

July 10, 2024

Re: Resolution 24-985

Chair Noecker, Vice Chair Johnson, and esteemed Commissioners,

I have had the opportunity to meet many of you, but for those who I have not, my name is Rob Clapp. I am a local developer and creative entrepreneur keen on investing in one-of-a-kind destinations in Saint Paul. You may be familiar with Can Can Wonderland in Ward 4; a thriving attraction I co-founded in partnership with the local artist community in 2016. Since 2019 I have been committed to bringing previously struggling businesses at the former Hamm's Brewery complex to their full potential with aims to help create another place-making destination; this time in Ward 7 and on the East Side.

I am the owner of three buildings within the Hamm's complex; Saint Paul Brewing Company (previously Flat Earth Brewing), 700 Minnehaha (fka Urban Organics- aquaponic farm start up), and 704 Minnehaha (11 Wells Distillery.) I have not personally requested any resources from the city for these buildings or businesses, but by way of history the Housing and Redevelopment Authority has spent at least \$7M in numerous efforts to incubate these businesses as startups, specifically with the provision of a shared parking lot on the east end of the development site. To be clear, this shared parking lot was not accidental, it has a 30 foot tall retaining wall, a storm water retention system, durable lighting, decorative fencing, sidewalks, curbs, gutters, and even native landscaping. I am grateful for these city improvements on the east lot which (at least in-part) informed my decision to invest here. **I can also attest that all of the previous building and business owners made their decision to invest millions of dollars in their respective businesses and properties with the idea that the shared parking amenity would not someday be taken away and turned into housing. Had they known this was a possibility, they would have invested elsewhere.**

Saint Paul Brewing (SPB) is open and thriving; the patio is routinely called one of the best in the entire state and that shared parking lot is full night after night. I have pending plans to open the second floor of SPB as an event hall to meet the demand of locals who ask for community and event space almost every day. **This is in addition to the plans to one day develop the basement and third floors.** Soon, 700 Minnehaha may be a cannabis production site with real estate opportunities for entrepreneurs. The 11 Wells Distillery will be revamped and reopened in the coming months with a refreshed tasting room & unique recreation offering upstairs. In sum, there's A LOT of great stuff currently going on at Hamm's- we are growing proudly, hiring locally, reinvesting in our community, and contributing to the school, county, and city tax base.

On July 10, the HRA will consider a resolution promising over \$4 Million in city dollars to leverage MHFA funds to build a \$60M apartment in a heavily industrial area adjacent to a brewery, a distillery, a future entertainment destination and a cannabis production facility. Adding to that, it is

specifically proposed to be located on the site of the HRA shared parking lot built to serve the patrons that visit the establishments I own and operate.

I am writing today to ask you to remove the Hamm's East End Apartments commitment from the HRA Resolution 24-985, and advance the city commitment for Gloryville and PPL/Face-to-Face projects for this round of funding. The Hamm's East End Apartment proposal should not be considered further until several important questions are answered, demonstrating a plan for how the Hamm's site will be managed to ensure that both the full tentative development plan and also the existing businesses are successful.

Outstanding concerns:

Transparency and Partnership: My team has requested repeatedly to be included in and updated on the ongoing redevelopment work and progress of the JB Vang project with little success. How does the City plan to facilitate genuine partnership and cooperation on this site with overlapping developments and interests?

Parking Study: PED agreed to take a closer look at parking demand on this site. When will the results of the study be available? How will my team and I be included in the analysis and consideration of these results as majority owners on the site?

Easement and Property Lines: Multiple errors and incoherent boundary lines are embedded in the HRA site map of Hamm's redevelopment. In spite of numerous requests, the errors are still uncorrected and unresolved. If the City cannot resolve the RFP property lines matter promptly, it should hire a third party to resolve it impartially.

Phasing of Projects: The Hamm's East End new construction apartments should not be developed first, ahead of the larger and more complex commercial project. The commercial project should instead be "phase one" to avoid the risk of the developer abandoning the Hamm's major renovation project. How can this phasing be managed in a way that protects the City, the historic building, and the existing businesses?

Feasibility Study: The City has proven unwilling to conduct a feasibility study for the commercial development, its viability, and its impact on existing local commercial corridors. What steps will be taken to ensure that this redevelopment project doesn't adversely affect existing East Side businesses?

Unanswered scope and detail of the commercial project. What is the scope? What is the size? Is the proposed concept viable with all the recent failures of "marketplaces" and the parking challenges? What is the cost? Who are the partners? There will certainly be an enormous gap in funding for this portion of the project; how much is the gap and where will those funds come from?

In closing, I have been told that the vote for Resolution 24-985 is "procedural" and will not handcuff the city to advance this Hamm's East End Apartment project. I find this hard to believe as the more money that is sunk into planning a project, the more likely it is to advance—even if the project no longer even resembles the original proposal. If this statement is in fact true, then MHFA should not reserve funds for a project that isn't reasonably vetted, isn't viable in its proposed form, and that the City isn't fully committed to advance as contemplated.

I do not support a “yes” vote by the HRA for MHFA funding for this project until these issues are resolved. I have been asking for the City’s clarity and cooperation on the above issues since February with very little progress, so this should come as no surprise. That said, my team and I remain bullish on the future of the Hamm’s site and stand ready to engage in a meaningful partnership.

Kind Regards,

Robert Clapp