



Request for City Council Committee Action
from the Departments of Public Works, Finance and
Community Planning & Economic Development

Date: July 10, 2007

To: Honorable Sandy Colvin Roy, Chair Transportation & Public Works Committee
Honorable Lisa Goodman, Chair Community Development Committee

Referral to: Honorable Paul Ostrow, Chair Ways & Means/Budget Development Committee

Subject: Sale of City-Owned Parking Ramps
Conduct Public Hearing and Approve Sale

Recommendation:

- a. Conduct the Public Hearing for the potential sale of City-owned Parking Ramps on July 10, 2007 during a joint meeting of the Transportation and Public Works and Community Development Committees
- b. Approve the resolutions included in this report authorizing the sale of the city-owned parking ramp – St Anthony Ramp (210 2nd Ave SE, PID#: 2302924130628) to St Anthony Ramp LLC or an affiliate thereof for \$2,525,000 and other considerations.
- c. Direct City officers to negotiate a purchase agreement with St Anthony Ramp LLC or an affiliate thereof. Further, authorize city officers to execute the necessary documents to complete the sale transaction.
- d. Approve the resolutions included in this report authorizing the sale of six City-owned parking ramps to Alatus Partners LLC or an affiliate(s) thereof for \$69,250,000 and other considerations as follows:
 - Centre Village Municipal Ramp (700 5th Ave S, PID#: 2602924220091)
 - Downtown East Municipal Ramp (425 Park Ave S, PID#: 2602924210099 & 2602924210098)
 - Federal Courthouse Municipal Ramp – leasehold interest only (333 3rd Ave S, PID#: 2302924330876)
 - Gateway Municipal Ramp (400 S. 3rd St, PID#: 2302924340051)
 - Loring Municipal Ramp (1330 Nicollet Mall, PID#: 2702924240178)
 - Seven Corners Municipal Ramp (1504 Washington Ave S, PID#: 2502924220344)
- e. Direct City officers to negotiate a purchase agreement consistent with the terms of this report with Alatus Partners LLC or an affiliate(s) thereof. Further, authorize city officers to execute the necessary documents to complete the sale transaction.

- f. Approve the resolution included in this report authorizing the sale of the city-owned parking ramp – Riverfront Ramp (212 9th Ave S, PID#: 2302924430196) to Guthrie Theater Foundation or an affiliate thereof for \$16,500,000 and other considerations or to Alatus Partners LLC or an affiliate thereof for \$16,000,000 if closing does not occur with Guthrie Theater Foundation by March 1, 2008.
- g. Direct City officers to negotiate a purchase agreement consistent with the terms of this report with Guthrie Theater Foundation or an affiliate thereof or to Alatus Partners LLC or an affiliate thereof in the alternative. Further, authorize city officers to execute the necessary documents to complete the sale transaction.
- h. Delegate authority to the CPED Director and Finance Officer to implement the sale transactions as described in the terms attached to this report as Exhibit I.
- i. Direct City officers to deposit the sale proceeds in the Parking Fund (7500 fund) and use sale proceeds as directed below

Previous Directives:

June 19, 2007 T&PW Action to set the public hearing for sale of parking ramps
 April 14, 2007 Council Action – Approved criteria and issue RFP
 Resolution 2004R-282 Parking Fund Workout Plan, June 18, 2004

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 Patrick Born, CFO
 Steven, Bosacker, City Coordinator

Presenter in Committee: Patrick Born and Steven Kotke

Permanent Review Committee (PRC) Approval to be Obtained Not Applicable

Cc: Council Members Goodman, Hofstede, and Gordon

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.

2004-08 Public Works Business Plan-March 2004, Parking Services Section (Exhibit C), pgs 38&39

Other financial impact (Explain):

As part of the RFP process the Project Team agreed to make recommendations on the short and long-term financial impacts to the City as well as how the sale proceeds (if any) will be used.

1. **Financial Conditions** – The City’s Parking Fund is operating under a work out plan approved by the City Council that is designed to bring the Fund back to financial solvency. The potential sale of parking assets should not worsen the financial condition of the Fund or compromise the projected financial recovery of the Fund according to the adopted work out plan. Financial issues should include assessment of the short and long-term financial impact to the Parking Fund and the City of the sale of any or all of the assets on the terms proposed. This analysis should consider the outstanding debt, prospects of the asset to perform consistent with the expectations in the adopted work out plan, and other operating and financial factors. The analysis of proposals should also consider any financial implications to the City including property taxes paid by a new private owner, alternative use of the asset for a non-parking purpose, or other considerations based on the proposals.
2. **Use of Proceeds** – Unless required by state law, City Charter, or other legal requirements, proceeds from the sale of a parking asset should be applied in the following order: costs related to the sale of the asset, retirement or defeasance of City debt related to the asset, retirement or defeasance of other City debt in the parking fund, avoidance of planned debt for other parking capital improvements, and non-Parking Fund costs, if any, as determined by the City Council.

Request provided to department’s finance contact when provided to the Committee Coordinator.

Community Impact

Neighborhood Notification: City Staff has consulted with and received input from the following affected neighborhood organizations regarding the pending sale of these City-owned parking ramps:

- West Bank Community Coalition (WBCC/Land Use Committee)
- Cedar-Riverside Business Association (CRBA) & CRBA Parking Committee
- Marcy-Holmes Neighborhood Association (MHNA)
- Nicollet Island-East Bank Neighborhood Association (NIEBNA)
- Downtown Minneapolis Neighborhood Association (DMNA)
- Citizens for Loring Park Community (CLPC/Land Use Committee)
- Elliott Park Neighborhood Inc. (EPNI)

City Goals: The potential sale of these City-owned parking ramps is focused on achieving City goals related to maximizing economic development opportunities.

Comprehensive Plan: On June 25, the City Planning Commission approved of the sale of these parking ramps/parcels as being consistent with the Comprehensive Plan.

Sustainability Targets:

- Alatus Partners has made commitments to obtain LEED certification from the U.S. Green Building Council for their proposed development projects adjacent to the Seven Corners Ramp and on the Downtown East Ramp site.
- St. Anthony Ramp LLC has made commitments to obtain LEED certification from the U.S. Green Building Council for their proposed development project adjacent to the St. Anthony Ramp.

Zoning Code: Proposed development projects will be required to comply with applicable zoning and obtain any necessary regulatory/planning approvals.

Living Wage/Business Subsidy Agreement Yes_____ No X

Job Linkage Yes_____ No X

Other: On May 17, 2006, Planning Staff completed a land sale review of these parcels and approved the proposed sale.

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1. Background/Supporting Information

History

In 1999 Public Works in conjunction with Finance explored the viability of selling the entire Municipal Parking System under a number of sale/lease back options. While market conditions appeared to not support a System sale, this effort appropriately opened the question as to the possibility of the sale of individual ramps within the Municipal Parking System.

In 2000, Public Works began to make inquiries as to any private interest in the purchase of a municipal ramp. The focus of those inquiries included four ramps – Seven Corners, Loring, St. Anthony, and Centre Village – identified for potential sale under asset criteria such as remaining debt outstanding, applicable operational agreements, financial performance, and relevant laws and restrictions. More detailed analyses were performed including formal appraisals.

