



10

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

Date: April 25, 2002  
To: Transportation and Public Works Committee  
Referral to: Ways and Means/Budget

Subject: Volleyball Courts (700 3<sup>rd</sup> Avenue North)

#### Recommendation:

The City Council directs Public Works staff to enter into a five-year lease agreement for the use of the volleyball courts and broomball rinks. Eight of the courts will be leased to Cities Sports Connection and eight leased to Spike Works. The new lease agreement will begin approximately May 13, 2002 and continue through April 30, 2007. If one of the parties terminates their lease agreement, the other party will have the first right of refusal for the entire sixteen courts. The City may terminate the lease upon 60 days notice to the above stated parties.

#### Previous Directives:

Council Action April 14, 1995  
Council Action April 20, 2001  
Council Action March 1, 2002

Prepared or Submitted by: Timothy Drew, Transportation Engineer Aide, 673-2152  
Approved: David J. Sonnenberg, P. E., City Engineer, Director of Public Works

By: Greg Finstad Gregory A. Finstad  
Presenters in Committee: Jon Wertjes, Transportation Engineer, 673-2614

#### 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):

Applicant will provide total rent payments to the City at a rate of \$2080.00/ month. This rent will be deposited in accordance with the existing City/MnDOT agreement.

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

## **Background/Supporting Information Attached**

### Purpose and Revenue

The purposes for the City to lease this property are: 1) allow what would have been vacant space to be used, 2) bring people to this area of downtown, 3) improve safety in the area, and 4) fund on-going improvements and restoration for the Cedar Lake Trail.

Leasing of the property is proposed to bring in \$2080.00 per month, which amounts to \$24,960.00 per year. The revenue is dedicated to the Cedar Lake Trail per the Mn/DOT/City agreement. The agreement provides revenue for the following:

1. The future extension of the Cedar Lake Trail to the Mississippi River.
2. Future Cedar Lake Trail renovation (mill and overlay). This is a city responsibility.
3. Pay for the initial construction of the volleyball courts.

The usage of the volleyball courts brings people into the area adjacent to the Cedar Lake Trail, reducing crime in that vicinity. The volleyball courts are also a valuable amenity by bringing customers to the North Loop/Warehouse District.

### History of the Volleyball Lease Agreement:

In April 1995, the City entered into a unique limited use agreement to reuse excess MnDOT right-of-way property (700 3rd Avenue North) for 16 volleyball courts and two broomball rinks. (See attached map and City Council Action, April 14, 1995.)

In April 1995, the City entered an agreement with Twin Cities Sport and Recreation Club (subsequently Twin Cities Sport and Social Club) to operate and maintain this leased area. As such, for approximately five years, the City has leased the property to Twin Cities Sport & Social Club (TCSSC). In January 2001 TCSSC went out-of-business, failed to make payments and defaulted on their contract with the City. Subsequently, because the RFP timeline would not allow the volleyball courts to be leased during the summer of 2001, the Public Works Department entered into a short-term (6 month) lease with two local companies waiving the RFP process. At the same time, Public Works agreed to complete the long-term (5 year) agreement (see April 5 2001 Council Action).

City staff recommends that the City Council enter into a long term lease agreement with Cities Sports Connection and Spike Works for the use of the volleyball courts and broomball rinks, such that the new lease agreement will begin approximately May 1, 2002 and continue through to April 30, 2007.

### Attachments:

- Site map
- April 14, 1995 City Council Action
- April 20, 2001 City Council Action
- March 1, 2002 City Council Action

Cc: Steve Kotke  
Dave Sabie  
Gary Warnberg  
Joe LaBat

OLSON HWY



5TH ST N

Henn City Energy Resource

7TH ST N

BORDER

ROYALSTON

Famer's Market

Traffic Shop

Volleyball Courts (Proposed)

Rapid Park

5th Gara

E LYNDAL

(Overpass)

(Overpass)

Park Trail

Lake

3RD AV N

7th Street Garage "A"

Target Center

Lake

GLENWOOD

10TH

Cedar



HAWTHORNE

LINDEN



HENNEPIN

ONLY ALLOCATE A SINGLE MRC TO A HOMESTEADED DUPLEX OR TRIPLEX IF IT IS SUFFICIENT TO CONTAIN THE WASTE GENERATED BY THE DWELLING'S OCCUPANTS. The charges applicable under a variable billing system shall be phased in over the first six (6) months of 1995. Until dwelling units are charged under the variable rate billing system, charges previously applicable shall remain in effect.

Service charges shall begin to accrue as of the date when the water meter for any dwelling is installed and read. Service charges shall cease to accrue when either water service is turned off at the street valve serving the property by the city's water department or when determined by the city engineer. The charges for solid waste management services shall constitute a charge against the premises from which rubbish collection is made or available to be made and against the owner, lessee or occupant thereof and all of them.

