

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

REPORT TO THE COMMISSIONERS

DATE: JANUARY 11, 2023

REGARDING: APPROVING AND AUTHORIZING VARIOUS CONDEMNATION MATTERS AND RELATED DOCUMENTS FOR 1) METROPOLITAN COUNCIL GOLD LINE CONDEMNATION OF PROPERTIES LOCATED AT 0 CONWAY STREET, 652 CONWAY STREET, AND 1256 WILSON AVENUE; AND FOR 2) MNDOT HIGHWAY 5 IMPROVEMENT CONDEMNATION OF PROPERTY LOCATED AT 975 MINNEHAHA AVENUE E (DISTRICT 4, WARD 7)

Requested Board Action

Approve and authorize entering into and executing: a) a purchase agreement with the Metropolitan Council (“Met Council”) for the Met Council’s acquisition of 0 Conway Street for the Gold Line project in exchange for \$2,000 compensation paid to the HRA; and b) a subordination agreement with the Met Council and Dayton’s Bluff Neighborhood Housing Services (“DBNHS”), if necessary, for the Met Council’s acquisition of an easement at 652 Conway Street for the Gold Line project which will subordinate the HRA’s mortgage to the Met Council’s easement; and c) a waiver to compensation for the Met Council’s acquisition of an easement at 1256 Wilson Avenue; and d) an easement agreement with MnDOT for MnDOT’s acquisition of a temporary easement at 975 Minnehaha Avenue E for the Highway 5 improvement project in exchange for \$500 compensation paid to the HRA.

Background

The Met Council has initiated its power of eminent domain for the condemnation of various parcels or portions thereof along the route of a new Bus Rapid Transit line through Saint Paul identified as the Gold Line. The HRA has been identified as having an interest in three properties along the route which require action by the HRA. The three properties are 0 Conway Street, 652 Conway Street, and 1256 Wilson Avenue.

1. The Met Council has initiated a total taking of the HRA owned property located at the corner of Mounds Boulevard and Conway Street which is identified by tax parcel ID 32-29-22-41-0169 known as 0 Conway Street. The HRA received an offer letter, valuation, and parcel sketch from the Met Council. The offer letter from the Met Council to the HRA indicates that this is a temporary easement but, staff has confirmed with the Met Council that this is a typo and the taking is for the full fee title to the property. The parcel is a remnant parcel between the right-of-way and the abutting lot and is approximately 20 feet wide. The offer made for the acquisition of the parcel is \$2,000. Staff is recommending the HRA accept the offer of \$2,000 and enter into a purchase agreement with the Met Council for its acquisition of the property at 0 Conway Street because the parcel is an unbuildable remnant parcel.
2. Property at 652 Conway is owned by DBNHS. The HRA has a mortgage interest in the property in which HRA provided CDBG and NSP funds to DBNHS for scattered rental. The Met Council has initiated the taking of a temporary easement and a permanent easement on the property. DBNHS has agreed to both easements so Met Council is requesting the HRA, as mortgagee, consent to subordinate its mortgage to the permanent easement. Staff is recommending the HRA approve the subordination because the security held by the mortgage will remain in place and will not be significantly impacted.
3. The property at 1256 Wilson Avenue is owned by Wilson II Apartments, Limited Partnership. The HRA has a mortgage interest in the property. The Met Council has initiated the taking of a temporary easement. Because the property owner is contesting the condemnation, Met Council has asked whether the HRA would be willing to sign a waiver to compensation which would remove the HRA from the court action. If the HRA decides to sign a waiver to compensation, the HRA would be waiving any right to collect any money the property owner might receive. Staff is recommending the HRA approve and authorize execution of a waiver to compensation because a waiver to compensation would not release the mortgage or endanger any security, especially because this is a temporary easement, and would remove the HRA from the potential multiyear court action.

MnDOT has also initiated its power of eminent domain for the condemnation of an interest in property located at 975 Minnehaha Avenue E for its Highway 5 improvements project. The HRA has been identified as the owner of record of the parcel and action by the HRA is required.

1. MnDOT has initiated the taking of a temporary easement on HRA owned property located at 975 Minnehaha Avenue E for its Highway 5 improvement project. The HRA received an offer letter and valuation from MnDOT. The offer from MnDOT to the HRA for the acquisition of the temporary easement is \$500. The temporary easement will expire on December 31, 2026. Staff is recommending the HRA accept the offer of \$500 and enter into a temporary easement agreement with MnDOT.

Budget Action

No budget action is anticipated. Incoming funds will be placed in the HRA general fund.

Future Action – N/A

Financing Structure – N/A

PED Credit Committee Review – N/A

Compliance – N/A

Green/Sustainable Development – N/A

Environmental Impact Disclosure – N/A

Historic Preservation – N/A

Public Purpose/Comprehensive Plan Conformance:

The Met Council and MnDOT's condemnations of the various interests listed herein and the HRA's acceptance of those condemnations comply with the 2040 Comprehensive Plan regarding

land use and transportation. Specifically, the 2040 Comprehensive Plan chapter on land use states the City's goal is to improve walkability, increase access to services, reduce carbon emissions, and accommodate growth by leveraging transit investments. With the Met Council's Gold Line BRT project, the City is achieving the goals of the 2040 Comprehensive Plan regarding land use. Furthermore, the goal of the City in accordance with the 2040 Comprehensive Plan regarding transportation is to create a safe and equitable transportation system that is accessible for all users and supports access to employment and economic opportunity with a shift towards environmentally sustainable modes of transportation. The Met Council's Gold Line BRT will assist the City in reaching its goals regarding transportation. The MnDOT Highway 5 Improvement project will assist the City in reaching its goals regarding transportation. In addition, the project is a temporary easement that will expire December 31, 2026, so no long-term use is planned.

Statement of Chairman (for Public Hearing) – N/A

Recommendation:

The HRA Executive Director recommends approval of the attached resolution which approves of the condemnation matters and authorizes actions to be taken as proposed herein.

Sponsored by: Chris Tolbert

Staff: Nicolle Goodman

Attachments

- **Map**
- **D4 Dayton's Bluff Neighborhood Profile**