

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

REPORT TO THE COMMISSIONERS

DATE: OCTOBER 12, 2016

REGARDING: AUTHORIZATION TO REINSTATE NEIGHBORHOOD DEVELOPMENT ALLIANCE, INC. AS TENTATIVE DEVELOPER OF 430 S. ROBERT STREET and 0 S. ROBERT STREET, DISTRICT 3, WARD 2.

Requested Board Action

Staff is requesting the Housing and Redevelopment Authority Board of Commissioners approve the reinstatement of Neighborhood Development Alliance, Inc. (NeDA) as tentative developer of 430 S. Robert Street and 0 S. Robert Street (adjoining property) for a two-year period.

Background

Property

The HRA acquired 430 S. Robert in 2009 and used grants from both DEED and the Metropolitan Council to clean up the contaminated site, a former gas station. In 2012, the HRA purchased the property adjacent to 430 S. Robert, 0 S. Robert (PIN 08.28.22.21.0089) through the Ramsey County tax forfeiture process.

On March 13, 2013 NeDA was designated the tentative developer for the property at 430 S. Robert Street for a period of one year (HRA RES 13-333). On November 13, 2013 NeDA was designated as tentative developer for 0 S. Robert Street, and NeDA's status as tentative developer for 430 S. Robert Street was amended to terminate in two years (HRA RES 13-1796). The development agreement between the HRA board and NeDA for the combined properties expired November 13, 2015.

Proposal

On July 11, 2016 the HRA received a request from NeDA to reinstate tentative developer status for the S. Robert Street properties. In accordance with the City/HRA Disposition Policy, PED staff issued a notification of this request through ENS which was sent out on July 29, 2016 and

posted to the City's web page August 4, 2016. After more than 45 days, no other proposal was submitted for these properties.

NeDA proposes to construct a two-story 12,000 square foot building, which will include second floor offices for the West Side Community Organization (WSCO) and NeDA, as well as a community meeting room. The first floor will be a mix of office and retail, including a bicycle shop and community space, with Cycles for Change as a potential tenant. NeDA also has tentative plans to include a third floor enclosed space. See attached **Project Summary**.

NeDA presented the project to a West Side Community Organization (WSCO) Riverfront Development and Land Use Committee community meeting in March 2015. The committee voted to support the project on behalf of District 3 and current WSCO Board President, Krysten Ryba-Tures submitted a letter on October 3, 2016 reaffirming community support of the project.

NeDA requests a two-year tentative developer status to allow time for fundraising, particularly in order to account for foundation, State, and other government-grant timeframes. During the two-year tentative developer period, the Developer will need to complete the following benchmark activities:

- Prior to November 1, 2017, the Developer shall: Secure four additional contributions from private foundations; determine applicability of New Market Tax Credits; establish tenant mix; and finalize plans for community space.
- Prior to April 30, 2018, the Developer shall start online individual giving campaign
- Prior to October 12, 2018, the Developer shall secure financing, and finalize construction plan for site plan review and bids

The properties are currently zoned T2 traditional neighborhood district and the proposed project use is permitted in this district. No existing businesses will be displaced or relocated as a result of this project, and there was no land acquisition that took place as a result of eminent domain.

Budget Action

No budget action is needed at this time.

Future Action

Future possible actions by the HRA Board could include approval of a development agreement and a public hearing to sell 430 S. Robert Street and 0 S. Robert Street to NeDA.

Financing Structure

The estimated overall development cost for the construction of retail/office space at 430 and 0 S. Robert Street is estimated at \$3,373,600 as outlined in attached **Project Summary** and **Sources and Uses Summary**. NeDA intends to raise the \$3.4 million development cost through a capital campaign – anticipating a combination of foundation, government, corporate, and individual contributions – along with debt financing as outlined in **Project Summary**.

PED Credit Committee Review

Credit Committee will review this project prior to full developer status and sale of the property.

Compliance

The following compliance may be required: Affirmative Action, Vendor Outreach Program, Federal Labor Standards, Section 3, Two-Bid Policy, Project Labor Agreement, and Sustainable Development Policy.

Green/Sustainable Development

The project will comply with the Saint Paul Sustainable Development Policy.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

The project will meet the following public purposes:

- Bring new businesses to Saint Paul and the District del Sol commercial area, providing needed goods and services.
- Continue the revitalization of the District del Sol commercial area, and build on the momentum of the housing development at nearby 72 Cesar Chavez.
- Develop a key vacant parcel within the Robert and Cesar Chavez node and along a transit corridor.

This project is consistent with the following strategies from the Commercial Vitality and Community Development chapters of the District del Sol Plan:

- CV Strategy 2.1: Attract businesses that will increase the diversity of neighborhood services available to neighborhood residents.
- CD Strategy 2.3: Develop key underutilized parcels within the Robert and Cesar Chavez node to provide a connection between the eastern and western nodes of District del Sol.

The following details how this project is consistent with the Land Use Chapter of the Comprehensive Plan:

430 and 0 S. Robert Street are located in a designated Neighborhood Center and a Mixed-Use Corridor, to which the following apply:

- Strategy 1.12: Balance the following objectives for Neighborhood Centers through the density and scale of development: accommodating growth, supporting transit use and walking, providing a range of housing types, providing housing at densities that support transit, and providing open space and recreational opportunities.
- Strategy 1.14: Plan for growth in Neighborhood Centers.
- Strategy 1.15: Promote Neighborhood Centers as compact, mixed-use communities that provide services and employment close to residences.
- Strategy 1.24: Support a mix of uses on Mixed-Use Corridors.

Also, the project addresses a citywide objective for job-rich employment centers:

- Strategy 2.5: Encourage the redevelopment of sites on arterial streets zoned for B2, B3, and TN2 uses as employment centers. To that end, facilitate redevelopment through a

program of assembling parcels to create sites sufficiently large to accommodate smaller scale industrial and office uses.

Statement of Chairman (for Public Hearing)

N/A

Recommendation:

Staff recommends approval of the attached resolution designating Neighborhood Development Alliance as tentative developer for the HRA-owned 430 S. Robert Street and adjoining 0 S. Robert Street for a period of two years pursuant to the terms and conditions set forth in the attached resolution.

Sponsored by: Commissioner Rebecca Noecker

Staff: Laura Haynssen, Project Manager, 651-266-6597

Attachments

- **Attachment – Project Summary**
- **Attachment – Site Map**
- **Attachment – Sources and Uses Summary**
- **Attachment – Public Purpose**
- **Attachment – District 3 Profile**