In 2003 and 2004 as part of the Parking Fund Workout Plan, Public Works, Finance and CPED determined that potential sale of parking ramps would require more critical financial analysis, and thus began to refine the parking ramp sale criteria. Also at that same time, the initiative to sell parking ramps was placed on hold to allow the other Workout Plan initiatives to be further developed.

Recently, private parties expressed interest in buying some parking ramp(s). Rather than deal with these requests on a case-by-case basis, it made sense to address any potential sales within a public process that invites bids on terms most favorable to the City of Minneapolis. In early 2006, CPED, Finance and Public Works Departments began to identify parking ramps for potential sale and outline a Request for Proposals (RFP) process. The Departments identified nine ramps for inclusion in the RFP; in addition to the four parking ramps originally identified in 2000 (described above), the Departments identified five other ramps for potential sale: Federal Courthouse, Mill Quarter, Riverfront, Downtown East, and Gateway. In April 2006, the Minneapolis City Council authorized the City Departments to issue an RFP for the sale of the nine identified parking ramps within the Municipal Parking System.

1.1. Project Team

The CPED, Finance and Public Works Department Directors organized a Project Team to lead and coordinate this effort across the City departments. The Project Team consists of:

- Finance – Pat Born, Roger Simonson, Mike Abeln, and Mark Winkelhake
- CPED – Lee Sheehy, Mike Christenson, Emily Stern, and Beth Elliott
- Public Works – Steve Kotke, Jon Wertjes and Mike Sachi
- City Council – Lisa Goodman
- City Attorney – Shelley Roe
- Private Sector
 - Tom Parish, EVP Real Estate, Wells Fargo
 - Tom Borman, Maslon Edelman Borman & Brand

The CPED Director determined that there were no immediate development needs which required reserving these assets for City ownership and that the public interests supported examining development potential for these nine ramps through a Request for Proposals (RFP) process

1.2. Sale Criteria

CPED, Finance and Public Works drafted parking ramp sale criteria in 2003. The City Council adopted these criteria to be used in the RFP process on April 14, 2006. Exhibit A presents the “Sale Criteria for Parking Facilities” dated July 10, 2003. The Project Team used the sale criteria along with other evaluation measures to review and evaluate the RFP proposals.

The Project Team analyzed and evaluated each proposal against the sale criteria to determine the relative merits of each proposal. The Departments are forwarding to the City Council those proposals which will most improve the City’s financial position and serve the public interest, as defined by the criteria.

The Project Team has completed its evaluation and is returning to the City Council with a report and recommendation.

1.3. Identified Parking Ramps

Public Works initially identified the following nine City-owned parking ramps that had merit to be placed on the market to determine whether acceptable sale proposals and conditions could be obtained. The parking ramp locations are identified on a map in Exhibit B and can also be found on the City’s website at:

http://www.ci.minneapolis.mn.us/parkingrfp/parking_ramps_map.pdf

The Mill Quarter Ramp was subsequently removed from the current RFP process on August 24, 2006 due to a contractual in the parking agreement with the Brighton/SAMA liner development.

The table below highlights the eight parking ramps, their size and original purpose.

Table 1 - Eight Identified Parking Ramps

Parking Ramp	Spaces	Original Purpose
Centre Village Ramp, 700 5 th Av S	700 & 485	Development
Downtown East Ramp, 701 4 th St S & 424 Chicago Av S	455	LRT and development
Federal Courthouse Ramp, 300 4 th St S	290	Replacement of government parking
Gateway Ramp, 400 3 rd St S	1,397	Transportation – transit and fringe parking
Loring Ramp, 14 Grant St W	750	Development of south Mall area
Riverfront Ramp, 220 9 th Av S	987	Development
St. Anthony Ramp, 201 2 nd Av SE	901	Development of the St. Anthony Main area
Seven Corners Ramp, 1504 Washington Av S	796	Development of and West Bank area and parking supply needs
Total Parking Spaces	6761	

The sale of public land is regulated by Minneapolis Chapters 14.120 and 22.80 and the policy and procedures set forth in the Real Estate Transactions Policy adopted by the City Council. The method of sale is by RFP.

2. RFP Process

The Project Team developed the RFP package and issued it on July 28, 2006. The RFP allowed proposers to submit either “package” proposals for multiple ramps or “a la carte” proposals for individual ramps. The RFP also permitted proposers to submit either purchase offer proposals (assuming continued operation of the ramp(s) for parking), and/or development proposals for anticipated redevelopment on or adjacent to the ramp sites. The RFP document indicated that added consideration would be given to those proposals that include purchasing a ramp as part of a development proposal.

All of the City’s available due diligence documents and materials related to the ramps—existing contracts/agreements, financials, site plans, title work, maintenance reports, environmental reports, etc.—were made available to proposers on the RFP website:
<http://www.ci.minneapolis.mn.us/parkingrfp/>

In the RFP process, City staff did not predetermine estimated fair market value or designate asking prices for the ramps. Proposers were required to submit purchase price offers as part of their proposals, along with any conditions or contingencies related to these offers. The Project Team was of the opinion that by creating a truly competitive solicitation process, the marketplace would generate the highest and best offers from proposers, which would effectuate fair market values. The RFP indicated that each ramp would be sold “as is,” subject to any existing contractual obligations and encumbrances.

The Project Team held a pre-proposal conference for interested parties on August 21, 2006, to present an overview of the RFP process and to answer initial questions from potential proposers. By the October 19, 2006 submission deadline, Project Team members had posted responses on the RFP website to over 200 questions from potential bidders, and at the request of proposers, have assembled and posted on the website a substantial amount of additional due diligence information related to the ramps.

3. Ramp Proposals Received

The City received twelve proposals and one letter of interest by the October 19, 2006, RFP submission deadline. A listing of the proposers and the parking ramps that were included in each proposal is included below. A more comprehensive matrix with summary information on individual proposals and bids is attached as Exhibit C.

Proposer	Contact Info	Ramps included in proposal
Alatus Partners	Minneapolis	All eight ramps
Fine Associates	Minneapolis	Gateway
Grubb & Ellis / Northco Real Estate Services	St. Louis Park, MN	Centre Village, Gateway, Loring, Seven Corners, St. Anthony, Federal Courthouse
InterPark	Chicago, IL	Centre Village, Gateway, Loring, Seven Corners
Main Street Parking, LLC	Oklahoma City, OK	St. Anthony, Seven Corners
Northern Group	New York, NY	All eight ramps
P. Palanisami/ Palanisami & Associates, Inc.	Minneapolis	Gateway, Loring, Seven Corners
Parkway Corporation	Philadelphia, PA	Loring, Seven Corners
Paul Ravich on behalf of Canal Street Ltd. and Ceresota Mill Ltd.	Minneapolis	Gateway
St. Anthony Ramp, LLC	Minneapolis	St. Anthony
Syndicated Equities Corporation	Chicago, IL	Centre Village, Federal Courthouse, Gateway, Loring, Seven Corners
Towle Properties	Minneapolis	Centre Village, Downtown East, Federal Courthouse, Gateway, Loring, Riverfront, Seven Corners
Global Capital Finance	Purchase, NY	* Letter of general interest only. No specific bid.

