

Business Item

Transportation Committee



Committee Meeting Date: February 13, 2023

For the Metropolitan Council: February 22, 2023

Business Item: 2023-49

METRO Green Line Extension Reciprocal Easement and Operating Agreement and Transit Easement Modification for the Beltline Boulevard Station Park-and-Ride

District(s), Member(s): All

Policy/Legal Reference: Minnesota Statutes section 473.3999

Staff Prepared/Presented: Lesley Kandaras, Interim General Manager, 612-349-7513
Nick Thompson, Deputy GM Capital Programs, 651-602-1754
Jim Alexander, Project Director, 612-373-3880
Ryan Kronzer, Asst. Dir. Design & Eng., 612-373-3826
Peter Hanf, Associate General Counsel, 651-602-1749
Greg Ewig, Real Estate Director, 651-602-1556

Division/Department: Metro Transit / Green Line Extension Project Office,
Office of General Counsel, Real Estate Department

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a Reciprocal Easement and Operating Agreement with Beltline Mixed Use LLC, their successors and assigns, and the St. Louis Park Economic Development Authority and modify the associated transit easement for the Beltline Boulevard Station Park-and-Ride.

Background

The METRO Green Line Extension Project scope includes the construction of a 268-stall surface parking lot to serve the Beltline Boulevard LRT Station. The St. Louis Park Economic Development Authority ("EDA") desires to build a multi-level parking structure in which at least 268 parking stalls are dedicated for public transit use ("Parking Structure") in lieu of surface parking as part of its transit-oriented private development at the Beltline Boulevard Station.

In December 2016, the Council and the EDA executed a Letter of Intent ("LOI") which outlines the terms to be incorporated into a future agreement related to the Parking Structure. The LOI provides the following: that the Parking Structure includes 268 parking stalls dedicated for public transit use; that the Parking Structure is constructed and operational prior to commencement of revenue service for the Project; that the Council has approval rights over all elements of the design of the Parking Structure; and the Council has approval rights over the terms of any reciprocal easement agreement for the structure and the terms of any operation and maintenance agreement. Lastly, in the LOI, the Council committed to paying the EDA \$2.5 million towards the cost to build 268 parking stalls in a Parking Structure and for the permanent rights to use a portion of the Parking Structure.

The Council authorized the Regional Administrator to execute a Cooperative Construction Agreement with the EDA (see Business Item 2020-177). Since execution of the Cooperative Construction Agreement, the parties have been working with the Beltline Mixed Use LLC (the

“Developer”) on a Reciprocal Easement and Operating Agreement (“REOA”) which will grant reciprocal rights to use common elements in the facility, address insurance and liability issues, govern operation and maintenance responsibilities, and shared costs.

The Council is responsible for the maintenance of the 268 stalls and bus operator facility, and shares in the maintenance costs of the shared facilities. The REOA identifies the cost allocation for the shared facilities and each year the operator of the mixed-use portion of the development will provide an annual budget to the Council for review and approval.

The annual cost associated with the Council’s obligations, as defined in the REOA, is estimated not to exceed \$50,000.

The parties are organizing a vertical subdivision so that each party has control and ownership of their own portion of the ramp with exclusive ingress and egress. The parties will allocate the appropriate of shared facilities. As part of the REOA, the parties will be redefining the Council’s Permanent Transit Easement Agreement to align Council’s 268 parking stalls within the proposed footprint of the Parking Structure.

Rationale

The REOA defines the roles and responsibilities with respect to the Parking Structure which will be used by the Council for transit use. The REOA establishes the cost sharing framework for maintenance and represents the commitment by the Parties to provide for the efficient operation, use, administration, maintenance, and preservation of the Parking Structure.

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 more than \$1.6 billion of investment within a half-mile of the line. Another \$500 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 choices and more mobility.

Prosperity: The METRO Green Line Extension reflects strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region.

Funding

The costs to implement the obligations in the REOA will be paid through the METRO Green Line Extension Project (61001) budget until revenue service. Funds for the Council’s obligations prior to revenue service are a Project eligible expense and are included in the Capital Budget.



Small Business Inclusion

There are no specific scopes for small business inclusion within the REOA. However, prior to procuring of a contractor for the construction of the parking facility, the Office of Equity and Equal Opportunity (OEEO) will be assigning a Disadvantaged Business Enterprise goal for the construction of the project.

