



Legislation Text

File #: RES 22-576, **Version:** 1

Authorizing a Second Amendment to Funding Agreement with the City of Saint Paul Regarding the Snelling Midway Redevelopment Site; authorizing assignment of rights and obligations under the parking spaces license agreement relating to the Spruce Ramp Parking Ramp; District 13, Ward 1

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minn. Stat. Section 469.002, Subd. 14; and

WHEREAS, the City of Saint Paul ("City"), through the action of its City Council (the "Council") on August 26, 2015, adopted RES 15-1539 supporting the development of a Major League Soccer Stadium (the "Stadium") at the site located at 400 N. Snelling Avenue, Saint Paul, Minnesota (the "Bus Barn Property") by MUSC Holdings, LLC (the "Team"); and

WHEREAS, the Bus Barn Property is part of a larger Snelling Midway block consisting of approximately 34.5 acres located in Saint Paul, Minnesota and bounded by Snelling Avenue, University Avenue, Pascal Avenue and St. Anthony ("Midway Development Site"); and

WHEREAS, the HRA Board of Commissioners on March 2, 2016 adopted RES 16-376 that authorized a Stadium project budget in the HRA Development Capital Project Budget (the "Original HRA Budget") for the public infrastructure and remediation costs only and no funding for the Stadium itself (which was funded entirely by the Team); and further approved a funding agreement with the City (the "Funding Agreement"); and

WHEREAS, HRA Board of Commissioners on November 15, 2017 adopted RES 17-1815 that moved the Original HRA Budget to the City capital improvement budget to reflect City ownership of the public infrastructure; and

WHEREAS, on March 2, 2016, the Council adopted RES PH 16-64 approving a Development Agreement by and between the City and Team for the development of the Stadium and the Funding Agreement with the HRA to finance infrastructure and remediation work (the "Project") in connection with the redevelopment of the Bus Barn Property and Midway Development Site; and

WHEREAS, the City and Team entered into a Development Agreement dated April 1, 2016 for the Project and development of the Stadium (the "Development Agreement"); and

WHEREAS, as part of the Development Agreement the City agreed to contribute the sum of \$16,100,000 to defray costs of the infrastructure, including the installation of stormwater facilities (the "Stadium Site

Infrastructure”); and

WHEREAS, the HRA has funded certain expenditures to date, and the HRA Board of Commissioners needs to approve further transfers of the HRA Budget to the City; and

WHEREAS, subsequent to entering into the Development Agreement, the City and Team jointly decided to expand the contemplated stormwater facilities to provide for an integrated storm water management system for the entire Midway Development Site and the City contributed an initial amount of \$2,307,000 to defray the costs of said system; and

WHEREAS, the City and Team thereafter completed redesign of the stormwater facilities to provide stormwater management for stormwater generated by the roofs of future buildings constructed within the Midway Development Site (the “Expanded Stormwater Facilities”). The Expanded Stormwater Facilities provide a comprehensive storm and irrigation water management system for the entire Midway Development Site which includes (i) the Stadium Site (including the Stadium roof, plaza areas, loading dock, lower bowl and playing field), and (ii) the portions of the Midway Development Site outside of the Stadium Site (including such portions of the Stadium Site as may in the future be removed from the Stadium Site when and as so removed) that is expected to be developed in the future; and

WHEREAS, subsequent to entering the Development Agreement, the City and Team jointly desired to have improvements constructed north of Shields (the “Additional Public Improvements”) that included: (a) the extension of Asbury Street from Shields Avenue to Spruce Tree Avenue, including the street, sidewalks, lighting and landscaping on the west side of Asbury Street within the public right of way, (b) the extension of Spruce Tree Avenue from Asbury Street to Simpson Street, including the street, sidewalks, lighting and landscaping on the south side of Spruce Tree Avenue, within the public right of way, from the western edge of the pedestrian way to Simpson Street, (c) the extension of Simpson Street from Spruce Tree Avenue to Shields Avenue including the street, sidewalks, lighting and landscaping, within the public right of way, on the east and west sides of Simpson Street and (d) a 35 foot pedestrian walkway, located on the eastern 5 feet of the park and the adjacent western 30 feet of Lot 1, Block 4, MLS Soccer Redevelopment and extending from Spruce Tree to Shields; and

