

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

REPORT TO THE COMMISSIONERS

DATE: February 27, 2013

REGARDING: AUTHORIZING EXECUTION OF A TENTATIVE DEVELOPER STATUS AGREEMENT FOR NEIGHBORHOOD DEVELOPMENT ALLIANCE, INC FOR PROPERTY AT 430 S. ROBERT STREET IN DISTRICT 3

Requested Board Action

To request the Housing and Redevelopment Authority Board of Commissioners to consider approving Neighborhood Development Alliance as Tentative Developer for a 3-year period to finalize a proposal for the purchase and construction of a mixed-use, mixed-income development on the HRA-owned parcel located at 430 S. Robert Street with certain conditions detailed in this report.

Background

In 2008, 430 S. Robert was held by a private entity who, with the help of REDA and city staff, received grants from both DEED and the Metropolitan Council to clean up this contaminated site, a former gas station. That entity was unable to pursue redevelopment of the site and put it up for sale. The HRA acquired the property in 2008 and used the DEED and Metropolitan Council clean-up funds to clean up the site.

On March 30, 2012, the HRA received a request from Neighborhood Development Alliance (NeDA) to develop 430 S. Robert Street. NeDA is seeking to develop a mixed-use residential/commercial building at 430 S. Robert (the “Project”).

Financing Structure

The estimated overall development cost for the purchase and construction of retail/office space at 430 S. Robert Street is estimated at about \$2,000,000 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 comply with the following conditions:

1. Within 365 days, complete a formal scope of work with architectural/engineering plans and specifications including a site plan, elevations, exterior treatments/materials, and interior

schematics for review by HRA and suitable for submission to the Department of Safety and Inspections to obtain the proper building permits. The Scope of Work must incorporate PED/HRA Green/Sustainable Development policies. The final, HRA-approved scope of work must be completed within the three-year tentative developer period.

2. Within 365 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 three years, obtain all approvals for zoning, licenses and any other required City or State approvals
5. Negotiate final terms and conditions of a development agreement.

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 additional proposals for this property. The request for additional proposals was on the City's web page from April 20, 2012 to June 26, 2012. No other proposals were submitted during that time.

Budget Action

No Budget Action is necessary at this time.

PED Credit Committee Review

Credit Committee has reviewed the request and recommended approval for tentative developer status for NeDA.

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, Vendor Outreach Program, Federal Labor Standards, Section 3, Limited English Proficiency and Two Bid Policy. Based on information available at this time, it appears the project will be exempt from the following: Business Subsidy based on the small business exemption; Project Labor Agreement based on the amount of assistance.

Green/Sustainable Development

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

Environmental Impact Disclosure

N/A

Historic Preservation

The project does not need HPC/106 review.

Public Purpose

The following public purpose will be met:

- It will bring new businesses to Saint Paul, providing needed goods and services.
- It will bring a mix of housing for the neighborhood.
- It will provide badly needed impetus for continued revitalization of an important node in the District del Sol commercial corridor.

Recommendation:

The Executive Director recommends the HRA Board consider the attached resolution which approves the following actions: approval of Neighborhood Development Alliance as Tentative Developer for 430 S. Robert Street for a period of three (3) years, and authorization to finalize the conditions of the Development Agreement.

Sponsored by: Commission Chair Thune

Staff: Report prepared by: Kate Reilly (266-6618)

Attachments

- **Attachment A** -- Resolution
- **Attachment B** -- Map, Picture and Address of Project
- **Attachment C** -- Census Facts