Adopted. Yeas, 12; Nays none.  
Absent - Cherryhomes - 1.  
Passed April 14, 1995. Joe Biernat, Vice President of the Council and President pro tem.  
Approved April 18, 1995.  
Sharon Sayles Belton, Mayor.  
Attest: Merry Keefe, City Clerk.

T&PW & W&M/Budget - Your Committee, having under consideration a proposal to develop sand volleyball courts on MnDOT land under and between the 7th St N and 10th St N bridges, adjacent to access to the Cedar Lake Trail, now recommends:

T&PW - That the proper City officers be authorized to:

a) Enter into a Limited Use Permit between the City and MnDOT for the area westerly of the 7th St N Bridge, northerly of 3rd Av N and easterly of Royalston Av;

b) Negotiate and execute a construction, repayment, operating and rental agreement for the courts with Twin Cities Sports and Recreation Club;

c) Passage of the accompanying resolution increasing the Off Street Ramp Construction Appropriation by \$75,400 to provide capital funding for the development of the courts, with requirements for repayment; and

d) Set aside any excess court

APR 14 1995

repayment and interest) to be used for restoration of the Cedar Lake Trail bicycle corridor.

W&M/Budget - That the subject be forwarded without recommendation.

Dziedziec moved to substitute the following report for the above report. Seconded.

Adopted upon a voice vote.

T&PW & W&M/Budget - Your Committee, having under consideration a proposal to develop sand volleyball courts on MnDOT land under and between the 7th St N and 10th St N bridges, adjacent to access to the Cedar Lake Trail, now recommends that the proper City officers be authorized to:

a) Enter into a Limited Use Permit between the City and MnDOT for the area westerly of the 7th St N Bridge, northerly of 3rd Av N and easterly of Royalston Av;

b) Enter into two separate five-year lease agreements for the use and operation of the athletic courts with Twin Cities Sports and Recreation Club and J. D. Pride. Each lease shall stipulate that if either lessee fails to honor or execute the lease, the other lessee has first right of refusal to assume the other party's lease. Each lessee shall have renewable provisions at the end of the initial five-year lease;

c) Passage of the accompanying resolution increasing the Off-Street Ramp Construction Appropriation by \$75,400 to provide capital funding for the development of the courts, with requirements for repayment; and

d) Set aside any excess court rental fees (beyond capital repayment and interest) to be used for restoration of the Cedar Lake Trail bicycle corridor.

The report, as substituted, was adopted.

Yeas, 12; Nays none.  
Absent - Cherryhomes - 1.  
Passed April 14, 1995.  
Approved April 18, 1995.  
Sharon Sayles Belton, Mayor.  
Attest: Merry Keefe, City Clerk.

APR 14 1995

Exhibit A

RESOLVED  
By Date:

Amending "The Improvement Appropriation Resolution of 1995" passed December 15, 1994 as amended.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by increasing the Transportation & Special Project - Off-Street Ramp Construction Appropriation in the Municipal Parking Fund (75-9464) by \$75,400 for construction of sand volleyball courts under the 7th and 10th St N bridges.

Be it Further Resolved that the cost of the sand volleyball court project shall be repaid to the City with interest over a five year period by the Twin Cities Sports and Recreation Club and J. D. Pride.

Be it Further Resolved that the net rental income be restricted for restoration of bicycle trails and that said funds be appropriated upon request by the City Engineer.

Adopted. Yeas, 12; Nays none.  
Absent - Cherryhomes - 1.  
Passed April 14, 1995. Joe Biernat, Vice President of the Council and President pro tem.  
Approved April 18, 1995.  
Sharon Sayles Belton, Mayor.  
Attest: Merry Keefe, City Clerk.

APR 14 1995

APRIL 20, 2001

and III 1/2 positions. Offers shall be made based on the individual candidate's level of competency and experience. The cost of the step increases and relocation expenses will be accommodated within the Public Works Department existing budget.

Adopted. Yeas, 13; Nays none.

Passed April 20, 2001.

Approved April 25, 2001. S. Sayles Belton, Mayor.

Attest: S. Ristuben, Asst City Clerk.

**T&PW & W&M/Budget** – Your Committee, having under consideration the 4<sup>th</sup> Street Reverse Flow Bus Lane project and having been informed of changes in the federal funding schedule (increasing the federal match) and time schedule for the project, now recommends:

1) That the proper City officers be authorized to execute Contract Amendment #1 to State Contract #79282 (City Contract #14456) with the State of Minnesota relating to the 4<sup>th</sup> Street Reverse Flow Bus Lane project, amending the contract to reflect an extended term through August 31, 2001 and a change in cost participation and maximum federal funding; and

2) Passage of the accompanying resolution decreasing the capital appropriation for the project by \$65,000 to reflect increased federal match funding.

Adopted. Yeas, 13; Nays none.

Passed April 20, 2001.

Approved April 25, 2001. S. Sayles Belton, Mayor.

Attest: S. Ristuben, Asst City Clerk.

**RESOLUTION 2001R-161**

**By Mead & Campbell**

**Amending The 2001 Capital Improvement Appropriation Resolution.**

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by decreasing appropriation for the PW - Streets & Malls Capital Agency in the Permanent Improvement Projects Fund (4100-937-9372) by \$65,000 (from \$600,000 to \$535,000) and decreasing the revenue source (4100-937-9372 - Source 3215) by \$65,000.

Adopted. Yeas, 13; Nays none.

Passed April 20, 2001. J. Cherryhomes, President of Council

Approved April 25, 2001. S. Sayles Belton, Mayor.

Attest: S. Ristuben, Asst City Clerk.

**T&PW & W&M/Budget** – Your Committee, having under consideration the property at 700 3<sup>rd</sup> Av N that has been leased for use as volleyball courts and broomball rinks and having been informed that the former operators are no longer able to contract for the property, now recommends that the proper City officers be authorized to execute agreements with Cities Sports Connection and Spike America to lease and operate the volleyball courts at 700 3<sup>rd</sup> Av N for one volleyball season (May through September, 2001). Authorization is granted with waiver of the City's request for proposal (RFP) requirement.

Your Committee further recommends that the proper City officers be authorized to begin an RFP process for a five-year lease agreement for the use of said courts and rinks, to begin approximately on November 1, 2001.

Adopted. Yeas, 13; Nays none.

Passed April 20, 2001.

Approved April 25, 2001. S. Sayles Belton, Mayor.

Attest: S. Ristuben, Asst City Clerk.

**T&PW & W&M/Budget** – Your Committee, having under consideration the construction of Highway I-35W between Highway 62 (Crosstown) and Minnehaha Creek by the Minnesota Department of Transportation (MnDOT), now recommends:

MARCH 1, 2002

**T&PW** - Your Committee, having under consideration the property at 700 3rd Av N that has been used as volleyball courts and broomball rinks under contract to the City and having been informed that there is no longer a tenant utilizing the facilities, now recommends that the property City officers be authorized to begin a Request for Proposals (RFP) process to develop a five-year lease agreement for the use of said property, with a new lease to commence by approximately May 1, 2002.

Colvin Roy moved to substitute the following report for the above report. Seconded.

Adopted upon a voice vote.

**T&PW** - Your Committee, having under consideration the property at 700 3rd Av N that has been used as volleyball courts and broomball rinks under contract to the City and having been informed that there is no longer a tenant utilizing the facilities, now recommends that the property City officers be authorized to begin a Request for Proposals (RFP) process to develop a one-year lease with extensions possible for a total of five years, with a new lease to commence by approximately May 1, 2002. The new lease shall contain a termination clause which the City may exercise at the end of any calendar year.

The report, as substituted, was adopted.

Yeas, 12; Nays none.

Absent - Biernat.

Passed March 1, 2002.

Approved March 4, 2002. R.T. Rybak, Mayor.

Attest: M. Keefe, City Clerk.

**T&PW** - Your Committee, having under consideration the Fremont Av S Residential Lighting Project (W 42nd St to Kings Highway), now recommends passage and summary publication of the accompanying resolution designating the location, streets and improvements proposed to be made in said project.

Adopted. Yeas, 12; Nays none.

Absent - Biernat.

Passed March 1, 2002.

Approved March 4, 2002. R.T. Rybak, Mayor.

Attest: M. Keefe, City Clerk.

Resolution No. 2002R-056, designating the location, streets and improvements proposed to be made in the Fremont Av S Street Lighting Project (Special Improvement of Existing Street No. 2236), was passed March 1, 2002 by the City Council and approved March 4, 2002 by the Mayor. A complete copy of this resolution is available for public inspection in the Office of the City Clerk.

The following is the complete text of the unpublished summarized resolution.

**RESOLUTION 2002R-056**

**By Colvin Roy**

**Fremont Av S Street Lighting Project  
Special Improvement of Existing Street No. 2236**

**Designating the Improvement of certain existing streets at the location described hereinafter.**

Resolved by The City Council of the City of Minneapolis:

That the following existing streets within the City of Minneapolis are hereby designated to be improved, pursuant to the provisions of Chapter 10, Section 8 of the Minneapolis City Charter, by installing ornamental street lights together with all necessary appurtenances and work related thereto:

Fremont Av S from approximately the north ROW line of W 42nd St to the north ROW line of Kings Hwy.

Adopted. Yeas, 12; Nays none.

Absent - Biernat.

Passed March 1, 2002.

Approved March 4, 2002. R.T. Rybak, Mayor.

Attest: M. Keefe, City Clerk.