

### Transportation Committee

For the Metropolitan Council meeting of April 24, 2019

**Subject:** 2425 Minnehaha Avenue Sale

#### Proposed Action

That the Metropolitan Council declare the real property at 2425 Minnehaha Avenue surplus and authorize the Regional Administrator to quit claim the property to At Last! Gourmet Foods Inc. for \$1,650,000.

#### Summary of Committee Discussion/Questions

Ferguson asked how many jobs are going to be at the site. Krantz said he does not have an estimate but the zoning and deed restrictions ensure the site will have job-oriented uses moving forward. Sterner asked about the bids received. Krantz said two were received but procurement policy doesn't allow disclosing information about losing bids. Sterner asked about the marketing done. Krantz said an article and ad were in *Finance & Commerce*, it was listed on the Met Council Procurement website, and the brokerage community was contacted as well. Gonzalez asked what type of business purchased the property. Krantz said it is a food manufacturing business. Ferguson asked about the Council's strategic policy regarding Transit Oriented Development. Transit Oriented Development Director Lucy Galbraith said the Council adopted a TOD policy in January of 2014. Galbraith added that in the case of this sale, there was a known interested party, there are market limitations on the site, and that the site is zoned light industrial, so an invitation for bids was issued. Galbraith said the deed restrictions are to protect transit operational safety and efficiency. Galbraith said staff will provide job numbers to the Council if procurement allows. Ferguson said it is important to be intentional around the sale of land. Cummings agreed that a presentation to the entire Council would be beneficial. Galbraith said that she would welcome the opportunity to brief Council members on the TOD policy and program. Galbraith explained that every project involves coordination with the partner jurisdictions to be sure that goals of both governments are met.

Motion by Cummings, seconded by Gonzalez. Motion carried.

## Transportation Committee

Meeting date: April 8, 2019

For the Metropolitan Council meeting of April 24, 2019

**Subject:** 2425 Minnehaha Avenue Sale

**District(s), Member(s):** Council District 8, Council Member Abdirahman Muse

**Policy/Legal Reference:** Transit Oriented Development (TOD) Policy, Real Estate Policy

**Staff Prepared/Presented:** Michael Krantz, Development Analyst

**Division/Department:** Metro Transit

### Proposed Action

That the Metropolitan Council declare the real property at 2425 Minnehaha Avenue surplus and authorize the Regional Administrator to quit claim the property to At Last! Gourmet Foods Inc. for \$1,650,000.

### Background

2425 Minnehaha Avenue has served as the headquarters for the Metro Transit Police Department since 1994. The Council leased the property until it acquired it in 2003. The property will be vacated during the summer of 2019 after the Metro Transit Police Department relocates to the Heywood Campus.

Staff conducted a facilities analysis and a market analysis of the building in 2018. The facilities analysis identified no further Metro Transit need for the building. The market analysis identified a strong market for the property.

In December of 2018, the Council issued an invitation for bids for the property. The bid documents included deed restrictions designed to protect and support transit service along Minnehaha Avenue. In February of 2018, the bidding process closed. The highest bid for the property was received from At Last! Gourmet Foods Inc. for \$1,650,000.

The highest bid is below the appraised market value for the property. The Real Estate Policy does allow the Council to dispose of property under these conditions if the action meets the Council's priorities or objectives. Since there is no near-term Council need for this property, this action removes the risk that it will sit vacant for multiple years. This action advances Thrive Goals, which are summarized in the Thrive Lens Analysis below. This action advances the TOD goals by integrating jobs and transportation, leveraging private investment, improving multimodal access to opportunity, and providing revenue to the Council.

### Rationale

There is no further Council need for 2425 Minnehaha Avenue. Sale of the property to At Last! Gourmet Foods Inc. for \$1,650,000 is consistent with the Real Estate Policy, advances the TOD Policy and supports Thrive Goals.

### Thrive Lens Analysis

This action promotes stewardship by disposing of assets that will no longer be needed. No other near-term Council use of the building has been identified so the building may remain vacant for multiple years if it is not sold. This action

promotes prosperity by conveying the property to a private business and supporting job creation in Council District 8. This action promotes both prosperity and equity by facilitating economic development in an area with multiple transit connections.

**Funding**

This project requires no funding.

**Known Support / Opposition**

There is no known opposition to this business item.

