

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

REPORT TO THE COMMISSIONERS

DATE: FEBRUARY 22, 2017

**REGARDING: APPROVAL TO PURCHASE PROPERTY FROM 700 EMERALD, LLC., AUTHORIZATION TO ENTER INTO A PURCHASE AGREEMENT, AUTHORIZATION OF EXPENDITURES AND TO ACCEPT A DONATION OF LAND, DISTRICT 12, WARD 4.**

## **Requested Board Action**

1. Authorization to acquire 2.28 acres of land (the “Land”) on the southern portion of the site located at 700 Emerald Street, formerly owned by Weyerhaeuser Lumber.
2. Authorization to enter into a purchase agreement for the Land.
3. Authorization of expenditures to purchase said Land.
4. Authorization to accept a donation of land from 700 Emerald, LLC (the “Developer”).

## **Background**

The site at 700 Emerald Street (the “Property”) is located southeast of Franklin and Emerald and is approximately 13 acres in size. The Property was purchased by the Developer, a subsidiary of Dominion, in June, 2016. The Developer purchased the Property with the intent to develop approximately 360 units of senior and workforce housing.

The Westgate Station Area Plan envisions a park in this area, more specifically at the southern terminus of Curfew Street. That site has since been developed by Sunrise Bank; parkland dedication was not a requirement at the time of construction. The Systems Plan, developed by the Parks and Recreation Department, indicates a deficit of park space in this area and the need for a neighborhood park.

Development of the Property will trigger the Parkland Dedication requirement at the time of platting; the dedication for the Property is approximately 1 acre. HRA and Parks Department staff have been negotiating with the Developer to get additional public open space in this area.

Pending Board approval, the Developer has agreed to sell and HRA has agreed to acquire the Land for the primary purpose of creating public open space. Exact boundaries of the park will be determined during the platting process, as will the location of infrastructure to serve the open space. The acquisition will leave a parcel on the southernmost portion of the site that is approximately 3 acres in size for future development.

The Developer has agreed to sell the Land (18% of the total site) for \$12.94/ sq. ft., for an acquisition price of up to \$1,285,342. In addition to the Land cost, the purchase price will include the demolition of temporary and permanent structures, removal of the existing rail spur, and grading and seeding; the cost for this work is \$281,291. Therefore, the total purchase price will be up to \$1,566,633. Further, the Developer has agreed to donate 0.63 acres of land (5% of the total site) for future infrastructure.

### **Budget Action**

There will be an Administrative Order to allocate the budget. If all the resolutions are passed today allocating CDBG dollars (Jamestown, Business Incubator, and Weyerhauser) we will have \$562,890 CDBG funds remaining uncommitted. This amount reflects the addition of \$1,200,000 of program income approved on February 15, 2017 in CC RES PH #17-44.

### **Future Action**

No future action by the HRA Board regarding the purchase is anticipated.

### **Financing Structure**

The land will be acquired using CDBG funds and will meet a public purpose national objective.

### **PED Credit Committee Review**

Credit Committee review is not required for the purchase of property.

### **Compliance**

Compliance requirements are not triggered at this time.

### **Green/Sustainable Development**

Compliance requirements are not triggered at this time.

### **Environmental Review**

An environmental review will be required at the time the structures are demolished. That review is in process.

### **Historic Preservation**

A 106 review is not required for the acquisition; however, it is required at the time the structures are demolished. That review is in process.

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

The Westgate Station Area Plan (2008) identifies the Weyerhaeuser site as a redevelopment opportunity for housing and/or employment. Section 3 of the Plan emphasizes the need for public open spaces with physical and visual connections, to serve existing and future residents, and area employees. While the Plan envisions the park and open space at the south end of Curfew, it will still be centrally located and serve the surrounding area.

The Parks and Recreation chapter of the Comprehensive Plan includes a strategy (1.1(a)) that states “Establish new parks or facilitate public access to other outdoor recreations spaces in locations identified as park service gaps”. Due to the barriers created by Highway 280 and Interstate 94, there is no access from the Property to area parks. Strategy 2.10 requires that the location and design of parks, open space and trails be an integral part of large-scale redevelopment projects.

### **Recommendation:**

The Executive Director recommends approval of the acquisition of the Land, the entrance into a purchase agreement, the authorization of CDBG expenditures in the amount of up to \$1,566,633, and the acceptance of a donation of land from the Developer.

**Sponsored by:** Commissioner Stark

**Staff:** Sarah Zorn, 266-6570

**Attachments**

- **Attachment – Map**
- **Attachment – District 12 Profile**