

Municipal Parking Ramps RFP Proposer Questions (Part 1)

General Questions (All Ramps)

- Q. Is the City looking for redevelopment proposals or are they interested in preserving the ramps as ramps?**
- A. The RFP is flexible in this regard and the City is soliciting both types of proposals and will evaluate each on its own merits, given specific financial, legal, land use, parking, and community implications (benefits and constraints) for each. The City will give additional consideration to development proposals that capitalize on the redevelopment potential of a site, which are consistent with City goals, plans, and policies, and that would generate significant public benefits. [Note: the RFP also allows proposers to submit a straight purchase offer (parking use) as well as an alternate development proposal for any one ramp.]
- Q. Are the ramps going to sell as a package or individually?**
- A. The RFP is flexible in this regard – the City is soliciting both individual and package proposals; each proposal (whether individual or package) will be evaluated on its own merits using the evaluation criteria described in the RFP. Proposers/teams that submit proposals on more than one ramp must clearly indicate whether they intend that their proposal be evaluated for each respective ramp separately or only as a single package (i.e. whether they would agree to purchase ramps on an individual basis, or only as an “all or nothing” option).
- Q. Would there be a lower price for a package proposal for all of the ramps included in the RFP?**
- A. Any package proposal would need to offer at least as much or more than the sum of individual proposals to compete. Proposals should describe those efficiencies the proposer believes would be gained by the City in the sale of all ramps in a package. Proposer may reference transactional costs, tax base considerations, overhead savings, parking costs for the City itself, energy efficiencies, etc.
- Q. Do the transactions need to be sales vs. long term leases?**
- A. At this point we are considering offers for outright sale/purchase only.

Q. I am wondering how bidders will be informed that updates to the RFP website have been made.

A. The RFP homepage contains a running index of updates/additions to the website, and also notes dates when items were updated/added.

Q. Please provide more detail on the users of the facilities and rates broken down into time period (including utilization per time period) and transient vs. contract.

A. Detailed Parking Utilization Reports for each of the ramps are now available on the RFP website.

Q. Does the city use any of the garages for their parking needs? Details?

A. The City of Minneapolis currently has monthly parking contracts for City employees in the Gateway, St. Anthony and Courthouse Ramps for various city departments and employee parking programs as well as a small office for the Inspections Department in the St. Anthony Ramp. Other areas in the Gateway, St. Anthony, Seven Corners, Courthouse, Centre Village and Downtown East ramps are used for City records storage.

Q. Is there information about contracted parking agreements for groups and other discounted users?

A. All executed parking agreements associated with the ramps are posted on the Supporting Documents webpages of the RFP website.

Current undocumented parking arrangements include:

System-wide:

50% monthly contract discount for disability permit holders.
Currently 8 contracts under this program at ramps under consideration.

Centre Village:

\$85 monthly rate for Centre Village condominium owners in lower 2 levels of Centre Village Ramp. Currently there are 233 contracts for these customers. \$2.50 night rate in effect until 8am instead of usual 4am time for Centre Village residents/guests.

Loring:

\$8.52 monthly rate for residents of Maryland Apartments.
Currently 22 contracts for these customers.
\$5 monthly rate for HourCar program. Currently uses 2 stalls.

Riverfront:

\$40 monthly rate for Guthrie employees (agreement being executed now). Agreement is for 135 stalls.

Gateway:

\$90 monthly rate for registered carpool customers. Currently 33 contracts under this program.

Q. Who currently manages the parking garages?

- A. For all except Loring Ramp:
AMPCO SYSTEM PARKING
33 North 9th Street, Suite B50
Minneapolis, MN 55403
612-343-7275

For Loring Ramp:
LOOP Parking Company
1300 Nicollet Mall
Minneapolis, MN 55403
612-333-2293

Q. Are there any union labor obligations related to the garages?

- A. No. All union/labor obligations are addressed through collective bargaining agreements between the unions and the private parking operators.

Q. Can we get a breakdown of monthly parkers by name – company – rate?

- A. No. Because of data privacy issues and business rules, we will not release the names of parkers.

