

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

**REPORT TO THE COMMISSIONERS**

**DATE: JANUARY 27, 2021**

**REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE  
AND CONVEYANCE OF 471 WABASHA STREET NORTH,  
DISTRICT 17, WARD 2**

## **Requested Board Action**

Approval of the sale and conveyance of 471 Wabasha Street North (the “Parcel”), owned by the Housing and Redevelopment Authority of the City of Saint Paul (the “HRA”).

## **Background**

471 Wabasha Street North (the “Parcel”) is an HRA-owned property located downtown St. Paul, Ward 2, District 17. This Board Report accompanies a Resolution for consideration by the HRA Board to approve the sale of the Parcel to Ed Conley, d/b/a CCI Properties and/or 467 Wabasha LLC, for \$240,000. As a condition of the sale, the buyer will be required to enroll his apartment building into the City of Saint Paul’s 4(D) Affordable Housing program for ten years.

The HRA has owned the Parcel since 1983. The acquisition and demolition of a building on the Parcel was part of a larger urban renewal project undertaken by the HRA and other partners on adjoining properties across much of the block. This work resulted in construction of the Ramsey County Juvenile Justice complex. The Parcel was not ultimately needed for that project and the HRA has owned the Parcel since then. The Parcel has been improved to accommodate surface parking. The HRA, has operated a pay parking operation on the Parcel for many years.

Ed Conley approached the HRA in late 2018 and inquired about the possibility of acquiring the Parcel. Mr. Conley, d/b/a CCI Properties and 467 Wabasha LLC, had recently acquired the adjacent building at 467 Wabasha Street N, which was formerly known as the Viking Apartments. Mr. Conley is in the midst of a major restoration/rehabilitation of the 467 building. He is interested in acquiring the HRA Parcel to allow him some small amount of surface parking for his adjacent first-floor future commercial space, possibly for use as outdoor dining in conjunction with a proposed restaurant tenant in 467, and also to control access to natural light on the north side of the 467 building.

HRA Staff considered Mr. Conley’s interest and determined that it was in the public interest to pursue this deal. Mr. Conley has agreed to pay full market value for the Parcel, as established by an independent, professional appraisal. Such an appraisal was completed on September 30, 2020, by Appraisers Elizabeth and William R. Watyas, of Nagell Appraisal Incorporated. Their Final Value Opinion is \$240,000.

HRA Staff determined that the loss of parking would not have a noticeable negative impact. This is a small lot, not critical to overall downtown parking strategy, and the parking operation has been a way to primarily achieve some revenue to offset holding costs, and has been a break-even operation.

HRA Staff was concerned about residential and commercial displacement that occurred in the 467 building as a result of Mr. Conley's acquisition and subsequent commencement of rehabilitation. HRA Staff was also concerned about the potential loss of Naturally Occurring Affordable Housing there. Because of these concerns, Mr. Conley has agreed to enroll his building into the City of Saint Paul's City of Saint Paul's 4(D) Affordable Housing program for ten years. He will specifically commit to the 4(d) program Affordability Restriction "option 2, as defined in the 4(D) program guidelines. Option 2 requires:

*At least 50% of the rental units in a building are occupied by and affordable to households whose income is at or below 60% Area Median Income.*

Per HRA Disposition Policy, HRA's consideration of Mr. Conley's interest in acquisition of the Parcel was publicized through the City's Early Notification System. During the required 45 day notification period, no other viable interest emerged.

#### **Budget Action**

This transaction will result in HRA receipt of proceeds from the sale, which will be allocated to a future use at a future time.

#### **Future Action**

No future action will be required. Once the HRA approves the requested action, staff will proceed to convey the Parcel.

#### **Financing Structure**

Not applicable.

#### **PED Credit Committee Review**

Not applicable.

#### **Compliance**

Not applicable. This is a non-subsidized, non-discounted property sale.

#### **Green/Sustainable Development**

Not applicable.

## **Environmental Impact Disclosure**

Not applicable.

## **Historic Preservation**

The Parcel is vacant and not within a locally or federally designated historic district, and does not require mitigation measures.

## **Public Purpose/Comprehensive Plan Conformance**

Please see the attached Public Purpose Form. The sale of 471 Wabasha, and support for rehabilitation of 467 Wabasha, is consistent with the following policies in the 2040 Comprehensive Plan: LU-6 Growing Saint Paul's tax base in order to maintain and expand City services, amenities and infrastructure; Supporting business, real estate, and financial models that keep more money locally; Integrating Saint Paul's historic resources into neighborhood-based economic development strategies.

## **Statement of Chair**

Being duly authorized by the Board of Commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of conveyance of a certain Parcel of land located in the CapitolRiver Planning District 17, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

Notice of time, place, and purpose of this hearing was published in the Legal Ledger on Thursday, January 14, 2021. The Affidavit of Publication of the Notice of Public Hearing will be made a part of these proceedings.

The HRA proposes to convey the following property in CapitolRiver District 17:

## **Property Description**

471 Wabasha Street North, legally described as: The middle 1/3 of Lots 11 and 12, Block 8, Bazil and Guerin's Addition to St. Paul also known as N 1/2 of South 2/3 of said lots being 50 feet front on Wabasha St. and 100 feet in depth at right angles to Wabasha St., and parallel with 9th Street, being more particularly described as follows: Commencing on Wabasha Street 50 feet North of 9th Street; thence North along Westerly line of Wabasha Street 50 feet; thence Westerly across said lots on a line parallel with 9th Street 100 feet more or less to Westerly line of Lot 11; thence Southerly along Westerly line of Lot 11 50 feet; thence Easterly on a line parallel with 9th Street 100 feet more or less to place of beginning, according to the recorded plat thereof, and situate in Ramsey County, Minnesota.

## **Purchaser/Developer**

Ed Conley, dba CCI Properties and/or 467 Wabasha, LLC.

**Purchase Price**

\$240,000.00

Is there anyone who wishes to be heard on this sale? If not, the Chair will declare this Public Hearing adjourned.

**Recommendation:**

The Executive Director recommends approval of the sale of this Parcel in accordance with the attached Resolution.

**Sponsored by:** Commissioner Noecker

**Staff:** Joe Musolf (651-266-6594)

**Attachments**

- **Map**
- **Public Purpose**
- **District 17 Profile**