



## **Business Item 2023-13**

# **Authorization to Amend Snelling Net Ground Lease**

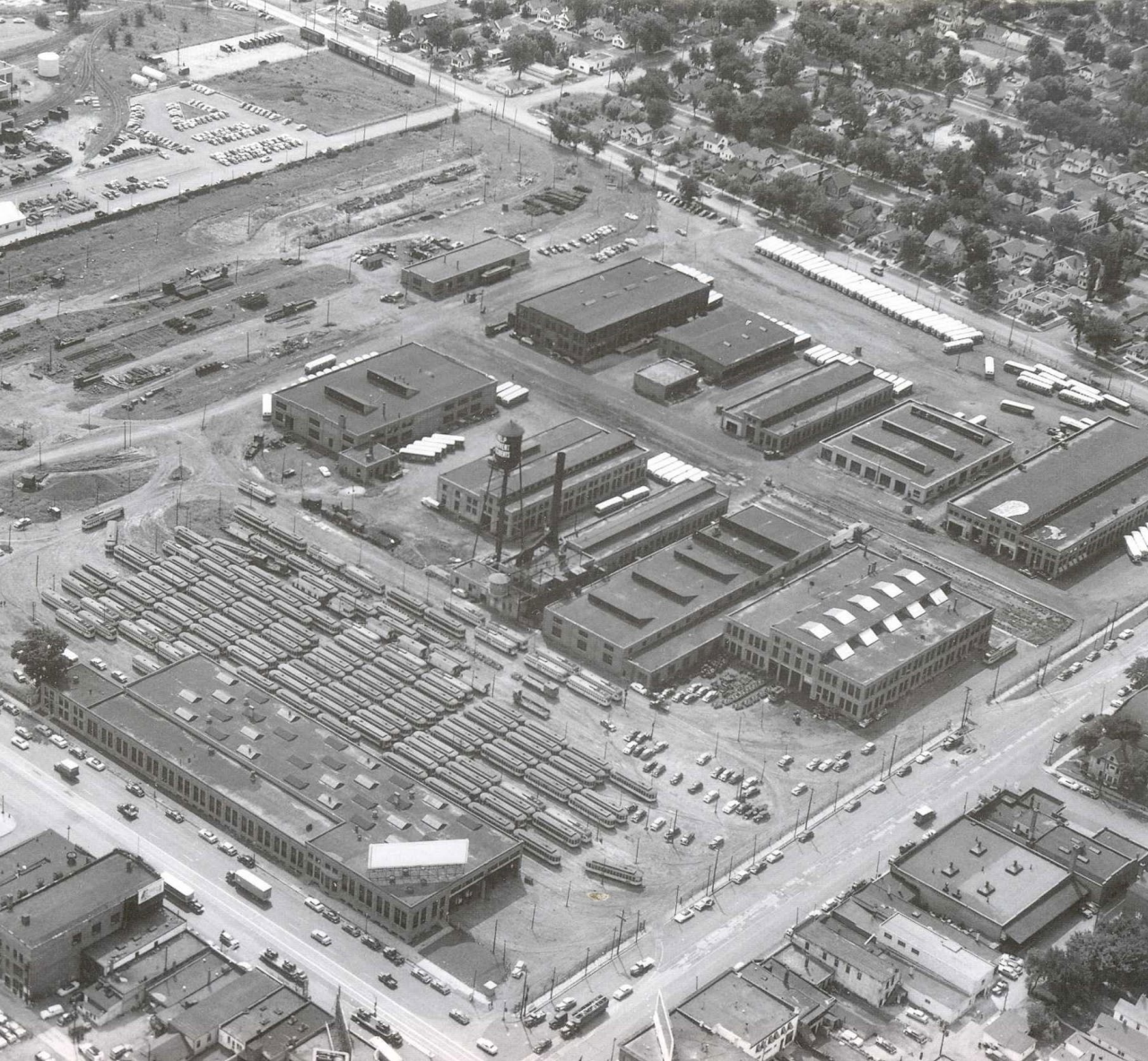
Greg Ewig | Director, Real Estate

Michael Krantz | Acting Program Manager, TOD

[metrotransit.org/websiteurl](https://metrotransit.org/websiteurl)







