



Legislation Text

File #: RES PH 17-323, **Version:** 1

Amending the City's Capital budget and approving a First Amendment to the Funding Agreement with the Housing and Redevelopment Authority of the City of Saint Paul for the Snelling Midway Redevelopment Site; approving the terms of a Memorandum of Agreement with MUSC Holdings, LLC; accepting a grant from the Capitol Region Watershed District; and granting preliminary approval for City financing.

WHEREAS, the City of Saint Paul ("City") City Council on August 26, 2015 adopted Resolution No. 15-1539 ("2015 Resolution") supporting the development of a soccer stadium ("Stadium") at the site located at 400 N. Snelling Avenue, Saint Paul, Minnesota ("Property") by MUSC Holdings, LLC ("Team"); and

WHEREAS, on March 2, 2016, the City Council ("Council") of the City adopted Resolution PH 16-64 (the "2016 Resolution") approving a Development Agreement by and between the City and Team (the "Development Agreement") and a Funding Agreement (the "Funding Agreement") with the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota ("HRA") to finance infrastructure and remediation work (the "Project") in connection with the redevelopment of the Property and a larger area that the Property is within, namely that area bounded by Snelling Avenue, St. Anthony Avenue, University Avenue and Pascal Street North in the City (the "Midway Development Site"); and

WHEREAS, the City and Team entered into a Development Agreement dated April 1, 2016 for the Project; and

WHEREAS, as part of the Development Agreement the City has agreed to contribute the sum of \$16,100,000 to defray the costs of public infrastructure, of which \$3,068,382 has been budgeted for stormwater facilities ("Facilities"); and

WHEREAS, as a further part of the Development Agreement the City and Team agreed to design, construct and maintain Midway Green Spaces (as that term is defined in the Development Agreement) and in furtherance thereof, the parties have negotiated a Parkland Agreement ("Parkland Agreement") for this area now designated as the Park (as herein defined) in the Parkland Agreement; and the Parkland Agreement is being submitted to the City Council for separate consideration and approval; and

WHEREAS, the City's obligations under the Parkland Agreement include the contribution of the sum of \$250,000 toward the payment of a portion of the costs of the Park and Site Improvements as described and defined in the Parkland Agreement; and

WHEREAS, the City and Team desire to have the Facilities expanded so that it provides a comprehensive district stormwater and reuse system for the entire Midway Development Site ("Expanded Facilities"), and to construct roads and a 35' pedestrian walkway to provide access north of Shields Avenue for the Park and Midway Development Site ("Improvements"), and

WHEREAS, the City will contribute \$2,307,000 to the costs of the Expanded Facilities and \$250,000 for the Improvements in accordance with a memorandum of agreement ("MOA") which terms shall be consistent with the terms contained in the HRA staff report and this resolution ("Terms"); and

WHEREAS, the City has been awarded a grant in the amount of \$416,000 from the Capitol Region

Watershed District to finance a portion of the Expanded Facilities ("CRWD Grant"); and

WHEREAS, the HRA and City have determined the need to fund additional soft costs for professional services related to the Improvements in the amount of \$400,000 ("Soft Costs"); and

WHEREAS, the HRA and City have determined the need to fund \$100,000 of the remediation costs addressed in the Funding Agreement ("Remediation"); and

WHEREAS, per the Alternative Urban Areawide Review ("AUAR"), the traffic signal at Snelling and Spruce Tree must be relocated and the Snelling median extended and the City will fund the total estimated costs of \$750,000 and construct the improvements ("Snelling Improvements"); and

WHEREAS, HRA staff has prepared a HRA budget amendment to provide the City with additional sources of funds, in addition to City sources consisting of the CRWD Grant and City financing, to satisfy the City's commitment to provide funds for the Expanded Facilities and Improvements, the City's commitment under the Parkland Agreement, and to fund the Soft Costs, Remediation and Snelling Improvements and to transfer these funds to the City ("HRA Budget Amendment") and an amendment to the Funding Agreement with the City ("First Amendment to Funding Agreement"); and

WHEREAS the aggregate amount of development costs for the Midway Development Site being requested of the City Council is \$4,057,000 and the sources of funds ("City Sources") to pay such costs are set forth in the attached budget amendment ("City Budget Amendment"); and

WHEREAS, the City Sources will include proceeds of a City financing in the amount of \$1,141,000 on terms acceptable to the City's Director, Office of Financial Services ("City Financing"); and

WHEREAS, the Mayor, pursuant to Section 10.07.1 of the City Charter, does certify that there will be \$4,057,000 available for appropriation in the City funds; and

WHEREAS, on this date, the City Council conducted a public hearing on the City Budget Amendment, after published notice thereof; and

WHEREAS, at said public hearing the City Council heard testimony from all interested parties regarding the City Budget Amendment; and

WHEREAS, the City Council has considered the documentation submitted in support of the actions being taken in this Resolution and has taken into account the information and knowledge gained in hearings upon and during consideration of other matters relating to the developments proposed in this Resolution.

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

1. Upon recommendation of the Mayor that \$4,057,000 will be available for appropriation in the 2017 City Capital Project Budget, the City Council hereby approves the City Budget Amendment as specified in the attached financial analysis.
2. The Council hereby approves the First Amendment to Funding Agreement with the HRA in a form substantially consistent with the form submitted with this Resolution.
3. The Council hereby approves the Terms of the MOA with the Team and authorize City staff to prepare the MOA with the Terms and further authorizes the proper City officials to execute the MOA.

4. The Council hereby accepts the CRWD Grant and authorizes the appropriate City officials to execute the CRWD grant agreement and related documents.

5. The Council authorizes and directs the Director, Office of Financial Services and City Treasurer to proceed with preliminary actions to obtain the City Financing and to return to the City Council for final approval of such City Financing. The City intends to make expenditures for the Expanded Facilities and reimburse such expenditures from the proceeds of the City Financing. This resolution is intended to constitute a declaration of the City's 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 City Financing.

6. The Council hereby authorizes and directs that the Director, Planning and Economic Development ("PED") and PED staff take all actions necessary to implement this Resolution and the appropriate City officials to execute all necessary documents in connection therewith.

7. The Council hereby authorizes and directs that the Director, Public Works ("PW") and PW staff take all actions necessary to design and construct the Snelling Improvements.

The Saint Paul Long-Range Capital Improvement Budget Committee received this request on November 13, 2017 and recommended approval.