Q. Asset inventories to include vehicles/sweepers/office furniture etc.?

- A. Sale of ramps does not include:
- Various office computers, fax machines, copy machines
 - Bike Lockers and Racks
 - Sweepers, scrubbers, floor cleaners, vacuums, snow blowers
 - Snow plows, shovels, lawn mowers, weed trimmers, various tools
 - Washers and Dryers
 - Stand-alone signage
 - Parking card vending machines
 - Any trademarked materials/signs
 - Radios/Communication Equipment/Network Equipment/DSL Lines
 - Records
 - Book-keeping Computer

- Furniture
- Safes
- Non-Secured Booths, Time Clocks, etc.
- Office Supplies, Janitorial Supplies/Equipment
- Shelving
- Vehicles

Q. Rate increase history – transient and monthly?

- A. Existing ramp surveys and the rate changes are being added to the RFP website. (Note that rates have not changed at the Riverfront Ramp since it opened in 2005, so it is not included in the rate change history.)

Q. What are the minimum security staffing requirements? Is there a city ordinance that outlines security requirements in the parking assets?

- A. There are no security ordinances for parking ramp security that we are aware of. There are recommendations for security which are tied to the occupancy permit.

Q. Can surveys be made available so that we can compare them with the title commitments?

- A. We will provide existing surveys in our possession on the RFP website.

Q. Are there any ground leases such that the buyer would not have title to the property?

- A. The City's interest in the Federal Courthouse Ramp is a leasehold interest.

Q. The pre-proposal conference question and answer document posted to the website yesterday discusses security systems at the garages (item #16) and references another file "Security System Information (pdf)". I was unable to retrieve this file by clicking on the link. Can you make it available on the website?

- A. This link has been activated.

Q. Why is the Loring ramp the only one provided for the Ramp Occupancy Reports link in the answer sheet from the information meeting?

- A. We have updated the website to include Ramp Occupancy Reports for each of the Ramps.

Q. Availability of updated financials for 2005?

A. The City does not expect to have 2005 Audited Financials available by the proposal deadline. The year-ending 2005 operator income statements are available on the RFP website.

Q. In addition to the annual statements that have been made available, will you provide monthly revenues, expenses, and unit counts for each of the ramps?

A. 2006 Monthly Operator Income Statements and Detailed Parking Utilization Reports for each of the ramps are now available on the RFP website.

Q. I thought I'd draw your attention to a discrepancy in the 2006 YTD reports posted on the website. It appears that there was a reporting change in April at all garages that Ampco System operates and as a result the YTD figure does not properly tabulate the previous months.

A. Since the City changed parking operators in April, a new financial reporting system was implemented, and therefore the figures do not tabulate prior to April and after April. On April 1st Ampco System Parking started operating the Parking System and made an attempt to add Municipal Parking's financial numbers into theirs. Starting in May, Ampco's income statements only include financial numbers from April 1st.

Q. My question concerns "Section 5.2 Proposal Contents and Fee", specifically item 4 "Financial Disclosure". The document requires that "Proposer and team members must provide copies of audited financial statements for the past three years, along with any other relevant financial information." In this situation, none of the individuals who are forming the group have had any "audited" (as defined under Generally Accepted Auditing Principals) personal financial statements prepared. In addition, the businesses in which these individuals maintain an investment have also not been audited. We would like to clarify the "need" (if it exists) for audited statements and, if so, how many "levels" down must that go, or may we respond under the "any other relevant financial information" portion to provide you the information that shows the strength of my clients financial position and their ability to both purchase and operate the ramp(s) for which they submit RFP(s).

A. If a proposer is unable to provide three (3) years of audited financial information, the proposer must provide financial information in a form satisfactory to the City that demonstrates that the proposer is able to fulfill its obligations to the City. The City reserves the right to reject a proposal if the financial information presented is not satisfactory for the City to complete its due diligence review of the proposer.

Q. Where revenues are being reported as gross revenues, do they include applicable state and city sales taxes?

A. The revenues being reported are gross revenues, which include sales tax that is collected. The taxes paid are included in the expenses.

Q. What is the mill rate used when calculating property taxes?

A. Contact Hennepin County, (612) 348-3011.

Q. Will the transaction(s) be structured to avoid transfer taxes?

A. The City may be willing to reasonably accommodate a transfer transaction structure that would take advantage of certain transfer tax provisions (i.e., 1031 exchange) provided there is no cost or liability assumed by the City related to such structure.

