

SUMMARY OF RECOMMENDATIONS

Department of Parks & Recreation Lowertown Ballpark – Property Acquisition

Report Prepared **June 15, 2012**
Public Hearing Proposed **July 18, 2012**

PROJECT

The City of Saint Paul proposes to acquire several parcels of real property for a future ballpark in downtown Saint Paul. The Saint Paul Regional Ballpark Project will replace the existing 30 year-old Midway Stadium with a new 7,000 seat ballpark to be built on a vacant and polluted industrial site in the Lowertown neighborhood of downtown Saint Paul. The new ballpark will take advantage of transit and other downtown infrastructure while still serving state and regional needs for youth, amateurs and the Saint Paul Saints baseball team. In addition to the two largest properties anticipated to be acquired by the Port Authority, additional parcels must be acquired to assemble land for the project.

INITIATING ACTION

This project is initiated by the Department of Parks & Recreation and the Saint Paul Saints, with the assistance of Financial Services—Real Estate. The parcels for acquisition are located in the Lowertown neighborhood of downtown Saint Paul adjacent to I-94, Broadway Street, John Street and the proposed Central Corridor Operations and Maintenance Facility (OMF). This location for a ballpark is very desirable because of the high visibility and access it would give to the regional trail and the nature sanctuary, the location along the Metro Transit bus line, and the beautification and reinvestment to the neighborhood. In addition, the limits imposed on the site by the adjacent uses of the Lafayette Bridge, the Central Corridor OMF, and Holman Field, along with the site topography and poor soil conditions, would significantly limit other commercial redevelopment opportunities. A regional ballpark appears to be an ideal use for a site that is very difficult to redevelop, as it would increase transit usage, utilize existing parking lots and generate economic activity that could support local businesses.

EXISTING CONDITIONS

The parcels proposed to be acquired include:

M Rasoir Ltd

- (Parcel ID No. 32-29-22-31-0040) - 25,000 square-foot parcel, located northeasterly of John Street and southeasterly of East Fifth Street, vacant land.
- (Parcel ID No. 32-29-22-31-0045) - 65,800 square-foot parcel, located northeasterly of John Street and southeasterly of East Fifth Street, formerly used as a Diamond Products parking lot.

- (Parcel ID No. 32-29-22-33-0117) - 8,700 square-foot parcel of vacant land, located northwesterly of East Fifth Street and southeasterly of Interstate 94 at Broadway Street, formerly used as a Diamond Products parking lot.
- (Parcel ID No. 32-29-22-33-0121) - 14,800 square-foot parcel of vacant land, located northwesterly of East Fifth Street and southeasterly of Interstate 94, formerly used as a Diamond Products parking lot.

Diamond Products Company

- (Parcel ID No. 32-29-22-33-0001) - 23,000 square-foot parcel of vacant land, located northwesterly of East Fifth Street, southeasterly of Interstate 94 and immediately southwest of the northwesterly extension of John Street, formerly used as a Diamond Products parking lot.
- (Parcel ID No. 32-29-22-33-0004) - 7,000 square-foot parcel of vacant land, located northwesterly of East Fifth Street and southeasterly of Interstate 94, formerly used as a Diamond Products parking lot.
- (Parcel ID No. 32-29-22-33-0005) - 10,000 square-foot parcel of vacant land, located northwesterly of East Fifth Street and southeasterly of Interstate 94, formerly used as a Diamond Products parking lot.
- (Parcel ID No. 32-29-22-33-0252) - 211,000 square-foot parcel and structure, located at 310 Fifth Street East, southeasterly of East Fifth Street between Broadway Street and John Street, formerly housing part of the Diamond Products plant.

Market House Condominium Association

- (Parcel ID No. 32-29-22-33-0363) - 21,000 square-foot parking lot, located northwesterly of the former Diamond Products and M Rasoir parking lot parcels and southeasterly of Interstate 94.

BNSF Railway Company

- (Parcel ID No. 32-29-22-33-0122) - 1,300 square-foot parcel of vacant land, located northwesterly of East Fifth Street and southeasterly of Interstate 94, formerly used as a Diamond Products parking lot.

401 East Fourth Building Partnership

- (Parcel ID No. 32-29-22-31-0048) - 118,5000 square-foot parcel, located at 401 East Fourth Street, northeasterly of John Street and northwesterly of East Fourth Street. The City may not need to acquire the entire parcel since only the portion southwest of the Lafayette Bridge is needed for the ballpark project. Also, the State of Minnesota recently

acquired a permanent highway easement over this property for the Lafayette Bridge project, and could potentially release a portion of its easement rights within areas outside of the bridge right-of-way and within the proposed ballpark project site.

PROPOSED IMPROVEMENTS

The existing parcels are vacant land, auto parking lots and a large section of the former Diamond Products plant building. A new ballpark, accompanying streetscape, outdoor plaza area and landscaping will add immediate value to the parcels and the adjacent neighborhood as well.

ALTERNATIVES

There are no alternatives; all of the parcels will be needed to construct the ballpark.

POSITIVE BENEFITS

There are several benefits to acquiring this property:

1. Once the new ballpark is constructed and operating, the existing Midway Stadium ballpark will become a new Port Authority business park, producing jobs and increasing local tax base.
2. A regional ballpark appears to be an ideal use for a site that is very difficult to redevelop, as it would increase transit usage, utilize existing parking lots and generate economic activity that could support local businesses.
3. The revitalization of this neighborhood and the downtown surrounds by the addition of the ballpark will spur investment and create a beautiful new addition to downtown Saint Paul.
4. State of Minnesota DEED grant funds are anticipated to be leveraged to help acquire the property and build the ballpark.

ADVERSE EFFECTS

The adverse effects of acquiring these properties include relocating an existing parking lot for residential condominium homeowners association and removing properties from the tax rolls. However, once the existing Municipal Stadium site is converted to industrial use, future property tax revenues are expected to more than offset the loss of revenues from properties within the downtown ballpark site.

TIME SCHEDULE

The property would be acquired as soon as an appraisal is completed, an offer made and negotiations concluded. The City would seek to close on the purchases within four-to-six months from approval of the Final Order under a direct purchase scenario. If eminent domain proceedings are required for any of the properties, the purchases could require an additional

three-to-five months to complete.

COSTS

The cost to acquire the properties is estimated at \$5,125,000. This amount includes typical acquisition costs, such as land values, relocation fees, appraisal fees, taxes, environmental testing, demolition and closing costs. The City's actual cost to purchase the properties will be based on their appraised values and subsequent negotiations with the property owners.

FINANCING

\$2,562,500	State of Minnesota (DEED) grant (50%)
<u>\$2,562,500</u>	City of Saint Paul funding sources (50%)
\$5,125,000	TOTAL (estimated)

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