOLIS CITY COUNCIL APPROVAL		
-Report to City Clerk	1/13/89	Done
-TAPW Committee (concept approval and set Public Hearing date)	1/19/89	Approved
-Full Council (approval of concept and hearing date)	1/19/89	Approved
-Publish first public notice	2/9/89	Done
-Publish second public notice	2/27/89	Done
-TAPW Committee convenes Public Hearing and continues it to 4/20/89	3/9/89	Done
-TAPW Committee completes Public Hearing	4/20/89	Done
-Ways and Means Committee approves application	5/9/89	Approved
-Full Council approval of application and authorization to submit	5/12/89	Approved
B. RTB APPROVAL OF APPLICATION AND TIP INCLUSION		
-Draft to staff for review	1/13/89	Done
-Senior staff/mgmt. review	1/25/89	Done
-Policy Committee review of concept	3/20/89	Done
-RTB Committee of the Whole	8/14/89	
-RTB Board Hearing (decision referred to Met Council)	8/21/89	
C. MET COUNCIL APPROVAL OF APPLICATION		
-Draft to staff for review	1/30/89	Done
	7/6/89	Done
	7/25/89	Done
-Technical Advisory Committee, Funding & Programming Subcommittee	7/13/89	Approved*
-Technical Advisory Committee hearing	8/2/89	Approved*
-Transportation Advisory Board (TAB) Federal Aid Urban Subcommittee (3rd Wed. 12:30, Council Chambers)	8/16/89	
-TAB (3rd Wed. 2:00, Council Chambers)	8/16/89	
-Systems Committee (1st & 3rd Tue.; 11:00 Council Chambers)	9/5/89	
-Full Council hearing (2nd & 4th Thur.; 4:00)	9/14/89	
D. UMTA APPLICATION SUBMISSION (Phase I)	Mid Sept.	

* Approved subject to review and approval by RTB

Commission No. 0891238
August 7, 1989
SRF, Inc.

NICOLLET MALL SHUTTLE IMPACTS

The existing bus volumes in downtown Minneapolis along the Second and Marquette contra-flow lanes have reached capacity during peak periods. Little if any additional regional peak period service can be accommodated along these streets. Operation of a downtown shuttle system along Nicollet Mall will relieve peak period bus congestion and provide some reserve capacity along Second and Marquette.

Operation of the shuttle will ensure the following:

1. Additional downtown capacity will be provided during the critical peak periods by limiting regional bus operations to the periphery of downtown.
2. The operating speed of downtown transit will increase as the frequent shuttle service will lead to less bunching of buses and shorter queues for boarding and alighting passengers.
3. The regional bus system will see a reduction in downtown miles and hours providing the opportunity to reuse the existing fleet for additional service. Individual bus round trip savings could be around 25 minutes.
4. The change in downtown operations will result in a daily reduction of about 400 bus miles and about 80 bus hours for the regional system.

The operation of the shuttle in conjunction with the transit terminals will provide a strong focus to regional transit service in the downtown. The overall project will provide:

1. A focus for all downtown--destined transit users.
2. A focus for reverse commute service.
3. Downtown HOV parking for the I-35W corridor.
4. Off-street layover and staging area for regional bus service.

The impact on users will be:

1. Climate controlled waiting areas will be provided at the terminals.
2. Well lit and more secure waiting areas will be developed.
3. The shuttle operation will provide fully accessible service for disabled persons.
4. The service will operate with a free fare to encourage transit use.
5. The service begins to reshape downtown transit operations in anticipation of possible LRT service.
6. The shuttle will increase regional transit service and ridership during midday, evenings and weekends.
7. Peak period users will have an additional transfer in the downtown.

The environmental impacts include:

1. Improved air quality in downtown as the number of diesel bus miles operating in the core will be significantly reduced.
2. Use of alternative fuel vehicles will encourage the refinement of the technology.

The development of the shuttle system will require changes in existing transit operations. These changes will require a slight shift in the regional perspective to:

1. Increase regional transit system operating expenses to reflect a much higher level of service in the downtown.
2. Increase the 1990 bonding limit for vehicle purchase by RTB.
3. Reroute several existing bus routes from Nicollet Mall.
4. Accept the downtown transfer as feasible for peak period users.
5. Be willing to test alternative fuel vehicles.
6. Be willing to develop re-fueling station.
7. Evaluate the role of transit in the downtowns.

