



Request for City Council Committee Action From the Department of Public Works

Date: October 26, 2004
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral to: None
Subject: **Execute Amendment No. 3 to Lease H-05829 with MnDOT – Property under I-94 Bridges**

Recommendation:

Adoption of a Committee Report directing the proper City officers to sign Amendment No. 3 to Lease H-05829 with MnDOT for property under I-94 Bridges in the vicinity of 2nd Ave N and Lyndale Ave N

Previous Directives:

- July 26, 2002 - Council directed Public Works to execute one-year lease
- Bi-annual approvals going back to July 31, 1981

Prepared by: John R. Hotvet, P.E., Traffic Operations Engineer, 673-2743

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Jon Wertjes, P.E., Director of Traffic and Parking Services

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information Attached

The Public Works Department has leased space under the I-94 bridges in the vicinity of 2nd Avenue North and Lyndale Avenue N from MnDOT since 1981. This area is used for storage of various materials that is used to maintain the City's infrastructure. The current lease expired on April 30, 2003, and MnDOT has sent us Amendment No. 3 to Lease H-05829 for execution. This will extend the lease for three years, to April 30, 2006.

Extension of the lease by MnDOT was delayed for several months pending review of the land use under the interstate bridges from a Homeland Security standpoint.

We reviewed the availability of other properties that could be used for the storage of the materials currently stored under the bridges to see if storage could be obtained at a lower cost. Nothing was located that provided the same level of service that the current location provides. The current location, midway between two Public Works maintenance facilities, minimizes the travel time for crews to pick up materials that are stored at the facility. See Attachment A.

The total lease amount for the three years is \$60,120.00. Monthly rent from May 1, 2003 to April 30, 2004 is \$1,560.00, and the monthly rent from May 1, 2004 to April 30, 2006 is \$1,725.00. There is a cancellation provision for either party with a 60-day written notice.

Funds to pay this rent are available in the Public Works operating budget.

Attachment A: Investigation of Alternative Sites

Cc: Paul Ogren, Steve Collin