Q. Will the transaction(s) be structured to avoid property taxes?

A. No – property would be subject to future property taxes under private ownership.

Q. Will the proposal contents submitted by competitors be made public?

A. In order to meet the City's citizen participation goals, the City requires each proposer to execute and submit a "Consent for Release of Response Data" form (Exhibit G in the RFP) in which the proposer consents to the release of its proposal information and waives any claims it may have under Minnesota Statutes Section 13.08 against the City of Minneapolis for making such information public. This consent and waiver does not extend to financial statements submitted under separate confidential cover, which may be public data, but shall be treated by the City consistent with Minnesota Statutes, Section 13.591.

Questions re: Individual Ramps

Centre Village Ramp:

Q. Who is responsible for elevator maintenance?

- A. There are four elevators associated with the parking ramp. The City is responsible for the maintenance costs for three of them, and the hotel is responsible for the maintenance costs for the fourth.

Q. Why is the water/utility cost so expensive?

- A. Currently the City pays for all water utilities that are supplied to the building. The City then bills the hotel and condos accordingly.

Q. Who maintains the condo monthly spaces below?

- A. The City maintains all parking spaces.

Q. What are the 2006 hotel parking rates for Centre Village?

- A. Regular monthly is \$185.00 and the two Limo Spaces are \$210.00 each per month.

Q. What is the agreement at Centre Village as to what the condominium owners pay?

- A. There is no written agreement. Currently the condo monthly parking rate is \$85.00.

Q. It appears there is a convenience store tenant in Centre Village. Is there a lease available for that?

- A. The convenience store space at Centre Village is a sub-lease arrangement through US Bank. The City leases space to US Bank (this lease is on the website) and then US Bank subleases to the convenience store.

Downtown East Ramp:

Q. What does the City envision for the Downtown East Ramp site?

A. The original City development vision for the Downtown East Ramp site is a 6 – 8 story office building with retail at grade. The Downtown East/North Loop Master Plan calls for an office use at this site. The parcel is currently zoned commercial (B4C-2/Downtown Commercial District); however the Downtown East/North Loop Rezoning Study recommends rezoning the ramp site and surrounding area to B4S-2/Downtown Service District. For the purposes of this RFP, proposers should assume that existing zoning applies; if a proposer chooses to condition a proposal on a change in zoning, they could do so at their own risk.

Q. Are there any development parameters imposed for this property?

A. See preceding response.

Q. The easement agreement between the Met Council and MCDA has certain exhibits that were to be future exhibits and are not included in the information provided. They are specifically Exhibits B-3, B-4, E and F.

A. We have reviewed the draft agreement and searched the file for the future exhibits. At this point we have not located any of these future exhibits nor are we aware that they currently exist.

Q. There is a Memorandum of Amended Lease noted on the title for the Downtown East Ramp, however it doesn't appear that the lease was provided with the documents for this property.

A. We are not aware of an Amended Lease; we have no record of it in our files.

Federal Courthouse Ramp:

Q. We noticed a number of security guards on duty at the top of the ramp – what is the minimum security staffing requirement at this garage?

A. Security at the top of the ramp is supplied and funded by the Federal Government (U.S. Marshals Service).

Q. Given the lease with the GSA, what latitude do we have in increasing the GSA's monthly parking rate and transient rates to the general public?

A. There is no GSA monthly parking rate, all rates are public rates and we have no limitations on the rate setting for this facility.

Gateway Ramp:

- Q. Regarding the Gateway Ramp skyway agreements: An agreement is not in place between Gateway and the ramp across the street also owned by the City. Although it was stated at the information meeting that an agreement will have to be put in place, it would be helpful to understand what skyway expenses are expected to run.**
- A. Various skyway costs including window cleaning, carpet cleaning, general janitorial, painting, electric, heat etc. are typically \$20,000 - \$30,000, and the expenses are shared by the property owners. Major expenses such as carpet replacement and air conditioning repair are also shared by the owners.
- Q. When reviewing the income statement for Gateway, it is not clear as to total expenses for maintaining the skyway system to Wells Fargo. Documents indicate the City is responsible for the expenses, however, the income statement only shows expenses under electricity and no other skyway expenses. Are these expenses somehow being handled a different way than the agreement states (i.e. is Wells Fargo paying some invoices directly, or is there some offsetting income that we are not seeing?)**
- A. These general expenses have been included in our janitorial, maintenance, etc. No breakdown has been done.
- Q. There is a railroad easement noted on the Gateway ramp Certificate of Title, but there is not a document provided.**
- A. There does not appear to be any separate easement document. It is just a recitation on the Certificate of Title that the legal description is "subject to a railroad easement for spur track right-of-way over the Southwesterly 81/2 feet of said Par2 in favor of Chicago, Milwaukee, St. Paul and Pacific Railroad Company." If a potential purchaser objected to the encumbrance, the City would most likely endeavor to have the easement removed through an examiner's directive. The sale would be contingent on the City successfully having the easement removed, unless otherwise waived by the Buyer. If the City did not have the easement removed, the Buyer would have the choice not to accept the property.
- Q. In the informational meeting, reference was made to encroachment permits across the alleys relating to the skyway bridge between the Gateway ramp and the Wells Fargo operations center. Can copies of the permits be made available if they exist?**
- A. Parking Services does not have copies of these permits. If they were executed, the City's Public Works Right-of-Way office would have copies available.

