

Committee Report

Transportation Committee



Committee Meeting Date: November 25, 2024

For the Metropolitan Council: December 11, 2024

Business Item: 2024-328

Rosedale Transit Center Agreement

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute an amendment to the Rosedale Transit Hub Agreement, contract 07M018, with PPF RTL ROSEDALE SHOPPING CENTER, LLC for an additional contract value not to exceed \$1,150,000.

Summary of Transportation Committee Discussion/Questions

Anna Flintoft, Engineering & Facilities, presented this item. Council Members asked about the term of the agreement and the ability to secure longer-term rights. The question was answered that the proposed agreement secures the use of the transit center through 2047 with no option for the property owner to cancel early. The property owner has not been willing to consider a permanent easement for the transit center in discussions over several years.

Motion by Morales, seconded by Chamblis. Motion carried.



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District(s), Member(s):	District 10, Council Member Peter Lindstrom
Policy/Legal Reference:	FM 9.1 Real Estate Policy; FM 14.2 Expenditures for the Procurement of Goods, Services, and Real Estate Policy
Staff Prepared/Presented:	Lesley Kandaras, General Manager, 612-349-7513 Brian Funk, Chief Operating Officer, 612-349-7514 Marilyn Porter, Director, Engineering & Facilities, 612-349-7689 Anna Flintoft, Asst Director, E&F Planning & Administration, 612-349-7377
Division/Department:	Metro Transit / Engineering & Facilities

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute an amendment to the Rosedale Transit Hub Agreement, contract 07M018, with PPF RTL ROSEDALE SHOPPING CENTER, LLC for an additional contract value not to exceed \$1,150,000.

Background

Rosedale Transit Center is Metro Transit's second busiest transit center at a suburban shopping mall, after Mall of America. It serves 1800 weekday rides and 9 bus routes, including METRO A Line. Metro Transit has operated a transit center at Rosedale Center since 1976.

The current agreement, contract 07M018, expires in April 2027. It resulted in the construction of the current transit center, completed in April 2007. The current agreement gave the owner the option to terminate the transit center use with one year notice beginning in April 2017. Metro Transit has been working for several years with Jones Lang LaSalle, Rosedale Center's management company, to secure more permanent rights.

The current transit center location is optimal. Rosedale is a major destination for transit riders. It provides facilities for riders to transfer between routes, for operators to use the restroom, and for buses to layover for scheduled recovery time prior to the next trip, ensuring service reliability. It is efficiently located within the transit network so that bus routes serving Rosedale can continue to operate within existing schedules and resources.

The transit center facilities are over 18 years old and need to be improved. Metro Transit is preparing to renovate the transit center in 2025 and has capital funds to construct the improvements through capital project 62904. The planned renovation will improve pedestrian accessibility, upgrade infrastructure, and simplify the bus route through the transit center.

The proposed agreement extends the term of the current agreement by 10 years from April 2027 to April 2037, plus a second 10-year extension option for the Council through April 2047. It also permits the transit center renovation project to proceed.

The cost of the first 10-year term is \$525,000 (\$50,000 annually years 1-5 and \$55,000 annually

years 6-10). The cost of the optional second 10-year term is \$625,000 (\$60,000 annually years 11-15 and \$65,000 annually years 16-20).

Rationale

The proposed agreement will secure Metro Transit's operations at Rosedale Transit Center through 2047 and allow a much-needed renovation of an essential facility to proceed. The amendment of a real estate contract with a total value exceeding \$1 million and 10% of the original authorized value requires Council approval.

Thrive Lens Analysis

Stewardship and Equity: Securing long-term operations at a critical hub within the transit network is a responsible use of resources. It benefits transit riders who rely on the reliable operations of METRO A Line and other bus routes terminating at Rosedale.

Funding

The agreement will be funded by the annual operating budget for Metro Transit.

Small Business Inclusion

There are no direct impacts to small businesses with the proposed action.

