

**Sale of Municipal Parking Ramps
RFP Pre-Proposal Conference
Question and Answer Session
August 21, 2006**

1. The Downtown East Ramp has a building foundation ready for development. Do any other ramps have capacity to handle additional structures?
 - a. The Downtown East Ramp is the only ramp with the structural capacity to support additional development above the ramp facility intentionally built into the ramp. We believe the Gateway Ramp could support one additional parking level, but potential proposers are responsible for doing their own due diligence.

2. Is the skyway from the Gateway Ramp to the Wells Fargo Operations Center a public skyway? Does this skyway go with the Gateway Ramp?
 - a. Yes, the City owns that skyway, and it would be included with sale of the facility.
 - i. Will the City create an easement over the right-of-way?
 1. It's already an encroachment. The section to the Haaf Ramp is not governed by agreement since both connecting sites are owned by the City. A skyway agreement would have to be negotiated prior to sale.

3. Will the City use a point structure with the evaluation criteria?
 - a. There are evaluation criteria described in the RFP. The City does not have a point system. The City will develop an evaluation protocol that incorporates the specific evaluation criteria included in the RFP

4. How do skyway links work with private entities?
 - a. The City has a skyway agreement with the private entities and those agreements transfer. Existing agreements are included on the RFP website.
 - i. How do you track skyway expenses on operating income statements?
 1. The City tracks skyway expenses separately on operating income statements. The City either establishes an annual budget in advance for any repairs necessary or in other cases contributes a set amount to the skyways for operation and whatever we do not use either gets returned or goes into an escrow at the end of the year.

5. Will the City provide information on real estate taxes or are there websites with this information?

- a. At this point the City hadn't planned on making additional information available. We can check with the City Assessor's Office to see we're if able to provide tax information related to sale of ramps.
 - i. *[City Response]* Below is a link to the City Assessor's Property Tax Estimator tool, which can be used to estimate the property taxes for a parking ramp. Proposers should use the commercial/industrial option when calculating the amount. If the proposer would like a more precise amount calculated, they could contact Hennepin County at (612) 348-3011.
<http://apps.ci.minneapolis.mn.us/assessorapp/PropertyEstimator.aspx>
- 6. Are proposers expected to underwrite debt? Does the debt carry over with the sale of the ramp?
 - a. Generally debt won't go with the ramp. If debt is tax exempt, the City will defease or retire the bond with change of ownership. The defeasing cost will be a City cost. If it costs more to defease the debt than the resulting sale revenue, the City would be reluctant to accept that proposal.
 - i. Will proposers be able to get the costs of the defeasance?
 - 1. The debt for the Riverfront ramp is variable rate debt that can be called at any time. The debt for Downtown East is fixed rate debt that is callable on 12/01/2011. The Courthouse ramp includes multiple bond issues, which includes \$10,525,000 of variable rate debt that can be called immediately.
- 7. Is any debt cross-collateralized?
 - a. No. Debt service is specifically associated with a particular parking facility (see the annual reports for a breakdown of the outstanding debt service by facility). Almost all debt is backed by the full faith and credit of the City. The City pays the debt with revenue from the system or with other designated revenues.
- 8. Were any studies done to project revenues for the Riverfront and Mill Quarter ramps?
 - a. There have been some initial proformas prepared. We'll determine if we can share those.
[City's Response]
 - 1. Please note that the Mill Quarter Ramp has been removed from the current RFP / sale process.
 - 2. The initial revenue projections for the Riverfront Ramp could be made available. However, these original projections are very outdated and would have limited value. Projected usage figures for the Riverfront Ramp have changed significantly since the original projections were developed.
- 9. Is there an operator cost included in the income statements?

