

Summary of Feasibility Work for Rehabilitation of 678 Snelling Avenue North

**Flood:** Although the building has been vacant for many years, St. Paul Regional Water Services made a decision to remove the water meter on 9/13/2021. Unfortunately, the process broke the water line from the street and, occurring on a Friday, flooded both basement areas all weekend. The break was repaired, the Water utility drained a substantial amount of water, but does not have equipment to finish the task. AEDS had to contract with a private restoration company to remove such debris as could be removed and install a generator in the alley to power fans to dry out the floor, walls and ceiling. The process took just under two weeks. A claim for this cost has been submitted to the City of St. Paul for full reimbursement.

**Background:** The nonprofit African Economic Development Solutions (AEDS) purchased the property on January 15, 2021; the property had reportedly been vacant for over ten years. The project serves multiple goals: creation of an anchor building for the Little Africa Cultural District, rehabilitating a long-vacant building, providing stable space for small businesses that would meet the needs of the African immigrant communities and the neighborhood and create employment. The initial property evaluation was a recommendation for demolition and new construction of the planned commercial and office use. Feedback from the neighborhood and city staff led to a reconsideration of rehabilitation. A building evaluation and a schematic plan were obtained from a structural engineer. The architecture firm Cushing Terrell was selected based, in part, on their experience with grocery stores, and an initial feasibility plan was prepared.

**Feasibility Plan:** Like many St. Paul commercial streets, the building fills the lot from Snelling to the residential alley, leaving only on-street parking. Fortunately, there is room and an existing curb cut for nine indoor parking spaces. The first floor will provide 3,500 square feet of retail space, planned for a grocery store with Halal meat market, two or three small shops and a gathering space with an art gallery. Expansion of the existing second-floor mezzanine will create 5,115 square feet of office space for AEDS and office tenants. Total net square footage will be 13,330 square feet.

**A new pre-design construction cost estimate has been provided by Cushing Terrell Architect but first review has indicated additional information is needed, so the development budget has not changed.**

A preliminary cost for substantial rehabilitation was estimated based on repair and replacement of the exterior brick; new roof with insulation and roof supports; window replacement, new HVAC system with rooftop units; new accessible bathrooms; new electrical service, new staircases, a LULA or elevator, structure to expand the mezzanine; new insulation, walls, flooring, and lighting.

**Next Steps for Project Design:**

- The initial pre-design feasibility plans and cost estimate presentation has been completed and submitted to AEDS for review; a revised final set is anticipated shortly. Schematic design will start the week of October 18.
- The civil engineer received a negative response from the water utility and plans to follow up to further explain the lack of other options to power a fire sprinkler.

- Angie Weise, St Paul fire inspector, was contacted and reviewed the plans. The alternative of a “mist” system is not workable because it is operable only in small spaces, such as computer server rooms. The use of increased fire separation in lieu of a sprinkler system for the 2<sup>nd</sup> floor was discussed and requires more detailed plans to be reviewed by the building inspections department.

- An electronic meeting was held on 9/8/2021 to discuss the turning radius study provided by Cushing Terrell and any other issues that public works, zoning or inspections had identified. The following persons were invited, not all attended: Mohamed, Kowsar (CI-StPaul); Williams, Josh (CI-StPaul); Paavola, Colleen (CI-StPaul); Lowry, Ryan (CI-StPaul); Stiffler, Elizabeth (CI-StPaul); Gene Gelgelu(AEDS); Rebecca Muchow (architect -Cushing Terrell); Suon, Stephan (CI-StPaul); Diatta, YaYa (CI-StPaul); Lisa Kugler (development consultant)  
Cc: Adam Schlegel; Eide, David (CI-StPaul); Newton, Randy (CI-StPaul); Nyangweso, Thomas (CI-StPaul); Michael White (civil engineer – Cushing Terrell). A copy of the meeting minutes is attached.

