

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

REPORT TO THE COMMISSIONERS

DATE: APRIL 22, 2020

**REGARDING: APPROVING AND AUTHORIZING CHARGE OFF OF A HRA LOAN TO
PRINTERS ROW LLC, DISTRICT 17, WARD 2.**

Requested Board Action

Approval of loan charge off for the Printers Row project.

Background

The HRA acquired the Printers Row land which consisted of 3 parcels located at 9th and Temperance in 1999 for \$2,250,000. The property was acquired using Riverfront TIF funds and was proposed to be redeveloped in three phases. The HRA sold 2 parcels (for Phase I and Phase II development) to Lander/Sherman dba Printers Row, LLC in 2004 for \$500,000. The HRA retained ownership of the third parcel. The Developer paid \$70,000 at the time of closing on the 2 parcels and executed a note in the amount of the balance, \$430,000. The Developer was to pay the balance in three increments as the three phases of redevelopment were occupied/completed. All phases of the development were to be for ownership and total 100 units. Phase I was completed and an additional \$70,000 was paid under the note in December of 2005, reducing the obligation to \$360,000. Completion of the three development phases were to be done by May 1, 2008. Due to changes in the housing market, Phases II and III were not completed as planned.

The Phase II property is currently vacant and, according to County records, valued at \$818,900. It is recommended that the debt be written off in lieu of receiving payment due to the value of the land relative to the obligation, and the value of the infrastructure that was built in anticipation of the three phases of development. Temperance Street, between 9th and 10th streets, was constructed in conjunction with the Phase I Printers Row Condominium building and has resulted in a public benefit by enhancing the pedestrian and public realm and improving access within the neighborhood through the reestablishment of the street grid.

The loan charge off contemplated herein is explicitly contingent upon ownership of the Phase II property reverting to the HRA. Following authorization of the charge off of the existing debt, staff will proceed with amendments to the existing development agreement whereby ownership of the Phase II property will revert to the HRA. Once the property is back in HRA ownership, staff plans to solicit proposals for a future development project.

Budget Action

Not applicable.

Future Action

No future Board action will be required.

Financing Structure

Not applicable.

PED Credit Committee Review

The Credit Committee reviewed and approved the loan charge off on February 4, 2020.

Compliance

Not applicable.

Green/Sustainable Development

Not applicable.

Environmental Impact Disclosure

Not applicable.

Historic Preservation

Not applicable.

Public Purpose/Comprehensive Plan Conformance:

Not applicable.

Statement of Chairman (for Public Hearing)

Not applicable.

Recommendation:

The Executive Director recommends approval of the Printers Row loan charge off.

Sponsored by: Commissioner Noecker

Staff: Sarah Zorn, 266-6570

Attachments

- **Map**