



Legislation Text

File #: RES PH 17-267, **Version:** 1

Amending the City's 2017 Capital Budget for the Soccer Stadium Site infrastructure and remediation costs previously budgeted in the Housing and Redevelopment Authority Capital Project fund.

WHEREAS, MUSC Holdings LLC (hereinafter "the Team") approached City officials to express interest in developing a stadium (hereinafter "the Stadium") for a Major League Soccer team on property located at or near 400 N. Snelling Avenue ("Property") in the City of Saint Paul, Minnesota (hereinafter "the City"), and to ask for the support of the City in this development; and

WHEREAS, on August 26, 2015, the City Council passed and the Mayor thereafter approved RES 15-1539, expressing support for the development of the Stadium; and

WHEREAS, the City Council adopted RES PH 16-64 on March 2, 2016 approving and authorizing the execution of development documents with the Team for the Stadium and related public infrastructure and remediation costs as well as a funding agreement with the Housing and Redevelopment Authority of the City of Saint Paul, (the "HRA") to finance such costs, but did not establish a budget for the Public Infrastructure Project in the City Capital project fund; and

WHEREAS, the HRA adopted RES 16-376 on March 2, 2016 approving the Soccer Stadium site Infrastructure and Remediation (the "Public Infrastructure Project") budget in the HRA Capital Project fund and the related funding agreement with the City; and

WHEREAS, the Stadium and related Public Infrastructure are anticipated to be owned by the City of Saint Paul and as such the Public Infrastructure Project would more appropriately be budgeted in the City Capital project fund; and

WHEREAS, during the 2017 regular session of the Minnesota Legislature, the State of Minnesota enacted 2017 Minn. Laws, Chapter 1, Article 3, Section 30 (the "Special Law"), providing for a sales tax exemption for the materials used to construct the Stadium and related infrastructure (the "Stadium Project"); and

WHEREAS, the Special Law indicates that the exemption only applies if the Stadium Project is at least partly funded by excess local option sales tax funds available for use in capital projects pursuant to Minnesota Statute section 297A.9905; and

WHEREAS, the Office of Financial Services (OFS) has identified \$5,000 of qualifying local option sales tax funds in the Department of Planning and Economic Development's Pay-Go Economic Development Fund ("ED Fund") that can be substituted for an equal amount of HRA Parking funds currently budgeted in the Stadium Project; and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the City Charter, and contingent upon the passage of accompanying HRA action to transfer the financing budget to the City, does certify that there will be \$18,088,614, available in the City Capital Project Fund for appropriation to the Stadium Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saint Paul, Minnesota (the "City") that, upon recommendation of the Mayor that \$18,088,614 will be available for appropriation in the 2017

City Capital Project Budget, the Council hereby amends said budget as specified in the attached financial analysis (See Attachment- Financial Analysis).