- Despite serious effort, a meeting with the Water Utility and Public Works has not yet occurred. We have asked for help from City Council Member Mitra Jalali. We have discussed this situation and will shortly be engaging a civil engineer from Kimley-Horn.
- An initial meeting was held on April 7 with St. Paul project manager Kowsar Mohamed, city planner Josh Williams and Carolyn Berman, project architect, to discuss parking access issues expressed by public works staff and questions about utility locations. It was agreed that Josh Williams would discuss setting up a meeting, similar to a site plan review, with the appropriate city departments; a date has not yet been set.
- The survey has been completed with no unexpected results. Alliant Engineering has been hired to complete a survey of the property, including the alley and utility inverts; estimated completion is May 14.
- This meeting has not yet been scheduled.
- AEDS will present the plan to the Hamline-Midway Coalition at one of their summer meetings.
- The architect and structural engineer discussed the indoor parking and determined there are likely to be only 7 spaces, plus space for carts, trash, etc.

**Funding Notes:** *Please be advised that dates and amounts for uncommitted funds are subject to change.*

- **The anticipated Minnesota DEED Main Street funding will not be as useful as expected due to program restrictions, however there is another DEED grant program that is a better fit to match the federal funds. The RFP for that program has not yet been issued; DEED anticipates funding decisions in time for a report to the Legislature at the end of January.**
  - **This timing is unfortunate for early application and quick processing for the federal EDA funds, based on discussions with the EDA representative. However, the project is eligible and meets the Economic Assistance priorities.**
  - **Grant applications were submitted to the Hardenburg and McKnight foundations and the Otto Bremer Trust. A grant application was invited by the Neighbors United Funding Collaborative and submitted.**
  - **A year-round STAR request was made for \$65,000.**
- On July 22, 2021, the Department of Commerce announced the creation of five programs under the American Rescue Plan. The project appears to meet some of the EDA priorities and evaluation. The application process will start but the match money needs to be firmly committed at the time of application, so the schedule has not changed. However, the opportunity to get the big grant should encourage the remaining funders to move more quickly. The Preliminary Engineering Report is being compiled by the project architects.
  - The Notice of Funding Availability (NOFA) for the new EDA program funding from the Covid19 Relief Act has not yet been published. A project summary has been submitted to the Minnesota representative and deemed eligible, if all proposed funding is committed at the time of application. If there is no EDA grant, rents can be raised to support a soft money loan and additional funding requests to other East metro foundation funders will be required. State funds are dependent upon the Minnesota Legislature.
  - The proposed federal funding requires a formal document titled Preliminary Engineering Report that includes measurements and descriptions of all existing and proposed building elements and systems. This document needs to be completed prior to submission of the federal application. The new Notice of Funding Availability for the program is not yet published, but is anticipated in May, so the estimated completion of this document – the outcome of the schematic design process – has not yet been formally scheduled but is likely to be by the end of June.
  - The requested legislative appropriation of \$1,000,000 to AEDS did not make it into the budget. Instead, an appropriation of \$1 million for economic development projects was made to the Department of Employment and Economic Development (DEED).

- The Neighborhood STAR grant did not score quite high enough to be funded.

**Sources**

Federal EDA Public Works Grant	\$	1,798,395	submit when match is available
Minnesota DEED appropriation	\$	500,000	Overall reduction-final budget
Federal HFFI Grant	\$	200,000	committed/spent
Met Council LCDA TOD Pre-development	\$	100,000	committed/spent
St Paul Year-round STAR	\$	65,000	applied for
St. Paul Neighborhood Star grant			not recommended
Bigelow Foundation	\$	200,000	committed
Otto Bremer Trust	\$	200,000	decision before 12/31/21
Hardenburg Foundation	\$	100,000	decision before 12/31/21
McKnight Foundation	\$	100,000	decision before 12/31/21
St Paul Foundation	\$	150,000	decision before 12/31/21
<b>Total Sources</b>	<b>\$</b>	<b>3,413,395</b>	

The current predesign cost estimate needs more information on mechanical, electrical, plumbing and FF&E costs and is therefore not presented here.

