

T Transportation Committee

Meeting date: February 26, 2007

ADVISORY INFORMATION

Date:	February 14, 2007
Subject:	I-94 East Park-and-Ride Facility Lease Agreement
District(s), Member(s):	Georgeanne Hilker, District 11
Policy/Legal Reference:	Minnesota Statutes Sec. 473.129 & 473.405
Staff Prepared/Presented:	Brian Lamb, General Manager, 612 349-7510 Mark Fuhrmann, Deputy General Manager, 612 349-7513 Tom Thorstenson, Director, Engineering & Construction, 612 349-7689
Division/Department:	Metro Transit Engineering and Facilities Division

Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to negotiate and lease property at the Guardian Angels Church in Oakdale for a park-and-ride facility.

Issue(s)

- Council authorization is required for lease commitments having a total value greater than \$250,000.

Overview and Funding

The Council-approved "Park-and-Ride Facility Site Location Plan" estimated near term (2010) need for 500 spaces at a park-and-ride facility located in the I-94 corridor east of I-494 with expansion to 900 spaces by 2030. Over the past year, staff identified likely locations, narrowed the list to preferred sites, met with property owners along the corridor and have been in contact with Lake Elmo city officials to locate a suitable site within Lake Elmo. Unfortunately, a site has not been located that is agreeable to all parties involved.

Staff have also investigated numerous properties in the corridor that would be appropriate for park and ride service, but have not been successful in reaching potential agreements. In general, there is considerable speculation on land values and owners are not motivated to sell property at this point.

Currently, the Council has a short term lease (through 2008) for up to 200 spaces at the Guardian Angels Church in Oakdale, near the intersection of Inwood Avenue and I-94. About 110 park and ride users park at the facility every day and the number has been growing. This is proving to be an excellent park and ride location.

It is proposed to lease additional property at the Guardian Angels Church and construct an additional 200 to 250 spaces, yielding a park and ride of 400 to 450 spaces. Although details of such a lease are not yet final, it is proposed to offer the church an initial, one time payment of \$140,000 plus \$20,000 per year for a long term commitment of 30 years. Annual payments are to be tied to an inflation adjustment factor such as a Consumer Price Indicator. The church is to be responsible for routine landscape maintenance. The total unescalated value of the lease for 30 years is estimated at \$740,000.

Construction of the additional parking spaces would involve a capital expenditure not to exceed \$750,000. This capital investment is depreciated over a five year period. Leasing and developing parking spaces on this property will satisfy near term parking demands with a minimal investment. Longer term, staff will continue to seek property acquisition in the vicinity of Manning and I-94 in Woodbury.

This lease is viewed as an operating lease. Funds for an initial one time lease payment of \$140,000 (as well as \$20,000 annual payments) have been identified in Metro Transits operating budget.