



Legislation Details (With Text)

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Title: Approving and authorizing the non-use of a project labor agreement on certain Department of Planning and Economic Development and Housing and Redevelopment Authority single-family housing redevelopment projects.

Sponsors: Amy Brendmoen

Indexes:

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|-----------|------|----------------|---------|--------|
| 7/21/2022 | 1 | Mayor's Office | Signed | |
| 7/20/2022 | 1 | City Council | Adopted | Pass |

Approving and authorizing the non-use of a project labor agreement on certain Department of Planning and Economic Development and Housing and Redevelopment Authority single-family housing redevelopment projects.

WHEREAS, the Saint Paul City Council adopted Council File #09-584 on the use of Project Labor Agreements (“PLA”) for projects involving \$250,000 or more of City money; and

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the “Act”); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subdivision 14; and

WHEREAS, reference to the City of Saint Paul in Council File #09-584 also includes the HRA; and

WHEREAS, the Department of Planning and Economic Development (“PED”) and HRA are contemplating the following redevelopment projects which involve construction or rehabilitation of single-family (one-to-four unit) housing structures and may foreseeably, either individually or in combination, result in building construction contracts with more than \$250,000 in City money:

1. Acquisition, rehabilitation and resale of a one-unit residential structure and construction of a new accessory dwelling unit at 626 Reaney Avenue.
2. Construction and resale of a new one-unit residential structure with an attached accessory dwelling unit, at 625 Minnehaha Avenue.
3. Construction and resale of a new one-unit residential structure with an attached accessory dwelling unit, at 629 Minnehaha Avenue.
4. Construction and resale of seven one-unit residential structures as part of the Village on Rivoli Phase III Redevelopment.
5. Construction and resale of a one-unit residential structure at 717 Desoto Street.
6. Construction and resale of a one-unit residential structure at 186 Front Avenue.
7. Construction and resale of a one-unit residential structure at 899 Sims Avenue.
8. Construction and resale of a one-unit residential structure at 1068 Ross Avenue.
9. Construction and resale of a one-unit residential structure at 729 Burr Street.
10. Construction and resale of a one-unit residential structure at 930 York Avenue.
11. Construction and resale of a one- or two-unit residential structure at 810 Atlantic Street.
12. Construction and resale of a one-, two-, or three-unit residential structure at 231 Front Avenue.
13. Construction and resale of a one- or two-unit residential structure at 695 Cook Avenue.
14. Construction and resale of a one- or two-unit residential structure at 6 George Street West.
15. Construction and resale of a one- or two-unit residential structure at 1195 Bush Avenue.
16. Construction and resale of two to four dwelling units within one or two residential structures at 560 Brunson Street.

WHEREAS, PED and the HRA sent a written “Notice and Request for Recommendation on the Use of a PLA” to interested parties on May 10, 2022 with one response received; and

WHEREAS, the Saint Paul Building and Construction Trades Council recommended a PLA for all 16 projects referenced in this resolution, listing the dollar amount, length of project, multiple crafts involved and safety as reasons they recommend a PLA for these projects; and

WHEREAS, each of the 16 projects listed in this resolution includes construction and non-construction activities and costs, none of which are subject to federal or local prevailing wage requirements; and

WHEREAS, projects included in this resolution include on-site and off-site (for example, modular) construction, and such off-site construction may take place outside the City of Saint Paul; and

WHEREAS, construction costs throughout the economy have increased considerably due to inflation since the City Council adopted Council File #09-584 in 2009; and

WHEREAS, the City and HRA have financed hundreds of single-family housing redevelopment projects since 2009 that were not subject to the requirement of Council File #09-584 to consider use of a PLA, did not use a PLA, and were completed successfully; and

WHEREAS, in considering all criteria for evaluating a PLA as outlined in Council File #09-584 and past practice on substantially similar projects, a PLA will not benefit the 16 projects referenced in this resolution for the following reasons:

Work on these projects may be suspended and restarted with minimal impacts to the City.

Federal, state and private resources will provide a significant share of project subsidy.

State funding in the projects is sourced from a competitive grant process that considers costs per unit in addition to other factors.

Use of a project labor agreement is projected to significantly increase overall construction costs and the need for subsidy, jeopardizing federal, state and private resources allocated to the projects.

The City's experience has demonstrated use of a PLA is not critical to the success of single-family housing redevelopment.

NOW THEREFORE BE IT RESOLVED by the City Council that the non-use of a PLA on the 16 projects referenced in this resolution is approved.