4. Evaluation of Ramp Proposals

In early November 2006, the Project Team began the proposal evaluation phase. Since six of the eight ramps in the sale package are located in the downtown area (Ward 7), the team invited Ward 7 Council Member Lisa Goodman to participate in the evaluation process. The team also invited two external reviewers to lend their industry expertise to the process: Tom Parish, EVP Real Estate, Wells Fargo, and Tom Borman, Attorney with Maslon Edelman Borman & Brand.

The Project Evaluation Team met regularly over the next several months to review proposals against the evaluation criteria and to assess numerous iterations of financial impact analyses and modeling (described more fully in Sections 4.3, 4.4, and 4.5 of this report).

Early in the evaluation phase, the team sent written due diligence requests to several proposers asking for clarifying information on bids and development commitments. The team also conducted additional background research on the various proposers to better assess their qualifications. Based on a preliminary review of proposals and this supplemental information, the team members met with three frontrunner proposers—Alatus Partners, Northern Group, and Towle Properties—to discuss details of their proposals. The team soon narrowed the field to Alatus and Northern Group; their package prices (both proposers submitted initial bids on all eight ramps at \$82,500,000 and \$87,750,000 respectively) and related development concepts/proposals clearly trumped other smaller package proposals and a la carte bids, even when comparing against the best combinations of other high-bid proposals. The team initiated follow-up discussions/negotiations and due diligence requests with both Alatus and Northern. The team explored the possibility of splitting the ramps between Alatus and Northern and requested revised package bids from both proposers for subsets of the ramps.

Although Northern's initial cash offer was higher than Alatus', initial discussions/negotiations with Alatus and Northern convinced team members that the Alatus development plans and intentions were more concrete than the Northern development commitments. Alatus proposed to develop one or more housing (most likely apartments), service retail and/or hotel projects having a total development cost of at least \$13,000,000 on the Downtown East Ramp site and a housing project (most likely apartments) having a total development cost of at least \$9,842,000 on the Seven Corners Ramp site. While Northern offered general development concepts for several of the ramps, they provided little detail on proposed project plans, and were reluctant to agree to any monetary development commitments to ensure timely development of proposed projects.

During this stage of the evaluation and negotiation process, new developments transpired with other parties with respect to two of these ramps:

St. Anthony Ramp: Discussions between the Marcy-Holmes Neighborhood Association, the Nicollet Island/East Bank Neighborhood Association, and City staff made it clear that safeguarding the parking in the ramp for the long-term is a high priority for these neighborhoods, especially given the rapid growth and development pressures the neighborhoods are experiencing. With that perspective reinforced, the Project Team decided to initiate discussions with the neighboring St. Anthony Main property owners (St. Anthony Ramp LLC), who had submitted an earlier proposal through the RFP process, in an attempt to negotiate a higher bid amount and leverage a development component that would make their offer more competitive with other proposals.

St. Anthony Ramp LLC submitted a revised cash offer of \$2,525,000, which became the highest individual bid amount for that ramp. They also added an accompanying development proposal for 70 – 100 residential units and street-level retail as an adjunct to the ramp. Their proposal also articulates a commitment to the Marcy-Holmes and East Hennepin neighborhoods to continue to maintain the property as a parking facility and to keep the ramp intact. The Marcy-Holmes Neighborhood Association has since responded with a letter to the City voicing support for the sale of the ramp to the St. Anthony Main owners' group (see Exhibit D). A sale of the St. Anthony Ramp to the St. Anthony Main owners' group would carry the added benefit of placing the owners in a position to better manage and tailor the ramp's operations to meet the needs of their restaurant/retail/theater patrons and office tenants. Alatus had provided the City with a "deduct" amount for the St. Anthony Ramp that was significantly less than \$2,525,000, so by accepting the improved St. Anthony Ramp, LLC offer, we improved the overall cash benefit of the sale.

Riverfront Ramp: There is a Reciprocal Easement and Operating Agreement between the City and the Guthrie Theatre Foundation that specifies a 90-day right to negotiate the purchase of the Riverfront Ramp if the City wished to sell it. In honoring that provision, the City entered into good faith discussions with the Guthrie about the ramp sale and explored possibilities for structuring a sale to the Guthrie. The Guthrie communicated their interest in purchasing the ramp, which largely serves their patrons, and submitted a formal proposal to the City in April 2007. City staff entered into negotiations with the Guthrie in an attempt to reach a higher bid amount that would be competitive with current estimates of the ramp's worth. Ultimately the Guthrie increased their bid to a \$16,500,000 cash offer, which City staff has determined is superior to other proposals. Again, Alatus' deduct of \$16,000,000 for this ramp was less than the \$16,500,000 offer from the Guthrie, so by accepting the Guthrie offer, we further improved the overall cash benefit of the sale. A sale of the Riverfront Ramp to the Guthrie would carry the added benefit of placing the Guthrie in a position to better manage and tailor the ramp's operations to meet the needs of its patrons and employees.

With St. Anthony Ramp LLC and the Guthrie emerging as new frontrunners in their bids for the St. Anthony Ramp and Riverfront Ramp (respectively), the Project Team examined sale possibilities for the remaining six ramps. In earlier discussions with Alatus and Northern on potential ramp splits, both the St. Anthony Ramp and the Riverfront Ramp had been part of Northern's sub-package. Both Alatus and Northern had expressed a strong desire and economic imperative to keep their ramp packages at scale (with a preference for purchasing all eight), and indicated that removing individual ramps from their packages would impact operating efficiencies and revenue projections, and ultimately result in a reduced bid and overall sale price. This issue of economic scale bore true in the case of Northern's revised package bid for three ramps (Courthouse, Riverfront, and St. Anthony), which at \$18,000,000 was no longer competitive with respect to other package proposals and combinations a la carte bids.

These considerations, combined with the fact that Alatus had already initiated discussions and made inroads with several key stakeholder groups (i.e. MSFC, Vikings, Metro Transit, neighborhoods groups, etc.) on issues related to a number of the ramps, led the Project Team to enter into direct negotiations with Alatus for the six other ramps (Centre Village, Downtown East, Federal Courthouse, Gateway, Loring, and Seven Corners).

Downtown East Ramp: After the City initiated the RFP process for the ramp sale, the Metropolitan Sports Facilities Commission (MSFC) and Minnesota Vikings owner Zygi Wilf sent letters to the City requesting that the Downtown East Ramp be withdrawn from the RFP process and not be sold to a private bidder. The Vikings and Zygi Wilf have proposed to build a new football stadium on or near the Metrodome site and have plans for a larger redevelopment project in the Downtown East neighborhood. For this reason, they want to preserve their future development options with respect to the ramp site, which is adjacent to the Metrodome and Downtown East LRT station. The City responded that that we would not exclude the ramp from the sale but would instead facilitate other options that would give the MSFC/Vikings site control opportunities for a specified period of time. Alatus Partners and the MSFC/Vikings are in the process of negotiating a purchase option for the Downtown East Ramp property that is described more fully in the "Sale Terms" section of this report.