<b>USES</b>	\$	-
Acquisition & Closing costs	\$	307,500
Construction, FFE, Contingency	\$	2,751,806
Design & Engineering	\$	153,450
Soft Costs including legal, title & holding	\$	119,752
Operating & Replacement Reserves	\$	80,887
<b>Total Uses</b>	<b>\$</b>	<b>3,413,395</b>

**Funding Timeline:**

	<i>Best Case</i>	<i>Worst Case</i>
<b>All match funding committed</b>	<b>12/20/2021</b>	<b>1/31/2022</b>
<b>EDA Grant Committed</b>	<b>5/31/2022</b>	<b>9/30/2022</b>
<b>Construction Start</b>	<b>7/15/2022</b>	<b>11/15/2022</b>
<b>Occupancy</b>	<b>1/30/2023</b>	<b>5/31/2023</b>

	<i>Best Case</i>	<i>Worst Case</i>
All funding committed	10/30/2021	5/30/2022
Construction Start	1/2/2022	7/30/2022
Occupancy	9/30/2022	12/1/2023

	<i>Best Case</i>	<i>Worst Case</i>
All funding committed	9/30/2021	3/30/2022
Construction Start	11/30/2021	5/30/2021
Occupancy	5/30/2022	12/1/2023

September 8, 2021



City of St. Paul  
Department of Planning and Economic Development  
Contact: Kowsar Mohamed  
651-266-1116

RE: Parking Study Review – Meeting Notes

Dear Kowsar,

Thank you for meeting with us, along with your colleagues at the City of St. Paul, regarding the Parking Study Review for the proposed commercial alteration project for the African Economic Development Solutions (AEDS) project located at 678 Snelling Avenue North, St. Paul.

Please see below for a summary of our meeting discussion:

1. AEDS has purchased the building, which is on the City's vacant building list. AEDS will not pursue a change of zoning use.
2. There is an existing curb cut off Snelling. The proposed intent is a right turn off Snelling to allow cars to pull into the existing opening into interior covered parking (8 stalls) and then out into the alley through a new opening. Overhead doors are planned for each opening.
3. There was agreement that entering off Snelling and exiting into the alley is preferable to the reverse, to avoid collisions between exiting cars and pedestrians.
4. Cushing Terrell did a parking study for each of the 8 stalls, using a Ford F150 truck. [added note: FordF150 pick up trucks are 17.425 feet long; minivans (likely most common customer car) are 16.67-16.91 feet long.]
5. The previous plan iterations had a 21'-0" drive lane; the image today showed an 18'-0" drive lane to allow a three-foot space in front of the cars and wheel stops.
6. It was noted by City Staff that for 90 degree parking a 20'-0" minimum drive lane is needed. Anything less requires the client to pursue a variance. The variance process takes a minimum of three weeks.
7. Cushing Terrell studied an option with angled parking, but the existing interior columns proved challenging and the number of stalls were greatly reduced.
8. It was confirmed a formal site plan review is not necessary.
9. Due to the parking plans, a formal zoning review is needed.
10. It was noted that a signage review meeting with zoning will also be required. Due to the building being vacant over a year, existing signage cannot be grandfathered in. Signage for the parking entrance is not included in the sign space budget.

11. It was suggested that if a variance for parking was needed, any signage variance should be included in the same request.
12. AEDS team would welcome staff suggestions for signage and/or lighting for parking entrance.
13. City staff will look up scheduled date for patching and sealing for the existing alley; this work is on a seven-year schedule. There is no plan to repave the alley.
14. The existing curb cut appears to be ADA compliant; drainage needs to be checked.
15. An updated site plan exhibit should show:
  - a. Site lines and triangles.
  - b. Existing street parking lane.
  - c. Existing curb cut.
  - d. Notes on the alley exit apron, material and cut-in.
  - e. Notes for planned overhead doors.
  - f. Updated lane/stall dimensions.

Sincerely,

**Rebecca Muchow, AIA**  
Senior Architect, Cushing Terrell

cc: