



Legislation Text

File #: RES PH 12-213, **Version:** 2

Approving and authorizing the execution of the contingent real estate acquisition agreement with the Port Authority for land needed for a ballpark in downtown Saint Paul, contingent upon conveyance of Midway Stadium, the budget amendment, and bond related matters.

WHEREAS, the City of Saint Paul ("City") through its Department of Parks and Recreation and in collaboration with the Saint Paul Saints seeks to acquire property and obtain financing for the public purpose of developing and constructing a regional ballpark ("Ballpark") in the Lowertown neighborhood of Downtown Saint Paul; and

WHEREAS, the Ballpark will be owned by the City and managed by and/or leased to the Saint Paul Saints for their use as well as continued public use as a municipal stadium; and

WHEREAS, the Lowertown Ballpark design and construction process will include community interaction including the District 17 Community Council, following through on the City's commitment for community participation throughout the design and construction process; and

WHEREAS, an advisory Lowertown Ballpark Design and Construction committee will be created. The membership will include residents and business representatives from Lowertown and nearby impacted areas appointed by the District 17 Community Council, and including the design center. This advisory committee will be charged with providing input on the Lowertown Ballpark design and construction process with a focus on ensuring that a livable and economically viable neighborhood is maintained throughout the construction process and after the Ballpark is in operation; and

WHEREAS, City Staff will continue to report back periodically to the Saint Paul City Council regarding the status of the Lowertown Ballpark including specifically related to community participation, roadways and parking; and

WHEREAS, The Port Authority of the City of Saint Paul, Minnesota ("Port Authority") has at the City's request entered into a Contingent Purchase Agreement with the owner of the Diamond Products Company parcels in Lowertown with a closing set for July 31, 2012; and

WHEREAS, the Port Authority ~~is negotiating~~ has negotiated a purchase agreement with the owner of the Rasoir Property; and

WHEREAS, Directors of the City's Departments of Parks and Recreation and Office of Financial Services have negotiated a Contingent Real Estate Acquisition Agreement with the Port Authority ("Port Agreement") and the material terms of the Port Agreement provide that the Port Authority will make a financial contribution to purchase and close on the acquisition of the Diamond Products Company parcel and use its efforts to acquire the Rasoir parcel and upon closing, to transfer the title(s) to such parcels to the City, and upon construction of the Ballpark, the City will transfer the Midway Stadium site to the Port Authority; and

WHEREAS, the City Council has on the same day of this Resolution adopted a companion Final Order resolution authorizing the acquisition of real properties needed to develop the Ballpark in Downtown Saint Paul and the Port Agreement covers the two largest properties of the site; and

WHEREAS, in the event that the City is successful in constructing the Ballpark in Lowertown, the Department

of Parks and Recreation will no longer need Midway Stadium and would like to be free to dispose of the Midway Stadium site and land; and

WHEREAS, Chapter 13.01.1 of the Saint Paul City Charter states that: "Lands which may have been heretofore acquired by any means.... for park purposes shall not be diverted to other uses or disposed of by the city except in the following manner." and goes on to require that if parkland is disposed of, that replacement parkland be acquired to replace it; and

WHEREAS, as part of the Port Agreement the Port Authority wishes to acquire the Midway Stadium property if it becomes available for disposal and further wishes to trade property it has or will acquire in Lowertown for the Midway Stadium site; and

WHEREAS, the size and value of the properties to be exchanged are equivalent and the uses will be the same, which will maintain the balance within the park system; and

WHEREAS, because the Lowertown properties will be acquired first and the conveyance of Midway Stadium to the Port Authority will only happen if the City successfully builds the Ballpark on land acquired from the Port Authority, the City wishes to credit the land acquired from the Port Authority as the replacement parkland in the event of a conveyance of Midway Stadium to the Port Authority, and

WHEREAS, the City Council finds that the Charter provision is intended to ensure that there is no net loss of parkland due to a sale or disposal of property and that the disposal of Midway Stadium, if initiated because the City has completed construction of the Ballpark, would not result in the reduction of parkland; and

WHEREAS, while the City desires to construct the Ballpark on the Lowertown properties the financial ability to do so is dependent on the receipt of state grant funds and in the meantime, the City plans to demolish the structures on the properties, perform environmental remediation activities, and surcharge the site, all with the express intention that the site would become suitable for a wide range of potential redevelopment projects; and

WHEREAS, \$3,000,000 of the project Ballpark budget will come from the Saint Paul Port Authority in the form of land and in-kind contributions; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the Charter of the City of Saint Paul, does certify that there are available for appropriation, funds of \$54,000,000 in the Capital Improvement Budgets;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Saint Paul, Minnesota, as follows:

1. Port Agreement. The Council approves the Port Agreement. The appropriate City Officials are hereby directed and authorized to execute the Assignment and Assumption of Lease and City Guaranty as described in the Port Agreement together with such other agreements, documents and instruments necessary to perform the City's obligations under the Port Agreement.
2. Midway Stadium. The Council hereby finds that it is in the best interests of the City to consider the acquisition of the Lowertown properties, in the event that they are used for development of the Ballpark, as intended replacement of the Midway Stadium site. The City Council further finds that if the Midway Stadium site is sold or traded to the Port Authority and the Lowertown Ballpark is constructed as anticipated herein, then the sale or trade of Midway Stadium, which will be diversion of parkland, shall be permitted and the replacement requirements of the Charter shall be satisfied by the acquisition of the Lowertown Ballpark properties.
3. Budget. The Council of the City of Saint Paul, upon recommendation of the Mayor and advice

of the Long Range Capital Improvement Budget Committee, approves the amendments to the Capital Improvement and Operating budgets as detailed in the attached financial analysis in Attachment A.

4. Reimbursement Intent. The City intends to make expenditures for the Ballpark and reimburse such expenditures from proceeds of future Ballpark Bonds. This Resolution is intended to constitute a declaration of official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the Ballpark Bonds in conjunction with the Ballpark Project.

5. Financing Team. Kennedy & Graven, Chartered will act as bond counsel to the City for the Ballpark Bonds. The City finance staff shall name Springsted, Inc. the independent financial advisor to advise the City with respect to the sale of the Ballpark Bonds and, as needed, act as a member of the Pricing Committee. Piper Jaffray & Co. shall provide investment banking services to the City with respect to the Bonds, as needed. The Director, Office of Financial Services, Treasurer, Debt Manager, officials of the Parks and Recreation Department and other staff and officials of the City are hereby authorized, as needed, to negotiate the terms of the Bonds, their price and the details of the financing with Piper Jaffray & Co.

6. Authority for Further Actions. The staff and directors of the City's Departments of Parks and Recreation and Office of Financial Services are directed and authorized to take all actions necessary to implement this Resolution and realize the development of the Ballpark and the appropriate City Officials are authorized to execute any documents and instruments in connection therewith.

Financial Analysis

See Attachment

CIB Recommendation

The Saint Paul Long-Range Capital Improvement Budget Committee received this request on July 9, 2012 and recommended approval.