

**HOUSING AND REDEVELOPMENT AUTHORITY
OF THE CITY OF SAINT PAUL, MINNESOTA**

REPORT TO THE COMMISSIONERS

DATE: JANUARY 11, 2023

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF 669 3RD STREET EAST TO CANDACE KAMPA, FOR A SALE PRICE OF \$10,000.00, DISTRICT 4, WARD 7.

Requested Board Action

- Approve and authorize the sale and conveyance of HRA-owned property located at 669 3rd Street East to Candace Kampa for a sale price of \$10,000.

Background

Candace Kampa submitted a proposal to purchase the vacant lot owned by the HRA at 669 3rd Street East on March 13, 2022. Ms. Kampa proposes to develop the vacant lot into a parking lot to provide off-street parking for the residents of the residential triplex she owns at 663 3rd Street East, which is directly adjacent to the HRA owned lot at 669 3rd Street East.

Staff received an appraisal for 669 3rd Street East and the appraised value is \$15,000. Ms. Kampa's proposed purchase price was \$7,500. The negotiated price of \$10,000 was agreed upon, as well as the conditions that the parking lot will be paved and that parking will be restricted to the back portion of the lot and will not exceed five parking spaces. Disposition of this parcel at a value below the appraisal value is recommended due to several factors:

- The parcel has characteristics that make it not of interest to other developers, including:
 - No street parking
 - No alley access
 - This parcel closely abuts the adjacent automotive service station to the east
- The HRA has owned this parcel since 1992. To date, the holding and maintenance fees total \$27,599.23. Disposition of this parcel to Candace Kampa is the most efficient way to reduce holding costs and increase the tax base.
- In 2014, the HRA solicited applications under the Disposition Policy and Procedure for the Sale of Vacant Lots for Market Value and Richard Finch (the then owner of the abutting triplex) was the only applicant for the property at 669 East 3rd Street and that sale fell through.
- Ms. Kampa has agreed to pave the parking area at a cost to her of \$34,578.

An early Notification System 45-day notice was published for this proposal and no competing proposals were received.

Candace Kampa's stated sources and uses for the acquisition and development are as follows:

<u>Uses</u>		<u>Sources</u>	
Land acquisition	\$10,000	Candace Kampa	\$10,000
Parking lot development	\$34,578	Candace Kampa	\$34,578

Budget Action

No budget action is required. Net proceeds from the HRA's sale of the property will be deposited to the HRA General Fund.

Future Action

No future action is required. Upon the Board's approval and authorization, staff will proceed to execute a purchase agreement, and ancillary documents thereto, and convey the property to Candace Kampa.

Financing Structure

The HRA is providing no cash financing for the project. The sales price of the property is reduced by \$5,000 from the appraised value of \$15,000 due to negotiation. The sales price of the property was negotiated to be \$10,000.00 with the requirement the lot be paved for parking and parking be restricted to five spaces located in the rear of the lot.

PED Credit Committee Review

Credit Committee review is not required for the sale or conveyance of property.

Compliance

Staff provided early notification as required under the Policy and Procedures for Disposition of HRA Owned Real Estate on April 13, 2022. Staff received no competing proposals during the notice period.

A Public Hearing is being held on January 11, 2023

The size and nature of this sale exempt it from other compliance requirements.

Green/Sustainable Development

The project does not need to comply with the Saint Paul Sustainable Building Initiative.

Environmental Impact Disclosure

Not applicable.

Historic Preservation

This property is located within the locally designated Dayton's Bluff Heritage District. Development of a parking lot requires review and approval from the Heritage Preservation Commission.

Public Purpose/Comprehensive Plan Conformance

The 2040 Saint Paul Comprehensive Plan (Comp Plan) supports the proposed surface parking use if it is limited in size and location. The Comp Plan calls for reducing the land devoted to off-street parking, in Policy LU-14, and this proposal at least does not increase it. The proposal formalizes and improves parking that is associated with naturally occurring affordable housing to the west, but does not increase it.

The Gold Line Station Area Plans, which are adopted as an addendum to the Comp Plan, designate this area for "low-intensity transit-oriented development" that concentrates activity near the bus rapid transit (BRT) station and presents pedestrian-oriented site design. At this location one block from a Gold Line BRT station set to open in 2025, uses such as additional housing – especially affordable housing – would be appropriate and in conformance with the adopted plans. Such housing redevelopment is relatively easy if the parking use is limited to about five spaces located in the back portion of the lot. Additional parking would only be provided in the future if it is needed to serve additional development on the site, such as new housing.

Recommendation:

The Executive Director recommends approval and authorization to sell and convey the HRA owned parcel at 669 3rd Street East to Candace Kampa for the purpose of private development of a parking lot, in accordance with the attached resolution.

Sponsored by: Commissioner Prince

Staff: Annie Byrne, Project Manager

Attachments

- Map
- D4 Dayton's Bluff Neighborhood Profile
- Original purchase proposal, rendering, and quote