

Transportation Committee

For the Metropolitan Council meeting of May 22, 2013

Subject: : Lease Agreement with Wellington Management Inc. for Wellington's Partial Use of a Metropolitan Council Transit Easement at Hiawatha Avenue and Lake Street, Minneapolis

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute a lease agreement with Wellington Management Inc. for Wellington's partial use of a Metropolitan Council transit easement at Hiawatha Avenue and Lake Street in Minneapolis.

Summary of Committee Discussion/Questions

There was a short presentation of the Business Item by Maurice Roers, Manager Facilities Planning at Metro Transit. Roers presented. Brimeyer queried how parking for the development would be accommodated if Metro Transit cancels the lease to enable use of the easement for a transitway project in the future. Roers explained that Metro Transit has worked with the developer who is the owner of immediately adjacent property and that the long-term plan is to create additional structured parking on that adjacent property. Brian Lamb, Metro Transit's General Manager, noted that this project is a good example of Metro Transit facilitating transit oriented development while also caring for the Council's transits interests.

Motion by Councilmember Schreiber, seconded by Councilmember Elkins and passed with Councilmember Commers abstaining from the vote.

Transportation Committee

Meeting date: May 13, 2013

For the Metropolitan Council meeting of May 22, 2013

Subject: Lease Agreement with Wellington Management Inc. for Wellington's Partial Use of a Metropolitan Council Transit Easement at Hiawatha Avenue and Lake Street, Minneapolis.

District(s), Member(s): District 8, Adam Duininck

Policy/Legal Reference: Minn. Stat. §473.129

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Marilyn Porter, Director E & F, 612-349-7689
Maurice Roers, Manager Facilities Planning, 612-349-7684

Division/Department: Metro Transit/Engineering and Facilities

Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute a lease agreement with Wellington Management Inc. for Wellington's partial use of a Metropolitan Council transit easement at Hiawatha Avenue and Lake Street in Minneapolis.

Background

Following construction of the Hiawatha or Blue Line Light Rail Transit (LRT), right-of-way associated with the project was transferred from Minnesota Department of Transportation (MnDOT) to the Metropolitan Council. One of these parcels, in the northwest quadrant of the Highway 55 and Lake Street intersection, was subsequently sold in 2007 to Wellington Management Inc. for future development. At that time, a 40-foot-wide easement was retained in anticipation of potential transit improvements in the Midtown Corridor. The easement runs parallel to the current LRT line and eastern boundary of the site.

Wellington Management, Inc. is now seeking to develop a residential building with ground floor retail at this site. To assist with the development, they are seeking a lease of Metro Transit property for use as parking associated with the residential units. The proposed lease would terminate at such time as the lease area is needed for transit improvements in the Midtown Corridor.

Rationale

Execution of the proposed lease would support transit oriented development while generating revenue for the Metropolitan Council. .

Funding

The lease would generate \$7,800 per year for the Metropolitan Council for the first ten years with a 3% annual increase each year thereafter.

Known Support / Opposition

The proposed action is supported by the City of Minneapolis and there is no known opposition.

Attachment A

A site plan indicating the current transit easement and area proposed to be used as parking by Wellington Management, Inc.