

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

REPORT TO THE COMMISSIONERS

DATE: MARCH 26, 2025

**REGARDING: RESOLUTION AUTHORIZING A GRANT UP TO \$70,000 FROM
THE HRA BUSINESS ASSISTANCE FUND TO TENANTS OF
THE ALLIANCE BANK BUILDING**

Requested Board Action

Approve and authorize staff to assist businesses affected by the sudden closure of the Alliance Bank Building by providing grants to cover related moving and buildout expenses necessary for staying in Saint Paul. This authorization will approve the use of the Business Assistance Fund, as well as waivers for program guidelines, to fund these grants.

Background

The Alliance Bank Building, located at 55 East 5th Street in downtown Saint Paul, has been a hub for skyway-level retail, food-service, and other commercial businesses located in the central business district since it was built in 1967. In 2025 the property owner, Madison Equities, abandoned the building and ceased to pay utilities, effectively abandoning the building and creating a safety and structural hazard for business tenants. On March 10th, 2025, Madison Equities provided notice to tenants to vacate the building within 48 hours in anticipation of all utilities getting shut off on March 12th. Through an intervention from the Mayor's Office, utilities will continue through March 31st, but the building will be uninhabitable as of April 1st, 2025.

The commercial tenants in this building, some of which have operated at this location for several decades, wish to stay in downtown Saint Paul but are facing a significant hardship due to the abrupt closure of the building. Several have requested assistance from the City of Saint Paul to help with the expenses related to moving and building out new spaces in other downtown buildings.

In response, staff propose utilizing the Business Assistance Fund to provide grants to Alliance Bank tenants to assist with their relocation within the City of Saint Paul. Grants will be available to tenants who operated in the Alliance Bank building as of March 1st, 2025 and affected by the building closure, and will be awarded up to a maximum amount of \$5,000.00 per tenant. The grants

will be awarded on a first-come, first-serve basis only and will be provided on a reimbursement basis only. Additional grant criteria and terms are outlined in the accompanying resolution.

Use of the Business Assistance Fund for these grants will require waivers for the BAF guidelines. Staff recommend waiving guidelines so as to make non-profit entities eligible; removing the requirement for repayment, and business subsidy compliance requirements. Allowing for these waivers will allow for all Alliance Bank Building tenants to apply for a relocation assistance grant.

Budget Action N/A

Future Action N/A

Financing Structure N/A

PED Credit Committee Review N/A

Compliance N/A –

All grants will be under the compliance thresholds.

Green/Sustainable Development N/A

Environmental Impact Disclosure N/A

Historic Preservation N/A

Public Purpose/Comprehensive Plan Conformance:

The continued operation of businesses in downtown Saint Paul improves the financial stability of the Central Business District, supports entrepreneurs and retains and low- and moderate-income jobs.

Statement of Chairman (for Public Hearing) N/A – No public hearing.

Recommendation:

The HRA Executive Director recommends approval of the attached resolution which approves the authorization of a grant up to \$70,000 from the HRA Business Assistance Fund to tenants of the Alliance Bank Building at 55 East 5th St.

Sponsored by: Saura Jost

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