



## Request for City Council Committee Action From the Department of Public Works

**Date:** November 17, 2005  
**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee  
**Referral to:** Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

**Subject:** **Vineland Place Municipal Parking Ramp Special Assessment  
Public Hearing**

### Recommendation:

Passage of a resolution adopting the special assessment in the total amount of \$12,500,000, levying the assessment, adopting the assessment rolls, and directing the City Clerk to transmit certified copies of the assessment roll to the Hennepin County Auditor.

### Previous Directives:

December 14, 2001 - Authorized the issuance of up to \$25 million in principal amount of general obligation Assessment bonds to finance the costs of a parking facility located at the Walker Art Center, subject to entry into a final agreement between the City and the Walker Art Center. A final agreement has now been executed.

June 27, 2002- Accepted the terms of the development and ground lease agreement between the City and Walker Art Center. A final agreement has now been executed.

**Prepared by:** Michael W. Sachi, P.E., Parking and Skyway Systems Engineer, 673-2159

### Approved by:

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Klara A. Fabry, P.E., City Engineer, Director of Public Works

**Presenters:** Michael W. Sachi, P.E., Traffic and Parking Services

### Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget for 2006
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain): **Adjustments to Revenue and Expense budgets will be incorporated into the 2006 operating budget.**
- Request provided to the Budget Office when provided to the Committee Coordinator

**Background/Supporting Information:**

The City of Minneapolis and the Walker Art Center entered into a certain Contract for Parking Ramp Development dated July 17, 2002 and a certain Ground Lease Agreement dated November 15, 2002 to construct the Vineland Place Ramp on land owned by the Walker Art Center.

The City of Minneapolis owns the project and the Walker Art Center owns the land on which the project is located. The project was constructed by the contractor that built the Walker expansion, consistent with City parking structure practices and policies. The City financed the cost of the project, including interest during the scheduled construction period, by the issuance of general obligation parking assessment bonds. The bonds are to be paid from the project's parking revenues.

As part of the process for the issuance of general obligation tax-exempt bonds for this project, the City was to levy assessments to the Walker Art Center in the amount of 50% of the total bond issue beginning in the first year of commercial operation, which was 2004. The City is to reimburse Walker the assessment payments from gross parking revenues through the ground lease. The result is a total assessment amount of \$12,500,000, and equates to \$543,478 per year for each year the bonds are outstanding, or 23 years total.

Due to an administrative oversight, the assessments payable for the years 2004 and 2005 were not processed, and that amount is included in the assessment now payable for 2006. Future years' payments will be set up as a regularly occurring event from this point forward. The Walker is the only entity being assessed for this project, and has executed a petition consistent with and in agreement with this action and timeline.

CC: Suzette Hjerstad, Public Works