

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

REPORT TO THE COMMISSIONERS

DATE: MARCH 27, 2013

REGARDING: Authorizing Designation of a Tentative Developer Status for Stutzman Group of Dayton's Bluff, LLC for the 683 North Street Project, District 4

Requested Board Action

To request approval by the Housing and Redevelopment Authority Board of Commissioners of Stutzman Group of Dayton's Bluff, LLC (the "Developer") as Tentative Developer for a 180 day period to finalize a proposal for the purchase and construction of a parking lot on the HRA-owned parcel located at 683 North Street with certain conditions detailed in this report.

Background

Property

The HRA acquired the vacant parcel located at 683 North Street using ISP Funds (Fund 118) on June 8, 2012. The property was acquired for \$8,761 from Ramsey County through the tax forfeiture process. The irregular site measures approximately 55 feet by 116.5 feet by 40 feet by 40 feet by 15 feet by 76 feet for a total area of 5,663 square feet. The parcel is zoned RT-1 (Two Family District). Staff is not aware of any pollution on the site. The property will be sold as is.

Proposal

On December 7, 2012, the HRA received a request from the Developer to purchase 683 North Street. The Developer plans to construct a 10 space parking lot on the site for the businesses located at 729-733 East 7th Street (the "Project"). The property must be rezoned from RT-1 (Two Family District) to VP (Vehicular Parking District) for the proposed development to occur.

Financing Structure

The purchase offer is in the amount of \$60,000. The Developer has requested that the HRA loan the acquisition amount to the Developer to purchase the property (the "Land Loan"). A note (the "Land Note") in the amount of \$60,000 would be provided to the HRA. The Land Loan will be in a first position mortgage. The terms of the Land Loan term and conditions are yet to be negotiated.

The estimated overall development cost for the purchase and rehabilitation of 683 North Street is estimated at \$233,405 and 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 complete the following for review and approval by the HRA and other city departments as required:

1. Within 90 days, complete a formal scope of work with architectural/engineering plans and specifications including a site plan, elevations, exterior treatments/materials for review by HRA and suitable for submission to the Department of Safety and Inspections to obtain the proper building permits. Green/Sustainable Development requirements must be incorporated in the plans/specs.
2. Within 90 days, submit evidence of availability of construction financing.
3. Finalize a detailed development budget and business plan.
4. Within 180 days, receive all approvals for zoning, licenses and any other required city or state approvals required for the Project.
5. Negotiate final terms and conditions of a development agreement which will include review of all compliance requirements, details of the bidding process, and submittal of a sworn construction cost statement from the selected contractor.

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. This request was on the City's web page from January 4, 2013 to February 18, 2013. On January 4, 2013, staff entered this request on the early notification system for public notification. No other proposals were submitted for this property during that time.

Budget Action

No Budget Action is necessary at this time.

Future Action

Public hearing and sale of 683 North Street, approval of a Development Agreement, and approval of an HRA Land Loan in the amount of \$60,000 will be required from the HRA Board.

PED Credit Committee Review

PED Credit Committee will review the Developer's request for full Developer Status for the property located at 683 North Street prior to the HRA action to sell the property to the Developer.

Compliance

PED Staff has provided the Developer with the compliance requirements, and staff is waiting for the Developer to sign the 1st compliance letter. The project will comply with the following programs and/or requirements: Vendor Outreach Program, Labor Standards, Affirmative Action and Two Bid Policy. This project is exempt from the following: Business Subsidy based on the small business exemption; Living Wage based on the number of employees; and 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 is within the Dayton's Bluff Heritage Preservation District and will be reviewed by either HPC PED staff or the HPC Commission. No 106 review is required.

Public Purpose

The following public purpose will be met:

1. Construction of an off-street parking lot to assist a businesses on East 7th Street.

2. This project will generate private investment and support commercial activities.
3. The Near East Side Roadmap (2012), in strategy RE 2.3, seeks to develop parking solutions on and around E. 7th Street, particularly shared parking arrangements. The Roadmap also seeks to focus efforts on creating a walkable commercial district between Maria and Forest. Locating parking behind the Stutzman building enhances the walkability of E. 7th Street. It is also in partial keeping with the E. 7th Street Design Guidelines (2009) which recommend that parking should be located at the side or rear of buildings.

Recommendation:

The Executive Director recommends the HRA Board consider the attached resolution which approves the following actions:

1. Approval of Stutzman Group of Dayton's Bluff, LLC as Tentative Developer for 683North Street for a period of 180 days.
2. Authorizes the Executive Director to finalize the conditions of the Development Agreement.

Sponsored by: Commissioner Lantry

Staff: Report prepared by: Daniel K. Bayers, (266-6685)

Attachments

- **Attachment A** -- Resolution
- **Attachment B** -- Map, Picture and Address of Project
- **Attachment C** -- Project Summary Form
- **Attachment D** -- Sources and Uses Summary Form
- **Attachment E** -- Public Purpose Form
- **Attachment F** -- Census Facts