Elliot Park Neighborhood, Inc. (EPNI) has endorsed the City's proposed sale of the Downtown East Ramp to Alatus in a letter to the City (Exhibit E). EPNI has expressed strong support for Alatus based on the neighborhood's positive experience working collaboratively with this development group (formerly Apex) on the planning and development of the Grant Park Condominiums project in the Elliot Park neighborhood.

Centre Village Ramp: The Centre Village Condominium Association has existing agreements with the City for the long-term provision and leasing of up to 240 parking spaces for residents. There is strong interest among association members to negotiate a favorable leasing arrangement for parking spaces with the new ramp owner. The City's negotiated sale terms with Alatus require them to reasonably enter into an agreement with the homeowner's association on mutually acceptable terms for a long-term parking lease or license arrangement, or for the sale of parking stalls to residents. Alatus and Association members have met on numerous occasions and have agreed in form to a long-term contract parking arrangement and rate structure for condo owners, which will be recorded as a legally binding agreement between the parties.

Condo owners have also expressed a desire to have exterior streetscaping improvements made around the ramp site. Alatus has committed to make a minimum level of exterior beautification/streetscape improvements at three ramp sites, including Centre Village (see "Sale Terms" section of this report).

Gateway Ramp: Metro Transit currently has a lease with the City to operate a bus layover facility at the Gateway Ramp until 2014. In December 2006, Metro Transit's General Manager, Brian Lamb, sent a letter to the Mayor highlighting the need for a bus layover facility at this location beyond the lease expiration date, and requesting the City's consideration and facilitation of Metro Transit's interests in this regard. Alatus has since had a series of conversations with Metro Transit about their long-term needs for this site, and has committed to use best efforts to reach an agreement with the Metropolitan Council/Metro Transit on a lease extension or purchase of the transit portion of the ramp (see "Sale Terms" section).

Alatus has committed to make a minimum level of exterior beautification/streetscape improvements at three ramp sites, including Gateway. Alatus' sale terms also include a commitment to explore the potential for additional development of or adjacent to the Gateway Ramp (see "Sale Terms" section). The Downtown Minneapolis Neighborhood Association (DMNA) Board has indicated to Alatus its desire to have any future streetscaping improvements for the Gateway Ramp and/or adjacent development along the Washington Avenue frontage conform to the broader "Washington Boulevard" design vision for the area.

Seven Corners Ramp: The Cedar-Riverside Business Association (CRBA) and the West Bank Community Coalition have expressed concern over the impending sale of the Seven Corners Ramp with respect to the continued availability and affordability of parking in the ramp for local businesses and patrons that rely on the ramp to meet their parking needs. While there are no existing contractual obligations in place for the preservation of ramp parking for area businesses (with the exception of the hotel), Alatus has voluntarily agreed to negotiate a long-term parking arrangement with local business owners through the CRBA Parking Committee that would include commitments to retain the parking ramp for a minimum number of years and provide parking for local businesses at reduced rates. In exchange for these parking commitments, Alatus is requesting that the neighborhood agree to participate in and support a planning and design process with Alatus to explore the development of an adjacent residential project with a maximum 35 stories and 300 units on the Grandma's Restaurant site (which Alatus owns). Alatus has indicated that this agreement, when finalized, would be recorded as a deed restriction. Alatus understands that they would have to proceed through the City's standard development review and approvals processes and that any proposed exceedance of existing zoning requirements (re: height, massing) would require conditional use permit(s).

Loring Ramp: Citizens for Loring Park Community (CLPC) have indicated that improving the appearance of the Loring Ramp and the surrounding streetscape is a high priority for the neighborhood, and have voiced general support at a CLPC Land Use Committee meeting for Alatus' proposals for: 1) the construction of a liner residential development that would shield the ramp, and 2) general streetscaping plans (and potentially façade greening) to improve the ramp's aesthetics. Alatus has committed to make a minimum level of exterior beautification/streetscape improvements at three ramp sites, including Loring. Alatus' sale terms also include a commitment to explore the feasibility of constructing a liner residential development around the Loring Ramp (see "Sale Terms" section).

Federal Courthouse Ramp: The U.S. General Services Administration (GSA) must consent to any City sale of its leasehold interest in the ramp. Additional conversations between the City and GSA are needed to determine the conditions and process for selling/assigning the City's leasehold interest in the ramp to a new owner. The nature and timing of these discussions will likely result in some delay in conveying the leasehold interest to the purchaser. For this reason, the City's negotiated sale terms with Alatus specify a \$3,000,000 "deduct" provision for the Courthouse ramp if this transaction is delayed for procedural reasons involving GSA, and rendering impossible a simultaneous closing with the other ramps.

4.1. Neighborhood Input

In recent months, City staff has consulted with, met with, and received input from the following neighborhood groups having jurisdiction in the areas where the ramps are located. A number of relevant neighborhood issues and commentary are noted in the previous section.

- West Bank Community Coalition (WBCC/Land Use Committee) – Seven Corners Ramp
- Cedar-Riverside Business Association (CRBA) & CRBA Parking Committee – Seven Corners Ramp
- Marcy-Holmes Neighborhood Association (MHNA) – St. Anthony Ramp
- Nicollet Island-East Bank Neighborhood Association (NIEBNA) – St. Anthony Ramp
- Citizens for Loring Park Community (CLPC/Land Use Committee) – Loring Ramp
- Elliott Park Neighborhood Inc. (EPNI) – Downtown East Ramp
- Downtown Minneapolis Neighborhood Association (DMNA)
 - Gateway Ramp
 - Downtown East Ramp
 - Centre Village Ramp
 - Federal Courthouse Ramp

4.2. Evaluation Approach

The Project Team followed an approach to evaluating the proposals that enabled considerations for all options in the decision making process. These options could be summarized into three basic areas: a) take no action, b) sell all 8 ramps to one entity, and c) sell the eight ramps to various combinations of entities.

4.3. Criteria to Review the Proposals

The Project Team assembled and utilized criteria for evaluating proposals that were a compilation of:

- The original Sale Criteria for Parking Facilities that the City Council adopted in a 4/4/06 action (see Exhibit A):
 - Use of proceeds
 - Financial conditions relative to the Parking System and the City
 - Functional conditions of the ramps
 - Maintenance conditions of the ramps
 - Special conditions such as adjunct uses and existing agreements
 - Reuse potential

- The evaluation criteria described in the Request for Proposals document (see Exhibit F):
 - Financial conditions and offer
 - Overall capacity of the proposer/team
 - Overall quality of proposed uses/project
 - Ability to meet City requirements and policies
 - The financial impacts, parking system/fund impacts, and community/land use impacts of any other proposed conditions attached to the offer/proposal.

The Project Team weighed the proposals against these criteria, and gave special consideration to the financial impacts of various sale scenarios to the Parking Fund and the City, as described more fully in the following section of this report.

4.4. Long Term Financial Analysis –

The Project Team spent considerable effort discussing and analyzing the long term (30 year) prospects of having the City continue to own the eight ramps. The principle factors included the following:

1. Discount rate. This is interest rate that would be applied to forecasted net cash flows resulting in a present value of long term City ownership that can be compared to the market values received from proposers.
2. Residual value. This is the estimated value of each ramp at the end of the forecast period.
3. Future growth in operating revenues and operating expenses.
4. Future capital improvement needs of each ramp.

