

## Transportation Committee

Meeting date: April 12, 2021

For the Metropolitan Council meeting of April 28, 2021

<b>Subject:</b>	Robbinsdale Transit Center Lease Agreement #201088
<b>District(s), Member(s):</b>	District 7, Robert Lilligren
<b>Policy/Legal Reference:</b>	Policy FM 14-2 (Expenditures) and Policy FM 9.1 (Real Estate)
<b>Staff Prepared/Presented:</b>	Wes Kooistra, Metro Transit General Manager Marilyn Porter, Engineering & Facilities Director Claudius Toussaint, Project Manager
<b>Division/Department:</b>	Metro Transit – Engineering and Facilities

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute a lease agreement (Council #201088) with the Hennepin County Regional Railroad Authority for the Robbinsdale Transit Center in the amount of \$688,857.12.

### Background

Hennepin County Regional Railroad Authority (HCRRA) owns the property immediately to the west of the Hubbard Marketplace building, including the building’s sidewalks, adjacent bus driveway and parking areas (shown in attached exhibit). Metro Transit had been leasing the property since 2005 for parking, bus access, layover, and turnarounds. The lease expired on October 2, 2020 and the Council has been a holdover tenant while the terms of the new lease are being negotiated.

HCRRA and Metro Transit desire to execute a new lease agreement for the purpose of extending Metro Transit’s use and occupancy of the property in support of its public transit operations. The term of this lease is for a period of 20 years commencing on October 3, 2020 and terminating on October 2, 2040. Subject to the approval of HCRRA and the Metropolitan Council, Metro Transit would also have the option to renew the lease for an additional 20-year term. In consideration for all terms of the agreement, Metro Transit would pay annual rent starting at \$32,047.42 during the first three years. Rent would then increase every three years based on the prior year’s rent plus a percentage equal to the percentage established by the Minneapolis-St. Paul Consumer Price Index.

### Rationale

The Robbinsdale Transit Center supports Metro Transit’s operation in the northwest suburbs of Minneapolis. The facility is needed for passenger waiting, bus operator breakroom and restrooms. The site is used for off-street layovers and transfer for routes 14, 32, 716 and 717. The transit center is an important connector, making it possible to travel between the cities of Plymouth, New Hope, Crystal, Robbinsdale, and Brooklyn Center without having to travel to downtown Minneapolis to change buses.

### Thrive Lens Analysis

The Robbinsdale Transit Center support routes that serve diverse and historically underserved communities. The lease supports continued service to those communities as it relates to equity. This

action also promotes stewardship and prosperity through needed facility space to support expanded bus service and transitway investments.

### Funding

For the first three years, under the new lease terms, Metro Transit would pay a base rent of \$32,047.42 annually for the first three years. For the three-year periods commencing on October 3, 2023, and every third anniversary year during the lease term, and for the two-year period commencing on October 3, 2038, HCRRA may increase the annual base rent by a percentage equal to the percentage established by the Minneapolis-St. Paul Consumer Price Index (CPI-U). Assuming an average change in CPI-U of 2.5%, the total rent for the 20-year term would be \$688,857.12.

### Known Support / Opposition

There is No known opposition.

Exhibit – Lease Property Location

