

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 23, 2014

REGARDING: Authorization to Execute a Tentative Developer Status for Payne Avenue Guild, LLC for the 619, 621, 623, and 627 Wells Street Project, District 5, Ward 6.

Requested Board Action

Approval of Payne Avenue Guild, LLC (the “Developer”) as Tentative Developer for a 180 day period to finalize a proposal for the purchase and construction of a parking lot on the HRA-owned parcel located at 619, 621, 623 & 627 Wells Street with certain conditions detailed in this report.

Background

Properties

The HRA acquired the vacant parcel located at 619 Wells Street using the ISP Parking Program Improvement and Implementation Fund (Fund 118) on April 26, 2013. The property was acquired for \$1,500 from Ramsey County through the tax forfeiture process. The site measures approximately 20 feet by 125 feet, for a total area of 2,500 square feet and is zoned R-4 (Single Family Residential District). Staff is not aware of any pollution on the site, which will be sold “as is”.

The HRA acquired the vacant parcel located at 621 Wells Street on January 14, 2000. The property was acquired for \$0 from Ramsey County through the tax forfeiture process. The site measures approximately 20 feet by 125 feet, for a total area of 2,500 square feet and is zoned R-4 (Single Family Residential District). Staff is not aware of any pollution on the site, which will be sold “as is”.

The HRA acquired the vacant parcel located at 623 Wells Street using ISP Parking Program Improvement and Implementation Fund (Fund 118) in December 2013. The property was acquired for \$3,851.90 from Ramsey County through the tax forfeiture process. The site measures approximately 40 feet by 125 feet, for a total area of 5,000 square feet and is zoned R-4 (Single Family Residential District). Staff is not aware of any pollution on the site, which will be sold “as is”.

The HRA acquired the vacant parcel located at 627 Wells Street using CDBG (Fund 100) on March 11, 2011. The property was acquired for \$2,213 from Ramsey County through the tax forfeiture process. The site measures approximately 40 feet by 125 feet, for a total area of 5,000 square feet and is zoned R-4 (Single Family Residential District). Staff is not aware of any pollution on the site, which will be sold “as is”.

Proposal

On December 30, 2013, the HRA received a request from Payne Avenue Guild, LLC (Raul Martin, Sole Member) to purchase 619, 621, 623 & 627 Wells Street. Payne Avenue Guild, LLC plans to construct a 43-car parking lot on the site for the business located at 632 Wells Street (Bymore Grocery) and other Payne Avenue businesses. The property must be rezoned from R-4 (Single Family Residential District) to T2 (Traditional District) for the proposed development to occur.

Financing Structure

The purchase offer is in the amount of \$50,000. The Developer has requested that the HRA loan the acquisition amount to the Developer to purchase the property (the “Land Loan”). A note (the “Land Note”) in the amount of \$50,000 would be provided to the HRA. The details of the Land Loan term and conditions will be a part of their formal proposal.

The estimated overall development cost for the purchase and construction of the parking lot is estimated at \$300,300 and outlined in **Attachment C** - Project Summary Form and **Attachment D** – Sources and Uses Summary Funds Form.

During the tentative developer period, the Developer will need to complete the following conditions:

1. Within 90 days, complete a formal scope of work with plans and specifications to include a site plan, incorporate Green/Sustainable Development guidelines, with exterior treatments/materials for review by HRA and suitable for submission to the Department of

- Safety and Inspections to obtain the proper building permits.
2. Within 90 days, submit evidence of availability of construction financing for review by HRA staff for acceptability.
 3. Finalize a detailed development budget and business plan for approval by the HRA staff.
 4. Within 120 days, a HRA-approved scope of work must be completed.
 5. Submit an application for a rezoning to allow for the construction of an off-street parking lot.
 6. Within 180 days, receive all approvals for zoning, licenses and any other required City or State approvals required for the Project.
 7. Negotiate final terms and conditions of a development agreement which will include review of all compliance requirements, details of the bidding process and sworn construction cost statement from their selected contractor for the Project.

Disposition Policy

Upon receiving the Developer's proposal, staff, according to the City/HRA Disposition Policy, entered this request on the City web page for public notification and to request further proposals for this property. The request for additional proposals was on the City's web page from December 30, 2013 to February 15, 2014. On December 30, 2013, staff entered this request on the early notification system for public notification. No other proposals were submitted for this property during that time.

Budget Action

No Budget Action is necessary at this time.

Future Action

Public hearing and sale of 619, 621, 623 & 627 Wells Street, approval of a Development Agreement, and approval of an HRA Land Loan in the amount of \$50,000 will be sought from the HRA Board.

PED Credit Committee Review

PED Credit Committee will review the Developer's request for full Developer Status for the property located at 619, 621, 623 & 627 Wells Street project prior to the HRA action to sell the property to the Developer.

Compliance

The Applicant has signed the 1st compliance letter regarding this project. The project will comply with the following programs and/or requirements: Affirmative Action, Project Labor Agreement, Vendor Outreach Program, Federal Labor Standards, Section 3, Limited English Proficiency and Two Bid Policy. This project is exempt from the Business Subsidy based on the small business exemption.

Green/Sustainable Development

The project will comply with the Saint Paul/HRA Sustainability Initiative

Environmental Impact Disclosure

N/A

Historic Preservation

The project will be reviewed by either HPC PED staff or the HPC Commission. HUD 106 review is required.

Public Purpose

The following public purpose will be met:

1. Construction of an off-street parking lot to assist a business on Payne Avenue, helping to retain this important neighborhood asset.
2. This project will create local businesses, generate private investment and support commercial activities.
3. East Side Consolidated Small Area Plan adopted 1993; Policy #20 requires, in part, parking at the rear or side of commercial buildings with landscaping to buffer the sidewalk and adjacent residential uses.

Recommendation:

The Executive Director recommends the HRA Board consider the attached resolution which approves the following actions:

1. Approval of Payne Avenue Guild, LLC as Tentative Developer for 619, 621, 623 & 627 Wells Street for a period of 180 days.
2. Authorizes the Executive Director to finalize the conditions of the Tentative Development Agreement.

Sponsored by: Commissioner Bostrom

Staff: Daniel K. Bayers, (266-6685)

Attachments

- **Attachment A** -- Resolution
- **Attachment B** -- Map, Picture and Address of Project
- **Attachment C** -- Project Summary Form
- **Attachment D** -- Sources and Uses Summary Form
- **Attachment E** -- Public Purpose Form
- **Attachment F** -- Census Facts