



Legislation Text

File #: RES PH 16-64, **Version:** 1

Approving and authorizing execution of agreements related to construction, remediation and infrastructure for a soccer stadium development, and a Funding Agreement with the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, and related actions.

Whereas, MUSC Holdings LLC (hereinafter “the Team”) approached City officials expressing an interest in developing a stadium (hereinafter “the Stadium”) for a Major League Soccer team on or near 400 N. Snelling Avenue (“Property”) in the City of Saint Paul, Minnesota (hereinafter “the City”), and asking for the support of the City in this development; and

Whereas, on August 26, 2015, the Council passed and the Mayor thereafter approved RES 15-1539, expressing support for the development of the Stadium, including support for State legislation granting property tax exemption for the Stadium site; and

Whereas, the Property is owned by the Metropolitan Council and is commonly known as the “Bus Barn Site”, and

Whereas, City staff and officials conducted extensive discussions and negotiations with representatives of the Team and representatives of the Metropolitan Council with the goal of entering into various agreements on the terms, among others, that the Team would pay for all the costs of designing, constructing and operating the Stadium, that the City would rent the Bus Barn Site from the Metropolitan Council and together with the Team and Metropolitan Council would collaborate on any contamination clean-up necessary (“Remediation”), that the City would sublease the Bus Barn Site to the Team and the Team would pay the rent to the City, and that the City would pay the costs for standard infrastructure for the Stadium Site (“Infrastructure”); and

Whereas, funding for the City’s obligations for the Remediation work and installation of Infrastructure will come from the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (“HRA”) under a Funding Agreement between the City and HRA (“Funding Agreement”) (See Attachment A - Spending Detail); and

Whereas, the HRA Board of Commissioners will be requested at its March 2, 2016 meeting to authorize the execution of the Funding Agreement and a budget amendment and the HRA’s obligations under the Funding Agreement are and will be subject to future approvals that are required by Minnesota law to amend certain tax increment financing plans and budgets, which actions shall include proper notices and public hearings; and

Whereas, consistent with those terms the Team, the City, and the Metropolitan Council have negotiated the following agreements which are attached hereto and submitted to the City Council for its consideration and approval, namely:

- a) Net Ground Lease for 400 Snelling Avenue North, Saint Paul, MN 55102-3822, Metropolitan Council, Landlord, and City of Saint Paul, Tenant (“Ground Lease”) (See Attachment B)
- b) Development Agreement by and between the City of Saint Paul and the Minnesota United Soccer Club LLC (“Development Agreement”) (See Attachment C)
- c) Playing and Use Agreement by and between the City of Saint Paul and the Minnesota United Soccer Club LLC (“Playing and Use Agreement”) (See Attachment D)

- d) Environmental Project Management Agreement, by and between the City of Saint Paul, the Team, the Metropolitan Council and the Port Authority of the City of Saint Paul ("Environmental Agreement") (See Attachment E)

(the Ground Lease, Development Agreement, Playing and Use Agreement and Environmental Agreement are collectively referred to as the "Development Documents")

Whereas, after a public hearing the City Council determines there is a public purpose to take all the actions described in and approved in this Resolution since the design, construction and operation of the Stadium and related development will: (i) provide a venue for professional soccer and a broad range of entertainment and commercial activities; (ii) further the vitality of the City of Saint Paul and its midway area by generating increased economic activities consistent with the Snelling Station Area Plan; (iii) further economic development and stimulate the local economy overall; and (iv) cause the property tax base to increase in the surrounding area;

Now therefore be it resolved, by the City Council of the City of Saint Paul as follows:

1. The Council hereby approves the Development Documents and authorizes the execution of the Development Documents by the proper City officials in a form substantially consistent with the forms attached hereto.
2. The Council hereby approves the Funding Agreement and authorizes the execution of the Funding Agreement by the proper City officials in a form substantially consistent with the form attached hereto. (See Attachment F)
3. The City and legal counsel are directed and authorized to take all other actions necessary to implement this Resolution and the proper City officials are authorized and directed to execute any documents and instruments in connection therewith. The City's Director of Office of Financial Services is authorized to negotiate any amendments to the Development Documents and Funding Agreement that do not materially change the terms and conditions of such documents and agreements, with the approval of the City Attorney.