

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 11, 2012

REGARDING: APPROVAL OF ADDITIONAL FUNDING FOR THE SNELLING-UNIVERSITY PARKING IMPROVEMENT DISTRICT AND OTHER ACTIONS TO IMPLEMENT THE NEIGHBORHOOD COMMERCIAL PARKING PILOT PROGRAM.

Requested Board Action

The specific actions being requested of the HRA Board, included in the Resolution in **Attachment A**, are as follows:

- **Approval of additional funding for the Snelling-University Parking Improvement District project.**
- **Approval of funding for the 1601 and 1623 University parking projects.**
- **Approval of additional funding for the 389-393 University Avenue Project.**
- **Approval of funding for professional services.**

Background

The background of the Neighborhood Commercial Parking Pilot Program includes the following:

- **Program need and authorization:** The Parking Program was approved by the HRA on August 12, 2009, by Resolution 09-08/12 to help mitigate the loss of 85% of the on-street parking on University Avenue due to light rail development, and to minimize the disruption and relocation of businesses in the Central Corridor. On June 23, 2010, by Resolution 10-06/23-9, the HRA approved funding from the Parking Program for 24 projects, including \$250,000 for the development of a Parking Improvement District in the block behind the northwest corner of Snelling and University.
- **Progress Report:** For the parking projects we have completed, 178 spaces have been approved at an average cost of about \$2,781 per space. Since many lots weren't striped, it is a somewhat difficult to determine how many are actual new spaces, but about half (48%) appear to be new parking spaces. A map of completed and projected projects, and photographs of representative projects, are included in **Attachment B**.

- **389-393 University Avenue:** This shared parking project between two owners was awarded \$25,000, which will not be enough to complete the necessary improvements. Since shared parking projects can be awarded more than the \$25,000 maximum for stand-alone projects, it is recommended that the HRA award this project up to \$50,000 to complete the project, in conformance with the adopted Program Guidelines.
- **The Snelling-University Parking Improvement District Project:** This project is made possible by the agreement of American Bank to lease a third of their 66-space parking lot in the block behind the northwest corner of Snelling and University. The plan is to develop a shared pay public parking lot, with operating costs funded by net revenue from the pay parking kiosks, and any additional costs funded by an assessment on the benefitting property owners, with whom the City will contract to operate and maintain the parking lot. A site plan for the parking lot is included as **Attachment C**. Because of the complexity of the site, and extraordinary costs like stormwater management, centralized refuse and recycling structures, and a security camera, the estimated cost of this project has increased beyond the \$250,000 originally approved by the HRA. Accordingly, it is recommended that the HRA approve investing up to an additional \$100,000 in funding from the Parking Program to complete what is expected to become a model for establishing other Parking Improvement Districts around the City.
- **Parking projects at 1601 and 1623 University Avenue:** Two of the benefitting properties adjacent to the Snelling University Parking Improvement District have areas the City does not want to lease for liability reasons, but which need to be improved to improve the safety and appearance of the larger project. The property at 1601 University has a vault south of the alley that needs to be repaved and cordoned off with stanchions. And the property at 1623 University has two recessed private entrances that need to be reconstructed. It is recommended that the HRA approve extending forgivable loans in an amount not to exceed \$15,000 each to the owners of 1601 and 1623 University to make those complementary improvements in the event they are willing
- **Other Related City Council actions:** A companion Resolution to approve the lease of property in order to create the Snelling-University Parking Improvement District, and to

contract with the Snelling-University Business Association to operate and maintain the parking lot, will be on the April 11, 2012 City Council agenda.

- **Professional services:** Because many of the 24 approved projects required additional design drawings, for which no funding had been allocated without reducing the amount available for making those parking improvements, it is recommended that the HRA approve a single line item in the amount of \$160,000 for professional services including landscape architecture, civil engineering, surveying, testing, and waste management, which at 12% of project hard costs are in line with typical professional service costs.

Budget Action

Not applicable. All funding has been budgeted.

Future Action

No additional HRA actions are anticipated at this time.

Financing Structure

The Parking Program provides small forgivable loans (7-year 0% interest) to finance improvements to off-street parking lots. The structure of the Snelling-University Parking Improvement District is different, since it will be a public parking lot on land leased by the City. The HRA will invest approximately \$350,000 in tenant improvements to create a single, integrated pay parking lot and contract with a business association of the benefiting commercial property owners who will operate and maintain the public parking lot with funding from net revenue from the pay parking kiosks and an assessment on the benefiting property owners.

PED Credit Committee Review

Not applicable.

Compliance

The project will be bid through the City/County purchasing process, with all of their attendant compliance requirements.

Green/Sustainable Development

The Snelling/University Parking Improvement District has the following green elements:

- **Shared refuse and recycling facilities:** Because separate refuse and recycling facilities waste valuable parking space, the Parking Improvement District will be building two refuse and recycling structures, one for the apartment building at the southeast corner of Sherburne and Fry, and one for the commercial property owners on the north side of the alley. These will reduce illegal dumping and reduce the carbon footprint of the block by reducing the number of separate haulers. The additional cost of these refuse and recycling structures is estimated to be \$20,000, which will be paid for from the Parking Program.
- **Security camera:** Because the area has poor visibility, it has attracted a lot of illegal dumping. In order to prevent such dumping in the future, a security camera will be installed to monitor the parking lot. The additional cost is estimated to be \$21,000, which will be paid for from Parking Program funds.
- **Stormwater management:** Because the project will be disturbing more than ¼ acre of land, the Snelling-University PID will be managing stormwater in two ways: installing an infiltration trench under the east end of the alley, at an additional cost estimated to be \$30,000 paid for from Parking Program funding; and installing permeable asphalt pavement over the entire east-west portion of the alley, at an additional cost estimated to be \$35,000 paid for from the Capital Improvement Budget funds approved for repaving alleys in the Central Corridor. The Public Works Department intends to use the permeable asphalt pavement as a demonstration project for determining the cost-effectiveness of permeable pavement in this climate.

Environmental Impact Disclosure

Not applicable.

Historic Preservation

Not applicable.

Public Purpose/Comprehensive Plan Conformance

A *Public Purpose Form* and map were included in the HRA Board Report submitted with the project approvals at the June 23, 2010 meeting. In addition to the green and sustainable design elements referenced above, the Parking Program fulfills the following strategies in the *Central Corridor Development Strategy*:

2.8.1 Establish a Parking Management Strategy, including developing shared parking with public investment.

3.2.1 Facilitate land assembly in strategic locations in order to realize shared parking objectives while maintaining a high standard of architectural and sustainable design as part of this process.

3.5.2 Create a Parking Management Strategy targeted to the needs of commercial and small businesses.

Recommendation

The HRA Executive Director recommends approval of the attached Resolution. .

Sponsored by

Commissioner Russ Stark.

Staff

Craig Blakely, 651.266.6697.

Attachments

- **Attachment A – Draft Resolution**
- **Attachment B -- Parking Program Progress Report**
- **Attachment C -- Snelling-University Parking Improvement District Site Plan**