

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

REPORT TO THE COMMISSIONERS

DATE: AUGUST 23, 2023

REGARDING: RESOLUTION APPROVING AND AUTHORIZING THE SALE AND CONVEYANCE OF 0 7TH STREET WEST AKA 788 THURSTON TO WEST SEVENTH LLC FOR THE SALE PRICE OF \$8,000, DISTRICT 9, WARD 3.

Requested Board Action

Approve and authorize the sale and conveyance of the HRA-owned property located at 0 7th Street West aka 788 Thurston Street to West Seventh LLC for the sale price of \$8,000.

Background

0 7th St W is a 3,049.20 square foot commercial land parcel owned by the HRA located in Ward 2, District 9. The HRA Board acquired the Parcel as part of a larger purchase of a 22-acre land sale between Flint Hill Resources (Koch Petroleum) and the HRA in 2003. The 22-acre land was combined with another 36-acre land acquisition from Exxon-Mobil to create the Koch-Mobil Redevelopment Project Area. The Exxon-Mobil land is subjected to parkland restrictions that resulted from a settlement agreement in 2009. 0 7th St W is not subjected to these restrictions as it was not part of the Exxon-Mobil acquisition. This was determined through a survey drawing of the legal description referenced in the settlement agreement.

Staff received an appraisal for the parcel and the appraised value is \$15,000. West Seventh LLC submitted an offer to purchase the vacant lot for \$8,000. The vacant lot is adjacent to Pilgrim Dry Cleaners, Inc, a business owned by West Seventh LLC. Their intent is to own and maintain the Parcel as is. The parcel provides an access point to Pilgrim Dry Cleaners. The sale of the Parcel at a value below the appraisal value is recommended due to several factors:

- The parcel has characteristics that make it not of interest to other developers, including:
 - Its size makes it un-buildable. Its best and highest usage is assemblage, per the appraisal report.
 - The parcel closely abuts the adjacent Pilgrim Dry Cleaners.

- The City pays \$10,300 in taxes every year. Disposition of this parcel to the adjacent property owners is the most efficient way to reduce costs and increase the tax base.
- In 2011, Blue Oak Investments, LLC sought to enter a purchase agreement with the HRA for a sales price of \$5,912 but the sale fell through.
- No construction will take place on the parcel. West Seventh LLC will maintain it as is.

An Early Notification System 30-day notice was published for this proposal and no competing proposals were received.

Budget Action

This transaction will result in HRA receipt of proceeds from the sale, which will be allocated to a future use at a future time.

Future Action

No future action is required. Upon the Board's approval and authorization, staff will proceed to execute a purchase agreement, and ancillary documents thereto, and convey the property to West Seventh LLC.

Financing Structure

N/A, there will be no construction taking place on the parcel.

PED Credit Committee Review

Credit Committee review is not required for the sale or conveyance of property.

Compliance

Staff provided early notification as required under the HRA Disposition Policy and Procedure for the Sale of Vacant Lots on April 17, 2023. Staff received no competing proposals during the notice period.

The size and nature of this sale exempt it from other compliance requirements.

Green/Sustainable Development

The project does not need to comply with the Saint Paul Sustainable Building Initiative.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

The proposed sale of the property meets Goal 6 of the land use chapter of the City's Comprehensive Plan: Efficient, adaptable and sustainable land use and development patterns and processes. It is also supported by several objectives of Policy LU-6, particularly:

1. facilitating business creation, attraction, retention and expansion;
3. growing Saint Paul's tax base in order to maintain and expand City services, amenities and infrastructure;
6. supporting business, real estate and financial models that keep more money locally, such as locally-owned businesses, local-prioritized employment, employee-owned businesses and commercial land trusts.

Statement of Chair:

"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 the Fort Road Federation Planning District 9, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota.

"Notice of time, place, and purpose of this hearing was published in the Pioneer Press on Wednesday, July 26, 2023. The Affidavit of Publication of the Notice of Public Hearing will be made a part of these proceedings.

"The HRA proposes to convey the following property in Fort Road Federation Planning District 9 to West 7th LLC at a purchase price in the amount of \$8,000:

0 7th Street West, legally described as: Victoria Park Outlot A

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

Recommendation:

The Executive Director recommends approval and authorization to sell and convey the HRA owned parcel at 0 7th Street West to West Seventh LLC, in accordance with the attached resolution.

Sponsored by: Commissioner Tolbert

Staff: Hannah Chong, Project Manager

Attachments:

- **Map**
- **Official Plat Map**
- **D9 West Seventh Neighborhood Profile**