

## Transportation Committee

Meeting date: June 13, 2016

For the Metropolitan Council meeting of June 22, 2016

**Subject:** Capital Grant Agreement with Minnesota Valley Transit Authority for Eagan Bus Garage Debt Service.

**District(s), Member(s):** 4 – Deb Barber, 15 – Steven Chavez, 16 – Wendy Wulff

**Policy/Legal Reference:** 2016 Capital Program and Business Item 2016-103

**Staff Prepared/Presented:** Arlene McCarthy, MTS Director (651) 602-1754

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**Division/Department:** Transportation / Metropolitan Transportation Services (MTS)

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an agreement with the Minnesota Valley Transit Authority (MVTA) for \$1,057,200 for payment of principal and interest on 2015 and 2016 debt service for the Eagan Bus Garage Expansion.

### Background

MVTA has been using its NTD earnings to pay for debt owed on the Eagan Bus Garage Expansion. This debt service schedule goes back to 2013 and the proposed agreement will cover principal and interest for 2014 and 2015.

### Rationale

The requested action will allow MVTA to pay off debt service for the Eagan Bus Garage Expansion using its federal formula National Transit Database (NTD) earnings.

### Funding

This project will be funded with \$600,000 of Regional Transit Capital (RTC) and \$397,200 of Motor Vehicle Sales Tax (MVST) in lieu of MVTA's federal NTD earnings. The Council has traditionally "defederalized" Suburban Transit Provider NTD earnings by providing RTC in lieu of the NTD earnings to eliminate requirements associated with the federal funds. In this case, MVST is also being provided in lieu of NTD earnings because interest is not an eligible RTC expense.

The funding is pending authorization of Business Item 2016-103 that will be considered by the Transportation Committee on June 13, 2016 and the full Council on June 22, 2016. Business Item 2016-103 transfers MVST from the Contracted Services operating budget to the capital program with an equal amount in federal funds to be transferred from the capital program to the Contracted Services operating budget. This dollar for dollar exchange of funds has no impact on regional MVST allocations, MVST reserves or planned capital projects.

### Known Support / Opposition

MVTA supports this requested action.