The team reviewed the 20-year history of operating revenues and operating expenses of the ramp system, finding that the City's ramps encounter periods of steady growth as well as episodes of revenue stagnation or retrenchment. These cycles of growth and stagnation/retrenchment mirror the downtown office vacancy cycles to a considerable degree. The Team was unable to reach consensus on an agreed upon set of assumptions with a sufficient degree of confidence to determine whether the City should retain these eight ramps.

Adding to the uncertainty of long term financial forecasts is the uncertainty of the travel habits and commuting behavior of the public to and from downtown Minneapolis. While continued commercial development of downtown Minneapolis seems highly likely the travel patterns and use of cars for commuting and travel to downtown Minneapolis may be less predicable over a 30 year horizon.

Despite considerable work, analysis, and discussion the Team was unable to reach consensus on whether long term ownership of the eight ramps was in the best interests of the City. Certainly, the sale of these eight ramps would significantly reduce the City's exposure to the parking business, both during growth periods and its down times.

4.5. Short-Term Analysis and Parking Fund Implications

After its work on long term financial projections the Project Team turned to an analysis of intermediate term forecast of (2007 - 2015) the eight ramps. This forecast would be used to estimate how the parking fund would be impacted by the sale of the eight ramps.

The 2007 - 2015 forecast for the eight ramps was prepared using the following assumptions:

1. Actual financial results for 2006 created the base year.
2. Operating revenues grew 2%.
3. Operating expenses grew 2% (overhead expenses were excluded, capital improvements were included).
4. Scheduled debt service

While it is likely that overhead expenses can be reduced due to the sale of so many ramps the amount of such reduction is uncertain.

This forecast showed that the eight ramps have an average annual negative cash deficit of \$690,000. The table below shows the actual net cash flow for each of the eight ramps for 2006 and the estimated average annual cash flow for each ramp for the 2007-2015 period. The primary reason for the increase in the cash flow deficit between 2006 and the average for the 2007-15 period is the increase in scheduled debt service for the Federal Courthouse ramp. Additional financial information about these eight ramps is provided in Exhibit G.

Ramp	Net Cash Flow (Actual 2006)	Est. Ave Annual Net Cash Flow (2007 – 2015)
Centre Village	\$47,857	\$52,482
Downtown East	-494,705	-623,575
Federal Courthouse	-1,312,454	-2,010,799
Gateway	960,811	1,062,250
Loring	1,351,291	1,493,885
Riverfront	-936,007	-1,074,960
St. Anthony	-95,661	-105,756
<u>Seven Corners</u>	<u>466,178</u>	<u>515,372</u>
Total	\$-12,690	\$-691,099

The Parking Fund financial conditions are mixed. Selected financial indicators for the fund are shown in the table below for the three year period from 2004 to 2006. Information has been taken from the City's financial statements. The fund has a favorable net asset position with total assets exceeding total liabilities by a comfortable margin. Additionally, net income has improved from a nearly \$2 million deficit in 2004 to a profit of more than \$2 million in 2005 and 2006. The improvement in net income is due to a number of factors including a reduction in transfers to the general fund, improved revenues and lower growth in expenses. On the minus side the fund has a persistent cash deficit.

**Parking Fund – Financial Highlights
(Dollars in millions)**

	2004	2005	2006
Cash (1)	\$3.3	\$(11.4)	\$(11.9)
Net Assets (2)	\$69.7	\$71.9	\$74.4
Net Income (2)	\$(1.9)	\$2.2	\$2.5

Notes:

- (1) Includes cash reserved for capital improvements.
- (2) 2006 amounts excludes a one time gain of \$12.5 million related to the Walker special assessment. This gain will be offset by a similar expense for the remaining life of the assessment.

The estimated impact on the parking fund of the sale of the eight ramps includes the following:

1. Debt will be reduced by \$68 million.
2. Net cash flow to the fund will improve by an estimated \$690,000 annually from 2007 through 2015.
3. The cash position of the fund will improve \$20 million from a \$11.9 million deficit in 2006 after the last ramp closing occurs.

If the federal government does not consent to the assignment of the City's leasehold interest in the Federal Courthouse ramp to Alatus the following is expected to result:

1. The total sale proceeds will be reduced by \$3 million.
2. Debt will be reduced by a similar amount as above (\$68 million) to achieve a similar net cash flow result (an improvement of an average annual amount of \$690,000). This may be achieved by paying off the Federal Courthouse debt or other debt with higher annual debt service.
3. The cash position in the fund will improve \$17 million, rather than the \$20 million in the eight ramp sale option.

4.6. Estimated Annual Property Taxes

Under City ownership, the eight parking ramps have been exempt from property taxes. Exhibit H contains estimates of annual property taxes that these ramps would generate under private ownership. One addendum to these estimates is that the Guthrie, as a non-profit tax-exempt owner of the Riverfront Ramp, would presumably pay only an allocable portion of the full tax bill for the ramp related to non-Guthrie parking uses.

4.7. Ramp Sale Recommendations

City staff are recommending to the Council the sale of: 1) the Riverfront Ramp to the Guthrie Theater Foundation, 2) the St. Anthony Ramp to St. Anthony Ramp LLC, and 3) the six remaining ramps (Centre Village, Downtown East, Federal Courthouse, Gateway, Loring, and Seven Corners) to Alatus, resulting in aggregate sale proceeds to the City of \$88,275,000. This amount is greater than the highest all-8-ramp bid received through the RFP process (Northern Group – \$87,750,000), significantly exceeds the sum of individual ramp bids/proxies, and in City

staff's estimation, represents competitive purchase prices for these properties, which will generate both short- and long-term financial and development-related benefits for the Parking Fund and the City.

	<u>Purchase Price</u>
Alatus (6 Ramps—Center Village, Downtown East, Federal Courthouse, Gateway, Loring, & 7 Corners)	\$69,250,000
Guthrie (Riverfront Ramp)	\$16,500,000
St. Anthony Ramp LLC (St. Anthony Ramp)	<u>\$ 2,525,000</u>
TOTAL	\$88,275,000

5. Summary of Key Sale Terms

Below is a summary of the **key sale terms** and associated **development commitments** with the three recommended purchasers. A more detailed and comprehensive set of sale terms of conditions for the eight ramps can be found in Exhibit I.

Alatus Partners – Key Sale Terms

Purchase Price: \$69,250,000 in cash at closing for the 6 parking ramps listed below:

1. **Centre Village Ramp** (1185 parking spaces)
700 5th Avenue South
2. **Downtown East Ramp** (455 parking spaces)
424 Chicago Avenue South and 701 4th Street South
3. **Federal Courthouse Ramp** (290 parking spaces – Leasehold Interest Only)
300 4th Street South
4. **Gateway Ramp** (1,397 parking spaces)
400 S. 3rd St.
5. **Loring Ramp** (750 parking spaces)
14 West Grant Street
6. **Seven Corners Ramp** (796 parking spaces)
1504 Washington Ave. S.

