

Transportation Committee

For the Metropolitan Council meeting of August 10

Subject: Authorization of Interagency agreement with the City of Minneapolis for Travel Demand Management Services

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to enter into an interagency agreement with the City of Minneapolis for employer outreach and other Travel Demand Management (TDM) services in downtown Minneapolis in an amount not to exceed \$100,000.

Summary of Committee Discussion/Questions

Bruce Howard, Director of Customer Services and Marketing presented, and Arleen Schilling (Director of Program Evaluation and Audit) was also present to answer questions from committee members.

Committee members received an overview of the TDM services provided by the Minneapolis TMO and the relationship between the Council/Metro Transit, the City and the TMO and the use of federal CMAQ funds for TMO activities. It was noted that without the downtown TMO the region would need to determine another approach to serving employers and businesses in downtown Minneapolis.

Committee members asked several questions related to the current status of CMAQ funding used by the City and TMO, recent audits of the TMO by the City into CMAQ compliance violations, the oversight of and makeup of TMOs, structure of the agreements with the City and TMO and what might happen if the TMO did not have funds to continue in operation.

The Council has not passed through CMAQ funds programmed for the City of Minneapolis and TMO for 2015 and 2016 as a FTA investigation is ongoing into the improper use of some CMAQ funds by the TMO. Since receiving the audit findings in late 2015 the City and TMO have taken steps to improve oversight of TMO expenditures including assigning more City staff to review invoices and ultimately dismissing their executive director in an effort to improve processes.

Committee members asked what might be the repercussions if the Council would not approve entering into an agreement with the City to provide the short-term funding requested in the business item. If the TMO had to close the continuity of relationships with businesses in downtown would suffer until Metro Transit or the City could find a way to replace the services the TMO offers which would take several months.

Council member Letofsky, said that a short-term “pay as you go” approach as suggested in the business item to keep the TMO operating until a long-term solution could be determined seemed like a good approach. Council members Rodriguez and Barber said they felt uncomfortable approving the item while the FTA investigation is still ongoing.

Motion by Council member Commers and Second by Council member Elkins to approve the business item. Motioned carried.

Transportation Committee

Meeting date: July 11, 2016

For the Metropolitan Council meeting of July 27, 2016

Subject: Authorization of Interagency agreement with the City of Minneapolis for Travel Demand Management services

District(s), Member(s): District 7 – Gary Cunningham

Policy/Legal Reference: Transportation Policy Plan, Access to Destinations-Strategies C3, C4

Staff Prepared/Presented: Brian J. Lamb, General Manager, 612-349-7510

Bruce Howard, Director of Customer Services and Marketing, 612-349-7694

Division/Department: Metro Transit/Marketing

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to enter into an interagency agreement with the City of Minneapolis for employer outreach and other Travel Demand Management (TDM) services in downtown Minneapolis in an amount not to exceed \$100,000.

Background

Move Minneapolis is the forward-facing name of the Downtown Minneapolis Transportation Management Organization (TMO) a 502C4 non-profit founded in 1991 through City of Minneapolis action. The TMO provides employers, commuters, residents and visitors with information and assistance in using sustainable transportation options such as transit, carpooling, biking, and walking.

The TMO has a board of directors, permanent staff and operating budget, and has been largely funded with federal Congestion Mitigation and Air Quality (CMAQ) grants. The Metropolitan Council passed these grants through to the City of Minneapolis which in turn had a professional services contract with the TMO to provide CMAQ funds to reimburse allowable TMO expenses.

In 2015, City audits of the TMO found lack of compliance with CMAQ procurement and financial transaction requirements related to grant reimbursements that the City approves, pays and submits to the Metropolitan Council. As a result, the Metropolitan Council withheld all CMAQ reimbursements to the City and TMO since December of 2014. Subsequently, the TMO received the audit findings and has taken action to address the violations. However, future use of CMAQ funds to reimburse TMO expenses is under review by the FTA.

Rationale

The TMO has been operating without a contract with the City since January 1, 2016 and has been using its funding reserves during the first half of this year. These reserves will be depleted at the end of July 2016. After discussions between the Metropolitan Council/Metro Transit, City of Minneapolis, MN/DOT and TMO Executive Board members, it was agreed that the TMO can and should continue to provide valuable services in downtown Minneapolis. The City of Minneapolis is recommending renewal of the TMO's professional services agreement for a term of six months using the following approach:

Two agreements, one between the City and the Metropolitan Council and one between the City and TMO.

6 month term from July 1 to December 31, 2016

Approximate budget of \$255,000

Continue to follow provisions that allow possible CMAQ funding reimbursement

Funding partners:

- Metropolitan Council: up to \$100,000
- City of Minneapolis/Meet Minneapolis: up to \$70,000
- TMO match, state grant and other resources: up to \$85,000

The Metropolitan Council/Metro Transit priority activities to be included in the City's professional services contract with the TMO during the six month agreement would focus on commute related Travel Demand Management (TDM) service to Employers, Colleges or multi-tenant office buildings in the downtown core including:

- Promotion of regional pass programs including Metropass, College Pass (either as a new sale or to boost active cards used)
- Promotion of GRH, Ride matching, NexTrip and other applicable Regional Programs.
- Conducting biking seminars for employees of employer or multi-tenant office buildings.
- Provide relocation assistance to employers who are moving into the downtown core.
- Promote regional Commuter Choice Awards Program and actively encourage nominations.
- Staffing employer and multi-tenant office building specific benefits fairs to help to increase awareness of regionally available mode choices for employees.
- Making use of the Switch My Tip toolbox to provide "try-it" style interest at Employer related Commuter fairs
- Provide goals and report benchmarks monthly for activities in the work scope using a Metro Transit provided online format.

Funding

Funding is available using non-CMAQ dollars in the approved 2016 Metro Transit budget.

Known Support / Opposition

On July 1, the Minneapolis City Council approved entering into agreements with the Metropolitan Council and Minneapolis TMO. MN/DOT has expressed support for the TMO continuing to provide carpool registration and promotion services for their ABC parking ramps.