



# dayton's bluff

COMMUNITY COUNCIL

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November 5, 2015

Daniel Bayers  
Dept. of Planning and Economic Development  
1300 City Hall Annex  
St. Paul, MN 55102

Dear Dan,

The Dayton's Bluff Neighborhood STAR program contracted in early 2013 is nearing the end of our three year program period. The *Million will Make it Happen on E. 7<sup>th</sup> Street* program has been very successful in generating multiple capital improvements that allowed for business expansions, new business development and increased participation in business growth activities. When we began the program, many businesses expressed strong interest, but few had adequate business and financial plans to execute a meaningful growth strategy. In response, DBCC engaged Latino Economic Development Center to work with the many Latino businesses on E. 7<sup>th</sup> Street. Out of that relationship grew the vision for the East Side Enterprise Center which brought business support and technical assistance from multiple providers, including many who work with culturally specific business owners. We and our collaborating partners have worked diligently to ensure the best distribution of this important East Side business growth capital investment fund.

As of this date, all funds are earmarked for specific projects, however all projects are not yet fully underway.

The projects completed to date are:

1. 776 E. 7<sup>th</sup> Street (old McCarty building) rehabbed for residences and first floor businesses
2. Mixed-use building on Hope at 7<sup>th</sup>, purchased a new heating and cooling system for the building
3. Urban Roots remodeled a new, larger location in the First Lutheran Services building on Maria
4. East Side Enterprise Center, LLC completed rehabilitation of 804 Margaret Street
5. CentroMex Super Mercado business owner purchased the building. (NENDC CDBG funding)
6. Swede Hollow Café completed expansion to second floor, to increase customer capacity by 35%
7. Roger's Printing Building façade rehab and configuration of 3 new retail storefronts

Projects approved, but not yet disbursed:

1. Roger's Building leasehold improvements for 3 new businesses
2. First Choice Medical rehabilitation of vacant clinic building located at Arcade and Margaret
3. CLUES support for pre-development work on new building planned for old NAPA Auto site
4. La Manana Restaurant relocation - including acquisition, rehabilitation of 798 E. 7<sup>th</sup> Street
5. Swift Mart façade, interior and kitchen rehabilitation in a plan to rebrand store to feature African Delights Catering and African Grocery and Spice
6. SPPA 2+ acre site at Minnehaha and 7<sup>th</sup> Street will feature 3 locally owned and operated restaurants recruited by DBCC and the East Side Enterprise Center

We have been pushing hard to complete all projects and disburse the full \$500,000 within the three year limit, which ends March 31, 2016. We estimate the total for all STAR related projects on 7<sup>th</sup> Street could exceed \$14 million in investments on or near E. 7th Street between Maria and Forest. Indeed, *Fourteen Million will Make it Happen on E. 7<sup>th</sup> Street!*

The specific purpose of this letter is to request:

1. Extension of the contract for one year to March 31,2017  
Reason: Due to the complexity of some of the current projects and the time it takes to document and disburse the funds, we feel it would be prudent to request this extension.
2. Change the budgeted amounts in the Budget Expense Catagories to reflect the following:

### Loans

Budget Expense Catagory	Contracted Amount	Requested Change
Acquisition	25,000	50,000
Rehab. Commercial	200,000	175,000
Public Improvements	25,000	0
Direct Project Costs	0	25,000
Totals	250,000	250,000

### Grants

Budget Expense Catagory	Contracted Amount	Requested Change
Acquisition	25,000	50,000
Rehab. Commercial	200,000	175,000
Public Improvements	25,000	0
Direct Project Costs	0	25,000
Totals	250,000	250,000

This change will require a lifting of the 20% limit on Acquisition and Direct Project Costs.

In addition to commercial rehabilitation, our intent was to focus on acquisition of buildings by minority business owners to ensure they build equity and continue their commitment to 7<sup>th</sup> Street. One of the acquisitions we negotiated was funded by NENDC with CDBG funds, but the Manana Restaurant project requires close to \$100,000 for acquisition of the new location on 7<sup>th</sup> Street. These two acquisitions were very important to our efforts to ensure that increased values resulting from improvements will stay in the hands of minority business owners committed to the vitality of the district.

The renaissance on 7<sup>th</sup> Street is fueling more new construction that will require significant investment beyond the STAR funds for 7<sup>th</sup> Street. In particular, we elected to support the CLUES new construction project and the Port Authority/Shingobee new construction of three local restaurants. Our immediate investment in both of these projects will necessarily be for pre-development work categorized as "direct project costs."

We ask that you lift the 20% limit to accommodate investment in these important projects. A new limit of 30% will allow for all the investments currently planned, and will greatly help in our effort to close the books on this successful STAR program.

Thank you for your thoughtful consideration. I look forward to providing a complete report soon on the impact of this important STAR investment on St. Paul's East Side.

Sincerely,

A handwritten signature in blue ink that reads "Deanna Abbott-Foster". The signature is fluid and cursive, with the first name being the most prominent.

**Deanna Abbott-Foster**  
Executive Director

A handwritten signature in blue ink that reads "Chuck Repke". The signature is cursive and somewhat stylized, with the first name being the most prominent.

**Chuck Repke**  
Star Program Administrator  
NENDC