



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

Date: November 17, 2003
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: Honorable Barb Johnson, Chair Ways & Means Committee
Subject: **Transfer of TAD Revenues to Met Council for TAD to Downtown Bus Service**

Recommendations:

1. **Authorize Proper City Officers to execute an Agreement with Met Council providing for transfer of TAD revenues to Met Council for bus service provided between TAD Garages and Downtown.**
2. **Direct the Chief Finance Officer to include in the 2004 Budget Request the amount of \$1,500,000 from TAD Garage revenues for payment to Met Council for a portion of the cost of providing bus service between the TAD Garages and Downtown.**

Previous Directives:

Resolution 89R265 adopted June 30, 1989 providing that the City would manage the TAD Garages in accordance with the Management Agreement for the I394 Parking Facilities and with the Operation Plan.

Prepared by: Robert Morgan, P.E., 673-3610

Approved by:

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

Presenters: Robert Morgan, P.E.

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/Supporting Information:

The Third Avenue Distributor (TAD) Garages were built by the City and the Minnesota Department of Transportation (MnDOT) to encourage bus usage and car pooling in the I394

Corridor and to intercept all day parkers at the fringe of Downtown thereby reducing congestion and air pollution and freeing space in Downtown for short term parking for business and shopping.

Downtown, not the TAD Garages, is the final destination for these trips. Met Council provides all day, frequent, high quality bus service between the TAD Garages and Downtown. The City, MnDOT, and Metro Transit decided earlier this year to cooperate to provide enhanced transit services to rideshare and contract parkers in the TAD Garages. Beginning in April, the cost for registered carpools to park in the TAD Garages was reduced by half and free weekday bus service between the TAD Garages and Downtown was instituted for registered TAD carpools and monthly TAD contract parkers.

The Maintenance and Operations Plan for the TAD Garages describes how TAD Garage revenues will be spent. The Plan identifies certain mandatory expenses which must be paid first. Remaining revenues may be used for discretionary operating expenses identified in the Plan. One of the allowable discretionary uses of Garage revenues is "to defray an equitable portion of the cost of a downtown distribution bus service if it circulates through the garages.". City staff and MnDOT propose to pay Met Council for a portion of their cost to provide bus service circulating through the TAD Garages and serving Downtown. We have agreed on \$1.5 million per year as "an equitable portion of the cost" of this Downtown bus distribution service. This amount approximates the cost of providing this bus service between the TAD Garages and Chicago Ave in the peak period in the peak direction on weekdays. This payment is to be ongoing, begin in January 2004, and be evaluated annually. Met Council will prepare a detailed service description and budget for the approval of MnDOT and the City.

cc: Pat Born; Chief Finance Officer
Ed Backstrom, Assistant City Attorney
Doug Differt, Deputy Commissioner MnDOT
Mike Setzer, General Manager Metro Transit

