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Report for Legislature

FUNDING OF
TRAVEL INFORMATION CENTERS

Submitted January 15, 1987

REPORT TO LEGISLATURE
FUNDING OF
TRAVEL INFORMATION CENTERS

In 1985, a bill was passed by the Legislature addressing the funding of Travel Information Centers (TIC). The first part of that bill requested that the Commissioner of Transportation seek alternative funding sources for the operation of the TIC's. A second item applied to two newly authorized TIC's. Specifically, the legislation read as follows:

LAWS OF MINNESOTA FOR 1985, FIRST SPECIAL SESSION

Chapter 10 Sec. 1, Subd. 3 Highway Operations

The Commissioner shall seek to obtain one-half the money necessary to operate existing and proposed travel information centers from local units of government, other state agencies, regional agencies or various private entities as appropriate for each center. The Commissioner shall report on progress in obtaining this funding and staffing to the legislature on January 15, 1986 and January 15, 1987.

Chapter 10 Sec. 9 Subd. 5

Construct rest areas near the cities listed in this subdivision:

- (b) Bigelow, on trunk highway 60, including a travel information center. \$1,191,000

One half of the cost of staffing and operating the travel information center must be paid from sources other than the trunk highway fund. The Commissioner may proceed with construction only after agreements to provide this funding are obtained.

- (d) St. Cloud, on trunk highway 10, including a travel information center. \$1,145,000

One half the cost of staffing and operating the travel information center must be paid from sources other than the trunk highway fund. The Commissioner may proceed with construction only after agreements to provide this funding are obtained.

Legislation passed in 1986 dropped the funding restrictions for the construction of the Bigelow and St. Cloud rest area/travel information centers. These projects are now proceeding with a 1988 completion anticipated.

The 1986 Legislature gave further direction and may have, in fact, superseded the 1985 legislation in passing the following legislation:

Chapter 454 Sec. 6 Tourist Information Center

For the fiscal year ending June 30, 1988, and subsequent years, the payment of the cost of staffing and operating tourist information centers located on trunk highways, including interstate highways, by the commissioner of transportation is subject to the following restrictions:

- (a) For the fiscal year ending June 30, 1988, not more than two-thirds of the cost may be paid from the trunk highway fund.
- (b) For the fiscal year ending June 30, 1989, not more than one-third of the cost may be paid from the trunk highway fund.
- (c) For the fiscal year ending June 30, 1990, not part of the cost may be paid from the trunk highway fund.

That portion of the cost paid from the trunk highway fund must be paid either by the commissioner from funds appropriated for that purpose from sources other than the trunk highway fund, or by local sources of funding.

To gain information on possible alternative funding sources, Mn/DOT held four public sessions. On September 26, 1985, we called together a group of individuals who represent major and/or state-wide travel/tourism interests. We then held public meetings in three out-state communities, two of which would be directly impacted by the development of the proposed St. Cloud and Bigelow sites. The public meeting schedule was:

St. Cloud	- December 10, 1985
Windom	- December 11, 1985
Fergus Falls	- January 14, 1986

A report summarizing the information gathered at these sessions was prepared and submitted to the Legislature on January 15, 1986. It concluded that attendees felt that the TICs are necessary and a good investment of state tax dollars. The private sector and other governmental agencies felt they already supported the tourism program and could not contribute further. They also expressed concern for a stable and continuing system which may not occur with a volunteer or donation-type funding source. While the report did not recommend any action at that time, the general conclusion was to continue funding the TIC operations on a state-wide basis.

The cost to operate and administer the TIC's in FY 86 was \$545,017 (see appendix A). This includes the salaries and expenses to operate five year-around TIC's and two seasonal TIC's. It does not include maintenance costs of the rest area/TIC by either Mn/DOT or Greenview. Mn/DOT contracts with Greenview, Inc. to provide janitorial services at most of the rest areas. In FY 88, seven TIC's will be open year-around with two TIC's open on a six-month seasonal basis. In FY 89, two additional year-around TIC's will open making a total of nine year-around TIC's and two seasonal TIC's in operation. Based on

the FY 86 operating costs, the operating costs for FY 88 and FY 89 are projected to be \$730,600 and \$901,400 respectively. Considering the 1986 legislation, appropriations from the trunk highway fund may not exceed \$487,067 for FY 88 and \$300,467 for FY 89. The remainder (\$243,533 in FY 88 and \$600,933 in FY 89) would need to be funded from other sources, possibly a General Fund appropriation.

We feel that further investigation into alternative funding sources would not be productive. The response from local governmental agencies and the tourism industry indicated an unwillingness to contribute to the funding of a state-wide travel information operation. The present method of funding TIC operating costs within the trunk highway fund was strongly supported. Therefore, we request that the 1986 legislation requiring the cost of staffing and operating the TIC's to be transferred in three phases from the trunk highway fund to alternate funding sources be rescinded. We believe these expenses should continue to be eligible to be paid from the Trunk Highway Fund.

Appendix A
Travel Information Centers
Operating Costs

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Travel Information Centers
Operating Costs

Year-Around TIC's =====	FY 86 =====
Thompson Hill	\$85,966
Moorhead	82,233
Dresbach	79,699
Albert Lea	95,305
Beaver Creek	85,589
St. Croix - seasonal in FY 86 (3 mo), open year around in 87	20,905
International Falls - opened September 1986	- -
St. Cloud - open 1988 (FY 89)	- -
Bigelow - open 1988 (FY 89)	- -
	Subtotal
	<u>\$449,697</u>
Seasonal TIC's (6 month) =====	
Fisher's Landing	37,492
Grand Portage - open 1987 (FY 88)	- -
	Subtotal
	<u>\$ 37,492</u>
Central Office Administration	57,828
	Total
	<u>\$545,017</u>

FY 86 Average operating cost for year-around TIC	\$85,400
FY 86 Average operating cost for seasonal (6 month) TIC	\$37,500

Projected Operating Costs (1986 dollars)

FY 88	
7 - year-around TIC's	\$597,800
2 - seasonal	75,000
C.O. Administration	57,800
	TOTAL
	<u>\$730,600</u>
FY 89	
9 - year-around TIC's	\$768,600
2 - seasonal	75,000
C.O. Administration	57,800
	TOTAL
	<u>\$901,400</u>