

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

REPORT TO THE COMMISSIONERS

DATE: August 10, 2016

REGARDING: Authorization to Designate Tentative Developer Status for Bridge Investments, LLC for the 123 Atwater Street Parking, District 6, Ward 1

Requested Board Action

Approval of Bridge Investments, LLC (the “Developer”) as Tentative Developer for a 180 day period to finalize a rezoning for the purchase and construction of a parking lot on the HRA owned parcel located at 123 Atwater Street with certain conditions detailed in this report.

Background

Properties

The HRA acquired the vacant parcel located at 123 Atwater Street (“the HRA property”) using the ISP Parking Program Improvement and Implementation Fund (Fund 118) on April 19, 2013. The property was acquired for \$3,500 from Ramsey County through the tax forfeiture process. The site measures approximately 51 feet by 122 feet, for a total area of 6,222 square feet and is currently zoned RT1 (Two Family Residential District). Staff is not aware of any pollution on the site, which will be sold “as is”.

Proposal

On May 24, 2016 the HRA received a request from Bridge Investments, LLC (Mark Roering, President) to purchase 123 Atwater Street.

Bridge Investments, LLC plans to rehab an adjacent structure at 842 Rice Street (the “Caron Fabre building”) for housing. Rezoning to construct a parking lot on the 123 Atwater Street site to service the Caron Fabre Building will allow more units of housing and off street parking. The property must be rezoned from RT1 (Two Family Residential District) to T2 (Traditional Neighborhood District) for the proposed parking development to occur.

Financing Structure

The purchase price offer is \$7,300 which is the current Ramsey County tax value for this property. The developer will pay the cash purchase price at closing. There is no HRA or City financing being requested.

The parking lot will have an estimated 14 parking spaces with the estimated development cost for the construction of the parking lot as \$70,000 and outlined in the attached Project Summary Form and attached 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 of the parking lot 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. Submit an application for a rezoning to allow for the construction of an off-street parking lot.
5. Within 180 days, receive all approvals for zoning, licenses and any other required City or State approvals required for the Project.
6. 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 June 15, 2016 to July 30, 2016. On June 15, 2016, 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

NA

Future Action

Public hearing and sale of 123 Atwater Street in accordance with the terms and conditions of the Development Agreement.

PED Credit Committee Review

PED Credit Committee will review the Developer's request for full Developer Status for the property located at 123 Atwater 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 and Vendor Outreach Program.

Green/Sustainable Development

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

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose

The following public purpose will be met:

1. Construction of an off-street parking lot to provide incentive to rehabilitate an historic building at 842 Rice Street and retain this important neighborhood asset.
2. This project will create local businesses, generate private investment and support commercial activities.
3. The District 6 Plan supports reinvestment along Rice Street.

Recommendation:

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

1. Approval of Bridge Investments, LLC as Tentative Developer for 123 Atwater Street for a period of 180 days.
2. Authorizes the Executive Director to finalize the conditions of the Tentative Development Agreement.

Sponsored by: Commissioner Thao

Staff: Daniel K. Bayers, (266-6685)
Cynthia Carlson Heins (266-6608)

Attachments

- **Attachment** – Project Summary
- **Attachment** – Map
- **Attachment** – Sources and Uses
- **Attachment** – Public Purpose
- **Attachment** – District 6 Profile