Generational opportunity





**Current View – Looking Southeast (toward I-94)**  
(Google Street View)



**1. Maximize the development impact of transit investments by integrating transportation, jobs and housing.**



**2. Support regional economic competitiveness by leveraging private investment.**



**3. Advance equity by improving multimodal access to opportunity for all.**



**4. Support a 21<sup>st</sup> century transportation system through increased ridership and revenues.**



# TOD Policy





# Snelling-Midway Master Plan



## Origins of Bus Barn Site at Snelling Avenue

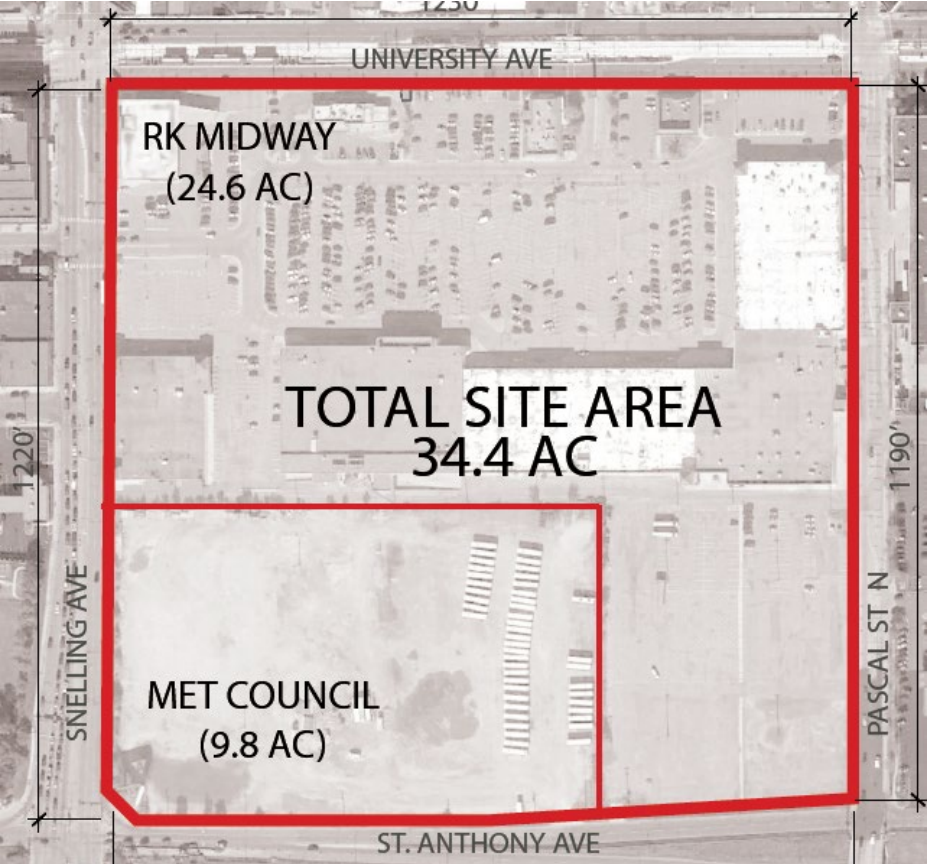
- **Original Parcel Acquisition.** Grant used to acquire approximately 9.8 acre parcel from Twin City Lines, Inc. via condemnation in August 1975. Federal Funds used in the acquisition:
  - August 1970 – Original grant received from Urban Mass Transportation Administration (UMTA)
  - May 1976 - Supplemental federal funding
- **Facility Decommissioned in 2001.** Operated as a bus maintenance / barn facility until 2001 when facility was demolished
- **Federal Interest Remained.** In 2016, FTA confirmed federal interest remained on the land when joint development/soccer stadium was being considered

## Lease Background

- 2016 - Original net ground lease starts
- 2019 –First Game played April 13
- 2019 - Business item 2019-312 authorized the Regional Administrator to amend the net ground lease with the City of St. Paul
- 2020 – COVID temporarily pauses negotiations
- Late 2020 – Negotiations resume
- 2022 – Proposed split of net ground lease into three separate parcels

