

## MEMORANDUM

TO: File

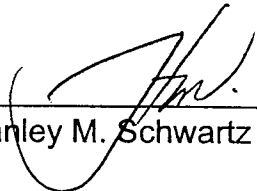
FROM: Stanley M. Schwartz, Assistant City Attorney

RE: River Park Square Parking Garage

DATE: August 25, 1998

Today, I met with Pete Fortin, Jim Sloane, and Roy Koegen for the purpose of discussing the lease between the Authority and the Foundation. Specifically, the provisions relating to variable ground rent and the repayment of City on street parking meter moneys.

1. I stated it did not make sense to me that variable ground rent would be paid to the Developer above and beyond the purchase price. This seemed to be an unnecessary payment in that the Developer is realizing its profit through the purchase price and should not be allowed to obtain any additional funds. The additional funds are not a liability of the Developer and the Developer has no right to reclaim proceeds. It was felt that this matter had already been brought before Finance and had been negotiated by Orville with concurrence of the City Council.
2. The repayment of any loan from on street parking meter moneys will come after payment of debt service, ground rent, O & M, variable ground rent (to the Developer), rate stabilization and capital improvement account. This did not seem appropriate in that debt should be paid before any profit is taken. Therefore, it is suggested that the repayment of any loan from the on street parking meter fund occur after the payment of O & M which essentially places this in a fourth priority position. This is a matter which will be taken up with Finance.

  
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Stanley M. Schwartz