

# Committee Report

Transportation Committee



**Committee Meeting Date:** September 9 & 23, 2024

**For the Metropolitan Council:** October 9, 2024

## Business Item: 2024-204

Disposition of Chicago-Lake Transit Center

### Proposed Actions

That the Metropolitan Council declare the property at 2946 Chicago Ave S Minneapolis surplus for disposition, authorize the Regional Administrator to negotiate termination of the Transit Easement Agreement and Operations and Maintenance Agreement between Council and Midtown Exchange Commons LLC, and release the Council's transit interests contingent on Region 5 Federal Transit Administration concurrence.

### Summary of Transportation Committee Discussion/Questions

This item was originally presented at the 9/9 Transportation Committee meeting. At that meeting, several Council members expressed concern about demolishing the structures or leaving the site without creating something to enhance the community. Council members discussed a desire to explore additional options as it relates to the demolition of the building; potentially partnering with other entities to repurpose the structure or if demolished create a garden or community site. Jameson and Burseth stated that the easement Metro Transit has is very specific and nontransferable, MEC owns the land, and any future plans would be at the discretion of MEC. Pacheco stated there are more opportunities with the structures demolished, as a cleaner site make the land more attractive. Carter, Tyronne asked what the expiration date was on the easement. Jameson stated the easement is perpetual and the only way to end is to terminate the easement with MEC.

Motion by Chamblis, seconded by Carter, Tyronne that Committee consideration of business item 2024-204 SW be postponed to the Committee's next meeting on September 23, 2024.

### September 23, 2024 Summary:

Metro Transit Senior Planner Sonja Burseth and Metropolitan Council Real Estate Director Kelly Jameson presented this item. Carter, Toni asked if the livability community meeting would continue to happen once Metro Transit vacates that site. Burseth stated that as long as the structures are there, the group will continue to meet but will follow up with Customer Relations as the organizer of that meeting to determine what happens once the structures are torn down. Several Council members thanked staff for the additional information, stating it was encouraging to see the NDC vision for the site. Chair Barber thanked our partners in this effort, especially NDC for allowing us to view the vision concepts.

It was moved by Pacheco, seconded by Chamblis. Motion carried.

# Business Item

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Committee Meeting Date: September 23, 2024

For the Metropolitan Council: October 9, 2024

## Business Item: 2024-204

Disposition of Chicago-Lake Transit Center

<b>District(s), Member(s):</b>	District 6, Council Member Robert Lilligren
<b>Policy/Legal Reference:</b>	Minnesota Statute 473.129, subd. 7, Metropolitan Council Real Estate Policy 9-1, Federal Transit Administration Award Management Requirements Circular 5010.1E
<b>Staff Prepared/Presented:</b>	Lesley Kandaras, General Manager, 612-349-7513 Brian Funk, Chief Operating Officer, 612-349-7514 Marilyn Porter, Engineering and Facilities Director, 612-349-7689 Anna Flintoft, Planning & Urban Design Manager, 612-349-7377 Sonja Burseth, Senior Planner, 612-349-7333 Kelly Jameson, Real Estate Office Director, 651-602-1556
<b>Division/Department:</b>	Metro Transit – Engineering & Facilities

### Proposed Actions

That the Metropolitan Council declare the property at 2946 Chicago Ave S Minneapolis surplus for disposition, authorize the Regional Administrator to negotiate termination of the Transit Easement Agreement and Operations and Maintenance Agreement between Council and Midtown Exchange Commons LLC, and release the Council's transit interests contingent on Region 5 Federal Transit Administration concurrence.

### Background

In 2006, the Metropolitan Council opened an off-street bus transit center at 2946 Chicago Ave S<sup>1</sup> in Minneapolis serving bus routes operating on Lake St and Chicago Ave S. The transit center buildings and shared private roadway were constructed within a permanent easement area on property owned by Midtown Exchange Commons LLC (MEC).

Since that time, transit routes have changed. In December 2022, BRT stations opened on Chicago Ave S, serving METRO D Line and Route 5. In October 2024, BRT stations are expected to be substantially completed on Lake St, to serve Route 21 and the future METRO B Line, resulting in no buses operating in the transit center. There is no future transit need for Chicago-Lake Transit

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<sup>1</sup> For internal purposes, Metro Transit has assigned the transit center shelter buildings the 2946 Chicago Ave S address. The shelter buildings sit on a parcel with the legal address 826 Lake Street East, assigned by Hennepin County.

Center. The realignment of bus service on to Chicago Ave S and Lake St E provides faster travel times for local and BRT buses, and on-street transit advantages will further improve speed and reliability.

Two agreements between Metropolitan Council and MEC guide transit operations. The easement agreement provides exclusive perpetual easements for the passenger shelter areas and a nonexclusive perpetual roadway easement for “the purpose of public transit by means of a bus or similar rubber tire vehicle.” The **operations and maintenance agreement** defines the responsibilities for operating and maintaining the roadway easement area and shelter easement areas defined in the easement agreement.

The building assets are fully depreciated. Due to the narrow public transit use defined in the easement agreement, the easements have no resale value on the open market. Metro Transit proposes to release the easement and transfer the assets to MEC.

Federal funds were used to purchase the easements and construct the transit center. Metro Transit is seeking FTA concurrence with this disposition plan, consistent with the Federal Transit Administration Award Management Requirements Circular 5010.1E, Metropolitan Council Real Estate Policy 9-1, and other applicable statutes.

### **Rationale**

There is no further transit need for the buildings at Chicago-Lake Transit Center, located at 2946 Chicago Ave S. in Minneapolis.

### **Thrive Lens Analysis**

This action promotes stewardship by disposing of assets that will no longer be needed. No other near-term Council use, consistent with the easement agreement, of the property has been identified. This action promotes prosperity by disposing of the property and supporting future land use that is consistent with community goals in Council District 6.

### **Funding**

Federal funding was used to purchase the easements and construct the transit center. The building assets are fully depreciated.

### **Small Business Inclusion**

There is no direct impact to small businesses with this action.

