

T Transportation Committee

Meeting date: February 25, 2008

For Council meeting March 12, 2008

ADVISORY INFORMATION

Date:	February 19, 2008
Subject:	Disposition of Surplus Hiawatha Corridor Property
District(s), Member(s)	Lynette Wittsack, District 8
Policy/Legal Reference:	Minnesota Statute 473.129
Staff Prepared/Presented:	Guy Peterson, Director, Community Development Division (651-602-1418) Brian Lamb, General Manager (612-349-7510) Tom Thorstenson, Director, Engrg & Construction (612-349-7689)
Division/Department:	Metro Transit

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to proceed with the sale of a property previously deemed surplus by the Metropolitan Council on February 6, 2006, located at 46th Street and Hiawatha Avenue to Oaks Properties for \$1,034,000.

Background

On February 8, 2006, the Council adopted a policy addressing the declaration and disposition of surplus property to facilitate efforts to sell four specific Hiawatha Corridor Light Rail Transit properties no longer needed for transit operations and identified as “surplus” parcels. This policy reads as follows:

The Council may determine from time to time that certain real property is no longer needed for Council purposes and that such real property shall be considered “surplus.” The Council may dispose of such real property, subject to applicable laws and regulations including Minnesota Statutes 473.129. The Council may sell such surplus real property to the highest bidder through a public bidding process, for no less than the appraised market value; unless the Council determines that the Council’s priorities or objectives would be better served by disposing of the property in some other manner authorized by law.

Rationale

A formal Invitation for Bids (IFB) was issued December 3, 2007, for three surplus parcels. The three parcels are located at 32nd Street and Hiawatha Avenue, Lake Street and Hiawatha Avenue, and 46th Street and Hiawatha. The appraised value of the 46th Street parcel is \$250,000. Three bids ranging from \$527,500 to \$1,034,000 were received for this parcel. The highest bid was received from Oaks Properties for \$1,034,000.

One bid was received for the Lake Street parcel, and one was received for the 32nd Street parcel. Both are for less than the appraised value. Staff is evaluating these bids and may bring one or both of them forward for Council consideration at a later date.

Council staff is currently requesting FTA consideration to retain the federal portion, 69%, (\$713,460) of the sale proceeds for the 46th Street parcel. These retained funds will be used to help fund associated capital maintenance and the tire lease for buses. These projects are consistent with the Council’s adopted capital program and budget and the State Transportation Improvement Program.

Funding

Funds gained from the sale of this parcel will be a significant contribution to the capital needs of Metro Transit.

Known Support / Opposition

None.