

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL, MINNESOTA

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 9, 2020

REGARDING: AUTHORIZING LEASE AMENDMENTS TO THE PARKING LEASE AGREEMENT WITH WELLS FARGO PLACE FOR THE WORLD TRADE CENTER PARKING RAMP, DISTRICT 17, WARD 2

Requested Board Action

Approval of a resolution authorizing the execution of lease amendments to the parking lease agreement with Wells Fargo Place (the “WFP”) for the World Trade Center Parking Ramp (the “WTC Parking Ramp”).

Background

The WTC Parking Ramp Parking Lease Agreement was executed between the HRA and WFP on November 20, 2018, terms of which are outlined below:

- WFP will lease 540 unassigned space of the 1,170-total space for a term of 20 years, solely for use by their tenants and their employees (and binding upon any sale or transfer of the property).
- The rate will start at \$132 per space per month, paid quarterly in advance beginning January 1, 2019. The \$132 rate is 80% of the current market rate for a monthly contract in the WTC Parking Ramp.
- The rate will increase 2% annually.
- There will be one reset of the rate at the end of the tenth year to 80% of the then current market rate with a floor of \$132.
- Once the 20-year term expires WFP will be on a month-to-month basis at the then current market rate.

The purpose of the Lease Amendments is to allow WFP to request the conversion of a portion of the spaces from unassigned to assigned for the benefit of WFP tenants. WFP is currently

requesting that 40 parking spaces be converted to assigned spaces for the benefit of the Internal Revenue Service (the “IRS”).

The Lease Amendments will allow up to 100 of the 540 spaces to be converted to assigned spaces upon the HRA’s written consent. The HRA will have the sole discretion to consent to any conversion of unassigned spaces to assigned spaces and will exercise this option at the time the request is presented from WFP to the parking ramp operator (currently Allied) outlining the terms of the conversion. The terms of the conversion will also outline the parking rates to be charged for the assigned spaces. As way of example, the agreed-to rate for the IRS will begin at \$250 per month.

Budget Action

N/A

Future Action

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance:

A public purpose is met by maintaining long-term control of parking in downtown to service employers and generate economic development.

Recommendation:

The HRA Executive Director recommends approval of the resolution authorizing the execution of the Lease Amendments.

Sponsored by: Commissioner Noecker

Staff: Gary Grabko (266-6709) and Jenny Wolfe (266-6680)

Attachments

- **Map**