WHEREAS, the Expanded Stormwater Facilities and the Additional Public Improvements are public infrastructure improvement in addition to the Stadium Site Infrastructure originally contemplated in the Development Agreement. The Stadium Site Infrastructure, the Expanded Stormwater Facilities, and the Additional Public Improvements are herein collectively the “Public Infrastructure;” and

WHEREAS, costs necessary for the design and construction of the Public Infrastructure were \$5,483,816 greater than amounts originally budgeted and the City is contributing \$2,000,000 to defray said Public Infrastructure costs in accordance with a Public Infrastructure Funding Agreement with the Team and Minnesota United Soccer Club, LLC, the Team’s wholly-owned subsidiary (the “Club”), with said contribution constituting a final draw under the Development Agreement; and

WHEREAS, the HRA has funds already budgeted in the amount of \$1,694,100 to provide the City with additional sources of funds, in addition to City sources, to fund Public Infrastructure costs and is transferring said funds to the City (the “HRA Transfer”) under the First and Second Amendments to the Funding Agreement with the City; and

WHEREAS, following the Stadium development the HRA Board of Commissioners on November 13, 2019 adopted RES PH 19-383 approving and authorizing the execution of a purchase agreement with Spruce Tree Centre LLP (“Spruce Tree”), for the sale and conveyance of the parking structure commonly known as the Spruce Ramp Parking Ramp which is located at 1607 Spruce Tree Drive, Saint Paul, Minnesota (the “Ramp”) and authorization to enter into a Parking Space License Agreement; and

WHEREAS, the HRA entered into a Parking Space License Agreement dated December 18, 2019 (the "License") with Spruce Tree, the present owner of the Ramp, to facility event parking; and

WHEREAS, under the License, the HRA obtained a license to use up to two hundred (200) parking spaces in the Ramp in conjunction with certain events at the City's soccer Stadium site generally located within the neighboring superblock bounded by Snelling Avenue, University Avenue West, Pascal Street North and St. Anthony Avenue within the City of Saint Paul, Minnesota and currently known as Allianz Field ("Allianz Field"); and

WHEREAS, under Section 5(a) of the License, the HRA has the right to assign its rights and obligations under the License to the MLS soccer team operating at the Allianz Field Stadium site, currently Minnesota United Soccer Club, LLC (the "Club"); and

WHEREAS, to facilitate event parking, the Club desires to receive an assignment of the HRA's rights to use the two hundred (200) parking spaces in the Ramp under the License and to assume all of the HRA's obligations under the License beginning with the 2022 calendar year; and

WHEREAS, the HRA Board of Commissioners determines there is a public purpose to take all the actions described herein and approved in this Resolution since the License assignment and the design, construction, funding, and operation of the Public Infrastructure will: (i) provide for a comprehensive stormwater and irrigation system for the entire Midway Development Site that is expected to include a broad range of entertainment and commercial activities, (ii) provide for connections to the Midway Development Site that will further the vitality of Saint Paul's midway area by generating increased economic activity consistent with the Snelling Station Area Plan while simultaneously offsetting certain strains on the neighborhood, (iii) further economic development and stimulate the local economy overall, and (iv) cause the property tax base to increase in the surrounding area; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota as follows:

1. The HRA Board of Commissioners approves the HRA Transfer as specified in the Staff Report attached to this Resolution pursuant to the First and Second Amendments to the Funding Agreement with the City.

2. The HRA Board of Commissioners approves and authorizes execution of the Second Amendment to the Funding Agreement with the City in substantially the form attached to this Resolution.

3. The HRA Board of Commissioners approves and authorizes execution of a Parking Space License Assignment and Assumption Agreement with the Club in substantially the form attached to this Resolution.

4. The HRA Executive Director, staff, and legal counsel for the HRA are directed and authorized to take all actions necessary to implement this Resolution.

5. The HRA's Executive Director is authorized to negotiate and execute any necessary documents and instruments in connection with this Resolution.

6. The approvals and authorizations granted herein are conditioned upon HRA and Council adoption of a First Amendment to the Tax Increment Financing Plan for the Pioneer Endicott Redevelopment Tax Increment Financing District and upon the Council authorizing amendment to the City's Capital Budget, approving the Second Amendment to the Funding Agreement between the City and HRA, and approving and

authorizing execution of a Public Infrastructure Funding Agreement with MUSC Holdings, LLC and Minnesota United Soccer Club, LLC.