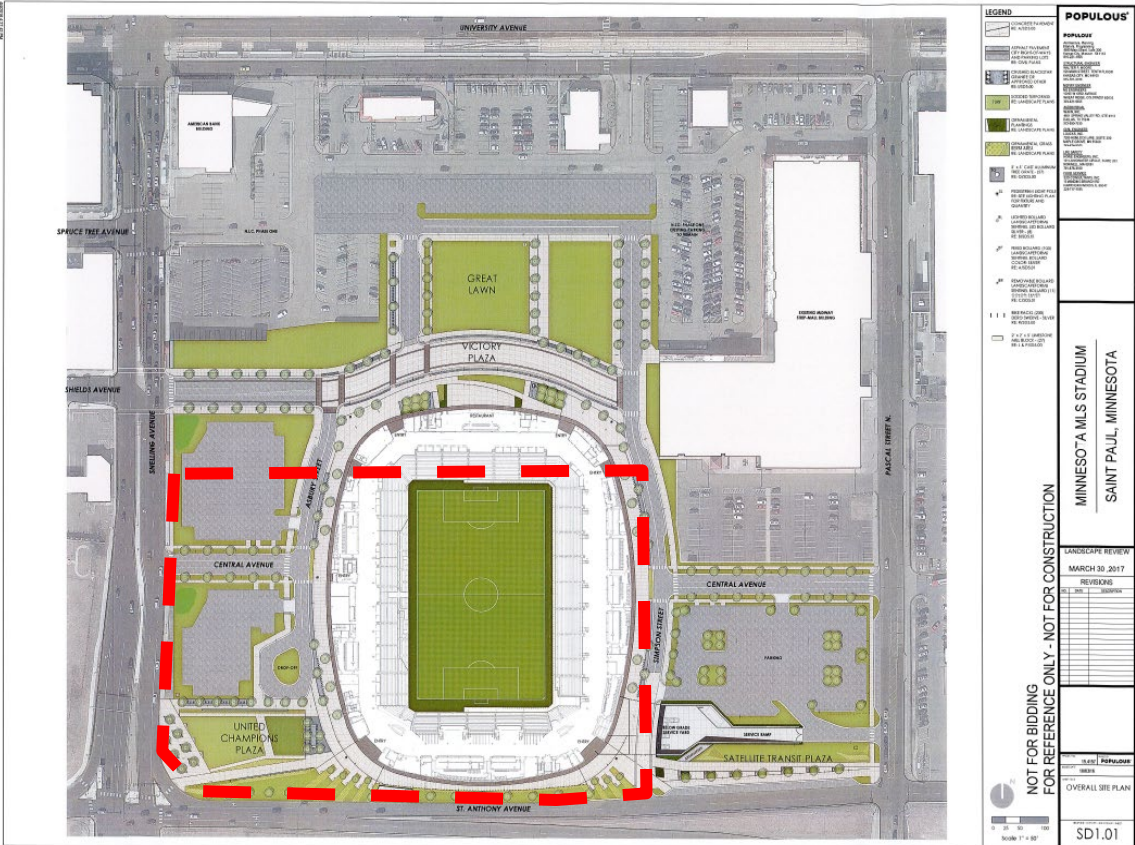
# Overview of Site

## Original site



## Final site plan

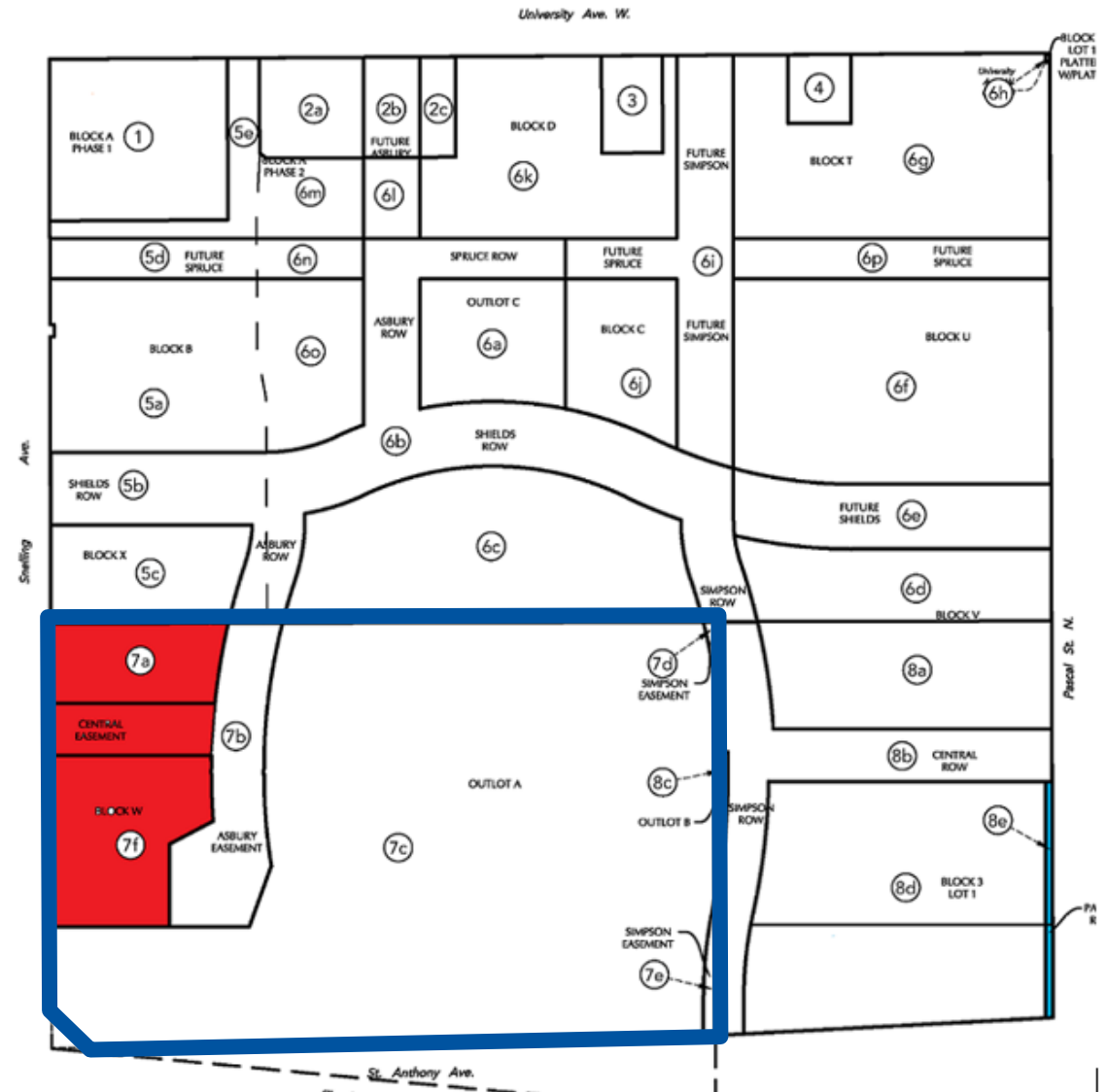
(red dashed line shows approximate Council parcel location)





# Detailed area

- Trifurcate Net Ground Lease
  - Stadium Parcel
  - Development Parcel 7f
  - Development Parcel 7a
- Snelling frontage
- Air rights over Central Ave





# Key Lease Terms

- **What stays the same**

- Total rent during initial term
- Tenant (City of St. Paul)
- Total lease footprint
- Expiration date (December 31, 2068)
- Other major lease terms

- **What changes**

- Option to extend Development Parcel term (December 31, 2117)
  - Rent reset if option is exercised
  - Extension option expires if site isn't developed in 15 years
- Council's environmental liability is limited



## FTA Joint Development



I. Creates economic benefit



II. Enhances public transportation



III. Fair share of revenue



IV. Fair share of costs



# FTA Joint Development

- Maintain Continuing Control for Transit Purposes
  - Design review & approval for all structures & alterations. Review limited to TOD goals, and transit safety & operational needs.
  - Changes of use require prior Metropolitan Council approval.
  - Subleases require prior Metropolitan Council approval.

## Next Steps

- Authorization by Metropolitan Council
- Submit amended application for Joint Development and updated lease terms to FTA
- Upon approval of FTA, Regional Administrator and City to sign updated lease and easement documents



**Thank You!**