

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

**REPORT TO THE COMMISSIONERS**

**DATE: APRIL 14, 2021**

**REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CHARTER SCHOOL PROPERTY, INC. FOR THE SALE OF .12 ACRES OF LAND LOCATED AT 192 SHERBURNE AVENUE, SAINT PAUL, MN DISTRICT 7, WARD 1**

**Requested Board Action**

Public Hearing and authorization for the sale of HRA-owned property located at 192 Sherburne Avenue, Saint Paul, to Charter School Property, Inc. for \$170,000, and execution of a purchase and sale agreement.

**Background**

In 1981, the HRA acquired 192 Sherburne Avenue, Saint Paul (“Property”), with federal Community Development Block Grant (CDBG) funds. The HRA has owned and maintained the Property since 1981. The Property has been vacant since it was purchased by the HRA. It was most recently leased as a community garden, but that lease expired and there is currently no active lease for the Property.

The Property is surrounded on three sides by a larger, contiguous parcel currently owned by the League of Minnesota Cities (the “League”). The League has held and marketed their property for redevelopment for years. In October 2020, Charter School Property, Inc. (CSP), an affiliated entity to Saint Paul City School, entered into a purchase agreement for the surrounding League property. CSP plans to close on the purchase of the League property in June of 2021.

On October 12, 2020, CSP presented a proposal to purchase 192 Sherburne Avenue property from the HRA for its assessed value of \$109,800. With the combined properties, CSP proposes to construct a new school building to consolidate their three existing locations located within the City of Saint Paul. The new building will provide space for students in Pre-Kindergarten through

twelfth grade. The building will total 65,900 square feet and include classrooms, flex-rooms, a gymnasium, serving kitchen, as well as a community center accessible to the community at large in the evenings and on weekends. The community center will offer services such as food distribution, navigating health care, legal services, and a federally-funded clinic in collaboration with Minnesota Community Care. Outdoor spaces would include a play area and parking lot.

The school building itself will not be constructed on the Property. The Property, if purchased by CSP, would be used for outdoor play space and a drive aisle serving the school building. The school project will advance whether or not the Property is sold to CSP, though the exclusion of the Property would negatively impact the site plan for the school. The school plans to begin construction on the League site in the summer of 2021.

HRA staff met with staff from CSP and their development consultant, TenSquare, LLC, to learn about the project and to determine if the sale could meet the CDBG sale requirements of meeting a national objective. It was determined that the project could meet a national objective of “benefiting low- and moderate-income persons” based on the student population of the school.

On December 17, 2020 an ENS notification for the possible sale was sent out to satisfy the 45-day public notification requirements of the HRA Land Disposition Policy. The 45-day notification period ended on January 31, 2021. No other offers were received during this period.

CSP conducted an appraisal of the Property and the fair market value was determined to be \$170,000. On December 30, 2020, CSP presented a revised offer to purchase the Property and increased their offer to \$170,000, the appraised value of the Property.

In accordance with the rules and regulations regarding CDBG funding, a public change of use notification was published on March 1<sup>st</sup>, 2021 and comments were accepted through March 31<sup>st</sup>, 2021 to provide affected citizens with notice of, and opportunity to comment on, the proposed change of use. No comments were received on the proposed change of use during the comment period.

If the sale of the Property does not proceed, it will be challenging to sell the Property in the future as it is a small site and it will be surrounded on three sides by property owned by CSP.

HRA Staff has reviewed the project proposal and recommends selling the Property to CSP for the appraised value of \$170,000. A purchase and sale agreement has been prepared representing the terms described in this Board Report and the proposal from CSP, and identifying the required documentation necessary to be maintained by CSP to confirm compliance with CDBG rules and regulations.

**Budget Action**

Not Applicable.

**Future Action**

None.

**Financing Structure**

Not Applicable.

**PED Credit Committee Review**

Not Applicable.

