

Committee Report

Transportation Committee



Committee Meeting Date: April 25, 2022

For the Metropolitan Council: May 25, 2022

Business Item: 2022-92

Minneapolis Transit Service Center Lease Extension

Proposed Action

That the Council authorize its Regional Administrator to negotiate and execute a contract to extend the Minneapolis Transit Service Center lease for five years.

Summary of Transportation Committee Discussion/Questions

Metro Transit Revenue Operations Supervisor Kevin Davis presented this item.

Gonzalez asked about the cost difference between continuing the lease and making a purchase. Davis said that purchasing property was not analyzed.

Motion by Cummings, seconded by Fredson. Motion carried consent to Council.



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District(s), Member(s):	All
Policy/Legal Reference:	FM 14-2 Expenditures for the Procurement of Goods and Services
Staff Prepared/Presented:	Wes Kooistra, General Manager (612-349-7510) Edwin Petrie, Director of Finance (612-349-7624) Greg Ewig, Director of Real Estate (651-602-1556) Nick Eull, Senior Manager of Revenue Operations (612-349-7364) Kevin Davis, Supervisor (Acting) of Revenue Operations (612-349-7654)
Division/Department:	Metro Transit

Proposed Action

That the Council authorize its Regional Administrator to negotiate and execute a contract to extend the Minneapolis Transit Service Center lease for five years.

Background

The Minneapolis Transit Service Center lease, located at 719 Marquette Ave in Minneapolis, expires on May 31st, 2022. The Minneapolis Transit Service Center has been at its current location since August 1986, serving riders with fares sales and support while also providing additional services like route information and customer information in alternative languages. The Service Center performs a critical role in providing face-to-face customer service. It is also a site where low-income customers can visit and enroll in the Transit Assistance Program (TAP).

The current location is close to multiple key transit corridors, has great street access, and is in a skyway-accessible building. Metro Transit recently remodeled this location in 2019 with many improvements including better lighting and signage and improved workstations and work space for Service Center personnel working at this location.

Metro Transit is currently paying \$24/sq. ft. for leasing the space at this location through May 31st, 2022, in addition to \$9.11/sq. ft. for operating expenses and real estate taxes. Council Real Estate personnel have negotiated a rate of \$20/sq. ft. for a five-year extension of the current lease to start on June 1st, 2022. Based on a comparison of similar properties in the area, Council personnel have determined this price to be fair and reasonable. The total five-year cost of this lease renewal is not to exceed \$250,000.

Rationale

The Minneapolis Transit Service Center supports an average of 265 customers (pre-covid) per day during seeking help to buy fares, gather route information or receive assistance in resolving transportation issues. The Service Center did nearly \$1.6 million in transit fare sales in 2019. Staff looked at additional locations in Minneapolis as part of the lease renewal process, and this location remained very competitive against other locations and provided easier access to area transit

locations, without additional costs to relocate.

Thrive Lens Analysis

The Minneapolis Transit Service Center is in an ideal location to serve all regional transit customers, including those served by Metro Transit bus and light rail, as well as other regional providers. The Service Center is an important distribution site for the TAP program and providing face-to-face service to transit riders needing additional or special assistance.

Funding

Funding is including in the 2022-2027 operating budgets

Small Business Inclusion

There are no direct impacts to Small Business participation.

