

Transportation Committee

Meeting date: February 22, 2016

For the Metropolitan Council meeting of February 24, 2016

Subject: Snelling Ground Lease

District(s), Member(s): Jon Commers

Policy/Legal Reference: Minnesota State Statute 473.129; Council Policy – TOD 1-4; Council Policy – Real Estate 3-10

Staff Prepared/Presented: Brian J. Lamb, General Manager, 612-349-7510
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Division/Department: Metro Transit/Transit Oriented Development

Proposed Action

That the Metropolitan Council authorize the Regional Administrator or his delegate to negotiate and execute a ground lease with the City of Saint Paul for the property located at 400 Snelling Avenue, Saint Paul, Minnesota, such lease to contain the provisions stated below in the Funding paragraph, and in compliance with all applicable Federal and State laws.

Background

The Council is the owner of an approximately 10 acre parcel located at 400 Snelling Avenue, St. Paul, Minnesota (“the Property”). The site has been used for various transit purposes since the removal of the facilities in 2002. The property is intended to continue to have transit needs as will be delineated in the lease.

The City of Saint Paul is interested in leasing the site to be part of a larger development consisting of a Soccer stadium (primarily on the 400 Snelling site) and mixed use walkable development. The Stadium will be owned by the City of Saint Paul.

Council staff recommends that it is in the best interests of the Council and the public to continue use of the Property for transit purposes and facilities in combination with the proposed development, in conformance with the Council’s TOD Policy goals, Metro Transit operational safety and efficiency, and applicable FTA Guidance.

Rationale

The ground lease, as proposed, will allow the Council to exercise continuing control for transit purposes, ensure that all future development and uses of the site are consistent with Council policies, and generate a stream of revenue that can be used as transit program income.

Funding

The Council will receive \$556,620 annually for the term of the lease. The lease will generate approximately \$29 M over its 52-year term. The Council has committed a maximum of \$4.5 M towards environmental remediation of the site; the exact amount to be spent will depend on environmental grants received. The transit elements on the site may incur costs for signage, ticket machines, etc. and will be procured according to policy. The specifics of the transit elements will be defined working with the design team over the next 6 months.

Known Support / Opposition

The City of Saint Paul supports this item.