

Committee Report

Transportation Committee



Committee Meeting Date: November 25, 2024

For the Metropolitan Council: December 11, 2024

Business Item: 2024-296

METRO Green Line Extension Project Office Lease Agreement, Contract 12P008 – Amendment No. 5

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute an amendment to contract 12P008 with Middleton Park Place Investors, LLC, for the METRO Green Line Extension Project Office lease agreement in the amount of \$687,394, for a total contract amount not to exceed \$10,047,394.

Summary of Transportation Committee Discussion/Questions

Consent business adopted.

Motion by Morales, seconded by Vento. Motion carried.



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District(s), Member(s):	District 3 (Carter), District 6 (Lilligren), District 7 (Osman), District 8 (Cameron)
Policy/Legal Reference:	FM 14-2 Expenditures for Procurement of Goods, Services, and Real Estate Policy
Staff Prepared/Presented:	Lesley Kandaras, General Manager, 612-349-7513 Nick Thompson, Deputy GM Capital Programs, 651-602-1754 Jim Alexander, Project Director, 612-373-3880 Nic Dial, Deputy Project Director, 612-373-2974
Division/Department:	Metro Transit / METRO Green Line Extension Project Office

Proposed Action

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Background

In February 2012, following a competitive solicitation process, the Council executed an 89-month Lease Agreement with Middleton Park Place Investors, LLC (formerly GOLUB & Company / AEW management), for 21,950 rentable square feet (RSF) in the Park Place West Building for the METRO Green Line Extension Project Office at a cost of \$3,580,000 (BI 2012-09).

The lease included rent, taxes, operating costs and inflation at a rate of up to 3% per year with an expiration date of July 31, 2019. The lease provided office space for project staff working on the delivery of the METRO Green Line Extension.

The contract has subsequently been amended as follows:

- Amendment No. 1 added 12,432 RSF of 6th floor space resulting in an increase to the contract in the amount of \$1,460,000 (BI 2014-221).
- Amendment No. 2 terminated the 12,432 RSF of 6th floor space and extended the lease of the 5th floor space, resulting in an increase to the contract in the amount of \$2,800,000. This amendment extended the term of the contract through December 31, 2023 (BI 2018-282).
- Amendment No. 3 incorporated the METRO Blue Line Extension Project into the lease. This amendment did not increase the contract amount nor extend the termination date.
- Amendment No. 4 extended the lease term to December 31, 2025, resulting in an increase to the contract in the amount of \$1.5 million (BI 2023-303SW).

Amendment No. 5 extends the lease through December 31, 2027, and reduces the lease space required for the project to 11,628 RSF.

Rationale

Council Policy requires amendments exceeding 10% of the original authorized contract value be approved by the Council for services contract if the cumulative value exceeds \$500,000. Amendments to contracts of this value that exceed 10% of the original value constitute sole source procurements requiring Council approval.

Thrive Lens Analysis

Successful completion of the METRO Green Line Extension will advance the following Thrive MSP 2040 outcomes:

Stewardship: Transit investment provides an opportunity to reinvest and grow the capacity of our communities, with more inclusive development and intentional investment. It encourages businesses to invest in communities, which means access to resources, community amenities, jobs, and other community assets.

Equity: Connections to other METRO lines and countless local bus routes will bring people to jobs, jobs to communities, and returns to communities across the region.

Livability: The METRO Green Line Extension will add 14.5 miles to the existing Line, which connects downtown Minneapolis, downtown Saint Paul, and places in-between. This segment connects Eden Prairie, Minnetonka, Hopkins, and St. Louis Park to both downtown Minneapolis and Saint Paul, and major destinations at the University of Minnesota and the State Capitol.

Prosperity: The METRO Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region. Despite being under construction, the METRO Green Line Extension has already seen \$3.1 billion of investment within a half-mile of the line. Another \$738 million in investment is planned.

Sustainability: As many as 700,000 more people will be living, working, and moving around the Twin Cities region by 2040. As a result, a robust transportation system is needed to provide the region with choices and more mobility.

Funding

The cost for this amendment is a METRO Green Line Extension Project (61001) eligible cost. Funds are available in the Project budget and included in the Council's authorized capital budget.

Small Business Inclusion

The Office of Equity and Equal Opportunity (OEEO) reviewed the procurement for contracting opportunities in 2012. Due to the limited scope and limited DBEs who could perform this work, no DBE goal was assigned at the time. For this amendment, OEEO does not assign DBE goals for sole source procurements.

