
From: Geisler, Amy
Sent: Thursday, July 30, 2015 2:02 PM
To: Gustafson, Mary
Cc: Galbraith, Lucy; Schantzen, Nancy; Xiong, Ia
Subject: RE: Snelling bus barn site - federal interest

Hi Mary, thanks for this information. Lucy is currently working on clarifying some related issues with Jeanne Matross, but we will take you up on the meeting offer once we have some more clarity on which direction we're heading with this.

Amy

From: Gustafson, Mary
Sent: Friday, July 24, 2015 8:49 AM
To: Geisler, Amy
Cc: Galbraith, Lucy; Schantzen, Nancy; Xiong, Ia
Subject: FW: Snelling bus barn site - federal interest

Hi Amy,

I'm copying Nancy Schantzen on this as you are asking about federal interest in an asset and that is Finance's responsibility to determine. The federal regulations that I ensure compliance with all have to do with disposition of the asset. Federal interest is determined by the percentage of federal share in the original purchase or rehabilitation (such as roof replacement on a facility) of the asset against the sale price of the asset. So, once Nancy gives you the percentage of federal interest (which seems slightly complicated in this case but again that's not for me to determine) in the original purchase(s), you can figure out how much we will have to "return" to the feds once the land is disposed of. Note that I say purchase(s) because only Finance would know what is on fixed assets for that property. There may have been more than one "purchase."

The feds will likely not want the funding returned, however, so as part of the prior authorization for disposition that I need to get from FTA, I will also ask that we be able to use the interest on another federally-funded capital project. These funds are accounted for by Nancy's staff and then used to reduce the entire cost of a project, ie there is no match component.

Probably the most important thing about disposing of federally-funded property is that there is a particular order in which to do things. For instance, until FTA authorization is given, there can be no negotiations with the developer on price. I have also copied Ia Xiong in the Real Estate office as she has the contacts with appraisers and review appraisers and knows what needs to be done. For your information, I have attached the circular extract about land disposition. There are several options for land disposition. Most of them involve a sale and then use of the federal interest in some manner. However, there are a couple of other options which I can discuss further with you if necessary.

Finally, this e-mail outlines the disposition of land. If title to the land is being retained by the Council and we are not "buying out" the federal interest (see circular), then the action is not considered a disposition. It could be a joint development or TOD but Lucy is the expert on those new and old circulars.

FTA grant agreements don't have anything in them but references to the regulations and circulars. Therefore, finding the grant agreement (which I'm not sure I could even do as it is so old) would probably not be helpful. Any financial or fixed asset records regarding that particular site would be in Finance files as this was prior to the establishment of the Grants department.

There have been a number of fixed asset disposition/federal interest questions that have come up lately. Nancy and I always want to know as much as possible about the situation before any action is taken. If you would like to schedule a meeting with us to discuss, please don't hesitate to do so.

Regards,

Mary

Mary A. Gustafson
Grants Manager
Metropolitan Council - Metro Transit
Phone: [REDACTED]
Fax: 612-349-7503

From: Geisler, Amy
Sent: Thursday, July 23, 2015 3:41 PM
To: Gustafson, Mary
Cc: Galbraith, Lucy
Subject: Snelling bus barn site - federal interest

Hi Mary,

I am looking through old Snelling files to get a better understanding of the federal interest in the site. I've located two documents that address this topic; the first one is a series of memos from 2002-2003, when a land swap was under consideration. The most pertinent one is a 2002 memo from Jeanne Matross that starts on page 20 of the pdf. I also found the attached asset management record, which might supplement what Jeanne put together.

Jeanne's conclusion is below – Lucy wanted me to run this by you to see if you have any additional information that might help us understand the federal interest on the site, and how it might apply when working with a potential developer. I have not located the actual grant agreement, but maybe you have that.

Conclusion: The federal share of Project MINN-UTG-4 is summarized as follows:

Federal Share (2/3)	\$ 9,723,800
Federal Share (80%)	<u>1,123,576</u>
Subtotal	\$10,847,376
Local Share (1/3)	4,861,900
Local Share (20%)	<u>280,894</u>
Subtotal	\$ 5,142,794

If the Snelling site were sold and a portion of the proceeds were required to be returned to US DOT per federal regulations or contract provision, the amount returned would be 2/3 of the net proceeds of the sale adjusted by the small percentage of the project that was federally funded at 80%.

Thanks,

Amy

Amy Geisler

Development Manager, Transit Oriented Development
Metro Transit

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amy.geisler@████████████████████