Basic Sale Terms

- **Federal Courthouse Ramp – Contingencies**

- The United States General Services Administration (GSA) must consent to the assignment of the City's leasehold interest.
- If GSA does not approve the conveyance of the City's leasehold interest in the Federal Courthouse Ramp to Alatus by the time of Closing on the other 5 parking ramps, then Alatus shall buy the other 5 parking ramps for \$66,250,000.
- If GSA approves the conveyance within 12 months after the Closing on the other 5 ramps, Alatus shall acquire the Federal Courthouse leasehold interest for a purchase price of \$3,000,000 within 150 days of notice.
- If GSA does not approve the conveyance of the Federal Courthouse Ramp to Alatus within 12 months after the Closing date for the other 5 parking ramps, Alatus shall have no further obligation with respect to the Federal Courthouse Ramp.

- **Riverfront Ramp – Contingencies**

- In the event that a conveyance of the Riverfront Ramp to the Guthrie does not occur by March 1, 2008, Alatus agrees to purchase the ramp. Alatus' purchase of the Riverfront Ramp shall be for the purchase price of \$16,000,000 within 150 days following City notification.

Contingencies for the City's Benefit:

- Unless waived by the City's CPED Director because the **Centre Village** condominium homeowners' association refused to reasonably negotiate or to accept a reasonable offer from Alatus, Alatus must enter into an agreement with the homeowners' association to execute at closing a long-term lease or license agreement to make parking spaces available at mutually acceptable rates and terms.
- Alatus must make "best efforts" to negotiate an agreement with the **Metropolitan Council** to purchase or extend the lease for the Gateway Ramp and made good faith efforts to assemble a development plan and obtain site control for the plan that would incorporate the Gateway.
- Alatus must make best efforts to enter into an Option Agreement with the **Vikings and/or Metropolitan Sports Facilities Commission (MSFC)** to purchase the site that can run until December 31, 2009.
- Neither Alatus nor the Vikings or MSFC may request tax increment assistance for any of the sites for 10 years.

Development Commitments

- **Downtown East Development Commitment** – develop one or more housing (most likely apartments), service retail and/or hotel projects on such ramp, having a total development cost of at least \$13,000,000 and obtain LEED Certification from the U.S. Green Building Council.
 - **If Vikings/MSFC exercise purchase option:** Vikings/MSFC would have to provide City with a plan for development within 6 months of exercising the option, start construction within 18 months of acquiring the property, and complete within 18 months thereafter. Vikings/MSFC have the option to meet the Development Commitment on an immediately adjacent parcel.
 - **If purchase option expires:** Alatus must provide development plans to the City within 6 months of closing or after expiration of the Option (whichever is later), start construction within 18 months after closing or expiration of the Option (whichever is later), and complete 18 months thereafter.
 - Penalty for non-performance: \$826,226

- **Seven Corners Development Commitment** – Develop a housing project (most likely apartments) having a total development cost of at least \$9,842,000 and obtain LEED Certification from the U.S. Green Building Council.
 - Propose development to the City within 6 months of closing to initiate the City zoning and permitting approval process.
 - Start construction within 18 months of closing.
 - Complete construction within 18 months thereafter.
 - Penalty for non-performance: \$455,582
 - In considering any application for increased building height for the Seven Corners Development Commitment, the City shall take into account whether Alatus has made parking accommodations to the local businesses.

Note: If Alatus (or the Vikings or MSFC for the Downtown East Site) obtain City zoning and regulatory approval for a Development Commitment project for either the Downtown East Site or the Seven Corners Site having a total development cost of 120% or more of the minimum values specified above, the timelines for performance for such development commitment automatically extend for an additional year.

Beautification Improvements:

- Alatus has agreed to make exterior beautification improvements to the **Gateway, Centre Village and Loring ramps** at a cost of at least \$2,000,000.
- The beautification plan has to be presented to the City within 6 months of closing and approved by the CPED Director.

- Improvements must be commenced within 1 year after closing and completed within 2 years, unless longer timeframes or a revised scope is approved by the CPED Director.
- Alatus will deposit a \$2,000,000 letter of credit with the City to secure timely completion of the beautification improvements.

Other Development:

- Alatus agrees to undertake engineering studies to determine the feasibility of a liner housing development around the **Loring Ramp** within 8 months after closing and report back to the City on that feasibility. If such liner housing development is feasible, Buyer will begin construction of such liner housing within 18 months of determining such feasibility.
- Alatus is exploring development potential related to the **Gateway Ramp** but has no obligation for development on or adjacent to those ramps.

Capital Improvements:

- Alatus has said they intend to make at least \$2,000,000 of capital improvements in entry control devices, security, and surveillance equipment and other equipment used in connection with the operation of the Parking Ramps within 18 months after closing.

St. Anthony Ramp LLC – Key Sale Terms

Purchase Price:

- \$2,525,000 cash at closing for the **St. Anthony Ramp**.

Basic Sale Terms:

- As a condition of sale, the City shall receive a rent free two year lease of the office space on the 6th floor for City inspectors' use.

Development Commitments:

- St. Anthony Ramp LLC agrees to develop 70 – 100 residential housing units and street level retail as an adjunct to the ramp with a total development cost of at least \$10,000,000 and obtain LEED Certification from the U.S. Green Building Council.
 - Propose development within 18 months of closing.
 - Start construction within 3 years of closing.
 - Complete construction within 2 years of starting construction.

- Penalty for non-performance: \$540,500.
- May not request tax increment assistance for 10 years.
- Must offer all tenants at St. Anthony Main Development equal access to the parking in the ramp at equal rates for as long as the ramp is used for parking purposes or thirty years, whichever is longer.

Guthrie Theatre Foundation – Key Sale Terms

Purchase Price:

- \$16,500,000 cash at closing for the **Riverfront Ramp**.

Basic Sale Terms:

- Guthrie agrees to reasonably accommodate access easements for future liner development.
- The City and the Guthrie agree to provide each other at least 30 days prior written notice in advance of any rate changes at either the Riverfront Ramp or the Mill Quarter Ramp.

Schedule for Transactions: All Purchasers

1. Buyers make non-refundable good faith deposits of \$25,000 each upon Council approval.
2. July 20, 2007 – September 20, 2007, Guthrie and St. Anthony Ramp, LLC (Alatus – through October 31, 2007): Developer completes due diligence process, upon expiration of which, either negotiations terminated or Purchase Agreement signed.
3. July 20, 2007 – October 31, 2007, Guthrie and St. Anthony Ramp, LLC (Alatus – through November 20, 2007): Negotiate and execute Purchase Agreement.
4. Closings
 - Alatus – 30 days after execution of Purchase Agreement
 - St. Anthony – 30 days after execution of Purchase Agreement
 - Guthrie - 30 days after the later of execution of Purchase Agreement or bond financing approval, but in no event, later than January 2, 2008.

