

**COUNCIL ACTION FORM**

**SUBJECT:** INTERMODAL FACILITY OPERATING SUBSIDY

**BACKGROUND:**

In February 2011, the City entered into a three-party agreement with Iowa State University and the Ames Transit Agency regarding operations of the new Intermodal Facility. Among other provisions, this agreement specifies that:

“While it is expected that revenue generated from the Facility users will be sufficient to cover all of the expenditures for the Facility and site, it is agreed and understood that it is possible from time to time that negative balances in the fund (as described in Section V.A, supra) may occur. Should the revenues in the fund not cover the operations and capital improvement expenditures, the University and City of Ames will each provide equal supplemental operational support in the form of subsidies as necessary to maintain a positive balance.”

As the first full year of operations for the Intermodal Facility came to an end on June 30, 2012, the University (who manages the facility) has supplied the City with the attached budget summary. **This report indicates that expenditures for the facility exceeded revenues by \$27,973.37. In accordance with the operations agreement, the City owes the University one-half of this subsidy, or \$13,986.69, for the first year of its operation.** (See Attachment I)

**In analyzing the budget data, it appears that the expenditures for the operations actually came in \$2,560 less than the anticipated \$124,284. Therefore, the cause for the deficit can be isolated on the revenues where the receipts from meter and space rentals were \$48,559 less than budgeted. Fortunately, revenue from the rental of office space for the Jefferson Bus Line and Executive Express was \$16,470 greater than expected. Otherwise, the operational deficit would have been even greater.**

One reason for the lower than anticipated revenue from meter and rental revenues is that fees in the Intermodal Facility are higher than the City parking fees in the surrounding area. These higher fees are necessitated by the higher costs of maintaining a parking garage. **In order to enhance the revenue opportunities in the facility, the City Council might want to give consideration to increasing the metered parking fees in the Campustown area to be more in line with the Intermodal Facility rates.**

### **ALTERNATIVES:**

- 1) In accordance with our three-party agreement, the City Council can decide to fund its share of the operating deficit (\$13,986.69) of the Intermodal Facility for FY 2012-13 from the Council's Contingency Account.
- 2) In accordance with our three-party agreement, the City Council can decide to fund its share of the operating deficit (\$13,986.69) of the Intermodal Facility for FY 2012-13 from the City's Parking Fund.
- 3) In accordance with our three-party agreement, the City Council can decide to fund its share of the operating deficit (\$13,986.69) of the Intermodal Facility for FY 2012-13 from the Local Option Sales Tax Fund.

### **MANAGER'S RECOMMENDED ACTION:**

Unfortunately, the Intermodal Facility was not self-sustaining for its first year of operation. Given the existing three-party agreement with the University and the Ames Transit Agency, the Council has no choice but to share equally in the \$27,973.37 operating deficit. The only decision to be made is to determine the source of this funding.

**Given the relatively minor first year deficit and the availability of funding, it is the recommendation of the City Manager that the City Council accept Alternative #1, thereby authorizing funding of its share of the Intermodal Facility's operating deficit for FY 2012-13 from the Council's Contingency Account.**

In order to prevent an operational subsidy in the future, the City Council might want to consider either 1) increasing the parking and rental space fees in the other areas in Campustown so that they are more in line with the Intermodal fees, 2) lowering the Intermodal fees to match the other fees in Campustown with the expectation that prices will attract more overall use of the facility, or 3) hoping that the increase in enrollment at ISU and expected new redevelopment projects in Campustown will result in greater parking demand at the Intermodal Facility.

Ames Intermodal Facility FY13 Account #

INCOME:	Bal Forward	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Meters	221-01-01	-	-	-	222.00	530.65	322.75	241.25	303.95	238.20	1,080.25	315.35	127.75	3382.15
Covered Parking Permits	221-01-02	1,862.40	1,396.80	12,373.72	2,769.77	2,660.00	771.58	790.56	2,559.42	1,328.99	685.96	1,330.00	(20.00)	28609.20
Uncovered Parking Permits	221-01-03	9,675.75	8,856.10	10,595.00	2,282.82	1,064.01	345.00	-	5.00	-	1,245.00	(1,245.00)	1,620.00	34443.68
Jefferson/Burlington Bus Lines	221-01-04	-	-	1,800.00	900.00	1,800.00	-	900.00	900.00	900.00	900.00	900.00	1,800.00	11700.00
Daily Airport	221-01-05	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Executive Express Bus Lines	221-01-06	-	970.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	4,600.00	1,000.00	15570.00
Miscellaneous Income	221-01-07	-	-	30.00	-	-	-	-	-	-	-	15.00	-	45.00
		\$11,538.15	\$11,222.90	\$25,798.72	\$6,952.59	\$6,746.01	\$2,647.23	\$3,013.31	\$4,700.67	\$3,537.94	\$2,824.16	\$5,555.25	\$4,565.35	\$93,750.03