Loring Ramp:

- Q. If we purchase the garage are we required to operate the Hyatt Valet?**
- A. There is no agreement requiring the owner to operate the valet.
- Q. The property taxes provided on the financials show an annual payment of \$10,000. Would this same rate apply to us if we purchase the garage? Is this some sort of TIF? Please explain.**
- A. The \$10,000 is a Nicollet Mall maintenance assessment against the property. Anyone who owns the property will need to pay this cost.
- Q. Are additional unit volume breakdowns (monthly and transient unit volumes) available for the Loring financials?**
- A. Detailed parking utilization reports for each of the ramps are now available on the RFP website.
- Q. Regarding the Loring Ramp facility agreement: Where is the executed copy of the extension which sets the rate?**
- A. We do not have an executed extension in our files.

Riverfront Ramp:

- Q. Status of the Guthrie Parking Agreement?**
- A. We have posted the final Guthrie Parking Agreement on the RFP website.
- Q. It appears there is a missing development agreement for the Riverfront ramp. There is reference in other information about a liner housing/retail development agreement, but one was not included on the website.**
- A. We have posted the Redevelopment Contract for the liner development on the RFP website.

Q. We do not see any reference in the title work to the access rights for the liner housing development around the Riverfront Ramp. Did we miss something?

A. We have posted the Redevelopment Contract for the liner development on the RFP website, which contains the Form of Access Easement Agreement (Exhibit H). We will post the final Access Easement Agreement once it is executed (at the closing). Any parking ramp sale prior to the closing will be conditioned on assuming an obligation to execute and accept the Access Easement Agreement in the form attached to the Redevelopment Contract.

Seven Corners Ramp:

Q. What is the status of the parking agreements with Seven Corners Hotel Partners, L.P. and Grandma's Saloon and Deli, Inc.?

A. We have posted the parking agreements with both of these entities on the RFP website.

Q. When will the title commitment be available for the Seven Corners Ramp?

A. We have received the title commitment for the Seven Corners Ramp and have posted it on the RFP website.

St. Anthony Ramp:

Q. There is an easement agreement provided with the documents for the St. Anthony ramp that is not on the title. Do you know why it isn't of record? This is the easement agreement in favor of the St. Anthony Athletic Club.

A. This agreement has an automatic extension term for an additional 20 years after the initial 20 year term (2002 expiration), provided we have not received notice from the Athletic Club that they will not grant the extension. We received no such notice, therefore we assume that the easement is still active. We are not sure why this was never recorded on the title.

Q. There is a Memorandum of Lease noted on the title for the St. Anthony ramp, however it doesn't appear that the lease was provided with the documents for this property (this is with Voicestream).

A. There is a site lease agreement with VoiceStream/T-Mobile for cell phone antennas located on the facility. A copy of this lease has been posted on the RFP website.

- Q. There was a document for the St. Anthony ramp for Don Harstad Company with Municipal Parking Inc. from 1983. Is this an on-going or valid agreement (note it is not assignable without the consent of Don Harstad).**
- A. The City has reviewed this agreement. Please consider this agreement void. There have been several agreements with the Don Harstad Company since 1982 that make this agreement obsolete.
- Q. Regarding the St. Anthony Ramp, the title commitment indicates that special assessments have been ordered from Minneapolis and information will follow by endorsement. When will this information be available?**
- A. This is a levied assessment for a street renovation project (University Ave SE Project). The assessment has been included with the taxes since 2005; the remaining balance is \$11,953 (interest to be added for pay-off).