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CITY OF SAINT PAUL

Property Risk Management Task Force Apr '25

Challenge Statement

The City of Saint Paul is facing a challenge related to the deteriorating condition of multiple properties in the downtown area. Several buildings, have been identified as at-risk because of structural failure, public health violations, or general economic distress. These issues are exacerbated in some cases by poor or deferred maintenance or responsible party transitions.

Needed a format to share timely information and make decisions that align with our values.





Overview: DSI led, cross-functional city team to gather information and efficiently utilize resources related to at-risk downtown buildings.

Focus:

- Safety
- Access
- Communication
- Support

Composition:

DSI, EM, CAO, OFS, PW, PD, FD, MO, PED, ONS, other Public & Private Partners (as required)



Objectives:

- Keep downtown buildings safe
- Keep skyways safe & accessible
- Keep stakeholders informed
- Support tenant transitions
- Minimize the duration a property remain at-risk

Active Work:

- Securing unsafe buildings
- Helping businesses transition (e.g., Alliance Bank Center)
- Preparing legal and emergency response tools (e.g., Admin warrants)
- Keeping maps and messaging updated

Commonly

Misunderstood:

- The City does not have ownership rights to any of these buildings.
- The City does not have administrative citations so there are no penalty fees for non-compliance.



Key Terms

- Revocation: City process authorized through the Fire Certificate of Occupancy, results from long term non-compliance.
- Condemnation: City process authorized through the Fire Certificate of Occupancy, results from a building being unsafe or unsanitary (not fit for human habitation).
 - This is *not* the same as the state law use of the term condemnation which is usually associated with an eminent domain action.
- Registered Vacant Building: City program to monitor vacant properties and reduce their impact on a neighborhood.
 - Not all revoked/condemned properties will become registered vacant buildings.
- Receivership: A court action usually initiated by a lender or tenant asking to appoint a party to act as the owner. Rent payments go the appointed party who then makes decisions and payments on behalf of the lender.
 - They act as the owner but the property is still owned by the original party through a redemption period.

Onward and Upward

At least 3 sales since October
Several purchase agreements in process
Able to prioritize tenant transitions
Stay nimble with communication; adjust where deficient
At least 5 buildings in receivership

Leaders throughout Saint Paul saw this coming and laid the groundwork

There can be an upside to the downside. It doesn't cancel out the downside but rather coexists alongside it.

