

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 11, 2013

**REGARDING: DESIGNATION OF MISSISSIPPI MARKET COOPERATIVE INC. AS TENTATIVE DEVELOPER FOR THE HRA-OWNED PARCEL LOCATED AT 740 (A PORTION THEREOF) EAST 7<sup>TH</sup> STREET WARD 7, DISTRICT 4**

## **Requested Board Action**

Approval of Mississippi Market Cooperative Inc. (MM) as tentative developer for a portion of the HRA-owned parcel located at 740 East 7<sup>th</sup> Street (Property) for a period of 12 months, per the terms and conditions contained in the attached Resolution (**Attachment A**).

## **Background**

The Property, which had been occupied by Hospital Linen, a laundry facility for hospital linens, was the HRA acquired in 2004. 7<sup>th</sup> Street Partners, pursuant to a 2005 executed development agreement with the HRA for this site and several adjacent parcels, was to redevelop all these properties into 60 single-family homes. Unfortunately, the downturn in the for-sale housing market in 2006 made this development infeasible. In lieu of foreclosure, 7<sup>th</sup> Street Partners deeded the properties back to the HRA in 2007, including this Property.

Due to the ensuing recession, no attempts were made to re-develop the site from 2008 to mid-2012. In June of 2012, the Department of Planning and Economic Development (PED) published on the City's web page, and through e-mail, a Request for Interest (RFI) for the Property. Interested parties were given 30 days to submit a response. Commonbond Communities, Mississippi Market, and Dominion responded to the RFI. Through a review panel comprised of PED staff, community members and Council President Lantry's office, Dominion and Mississippi Market were selected to jointly develop a redevelopment plan for the Property. (A companion board report/resolution will be considered by the HRA Board on December 11<sup>th</sup> to provide tentative development designation for Dominion.)

MM is proposing to develop a 15,600 sq.ft. natural food coop at the corner of East 7<sup>th</sup> and Maple Street. (See **Attachment D** for a more detail description of MM's proposal.) Dominion is proposing a senior housing development adjacent to the coop.

PED staff has concluded that the MM proposal substantially accomplishes the goals and objectives of the HRA's *Policy for Disposition of HRA Owned Real Estate* by: 1) the proposal is consistent with existing plans and guidelines for the area; 2) MM is seeking community input on the Proposal; and 3) MM has the experience and qualifications necessary to successfully redevelop this site.

The site is within walking distance of a major bikeway trail system, a major entrance to downtown and the East Side neighborhood. It is adjacent to the Metropolitan State University (MSU) campus and the MSU/Dayton's Bluff Public Library that serves thousands of students, neighborhood residents, and visitors. Significant development investments are being planned for the area including a MSU parking ramp and Student Center, redevelopment of the former Cerenity Care Facility, and senior housing adjacent to this Property. Developing this site to its highest and best use will further enhance the East Side-Dayton's Bluff neighborhood, and have a major positive impact on the community and the City as a whole.

### **Budget Action**

PED Staff is seeking a tentative developer designation only. There is no budget action at this time.

### **Financing Structure**

Due to the conceptual status, no detailed sources and uses of funds have yet been determined. MM will purchase the site at market value and will not request subsidy from the City for the development.

### **Compliance**

The Developer signed a letter acknowledging receipt of the following City/HRA compliance documents ("Compliance Documents") that will be applicable for this Project:

- Vendor Outreach Program
- Affirmative Action

### **Green/Sustainable Development**

Developer has a track record of incorporating green sustainable building practices.

### **Historic Preservation**

The site is located in the Dayton's Bluff Heritage Preservation District. The Saint Paul Historic Preservation Commission will review the proposed development prior to closing on the sale of the property to Mississippi Market.

### **Public Purpose**

A full service grocery store will considerably increase access to healthy, natural and diverse grocery and produce products on the East Side of Saint Paul. The market will be along a major transit route, increase the city's tax base, revitalize a significant piece of vacant land into a productive use, and provide additional vitality to the Dayton's Bluff district.

### **Future Actions**

Approve a Development Agreement within 12 months.

### **Recommendation**

The HRA Executive Director recommends approval of the attached HRA Board resolution designating Mississippi Market as tentative developer for the Property referenced in this report.

**Sponsored by:** Kathy Lantry

**Staff:** Eduardo Barrera 266-6585

### **Attachments**

- **Attachment A – Resolution**
- **Attachment B – Location of Site**

- **Attachment C – Background Information on Dominion**
- **Attachment D – Description of Proposal**
- **Attachment E – Project Summary Form**
- **Attachment F – Public Purpose Form**
- **Attachment G – Neighborhood profile**