

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 25, 2023

**REGARDING: RESOLUTION APPROVING AND AUTHORIZING UP TO \$115,000 IN
HRA BUSINESS ASSISTANCE FUNDS TO WEST 7TH / FORT ROAD
FEDERATION, 882 WEST 7TH STREET, SUITE 6, DISTRICT 9, WARD 2**

Requested Board Action

Approve a loan up to \$115,000 to from the HRA Business Assistance Fund to West 7th / Fort Road Federation, including a waiver of the Business Assistance Fund guidelines, toward the total project cost to (1) stabilize; (2) disassemble; (3) move; (4) store the stones and other structural elements of the building, and (5) re-construct the Justus Ramsey House, currently located at 242 West 7th Street, District 9, Ward 2.

Background

The Justus Ramsey House was built in 1852 and is a locally designated historic preservation site, a state designate site, and is listed on the National Register of Historic Places. The Justus Ramsey House is currently located on the patio of Burger Moe's restaurant and is in a state of disrepair, structurally unstable, unsafe and in danger of imminent collapse. The City of Saint Paul recently issued a Demolition Order which has now been stayed by a Temporary Restraining Order.

The owner of the building, Moe Sharif, has pursued delisting and demolishing the building. The West 7th / Fort Road Federation has stepped forward with a proposal to attempt to preserve the Justus Ramsey House by stabilizing the structure, removing the existing stones and structural elements, packaging, moving and storing the stones until the structure can be rebuilt on a site located within the City of St. Paul. The plans for rebuilding the Justus Ramsey House contemplate re-building the structure on private property, using its original design and adding an addition. .

Because the Justus Ramsey House is in a severe state of disrepair and in danger of imminent collapse, there is no assurance that the preservation of the building and the structural elements in

the manner proposed by the West 7th / Fort Road Federation will be accomplished. As such, conditions for disbursement of the loan funds and repayment will be included in the loan agreement and documentation.

Budget Action

This loan will be funded from budgeted funds in the HRA Loan Enterprise – Business Assistance Program. No budget amendment is required.

Future Action

N/A

Financing Structure

The total cost to stabilize, disassemble, move, store the stones and other structural elements, and re-construct the Justus Ramsey House in its original design is expected to exceed \$400,000. The current owner, Moe Sharif, will contribute funds in the amount that represents the costs Mr. Sharif would have incurred to demolish the building and dispose of the building materials.

The term and interest rate will be set by the PED Credit Committee. If the following conditions are satisfied in the sole determination of the HRA Executive Director, the loan shall be issued:

1. West 7th / Fort Road Federation must enter into a written agreement with the current owner of the Justus Ramsey House, Moe Sharif, authorizing the entry onto the Burger Moe property for the stabilization, disassembly, and removal of the Justus Ramsey House. The agreement will also provide that Mr. Sharif contribute funds in the amount that represents the costs Mr. Sharif would have incurred to demolish the building and dispose of the building materials. A copy of the written agreement with Mr. Sharif shall be provided to the HRA prior to the disbursement of loan funds.
2. West 7th / Fort Road Federation must enter into a written agreement with the owners of the new site for the Justus Ramsey House agreeing to re-construct the Justus Ramsey House using the original design of the House.
3. The West 7th / Fort Road Federation must demonstrate that it is legally authorized to enter

into the loan agreement and carry out the terms and conditions of the loan and other documentation.

4. West 7th / Fort Road Federation must obtain all necessary approvals from the City of St. Paul, the Department of Safety and Inspections and the Historic Preservation Committee.
5. West 7th / Fort Road Federation must procure general liability insurance in the amount of \$1 million per occurrence/\$2 million aggregate, covering the stabilization, disassembly, moving, and storage of the stones and other structural elements of the building. West 7th / Fort Road Federation must agree to indemnify, hold harmless and defend the HRA and the City of St. Paul from any and all claims related to the stabilization, disassembly, moving, and storage of the stones and other structural elements of the building.
6. West 7th / Fort Road Federation must comply with all laws and obtain all necessary permits to (1) stabilize; (2) disassemble; (3) move; (4) store the stones and other structural elements of the building, and (5) re-construct the Justus Ramsey House.
7. West 7th / Fort Road Federation must comply with all HRA contract compliance requirements as applicable.

If the following additional conditions are satisfied in the sole determination of the HRA Executive Director, the loan shall be forgiven:

1. The Justus Ramsey House must be re-constructed using its original design on the new site within 3 years of removal from the Burger Moe's site.
2. A plaque or some other signage acknowledging the historic significance of the Justus Ramsey House must be installed at the new site.

PED Credit Committee Review

The Credit Committee will review the proposed HRA Loan Enterprise Fund financing prior to the loan being issued.

Compliance

Vendor Outreach Program compliance requirements apply to this project.

Green/Sustainable Development

The scope of the project and amount of public support are below the minimums required for Green Building Policy.

Environmental Impact Disclosure

The project does not generate environmental impacts.

Historic Preservation

The Justus Ramsey House is historically significant; plans to stabilize, remove, move, and store the stones and structural elements of the building must be reviewed and approved by the Department of Safety and Inspections. The plans to re-construct the building using the original design should be reviewed by the Historic Preservation Committee.

Public Purpose

The Project will accomplish a number of public purposes, including:

- Removing a historical building that is in imminent danger of collapsing and re-constructing the building off-site using its original design.
- Strengthen the tax base of Saint Paul by increasing the patio space for the restaurant Burger Moe's.

Recommendation:

The Executive Director and staff recommend approval of the attached Resolution authorizing this loan to West 7th / Fort Road, subject to the conditions contained herein.

Sponsored by: Commissioner Noecker