OPERATING EXPENSES:

Administrative Fees	221-02-01	-	-	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	22,000.00
Bank Charges	221-02-02	36.99	77.18	46.92	94.58	0.68	12.19	17.67	13.61	12.86	16.32	14.78	74.60	508.62
Liability Insurance	221-02-03	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Insurance	221-02-04	-	-	-	-	-	7,812.00	-	-	-	-	-	-	7,812.00
Loss and Damages	221-02-05	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	221-02-06	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Expenses	221-02-07	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone Expenses	221-02-08	-	245.13	900.55	-	574.97	312.97	313.49	312.86	312.77	311.87	302.62	302.62	3,889.85
Miscellaneous Office Expenses	221-02-09	-	-	-	-	-	-	475.20	(475.20)	-	-	-	-	-
Permits	221-02-10	-	-	518.00	-	-	-	-	-	-	-	-	-	518.00
Cameras/Security	221-02-11	-	-	-	-	-	-	-	-	-	-	-	-	-
Elevator Maintenance	221-02-12	-	-	-	289.75	-	-	-	-	-	122.00	329.40	528.05	1,269.20
TicFak Machines/Maintenance	221-02-13	-	-	-	-	420.00	140.00	51.98	368.02	280.00	140.00	140.00	140.00	1,540.00
General Maintenance	221-02-14	-	-	-	396.88	286.15	1,063.60	659.00	766.10	1,842.83	19,687.88	816.20	(19,976.66)	5,541.98
Repair and Replacement Fund	221-02-15	-	-	-	112.10	-	(112.10)	-	-	57.00	-	-	(57.00)	-
General Lot Maintenance	221-02-16	-	-	-	102.20	387.30	(489.50)	-	40.30	0	-	9.48	-	49.78
Landscape Maintenance	221-02-17	-	-	-	402.35	249.17	56.00	108.00	-	-	-	113.68	-	929.20
Sweeping	221-02-18	-	-	126.87	304.00	241.10	228.00	76.00	-	-	41.50	-	365.20	1,610.67
Snow Removal	221-02-19	-	-	-	-	-	108.00	2,465.53	1,975.60	6,136.31	420.68	110.70	-	11,216.82
Mowing	221-02-20	104.51	-	13.00	-	61.92	-	-	-	-	-	-	145.00	324.43
Signage	221-02-21	-	-	28.50	10.63	3.72	-	-	-	-	-	-	-	42.85
Painting	221-02-22	-	-	-	-	-	-	-	-	-	-	-	-	-
Lighting	221-02-23	-	-	1,572.83	1,504.02	1,510.30	1,727.09	2,226.32	3,513.05	3,155.19	2,656.81	2,015.82	1,692.22	23,563.49
Water/Sewer	221-02-24	-	-	256.96	110.82	115.58	100.10	95.94	111.16	107.00	107.00	107.00	107.00	1,320.66
Garbage	221-02-25	-	-	221.40	49.20	49.20	53.30	32.80	16.40	16.40	137.06	286.30	32.80	927.66
Custodial	221-02-26	4,267.28	1,326.00	3,370.63	11,797.19	3,244.65	2,461.58	2,027.93	1,253.90	1,316.19	1,200.30	1,331.90	1,270.89	36,828.80
Vandalism	221-02-27	-	-	-	-	-	-	434.30	-	75.00	654.25	75.00	487.50	1,726.05
Total Expenses		\$4,408.78	\$1,648.31	\$9,057.66	\$16,771.37	\$9,236.00	\$7,495.35	\$14,917.63	\$11,496.96	\$9,599.48	\$14,700.74	\$26,844.74	\$7,328.09	\$121,723.40

Net Profit/Loss

Closed to 221-09-00	\$7,129.37	\$9,574.59	\$16,741.06	-\$9,818.78	-\$2,489.99	-\$4,848.12	-\$11,904.32	-\$6,796.29	-\$6,061.54	-\$11,876.56	-\$21,289.49	-\$2,762.74	\$16,429.46	-\$27,973.37
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