

Business Item

Transportation Committee



Committee Meeting Date: January 27, 2025

For the Metropolitan Council: February 12, 2025

Business Item: 2025-31

345 Industrial Blvd Lease, Contract 25M008 for Engineering and Facilities

District(s), Member(s):	District 7, Yassin Osman
Policy/Legal Reference:	FM 14-2 Expenditures for Procurement of Goods, Services, and Real Estate Policy, Minn. Stat. 473.129; and 473.405
Staff Prepared/Presented:	Lesley Kandaras, General Manager, 612-349-7513 Brian Funk, Deputy General Manager, COO, 612-349-7514 Marilyn Porter, Director Engineering & Facilities, 612-349-7689 Jim Harwood, Assistant Director, Engineering & Construction, 612-349-7339 Kelly Jameson, Director Real Estate, 651-602-1556
Division/Department:	Metro Transit / Engineering and Facilities

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute contract 25M008 with NorthPoint Development, for the 10-year lease agreement in the amount of \$14,344,453, which includes a Tenant Improvement Allowance (TIA) to build out the space and Common Area Maintenance (CAM) expenses.

Background

The current space the Engineering and Facilities Maintenance team uses at 677 Transfer Road is at capacity. Metro Transit plans to significantly increase the number of platforms and lines. The following lines are planned to open or expand over the next 5+ years:

2025: Gold Line, B Line, and E Line

2026 and beyond: F Line, Green Line LRT Extension, G Line, H Line, Purple Line, and Blue Line LRT Extension

Engineering and Facilities staff have been working with the Real Estate department to secure a long-term lease that will meet the Facility Maintenance team's space needs for more secure storage of vehicles, materials, equipment, and tools and accommodate the team's projected staff growth over the next 5-10 years. The leased facility will serve as a home base for Public Facilities Workers. The 345 Industrial Boulevard location meets the team's future space needs and supports meeting future service requirements.

The proposed facility is located in Northeast Minneapolis. The main structure is 101,698 square feet and includes space for 129 interior parking stalls and equipment storage, a covered loading dock, and support area. Council staff have evaluated several properties with potential to meet the criteria set for selection. Staff have determined 345 Industrial Boulevard best meets the criteria based on size, amenities, price, and location. Staff have determined that the lease terms are fair and reasonable and in the best interest of the Council.

Rationale

Contracts for the acquisition of interests in real property, such as leases, that exceed \$1,000,000 require Council approval.

Thrive Lens Analysis

Successful operations of the METRO system will advance the following Thrive MSP 2040 outcomes. This action promotes Stewardship and Prosperity through needed facility expansion to support expanded transit service and transit way investments. This new facility will provide additional support area to support continued growth in ridership demand and upcoming service expansion. This lease agreement promotes Equity and Livability by supporting the expansion of the transit lines and platforms to increase Mobility and Access to Opportunities.

Funding

Funds have been identified and are available in Council's authorized operating budget.

Small Business Inclusion

There are no direct impacts to small businesses with this action.