The City Assessor has determined that the bid prices for the seven parking ramps being sold in fee simple appear to be fair and reasonable when calculated on a per-parking stall unit of value. See Exhibit J

6. City Resolutions

City Resolution – Alatus Partners

WHEREAS, the City owns the Center Village Municipal Parking Ramp at 700 5th Avenue South, the Downtown East Ramp at 701 4th Street South and 424 Chicago Avenue South, the Seven Corners Ramp at 1504 Washington Avenue South, the Loring Ramp at 14 Grant Street West, the Gateway Ramp at 400 3rd Street South, and a leasehold interest in the Federal Courthouse Municipal Ramp at 300 4th Street South; and

WHEREAS, the City Engineer has determined that these parcels are not needed for City purposes; and

WHEREAS, Alatus Partners, LLC has offered to enter into a Purchase Agreement with the City, agreeing to pay the City \$69,250,000 for the properties, \$3,000,000 of which is allocated to the leasehold interest in the Federal Courthouse Municipal Ramp; and

WHEREAS, the City Assessor has reported to the City Council on the fair market value of such properties; and

WHEREAS, the Planning commission reviewed the sale on June 25, 2007, as to being in conformance with the comprehensive Plan and a public hearing, notice of which was published in a newspaper of general circulation in Hennepin County at least ten days in advance of the hearing, was held by the Transportation and Public Works Committee and the Community Development Committee on July 10, 2007, all in accordance with the Minneapolis Code of Ordinances, Section 14.120;

NOW, THEREFORE, BE IT RESOLVED that the proper City officers be authorized to execute a Purchase Agreement and related documents for sale of the land legally described as:

Centre Village Ramp; 700 5th Avenue South

That part of the West Half of the Northwest Quarter of Section 26, Township 29, Range 24, Hennepin County, Minnesota, which lies below an elevation of 925.00 feet N.G.V.D. 1929 Sea Level Datum described as follows:

Beginning at the intersection of the Southwesterly line of Seventh Street South with the Northwesterly line of Fifth Avenue South; thence Northwesterly along the Southwesterly line of Seventh Street South to a point which is 165.00 feet Southeasterly from its intersection with the Southeasterly line of Fourth Avenue South, as measured along said Southwesterly line of Seventh Street South; thence Southwesterly parallel with the Southeasterly line of Fourth Avenue South for 155.00 feet more or less to the Northeasterly line of the city alley; thence Southeasterly along said alley line to its intersection with a line drawn parallel with and 145.00 feet Northwesterly of the Northwesterly line of said Fifth Avenue South, as measured along the Northeasterly line of Eighth Street South; thence Southwesterly along said line parallel with Fifth Avenue South 175.00 feet more or less to the Northeasterly line of said Eighth Street South; thence Southeasterly along the Northeasterly line of said Fifth Avenue South; thence Northeasterly along the Northwesterly line of said Fifth Avenue South to the point of beginning.

Subject to and together with covenants, conditions and easements including easements for access, utilities and support as contained in Restated Reciprocal Easement Agreement, Document No. 1584947.

Being registered land is evidenced by Certificate of Title No. 667423.

Downtown East Ramp; 701 4th Avenue South & 424 Chicago Avenue South

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, Block 73; That part of the Southeasterly 6 feet of Seventh Avenue vacated, lying between extensions across said strip of land of the Southwesterly line of said Lot 1 and the Northeasterly line of said Lot 10; all in Town of Minneapolis.

Being registered land as is evidenced by Certificate of Title No. 1142778.

Seven Corners Ramp; 1504 Washington Avenue South

That part of Cedar Avenue South and 2nd Street South and Lots 1, 8, 9, 10, 11 and 12, Block 3 according to the recorded plat of Hancock and Rice's Addition to Minneapolis and that part of 15th Avenue South as described in Document No. 1781696 and that part of 2nd Street South and Lots 6, 7, 8 and 9, Block 142, according to the recorded plat of Town of Minneapolis on file and of record in the Office of the County Recorder in and for Hennepin County, Minnesota described as follows:

Beginning at the Southeast corner of Lot 1, Block 3, and Hancock and Rice's Addition to Minneapolis; thence West, along the South line of said Lot 1, 50.00 feet; thence North, along a line parallel with the East line of said Lot 1, a distance of 130.81 feet; thence Westerly, along a

line parallel with the North line of said Block 3, a distance of 49.83 feet to its intersection with the Southeasterly line of said Block 142; thence Southwesterly, along the Southeasterly line of said Block 142, a distance of 28.22 feet to its intersection with a line parallel with and distant 110.00 feet Southwesterly of a line parallel with and 6.50 feet Northeasterly of the Northeasterly line of said Block 142; thence Northwesterly, along said parallel line 229.40 feet to its intersection with a line parallel with and distant 35.00 feet Southeasterly of the Northwesterly line of said Lot 9, Block 142; thence Northeasterly, along said parallel line, 110.00 feet to its intersection with a line parallel with and distant 6.50 feet Northeasterly of the Northeasterly line of said Block 142; thence Southeasterly, along said parallel line 151.34 feet to its intersection with a line parallel with and distant 12.00 feet North of the North line of said Block 3; thence Easterly, along said parallel line 336.26 feet to its intersection with the Westerly right-of-way line of 19th Avenue south per document No. 4230302; thence Southerly along said Westerly right-of-way line, 126.37 to its intersection with the South line of said Lot 8; thence Westerly along the South line of Lots 8, 9, 10 and 11, said Block 3, a distance of 211.08 feet to the Northeast corner of said Lot 1, Block 3; thence Southerly, along the said East line of Lot 1, 114.25 feet to the point of beginning.

Part of the above being registered land as evidenced by Certificate of Title No. 658729.

Note: The Torrens portion being more particularly described as follows:

Parcel 1:

Lot 9, Block 142, Town of Minneapolis except that part of said Lot 9 lying Southeasterly of the Northwesterly 35.00 feet thereof and Southwesterly of a line drawn parallel to and distant 110.00 feet Southwesterly of a line drawn parallel to and distant 6.50 feet Northeasterly of the Northeasterly line of said Block 142.

Parcel 2:

The Westerly 17.5 feet of the East $\frac{1}{2}$ of Lot 8, Block 3, Hancock & Rice's Addition to Minneapolis.

Parcel 3:

That part of the Northwesterly $\frac{1}{2}$ of Lot 8, Block 142, Town of Minneapolis, lying Northeasterly of a line drawn parallel to and distant 110.00 feet Southwesterly of a line drawn to and 6.50 feet Northeasterly of the Northeasterly line of said Block 142.

Loring Ramp; 14 Grant Street West

That part of Lot 1, Block 6, LORING PARK DEVELOPMENT FIRST ADDITION, according to the plat on file and of record in the office of the County Recorder, Hennepin County, Minnesota, lying Southwesterly of the following described line to wit:

Beginning at a point on the Easterly line of said Lot 1, distant 75.69 feet Northerly of the Southeasterly corner of said Lot 1, as measured along said Easterly line thereof, thence Northwesterly to a point in the Southwesterly line of said Lot 1, said point being 59.80 feet Southwesterly of the most Northerly corner of said Lot 1, as measured along the Northwesterly line of said Lot 1, and there terminating.

Abstract Property.

