

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 14, 2022

REGARDING: RESOLUTION APPROVING AND AUTHORIZING MODIFICATIONS TO DEVELOPMENT AGREEMENT AND PROMISSORY NOTE MADE WITH 754 RANDOLPH, LLC, FOR PROPERTY AT 754 RANDOLPH AVENUE, SAINT PAUL, DISTRICT 9, WARD 2.

Requested Board Action

Request the Saint Paul Housing and Redevelopment Authority (HRA) Board of Commissioners to approve the Amendment to the development agreement and promissory note made to 754 Randolph, LLC, for property at 754 Randolph Avenue, Saint Paul.

Background

754 Randolph, LLC, a Minnesota limited liability company (“Borrower”) purchased the subject property at 754 Randolph Avenue from the HRA in 2020. The property was the old Fire Station #10 building, built in 1885 with an addition constructed in 1911, and was in substandard condition. The Borrower then brought the improvements in compliance with public standards, improved the tax base, improved the financial stability of the community, and created jobs for low- and moderate-income persons.

The project was a complete and total rehabilitation of the entire property. It included the 2-story existing building, adaptively reusing it as an artisan restaurant and craft brewery known as A-Side Public House, the addition of a stair and elevator tower, the redesign of the existing parking to include natural stormwater management, and the creation an outdoor patio space. The project has won a number of awards, including the Minnesota Contractor Association 2021 Best Renovation Project, the NAIOP MN 2021 Award of Excellence Best Renovation Project, Finance & Commerce 2021 Top Project – Renovation, and Eatery Magazine 2021 Best Renovation Concept.

The project has been before the HRA Board and City Council several times during the predevelopment process. On September 12, 2018, by Resolution-Public Hearing #18-282 the HRA Board of Commissioners approved and authorized the Sale and Conveyance of the property and authorized entry into a Development Agreement.

The project was originally scheduled to close in March of 2020. Due to the pandemic, and the resulting shutdowns and restrictions, the project closing did not occur until June of 2020. The construction start, construction mobilization, construction work, equipment delivery and installation, the construction completion, and business opening were also delayed. The business was originally scheduled to open in March of 2021 but didn't open until August of 2021.

The Amendment to the Development Agreement and Promissory Note is intended to bring the terms of the Agreement and Note, specifically the first payment date, in line with the actual schedule of the project.

Budget Action

Not Applicable. Any future payments on the Note will be returned to the City's General Fund.

Future Action

None.

Financing Structure

The development project has been completed and the business is open and operating.

PED Credit Committee Review

The Credit Committee reviewed and approved the proposed Amendment at their March 29, 2022 meeting.

Compliance

The development project has been completed and Compliance requirements were met.

Green/Sustainable Development

The development project has been completed and Sustainable Building policy was followed.

Environmental Impact Disclosure

A FONSI was completed and a No Impact Statement was issued.

Historic Preservation

The Project preserved a designated Saint Paul Heritage Preservation Site, following a Preservation Program accepted as part of Ordinance # 18-33, approved by the City Council on August 22, 2018.

Public Purpose/Comprehensive Plan Conformance:

The development project has been completed and rehabilitated a vacant, historic structure, returned a property to the tax rolls, created a space for a local business to provide goods and services, and created jobs for low- and moderate-income persons.

Statement of Chairman (for Public Hearing)

Not Applicable.

Recommendation:

The Executive Director recommends approval of the attached Resolution, authorizing execution of an Amendment to a Development Agreement and Promissory Note made with 754 Randolph, LLC for a property located at 754 Randolph Avenue.

Sponsored by: Council Member Noecker

Staff: Ross Currier

Attachments

- **Map**
- **D9 West Seventh Neighborhood Profile**