

T Transportation Committee

Meeting date: March 24, 2008

For Council meeting April 9, 2008

ADVISORY INFORMATION

Date:	March 14, 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:	Brian Lamb, General Manager (612-349-7510) Tom Thorstenson, Director, Engrg & Construction (612-349-7689) Guy Peterson, Director, Comm. Development Div (651-602-1418)
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 Lake Street and Hiawatha Avenue to Wellington Management for \$250,000.

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 the surplus Light Rail Transit parcel at Lake Street and Hiawatha Avenue.

One bid of \$250,000 was received for the Lake Street parcel. This parcel had been appraised at \$450,000 in late 2007. Because the Lake Street parcel has been the target of trash dumping and loitering, and become costly to maintain, staff believes selling the parcel for amount bid, though less than appraised value, is appropriate. The Federal Transit Administration has given its concurrence with accepting this bid amount, and to allowing Metro Transit to retain the federal portion, 69% (\$172,500).

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

Last year the Lake Street Council expressed in writing to Council staff their support for selling the Lake Street parcel to Wellington Management. Though not endorsing any particular bidder, City of Minneapolis planning staff have expressed a strong desire for sale of the property to address the property maintenance concerns addressed above.