# 2425 Minnehaha Avenue

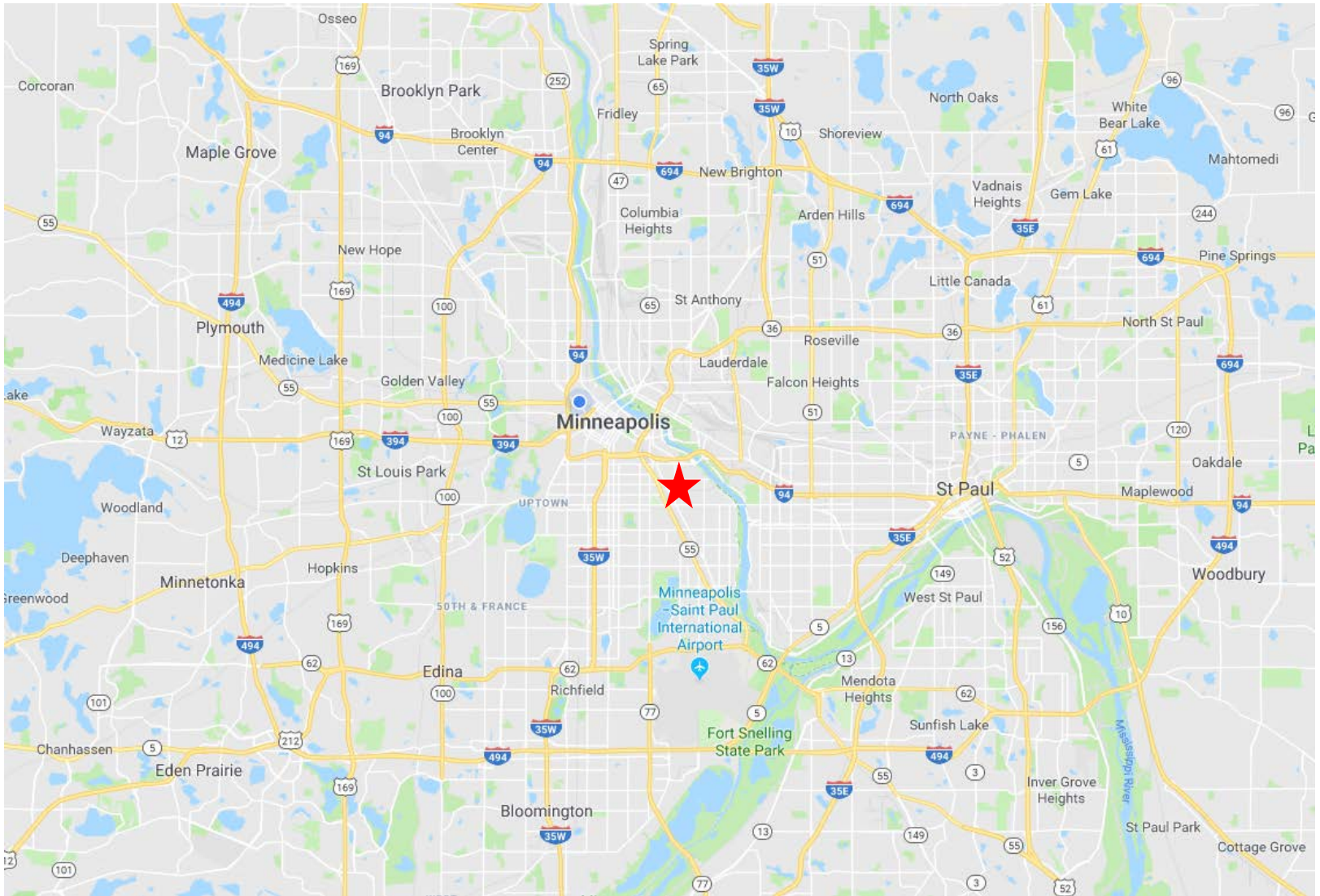
## METRO Blue Line

Michael Krantz, PE, LEED AP-ND

Development Analyst, TOD Office

Lucy Galbraith, AICP

Director, TOD Office





# Background

- Metro Transit Police (MTPD) headquarters (1994-2019)
  - Leased from 1994 to 2003
  - Acquired in 2003
- Construction of new MTPD headquarters (2017-2019)
- Facilities Analysis (2018)
- Market Analysis (2018)
- Invitation for Bids (12/2018 – 2/2019)

# Policy

- Real Estate Policy
- TOD Policy
  - Integrates jobs and transportation
  - Leverages private investment
  - Improves multimodal access to job opportunities
  - Provides revenue to the Council
  - Provides property tax revenue
- Thrive Outcomes
  - Stewardship
  - Prosperity
  - Equity



## Proposed Action

“That the Metropolitan Council declare the real property at 2425 Minnehaha Avenue surplus and authorize the Regional Administrator to quit claim the property to At Last! Gourmet Foods Inc. for \$1,650,000.”



(New MTPD facility under construction)

# Questions?

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