

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

REPORT TO THE COMMISSIONERS

DATE: JULY 25, 2018

**REGARDING: RESOLUTION APPROVING CONTINUATION OF PARKING REVENUE
SHARING PAYMENT FOR WORLD TRADE CENTER PARKING RAMP
WITH MINNESOTA CHILDREN'S MUSEUM, DISTRICT 17, WARD 2**

Requested Board Action

Amend the World Trade Center parking ramp operating agreement with Allied Parking to include a parking revenue sharing payment as an operating expense to be paid out monthly to the Minnesota Children's Museum (MCM). This amendment will continue a parking revenue sharing payment to MCM on a month-to-month interim basis during the time period when the HRA owns and operates the parking ramp until the new owner takes possession. This time period is expected to be two to three months. The payment is based on a formula – 80% of 150 daily Children Museum parkers – that has been in place since MCM moved to downtown.

Background

In 1991, in order to entice MCM to locate in downtown Saint Paul, the HRA executed a Development and Tax Increment Financing Agreement (as amended, the "Development Agreement") that included financial support as well as a commitment for parking in the HRA owned World Trade Center Ramp. The parking agreement provided 150 spaces at a discounted rate for MCM patrons and revenue sharing of 80% of the revenue generated by MCM patrons utilizing the 150 spaces. The Development Agreement expired December 1, 2012.

In 1997, the HRA, together with Principal Mutual Life Insurance Company ("Principal" the owner of the World Trade Center at the time) issued parking revenue bonds to expand the WTC ramp (the "1997 Bonds"). As a part of this transaction, Principal became the operator of the ramp, guaranteed the repayment of the 1997 Bonds, and was provided an option to purchase the WTC ramp from the HRA; they were required to adhere to the parking agreement in place with MCM. Even though the Development Agreement expired in December of 2012, Principal

continued to honor the parking terms outlined, including the revenue sharing payment. The operating agreement with Principal expired May 31, 2018, and Principal has exercised their option to purchase the WTC ramp from the HRA through a process likely to take two to three months. As of June 1, 2018, the HRA is operating the ramp and has executed an agreement with Allied Parking. This request, if approved, will authorize the continuation of a monthly payment to MCM during the interim period when the HRA is operating the ramp.

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

The payment allows for the continued support of MCM operations and recognizes their value to Saint Paul and the downtown area.

Recommendation:

Approve amendment to parking operating agreement to continue making parking revenue sharing payments to MCM during the interim period the HRA is in control of the ramp before it is sold.

Sponsored by: **Commissioner Noecker**

Staff: Gary Grabko, 266-6709