**Compliance**

As a sale of HRA-owned property, the sale is subject to Affirmative Action requirements and the Vendor Outreach Program, as required by the Disposition Policy for the Sale of Land by the HRA. Due to this site being purchased and maintained with CDBG funds, the project will also need to document meeting a national objective of the CDBG program.

**Green/Sustainable Development**

Not Applicable.

**Environmental Impact Disclosure**

Not Applicable.

### **Historic Preservation**

Not Applicable.

### **Public Purpose/Comprehensive Plan Conformance:**

The Property is located within the planning and zoning jurisdiction of the Capitol Area Architectural and Planning Board (CAAPB). The *2040 Comprehensive Plan for the Minnesota State Capitol Area* is the governing comprehensive plan for the Property.

The following was provided by Peter Musty, Principal Planner and Administrator of The Zoning and Design Rules for the **Capitol Area Architectural and Planning Board:**

### **Saint Paul City School: Compliance with the (Capitol Area) Comprehensive Plan and related Zoning and Design Rules.**

The school checks off several principles of the *2040 Comprehensive Plan for the Minnesota State Capitol Area*, among them are land use and mobility:

- **The school is complementary to an evolving urban village mix in the Capitol Rice District.** Introducing a new daytime population into the mix is supportive of commercial vitality, safety, and livability by increasing the number of families and children that are active in the area.
- **The school is transit oriented development.** The school community has many families that either choose or are reliant on transit to make life affordable. One of the reasons Saint Paul City School chose the Capitol Area to consolidate their three Saint Paul facilities, and chose this site in particular, is to better serve those families by placing their campus in a central location within a block of numerous transit lines.
  - **The school has developed a formal List of Mobility Commitments (including physical and Operational TDM practices).** As encouraged by the Zoning and Design Rules, the Capitol Rice Development Framework and many other newly

approved chapters of the Comprehensive Plan, they have doubled down on this siting strategy by creating a wide ranging list of mobility commitments that will be implemented immediately in the site design and through operational strategies (including travel demand management). CAAPB has coordinated consults with Move Minnesota to assist in developing ideas. The strategies may also prove useful in obtaining regional grants supportive of transit-oriented development.

- **The school conforms to civic architectural standards, urban design, built form and walkable frontage regulations of the CAAPB’s zoning and design rules.**

The full memo on the project from the CAAPB is attached for reference. It includes images of the proposed project.

The CAAPB approved the Conditional Use Permit and a variance for this project at their March 2<sup>nd</sup>, 2021 meeting.

**Statement of Chairman (for Public Hearing)**

“Being duly authorized by the Board of commissioners to conduct this Public Hearing, the hearing is now open. This is a Public Hearing called for the purpose of conveyance of a certain parcel of land located in District 7, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA).

The HRA proposed to convey the following property in the District 7 area:

<b>Property Description</b>	<b>Purchaser</b>	<b>Purchase Price</b>
192 Sherburne Avenue	Charter School Property, Inc.	\$170,000.00

The property will be conveyed for use as an outdoor play area and access drive for a new-construction school building serving Pre-Kindergarten to twelfth grade to be constructed on adjacent parcels.

Is there anyone who wishes to be heard on this sale? If not, the Chair will declare this Public Hearing adjourned.”

**Recommendation:**

The HRA Executive Director recommends approval of the attached resolution which approves the following actions:

1. Authorizing the sale of an HRA-owned parcel located at 192 Sherburne Avenue to Charter School Property, Inc. for the purchase price of \$170,000. This agreement will require the purchaser to document meeting a national objective of the CDBG program and to maintain that documentation for a period of five years.
2. Authorizing the Executive Director to finalize the land sale documents for execution by the appropriate HRA officers.

**Sponsored by:** Commissioner Thao

**Staff:** Andrew Hestness, 266-6577

**Attachments**

- **Project Summary**
- **CAAPB Memo**
- **Map**
- **District 7 Profile**