

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 26, 2012

**REGARDING: AUTHORIZATION TO ACQUIRE 940 SELBY AVENUE, SUMMIT-UNIVERSITY
DISTRICT 8, WARD 1**

Requested Board Action

The specific actions being requested of the Housing and Redevelopment Authority of the City of Saint Paul (HRA) Board are as follows:

- Authorization to accept conveyance of vacant property at 940 Selby Avenue (“the Property”)
- Budget Amendment to transfer \$50,000 from Fund 118 76910 to Parks Department.

Background

Selby Area Community Development Corporation (“Selby CDC”) owns the vacant lot at 940 Selby Avenue; Selby CDC also owes the City of Saint Paul Parks Department \$50,000. Staff is proposing that the HRA pay the \$50,000 debt owed by Selby to the Parks Department in exchange for Selby CDC deeding the property to the HRA at no cost. This benefits the HRA, as the HRA owns the adjacent vacant property at 936 Selby Avenue; the two properties will be combined to create a more suitable, larger site for redevelopment. **Attachment B** is a map showing the location of the two parcels.

Budget Action

The HRA Budget amendment provide for the transfer of \$50,000 in Victoria Park clean-up funds to the Parks Department as shown on **Attachment C**. This will be recognized a loan receivable in Fund 118, to be repaid, as feasible, upon the sale of the 940 Selby.

Future Action

N/A

Financing Structure

N/A

PED Credit Committee Review

N/A

Compliance

N/A

Green/Sustainable Development

N/A

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

The acquisition of this lot is consistent with the City's Comprehensive Plan. Selby is identified in the Saint Paul Comprehensive Plan as a mixed-use corridor and the acquisition of this property is consistent with Strategy 1: Target Growth in Unique Neighborhoods. In addition, in the Summit-University (District 8) Comprehensive Plan Summary, land use and zoning recommendations state that "priority will be given to commercial development on the vacant lots and buildings at Selby and Victoria as well as vacant commercial buildings on Selby Avenue west of Dale Street."

Recommendation:

Executive Director for HRA recommends approval.

Sponsored by: Commissioner Melvin Carter

Staff: Al Carlson 266-6616

Attachments

- **Attachment A -- Resolution with Budget Amendment**
- **Attachment B -- Map of Project.**
- **Attachment C -- Census Facts**

Memorandum of Agreement

City of Saint Paul Parks and Recreation Department And the Selby Area Community Development Corporation

The City of Saint Paul Parks and Recreation Department and the Selby Area Community Development Corporation (CDC) entered into a relationship in 2007, whereby the City of Saint Paul Parks and Recreation Department was recipient of a \$200,000 grant from the National Local Initiatives Support Corporation (LISC), and the Selby Area CDC was the required 501 (c) 3 fiscal agent. The grant was awarded through a program set-up by the National Football League (NFL) to enhance athletic fields throughout the nation.

The grant was to be used for the construction of a synthetic field at the Jimmy Lee Recreation Center. As part of the grant requirements, funds were required to pass through a 501(c) 3 and to satisfy these requirements, the City of Saint Paul Parks and Recreation Department entered into a relationship, with the Selby Area CDC receiving a \$5,000 agent fee, which raised the total grant amount to \$205,000.

The grant was to be placed in a restricted account by the Selby Area CDC for distribution upon receipt of invoices for construction at the Jimmy Lee Athletic Fields. The grant was to be completed by end of year 2008 but due to construction schedule changes, and environmental findings, the schedule was delayed several times and extensions were granted by LISC.

In 2009, site work began, so in December 2009, a registered bill was sent to Selby Area CDC for the full \$200,000 grant amount, with back-up invoices documenting work being done at the site. Partial payments were received by the City of Saint Paul Parks and Recreation Department on February 12, 2010 for \$90,000 and on March 31, 2010 for \$60,000. The overdue remaining balance owed is \$50,000.

In December 2010, the City of Saint Paul Parks and Recreation Department received notification that an extension would be needed to fulfill remaining payment obligations.

In order to achieve these obligations, the City of Saint Paul Parks and Recreation Department and the Selby Area CDC agree to perform the following:

The City of Saint Paul Parks and Recreation Department will:

1. Agree to the proposed extended re-payment plan that was outlined by the Selby Area CDC in a letter received on January 31, 2011 (Attachment A) for full payment of the remaining \$50,000 balance over a period of 3 years
2. Agree to not pursue interest charges or collection attempts if payments are received by agreed upon dates (subject to Grantor action)

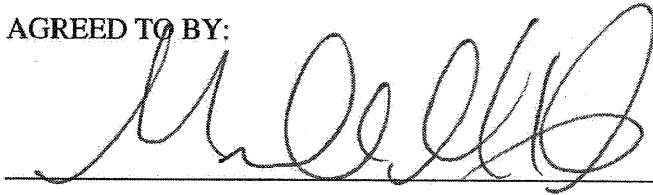
The Selby Area CDC will:

1. Agree to pay the entire \$50,000 remaining balance to the City of Saint Paul Parks and Recreation Department according to the following schedule:
 - a. Payment of \$10,000 by Dec. 1, 2011
 - b. Payment of \$15,000 by Dec. 1, 2012
 - c. Payment of \$25,000 by Dec. 1, 2013
2. Agree to accelerate the re-payment schedule if property owned at 940 Selby is sold, as outlined in Attachment A.

This Memorandum of Agreement (MOA) is effective on the date that it is signed by both parties. Both parties are represented in this agreement by their executive directors/leaders, who have the City's and Board of Director's authority to enter into this agreement.


This agreement will be terminated if either party is unable to fulfill the obligations outlined for either organization or if the Grantor (LISC) decides to take action in retrieving remaining balance.

AGREED TO BY:



Mike Hahm, CPRP
Director
Saint Paul Parks and Recreation
25 West 4th Street, Suite 400
Saint Paul, MN 55102

On this date 6.13.11
TJR.

XXX

Selby Area CDC
XXXX
TREASURER
Saint Paul, MN XXXX

On this date 5/15/2011