

John Mannillo: Keep rules that require openness for sale of city property

"At its Dec. 13 meeting, the St. Paul City Council will hear a proposed change to how it can dispose of its unneeded property. It is intended to change existing rules that were established to ensure an open and honest process.

Five years ago, I received an email from the City Planning Department (PED) using its early notification system. It said that they were planning to sell a city-owned 6,200-square-foot downtown plaza, on Robert Street, near Fifth Street, in the center of downtown, to an adjoining owner, Madison Equities. The amount agreed on was only \$2,500, or about 40 cents per foot.

This was a great deal for Madison Equities. It looked like a special favor to me. The true value was about \$50 per foot.

The City of St. Paul had its own appraisal for \$30,000, while Ramsey County had it valued at \$326,000. St. Paul's Planning and Economic Development Dept. explained that the city's valuation was so low because the plaza was an unbuildable location.

Being buildable isn't the only thing that creates value, so I offered \$30,000, the full appraised value and 12 times more than Madison Equities had been offered by the City. My plan was to both clean up and improve the site and then lease it to an ice cream food truck. I would first, however, give a right-of-first-refusal to Madison Equities, to rent the site for their use however they wished, possibly for patio seating for a new adjoining restaurant. Either way it would be improved and maintained, and I would be paying property taxes that did not otherwise exist.

OVER

Offer to Purchase from John Mannillo for
375 Robert Street North, Saint Paul, MN
July 2018

- 1) I will make an offer substantially in excess to your existing offered purchase price. I will do this on or prior to July 20th.
- 2) My offer will be cash, for fee simple title subject only to easements and restrictions, as identified by the HRA and agreeable to buyer and seller prior to the closing. I will provide earnest money for 10% of my offer.
- 3) As I have said, my development ideas are proprietary. I would first offer this space to the adjoining property owner for lease. If agreement cannot be reached for such a lease, my intent would then be to provide space for food trucks on a seasonal basis. I will lease to a quality local ice cream company as the anchor tenant. There are currently no primary providers of retail ice cream in the entire downtown. I will work with that business to lease to other complimentary food truck providers.
- 4) I will level and repair damaged pavers and provide functional and decorative lighting, and common seating with tables and chairs. All would be agreeable to buyer and seller. I will remove fountain. I also may be agreeable to relocating the MTC bus shelter onto the parcel. We will need to agree upon a functional, non-exclusive, pedestrian easement over parts of the property. I would hope to generate at least eight, seasonal fulltime jobs operating four food trucks, as well as construction jobs to renovate the plaza and for ongoing maintenance.
- 5) I have been a MN licensed commercial Real Estate Broker and preservation developer for over 40 years. I have owned the Pioneer Endicott Buildings, Gilbert Building and leased, managed or restored a majority of the buildings in Lowertown. I have been Chair of District 17 Development Committee and overall Chair of the Capitol River Council. I am the original founder and Chair of Friends of Mears Park (80 volunteer gardeners and cleaners) and formerly manager of the Union Depot.