TABLE 1 (Draft 8/8/89)

**NICOLLET MALL SHUTTLE APPLICATION
SOURCES AND USES OF FUNDS**

LINE	USES OF FUNDS	SOURCES OF FUNDS (\$ Million)						
		UMTA			% UMTA	PART- NSHIP	RTB	SUB TOTAL
		SEC. 3	AFI	TOTAL				
	S. Terminal and Ramp (1)							
1	Phase I	20.2	0	20.2	52	18.7 (2)	0	38.9
2	Phase II	0.5	0	0.5	100	0	0	0.5
3	Sub Total	20.7	0	20.7	53	18.7	0	39.4
	Nicollet Mall Improv.							
4	Phase I	3.8	0	3.8	15 (3)	21.8 (4)	0	25.6
	Shuttle Rolling Stock (7)							
5	Phase II	0	5.25	5.25	50	? (6)	5.25 (5)	10.5
	Refueling Facility							
6	Phase II	0	0.3	0.3	50	? (6)	0.3 (5)	0.6
	North Terminal							
7	Phase II	0.75	0	0.75	50	0.75 (8)	0	1.5
	TOTALS							
8	Phase I	24.0	0	24.0	37	40.5	0	64.5
9	Phase II	1.25	5.55	6.8	52	0.75	5.55	13.1
10	GRAND TOTALS	25.25	5.55	30.8	40	41.25	5.55	77.6

Footnotes:

- (1) Based on 2400 stalls; 1200 reserved for HOV
- (2) Source of funds: City of Minneapolis General Funds.
- (3) \$3.8 million represents 75% of transit-related improvements on the Nicollet Mall.
- (4) Source of funds: Special assessments paid by the benefitting property owners within the Nicollet Mall Special Assessment District.
- (5) Source of funds: RTB Capital funds to be allocated by the State Legislature in May, 1990.
- (6) Minnegasco Co. has expressed interest in participating in the Project including a potential financial commitment (refer to letter from Minnegasco).
- (7) Based on 30 vehicles with spare parts at \$350,000 per vehicle.
- (8) Source of funds: A public private partnership will be formed to develop the North Terminal as a part of a mixed-use project on the entire block. It is expected that tax increment funds from nearby districts will be utilized as well.

(Costs1; JMO)

TABLE 2 (Draft 4/14/89)

NICOLLET MALL IMPROVEMENT COSTS(1), PORTION ATTRIBUTABLE TO PUBLIC TRANSIT, UMTA SHARE OF COSTS

(Dollars in thousands of dollars)

<u>LINE</u>	<u>USES OF FUNDS</u>	<u>TOTAL COST</u>	<u>% TRANSIT</u>	<u>TRANSIT RELATED</u>	<u>UMTA SHARE</u>
1	Roadway, curb and gutter	474.4	100.	474.4	355.8
2	Sidewalks and base	6807.9	42.(2)	2859.3	2144.5
3	Transit shelters	938.0	100.	938.0	703.5
4	Construction Process	1139.0	42.(2)	478.4	358.8
5	<u>11th St. to Grant St.</u>	<u>844.2</u>	<u>42.(2)</u>	<u>354.6</u>	<u>265.9</u>
6	SUBTOTAL	10,203.5	50.	5104.7	3828.5
7	<u>Other Mall Improvements</u>	<u>15,439.5</u>	<u>0.</u>	<u>0.</u>	<u>0.</u>
8	TOTALS	25,643.0	20.	5104.7	3828.5

Footnotes:

(1) Costs include soft costs at the rate of 34% of hard costs.

(2) Of the 180,000 sq. ft. of public sidewalk area on the Mall, 75,600 sq. ft. are designed to benefit transit users. This is 42% of the total.

TABLE 3 (Draft 8/8/89)
OPERATING COSTS AND SOURCES OF FUNDS

LINE	USES OF OPERATING FUNDS	SOURCES OF FUNDS (\$ Thousands)			SUB TOTAL
		UMTA	PARTN- SHIP.	RTB	
PHASE I					
South Terminal					
1	- Terminal area	0	250 (1)	0	250
2	- Parking ramp	0	1500 (1)	0	1500
3	Nicollet Mall	<u>0</u>	<u>1000 (2)</u>	<u>0</u>	<u>1000</u>
4	Sub Total	0	2750	0	2750
PHASE II					
5	Shuttle Rolling	0	0	2100 (3)	2100
6	Stock and Refueling (5)				
7	North Terminal	<u>0</u>	<u>125 (4)</u>	<u>0</u>	<u>125</u>
8	Sub Total	<u>0</u>	<u>125</u>	<u>2100</u>	<u>2225</u>
9	GRAND TOTALS	0	2875	2100	4975

Footnotes:

- (1) Source of funds: Parking ramp revenues from the South Terminal parking ramp.
- (2) Source of funds: Special assessments paid by the benefitting property owners within the Nicollet Mall Special Assessment District.
- (3) Source of funds: RTB Operating funds.
- (4) Source of funds: A public private partnership will be formed to develop the North Terminal as a part of a mixed-use project on the entire block. Operating expenses are expected to come from a combination of 3 potential sources: State Legislature (via RTB Operating funds), private sources such as Minnegasco, and City funds (via special assessments of property owners benefitting from the operation of the Shuttle).
- (5) Does not include savings resulting from replacing diesel fuel with compressed natural gas (CNG). Diesel fuel plus operating costs are about 70-80 cents per gallon. An equivalent amount of CNG would cost about 50 cents (a 33% savings). Nor does this figure account for the regional savings resulting from the daily reduction of 400 bus miles and 80 bus hours saved by the operation of the Shuttle system. Individual bus round-trip savings could be about 25 minutes.

(costs3)