- a. No. Those expenses are calculated by the auditors in the annual report, so you wouldn't see operator costs in the income statements. Management fee is in addition to direct operating expenses.
10. Who is the current operator for the Municipal Parking Ramps?
 - a. The City hired AMPCO System Parking in April 2006.
11. Should we anticipate any rate controls by the City in conjunction with the sale of the ramps?
 - a. No, this is not our intention, although there may be some parking agreements currently in effect. Those agreements are in the due diligence section of the RFP website.
12. Will any additional points be given [in the evaluation process] to someone buying all the ramps versus one or a few?
 - a. It will be a challenge for the City to assign value to competing proposals, given the various financial, development, and transportation implications and impacts. The three City Departments [Public Works, CPED, Finance] will judge the proposals based on what's best overall for the city.
13. Will the City be sharing 2006 actual financials?
 - a. Yes, we can. We will be posting 2006 monthly operator statements on the RFP website soon. We spoke with our auditors, and 2005 audited financials will not be available before proposals are due.
14. Is there an emphasis on cash versus development?
 - a. The City does not have a point system at this time saying whether cash or development is more important. The City is looking at both long and short-term benefits to the City.
15. Are some ramps better for development?
 - a. Yes, some ramps are better suited for development than others (i.e., Downtown East), but we have allowed room for creativity in proposals.
16. Which ramps have security systems and which are tied to a central security system?
 - a. All ramps have some security system. We went over the security during the PowerPoint for each ramp. We will try to post some of this information out on the RFP website. See the attached file named "[Security System Information \(pdf\)](#)" for description of security system configuration.
17. Is the City interested in leaving the security systems hooked up and maintaining them?

- a. No, the City is not interested in maintaining the central security system for ramps purchased.
18. Are there any plans for ramp showings or walk-throughs?
- a. None currently. Please contact Emily Stern, CPED, (612-673-5191, emily.stern@ci.minneapolis.mn.us) if you would like to set up a showing. You may visit the public spaces within the ramps without notifying us; if you want to see the office, security system, and monitoring areas, please schedule a site visit with us.
19. Are there ramps that could have added height?
- a. Proposals to add height to ramps would be subject to structural engineering analyses. This is not to say it would be impossible to add on to the facilities, but additional analysis would be needed to determine if it was feasible.
20. The Downtown East Ramp has a 99% utilization rate according to the RFP website. What data sources are available for proposers to look at utilization rates?
- a. The utilization figures are based on 100% usage of monthly contracts plus average peak week transient figures. We're counting all monthly contracts because they are paid-for spaces. We have hourly information if someone really wants this information. Please contact Emily Stern, CPED, emily.stern@ci.minneapolis.mn.us if you with any questions about this data or if there is specific information you want.
21. When were the utilization rates measured?
- a. All utilization figures on the website are based on June '06 activity during the peak occupancy periods for each particular facility. See the attached file named "[Ramp Occupancy Reports-Ramps for Sale \(pdf\)](#)" for the peak occupancy time periods. Ramp utilization during any time period outside of the listed hours is significantly lower. Note: since the utilization activity for the Seven Corners Ramp was measured in June, this does not include students, because school is out of session.
22. The Mill Quarter and Riverfront ramps have liner developments surrounding them. Is this land available to proposers?
- a. No, the City is selling the ramp parcels only.
23. Would the City consider credit enhancement or PILOT?
- a. No, the City does not want to participate in the financing arrangement(s).
24. The RFP notes that the ramps will be sold "as is." Will there be a due diligence period?
- a. Yes, there are current and will be future opportunities for proposers to review our records and information on the ramps, and do structural analyses.

25. When will responses to proposer questions be posted?
- a. We will first post questions and answers from today's session on the RFP website, and then we'll work on answering and posting responses to additional proposer questions as we receive them. We will track updates and additions on the website. You can email, fax, or send questions to Emily Stern at emily.stern@ci.minneapolis.mn.us, fax: 612-673-5113, mail: City of Minneapolis, CPED, 105 Fifth Ave S, Room 200, Minneapolis, MN 55401). Questions will be posted anonymously.