



Community Development Committee

Meeting date: April 16, 2007

Executive Summary

Item: 2007-135

ADVISORY INFORMATION

Date:	April 12, 2007
Subject:	Proposed Implementation of Council Policy Regarding Declaration and Disposal of Surplus Hiawatha LRT Property
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statute 473.129
Staff Prepared/Presented:	Guy Peterson, Director, Community Development, 651-602-1418 Jeanne Matross, Associate General Counsel, 651-602-1108 Brian Lamb, General Manager, Metro Transit, 612-349-7510
Division/Department:	Community Development; Office of General Counsel

Proposed Action/Motion

That the Metropolitan Council authorize use of a proposed method for disposing of the Hiawatha Corridor LRT surplus real property through a request for proposal process which considers transit and community goals and benefits and gives preference to the proposals that best serve the Council’s priorities and objectives and result in a sale of the property, through a public bidding process, to the highest bidder satisfying the transit and community development criteria, for no less than the appraised market value.

Issue(s)

Does the Council concur with a proposal for disposition of the Hiawatha excess parcels that may not result in sale to the highest bidders for the property, as long as the selected bids are no less than the appraised market value and satisfy the transit and community development criteria?

Overview and Funding

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 LRT properties no longer needed for transit operations and identified as “excess” 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.

Council and the City of Minneapolis staff have discussed mutually held goals and objectives for the future use of these four parcels to provide both transit and community benefits that may not be achieved if the properties must be sold “to the highest bidder” as the policy suggests.

Both the Council and the city of Minneapolis have identified a number of objectives for development of the properties that involve several criteria related to transit-oriented development. Such criteria include development that will tend to increase ridership on the Hiawatha LRT and provide other alternatives to automobile use in these areas. The criteria include the advancement of neighborhood development and the positive economic benefits that will accrue from the resultant community

revitalization in these excess parcel LRT station areas. Proposals will also be evaluated for the substantial air quality improvements to be realized from decreased automobile use.

These transit and community benefits may represent more value to the LRT line and the transit investment it represents to Metro Transit than may the monetary amount of the highest bid for any of the four parcels.

Staff is proposing that the Council enter into a cooperative agreement with the city of Minneapolis for the performance of several tasks in conjunction with the sale of these excess parcels, including preparation of a request for proposals (RFP) for the purchase of the properties by a purchaser that will propose development consistent with the transit and community benefits being sought by the Council.

Staff will discuss with the Council the evaluation criteria representing Council priorities and objectives as the RFP is developed. Before the RFP is issued, the Council will receive assurance from the Federal Transit Administration (FTA) that the objectives and parameters of this method of disposition and the evaluation criteria to be employed are acceptable to the FTA because of the positive impact upon and enhancement of this significant transit investment that can result from the development proposals.