

Transportation Committee

Meeting date: April 12, 2010

Council Meeting: April 28, 2010

ADVISORY INFORMATION	
Date:	April 7, 2010
Subject:	Council Subsidized Vanpool Program Changes
District(s), Member(s):	All
Policy/Legal Reference:	Mn Statute 473.375 Subd. 11
Staff	Arlene McCarthy – Director MTS (651)602-1754
Prepared/Presented:	Gerri Sutton – Asst Director MTS (651)602-1672 John Harper – Sup. Contracted Transit Services (651)602-1744 Randy Rosvold – Sr. Project Administrator (651)602-1710
Division/Department:	Metropolitan Transportation Services (MTS)

Proposed Action

That the Metropolitan Council approve changes to the Council’s subsidized vanpool program per attached Exhibit A.

Background

Van *GO!* is the Council’s subsidized vanpool sharing program. Council staff facilitates development of these pools and contracts with VPSI, Inc. to lease vans to program participants. The Council pays 55% of the lease cost for each pool. The Van *GO!* vanpool program began in May 2001 with two pools. The program grew quickly and peaked at 71 vans in September 2008. Today, there are 59 vanpools.

Funding

Initially, the program was fully funded by a federal Congestion Mitigation and Air Quality (CMAQ) demonstration grant. As is typical with CMAQ grants, most operating expenses become ineligible for CMAQ funding after the first three years and the ongoing operating expenses must be covered by other sources. In 2004 and 2005, the Council used Metro Area MVST to fund the local match.

In 2006, recognizing the growing number of vanpools originating outside the 7-county metro, the Council adopted a 2007 operating budget that charged adjacent county vanpoolers \$190 annually to cover the share of local match proportionate to vanpool miles traveled outside the 7-county metro. Since 2008, the Council has been successful in receiving competitive federal Job Access Reverse Commute (JARC) grants from MnDOT for the local share outside the 7-county metro. The current JARC funding grant will expire in September 2010 and the Council was not awarded funding in the most recent solicitation. The loss of federal funding means that a larger share of the expenses must be covered with the Council’s local funding sources or again shifted to adjacent county participants.

Jurisdiction

When the Van *GO!* program was created geographical boundaries were not considered an issue because the program was 100% funded by CMAQ. As the program has evolved and in consulting the Office of General Counsel, staff does not believe that the Council is authorized to operate outside of the “metropolitan area.” Minn. Stat. section 473.123 subd. 1 provides that the Council’s jurisdiction is the “metropolitan area.” That term is defined in Minn. Stat. section 473.121 subd. 2 to include only Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties. However, there is desire to establish the necessary authority to continue providing Van *GO!* to adjacent county commuters given the vanpools do travel on congested metro area roads for a portion of their trip.

Eligibility

The Van *GO!* program is intended to provide an option for commuters where and when fixed route service is not available. The original program operating parameters have always included the requirement that a proposed

pool not compete with fixed route service. However, a definition of “not competing” has never been established.

Since the inception of Van *GO!* the region has enhanced the extensive network of park and ride facilities around the perimeter of the metro area. These park and ride facilities have improved levels of fixed route service going to/from Minneapolis and St. Paul during the rush hours to meet the needs of commuters destined to either downtown.

Rationale

Exhibit A outlines the three areas of the subsidized vanpool program recommended to be refined to reflect the adjustment in funding sources, address the jurisdiction issue and establish a definition of not competing with regular route service.

Funding

Similar to the 2007 solution, staff proposes shifting the proportionate share of local funding, based on mileage in the adjacent counties, to the program participants. Using 2009 data, 23% of Van *GO!* miles occurred outside of the metro area.

The annual expense to be covered by local sources is approximately \$190,000. With this proposal, Van *GO!* pools with a registered driver residing outside of the metro area, or van pools originating in the metro area and traveling to the adjacent counties would receive a 50% lease subsidy instead of 55%. The Council contribution would be reduced by about \$44,000 annually which equates to an average annual increase of \$108 per adjacent county passenger.

Jurisdiction

To establish the legal authority to operate service beyond the 7-county metro area, staff proposes that the Council enter into Joint Powers Agreements (JPA) with the Wisconsin Department of Transportation and the Minnesota Department of Transportation who have jurisdiction in the areas adjoining the metro area. There would be no funding involved and both entities have preliminarily agreed to this approach.

Eligibility

Staff recommends that a clear definition of when a vanpool would compete with regular route service be established. Given the comprehensive network of park and ride lots and express service around the metro area, staff proposes that vanpools commuting to the Minneapolis and St. Paul downtown fare zones on weekdays, arriving between 7:00 a.m. and 8:30 a.m. and departing in the afternoon between 3:30 p.m. and 5:30 p.m., would not be eligible for Van *GO!* Contracting directly with VPSI, Inc. for a non-subsidized vanpool remains an option during these peak commuter hours. Another option is that the Council would support a subsidized vanpool that shuttles riders to/from their homes and a park and ride facility from which they use fixed route to/from downtown during the peak hours.

Currently, nine vanpools that go to downtown Minneapolis and 13 that go to downtown St. Paul would not be eligible under the new criteria. Staff recommends that all of these pools be grandfathered in to the redefined Van *GO!* program.

Funding

Council funding of local match for the subsidized vanpool program will be reduced by \$44,000 annually effective September 1, 2010.

Known Support / Opposition

This Business Item was distributed to the four Transportation Management Organizations (TMOs) in the metro area on April 8, 2010.

Council Subsidized Vanpool Program (Van GO!) Proposed Program Changes		
	Current	Proposed
Jurisdiction	<p>No formal arrangements to provide the Council authority to operate outside the 7-county metro. 44 vanpools serve collar county residents.</p>	<p>The Council will pursue Joint Powers Agreements with the Wisconsin Department of Transportation and Minnesota Department of Transportation.</p> <p>Effective Date: September 1, 2010</p>
Funding	<p>Vanpools leases are subsidized at 55% primarily through federal funding sources with some local match provided by the Council using regional MVST and MnDOT/ Greater MN Jobs Access/Reverse Commute (JARC) funds. The JARC grant agreement that has been providing support for adjacent county participants will expire in September 2010. The Council was not selected to receive future MnDOT JARC funds.</p>	<p>Program expenses associated with the proportionate share of miles that occur in the collar counties will be shifted to collar county participants via a reduction to the lease subsidy. The Council will fund 50% of the lease cost for adjacent county van pools (determined by the address of the primary driver or destination). The Council will continue to subsidize 55% of the lease for vanpools operating exclusively within the 7-county metro.</p> <p>Effective Date: September 1, 2010</p>
Eligibility	<p>Program guidelines include a broad policy that prohibits the creation of vanpools that compete with fixed route transit.</p>	<p>Vanpools going to the downtown zones as defined by the Council's fare policy are not eligible for subsidy if they are designed to meet the following work schedules:</p> <p><u>Minneapolis and St. Paul Downtown Zone</u> Arrival Time 7:00 a.m. – 8:30 a.m. Departure Time 3:30 p.m. – 5:30 p.m.</p> <p>Effective Date: April 29, 2010 Vanpools implemented prior to April 29, 2010 are exempt from this eligibility criterion.</p>