



## Request for City Council Committee Action From the Department of Public Works

**Date:** August 9, 2005  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Referral to:** None

**Subject:** Proposed changes to the Courtesy Bench Program

**Recommendation:**

- a. Receive and File the process to explore opportunities to change the courtesy bench program from a license to a franchise system; and
- b. Authorize Public Works to issue a Request for Proposals for courtesy bench services.

**Previous Directives:** None

**Prepared by:** Jon Wertjes, P.E., PTOE, Director, Traffic & Parking Services

**Approved by:**

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Klara A. Fabry, P.E., City Engineer, Director of Public Works

**Presenters:** Derek Larson, Project Manager, 612-673-2151  
Michael W. Sachi, P.E., Parking & Skyways Systems Engineer

**Financial Impact** (Check those that apply)

No financial impact - or - Action is within current department budget.

(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

## **Background/History**

### Courtesy Bench

The City of Minneapolis started the courtesy bench (aka bus stop benches) program 25+ years ago. The courtesy bench program is governed by State Statute 160.27, Subd. 2 and City Ordinance Chapter 283, in conjunction with Appendix J. The courtesy bench purpose was to provide bus stop patrons a place to sit while waiting for the bus. Due to the initial significant capital costs to purchase benches, the City selected a public/private partnership method to implement courtesy benches. Currently, the courtesy bench program is a license fee based ordinance that allows bench vendors to purchase a license for each bench, provide/own/maintain the bench, and then are allowed to advertise on the bench.

The City's courtesy bench ordinance allows up to 700 licenses that are to be renewed annually on January 1. All of the 700 licenses have currently purchased by US Bench, Inc. The program yields annual revenues of \$16,800. The Department of Regulatory Services administers this program.

### Bus Shelters

In a similar situation but a different process, bus shelters with advertising are allowed through State Statutes and the City's franchise agreement (Code of Ordinances Appendix G). There are 239 bus shelters through a City franchise agreement with Transtop, Inc. This program's annual revenues are 13% of the gross ad revenue minus allowable expenses. Yearly net revenue to the City in 2004 was \$127,693.46, 2003 was \$117,651.71 and 2002 was \$70,613.50.

This franchise agreement was started in 1979 and expires in 2009. Public Works administers the bus shelter franchise agreement. Note -- there are bus shelters without advertising in the City that are owned and maintained by Metro Transit.

## **Enhancement Opportunities for the Courtesy Bench Program**

There have been numerous inquiries about how to change the design and aesthetic of the current bus benches. These inquiries are coming from the public, business groups that are part of existing and or future special services districts, and adjacent property owners.

Likewise, the Public Financial Management consultants did some preliminary analysis and determined there may be opportunity for the City to enhance the revenue gained from the courtesy bench program. However, the revenue potential is speculative based on the local market conditions and the willingness of vendors to participate. Based on these conclusions, Regulatory Services and Public Works Departments met to discuss options. The basic conclusion was to pursue a courtesy bench franchise agreement similar to the bus shelter franchise that would improve the aesthetics and revenues.

### Proposed Process

To accomplish this effort, Public Works has begun to pursue the following key tasks:

1. Discussions with City Attorney's office regarding legal steps
2. Serve notice to the existing bench vendor(s) that the courtesy bench program may change
3. Obtain courtesy bench comparables from other cities
4. Develop a Request for Proposals (RFP) and a draft franchise agreement
5. Seek City Council approval to issue the RFP
6. Draft new ordinance language as needed to reflect the new bench program

Public Works and the City Attorney's office are examining the above steps and developing the associated timeline to meet a timeline goal that corresponds to the January 1 annual courtesy bench license renewal. However, this goal may not be the most appropriate timeframe given the necessary public hearings needed for potential ordinance changes and to make any field changes due to winter conditions. Therefore, Public Works is examining the best approach to meeting both ordinance and field implementation timelines. These timeframes may result in extension of the current courtesy bench licenses beyond the January 1, 2006 renewal (for example a 3 or 6 month extension). Public Works anticipates returning to the September 27 T&PW Council Committee with an update on the process. Public Works has assigned Derek Larson (673-2151) to be the project manager.

cc: Mr. Rollie Danielson, US Bench, Inc.  
Ms. Connie Barry, Transtop, Inc.  
Joel Fussy, City Attorney Office  
Henry Reimer, Ricardo Cervantes and Grant Wilson, Regulatory Services