

Transportation Committee

Meeting date: April 8, 2019

For the Metropolitan Council meeting of April 24, 2019

Subject: 2425 Minnehaha Avenue Sale

District(s), Member(s): Council District 8, Council Member Abdirahman Muse

Policy/Legal Reference: Transit Oriented Development (TOD) Policy, Real Estate Policy

Staff Prepared/Presented: Michael Krantz, Development Analyst

Division/Department: Metro Transit

Proposed Action

That the Metropolitan Council declare the real property at 2425 Minnehaha Avenue surplus and authorize the Regional Administrator to quit claim the property to At Last! Gourmet Foods Inc. for \$1,650,000.

Background

2425 Minnehaha Avenue has served as the headquarters for the Metro Transit Police Department since 1994. The Council leased the property until it acquired it in 2003. The property will be vacated during the summer of 2019 after the Metro Transit Police Department relocates to the Heywood Campus.

Staff conducted a facilities analysis and a market analysis of the building in 2018. The facilities analysis identified no further Metro Transit need for the building. The market analysis identified a strong market for the property.

In December of 2018, the Council issued an invitation for bids for the property. The bid documents included deed restrictions designed to protect and support transit service along Minnehaha Avenue. In February of 2018, the bidding process closed. The highest bid for the property was received from At Last! Gourmet Foods Inc. for \$1,650,000.

The highest bid is below the appraised market value for the property. The Real Estate Policy does allow the Council to dispose of property under these conditions if the action meets the Council's priorities or objectives. Since there is no near-term Council need for this property, this action removes the risk that it will sit vacant for multiple years. This action advances Thrive Goals, which are summarized in the Thrive Lens Analysis below. This action advances the TOD goals by integrating jobs and transportation, leveraging private investment, improving multimodal access to opportunity, and providing revenue to the Council.

Rationale

There is no further Council need for 2425 Minnehaha Avenue. Sale of the property to At Last! Gourmet Foods Inc. for \$1,650,000 is consistent with the Real Estate Policy, advances the TOD Policy and supports Thrive Goals.

Thrive Lens Analysis

This action promotes stewardship by disposing of assets that will no longer be needed. No other near-term Council use of the building has been identified so the building may remain vacant for multiple years if it is not sold. This action

promotes prosperity by conveying the property to a private business and supporting job creation in Council District 8. This action promotes both prosperity and equity by facilitating economic development in an area with multiple transit connections.

Funding

This project requires no funding.

Known Support / Opposition

There is no known opposition to this business item.