Gateway Ramp; 400 3rd Street South

Tract 1:

Lots 1, 2 and 8, Bovey's Subdivision of Lots 1 and 2, Block 48, Minneapolis together with all that part of the vacated alley lying between the Southwest line of Lot 8 as extended across it and the Northeast line of Lot 8 as extended across it, and the Northeasterly of the Northeast line of Lot 8 and the Northeast line of Lot 8 as extended Northwesterly to the Southeast line of Lot 3, Southeasterly of the Southeast line of Lots 2 and 3, Southwesterly of the Southwest line of Lot 1 and Northwesterly of the Southeast line of Lot 8 as extended Northeasterly to the most Southeasterly corner of Lot 1, except that part of the Northwesterly 6 feet of the adjoining vacated alley lying between the extensions across said vacated alley of the Northeasterly line of said Lot 3 and the Southwesterly line of said Lot 7, all lying within Bovey's Subdivision of Lots 1 and 2, Block 48, Minneapolis, according to the recorded plat on file or of record in the office of the County Recorder (formerly Register of Deeds) in and for Hennepin County, Minnesota.

Abstract Property

Tract 2:

Lots 3, 4, 5, 6 and 7, Bovey's Subdivision of Lots 1 and 2, Block 48, Minneapolis, together with that part of the Northwesterly 6 feet of the adjoining vacated alley lying between the extensions across it of the Northeasterly line of said Lot 3 and the Southwesterly line of said Lot 7.

Being registered land as is evidenced by Certificate of Title No. 618066.

Tract 3:

Lot 3, Block 48, Town of Minneapolis.

Abstract Property

Tract 4:

Lots 4 and 5, Block 48, Town of Minneapolis.

Abstract Property

Tract 5:

Parcel 1:

That part of the Northwesterly 30.5 feet of Lot 7 lying Southwesterly of the Northeasterly 10 feet thereof and lying Northeasterly of the Southwesterly 28 feet thereof.

Parcel 2:

That Southwesterly 58 feet of Lot 6, that part of the Southwesterly 28 feet of Lot 7, lying Southeasterly of the Northwesterly 45 feet thereof.

Parcel 3:

That part of Lot 7 lying Southeasterly of the Northwesterly 30.5 feet of Lot 7 and lying between the Southwesterly 28 feet thereof and Northeasterly 10 feet thereof, all in Block 48, Town of Minneapolis according to the recorded plat thereof.

Being registered land as is evidenced by Certificate of Title No. 717494.

Tract 6:

That part of Lot 6 lying Northeasterly of the Southwesterly 58 feet thereof, except the Northeasterly 10 feet of said Lot 6, all in Block 48, Town of Minneapolis, according to the recorded plat on file or of record in the office of the County Recorder (formerly Register of Deeds) in and for Hennepin County, Minnesota.

Being registered land as is evidenced by Certificate of Title No. 618067.

Tract 7:

The Southwesterly 28 feet of the Northwesterly 45 feet of Lot 7 and all of Lot 8, except the Northeasterly 10 feet thereof, Block 48, Town of Minneapolis.

Abstract Property

Tract 8:

Lots 9 and 10, except the Northeasterly 10 feet thereof, Block 48, Town of Minneapolis.

Abstract Property

Federal Courthouse Ramp: 300 4th Street South

Parcel 1:

Lots 1 to 9 inclusive, Rearrangement of Part of Block 66, Minneapolis.

Parcel 2:

The Northwesterly 41 feet of Lot 7, the Southeasterly 37 feet of Lot 8, Block 66, Town of Minneapolis and those parts of the vacated alley dedicated in Block 66, Town of Minneapolis, lying Northeasterly of the centerline thereof and lying between the extensions across it of the Northwesterly line of the Southeasterly 37 feet of Lot 8 and the Southeasterly line of the Northeasterly 41 feet of Lot 7; AND

Lying Southwesterly of the centerline thereof and lying between the extensions across it of the Northwesterly line of Lot 9 and the Southeasterly line of Lot 1, all in Rearrangement of part of Block 66, Minneapolis, AND

The vacated Northeasterly-Southwesterly alley dedicated in Rearrangement of part of Block 66, Minneapolis lying between the Northeasterly and Southwesterly lines of said plat.

Being registered land as is evidenced by Certificate of Title No. 803671.

Parcel 3:

All of Lots 1, 2, 3, 9 and 10 and Lot 8 except the Southeasterly 37 feet, Block 66, Town of Minneapolis together with those parts of vacated alley dedicated in Block 66 of the Town of Minneapolis lying between the extensions across it of the Northwesterly lines of Lots 1 and 10 and the Southeasterly lines of Lots 2 and 9 and the Northeasterly lines of Lots 3 and 8 and the Southerly line of Lot 3 to the centerline and the Southeasterly lines of Lot 8 except the Southeasterly 37 feet to the centerline.

Abstract property.

City Resolution – St. Anthony Ramp LLC

WHEREAS, the City owns the St. Anthony Municipal Parking Ramp at 201 2nd Avenue Southeast; and

WHEREAS, the City Engineer has determined that this parcel is not needed for City purposes; and

WHEREAS, St, Anthony Ramp, LLC has offered to enter into a Purchase Agreement with the City, agreeing to pay the City \$2,525,000 for the property; and

WHEREAS, the City Assessor has reported to the City Council on the fair market value of such property; and

WHEREAS, the Planning commission reviewed the sale on June 25, 2007, as to being in conformance with the comprehensive Plan and a public hearing, notice of which was published in a newspaper of general circulation in Hennepin County at least ten days in advance of the hearing, was held by the Transportation and Public Works Committee and the Community Development Committee on July 10, 2007, all in accordance with the Minneapolis Code of Ordinances, Section 14.120;

NOW, THEREFORE, BE IT RESOLVED that the proper City officers be authorized to execute a Purchase Agreement and related documents for sale of the land legally described as:

St. Anthony Ramp; 201 2nd Avenue SE

Lot 2, Block 1 Dolly Fitterman Addition, according to the recorded plat thereof, Hennepin County, Minnesota.

Abstract Property.

City Resolution – Guthrie Theater Foundation

WHEREAS, the City owns the Riverfront Municipal Parking Ramp at 220 9th Avenue South; and

WHEREAS, the City Engineer has determined that this parcel is not needed for City purposes; and

WHEREAS, Guthrie Theater Foundation has offered to enter into a Purchase Agreement with the City, agreeing to pay the City \$16,500.00 for the property; and

WHEREAS, Alatus Partners, LLC has offered to enter into a Purchase Agreement with the City, agreeing to pay the City \$16,000,000 for the property if the Guthrie Theater Foundation does not close on the purchase of the property on or before December 31, 2007; and

WHEREAS, the City Assessor has reported to the City Council on the fair market value of such property; and

WHEREAS, the Planning commission reviewed the sale on June 25, 2007, as to being in conformance with the comprehensive Plan and a public hearing, notice of which was published in a newspaper of general circulation in Hennepin County at least ten days in advance of the hearing, was held by the Transportation and Public Works Committee and the Community Development Committee on July 10, 2007, all in accordance with the Minneapolis Code of Ordinances, Section 14.120;

NOW, THEREFORE, BE IT RESOLVED that the proper City officers be authorized to execute a Purchase Agreement and related documents for sale of the land legally described as:

Riverfront Ramp; 220 9th Avenue South

That part of the following Tract of land, which lies above, but not below a horizontal plane having an elevation of 790 feet above sea level according to the National Geodetic Vertical Datum 1929 Adjustment:

Tract B, Registered Land Survey No. 1740.

Being registered land as is evidenced by Certificate of Title No. 1128873.