

Transportation Committee

For the Metropolitan Council meeting of August 28, 2013

Subject: Interchange Agreements

Proposed Action

That the Metropolitan Council (Council) authorizes the Regional Administrator to negotiate and execute the following Agreements:

- "Agreement of Redevelopment" of Parcel 'A' at the Interchange Site. This agreement is between the following parties: Metropolitan Council, Hennepin County's Developer of Choice, Hennepin County, and Hennepin County HRA.
- Amendment to the Operations and Maintenance Agreement (O & M Agreement) dated as of September 9, 2009. To include the "Interchange Site" and the various parties involved.

Summary of Committee Discussion/Questions

There was a presentation of the Business Item by Marilyn Porter, Director of Engineering and Facilities, Metro Transit.

No questions were had by the Committee members.

Motion by Reynoso, seconded by Doan; motion passed.

Consent to Council.

Transportation Committee

Meeting date: August 12, 2013

For the Metropolitan Council meeting of August 28, 2013

Subject: Interchange Agreements

District(s), Member(s): District 7 - Gary Cunningham, 612-978-8200

Policy/Legal Reference: Minnesota State Statutes 473.129 and 471.59

Staff Prepared/Presented: Brian Lamb, General Manager, 612-349-7510
Marilyn Porter, Director, E & F, 612-349-7689
Pat Jones, Asst. Director, E & F, 612-349-7606
Joe Edwards, Lead Project Manager, 612-349-7676
Cathy Nordin, Project Manager, 612-349-7638

Division/Department: Metro Transit Engineering & Facilities

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Background

Over the past several months the Council, Hennepin County, Hennepin County Housing and Redevelopment Authority (HRA) and associated development party have been discussing a complex and multi-faceted agreement (s) for the co-development of property owned by Hennepin County which is west of Target Field, referred to as the Interchange Development Parcel A.

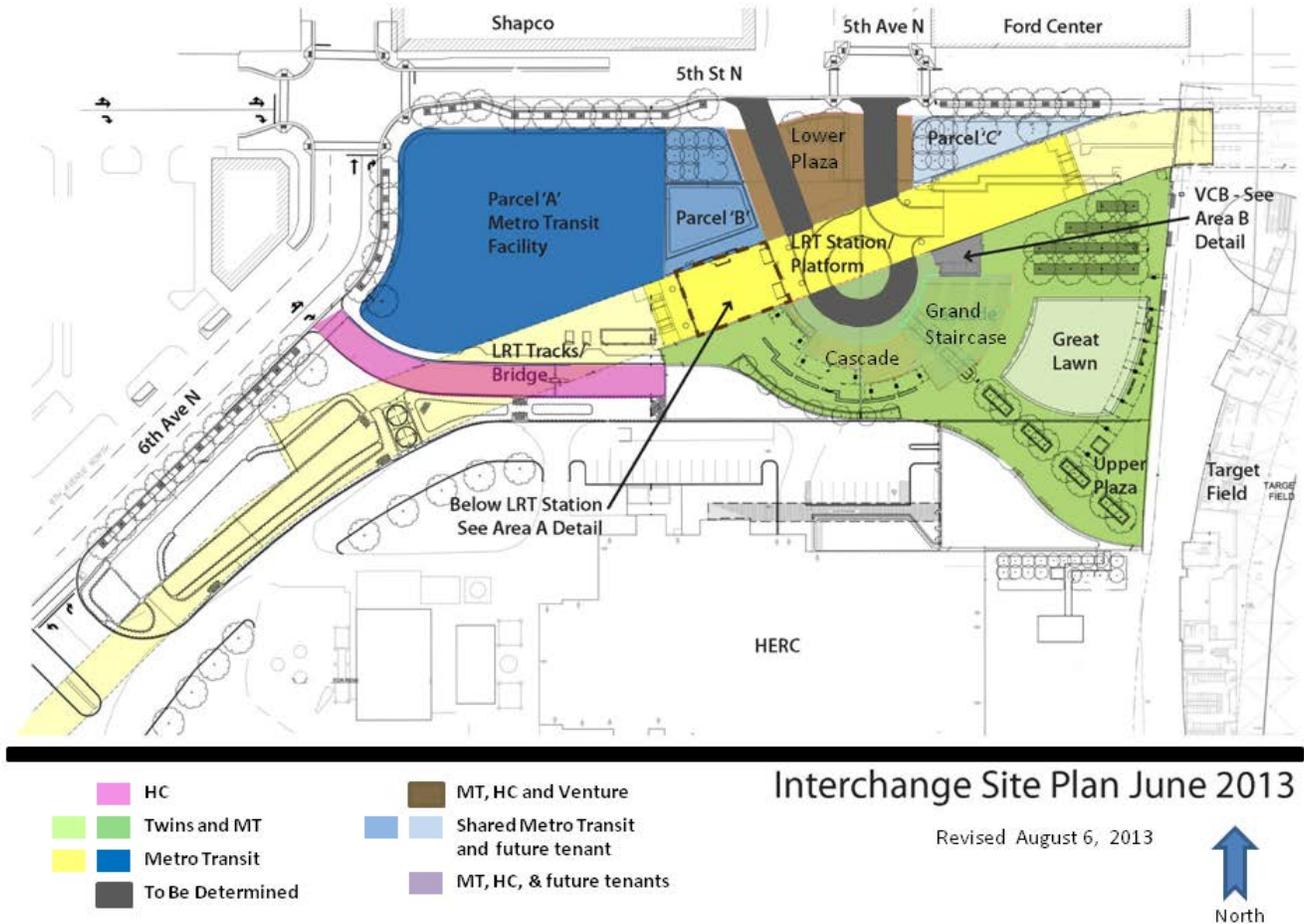
Parcel A

Parcel A project consists of the design, construction, and subsequent occupation of a new building on Parcel A, on land owned by Hennepin County which is west of Target Field referred to as the Interchange. The Council will lease from Hennepin County or the Hennepin County Housing and Redevelopment Authority (HRA) the space for two parking levels and the first two above grade floors of the building, which the Council will construct. Hennepin County's Developer of Choice will own and finance the construction of up to six floors above the second level.

O & M Agreement

Hennepin County is the property owner of the Interchange. There is a current cooperative funding agreement dated May 31, 2013 for the Interchange Project that includes the Met Council rail station and track. The O & M Agreement describes the proposed Council obligations related to maintenance, repair and security at the Interchange, in consideration for Hennepin County granting Met Council a zero base rent lease on Development Parcel 'A' for a period of not less than 99 years. Also, the O & M Agreement

is intended to cover the maintenance responsibilities between other authorized third parties on a shared responsibility basis.



The purpose of the two agreements is to define the rights and obligations of all parties with respect to the installation, ownership, operation, maintenance, and shared use of the Interchange Site and development parcels.

Rationale

Authorization to negotiate and execute these agreements requires Council approval.

Funding

Parcel 'A'

Each party agrees to share in the responsibility for the design and construction of their portion of the development and associated costs with co-development. The Council portion of the budget is authorized in the Project 63219.

O & M Agreement

Each party agrees to share responsibilities for the non-transit areas. Funding for the Met Council share is included in the 2014 operating budget and covers the 99 year no cost lease with the Hennepin County.

Known Support / Opposition

There is no known opposition to this action.