

Alliance Bank Building: Funding for Emergency Tenant Assistance

March 25, 2025



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Background

- On March 10, 2024, Madison Equities, the owner of the Alliance Bank Building located in downtown Saint Paul notified tenants that they must move out of the building in 48 hours and all utilities will be shut off and security will no longer be monitoring the building
- The City worked with the major utility providers to keep the building open until March 31, 2025
- Even with the extra time, it is difficult for businesses to move quickly and incur the unexpected costs of finding a new space, moving, and getting the new space ready to operate their business



Tenant needs

- There are 14 remaining tenants in Alliance Bank Building
- Most tenants are small businesses located at the skyway level of the building
- Staff from across City departments have been actively communicating updates to businesses including helping connect tenants to potential new spaces.
- Many of the tenants are moving to spaces in downtown though some have not found space
- Tenants are incurring moving costs as a result of the short notice to move and many are concerned about the loss of sales and cost to build out a new space



Why BAF?

- PED identified the existing Business Assistance Fund (BAF) program as a possible source of funds to help assist with some costs associated with the unexpected need to relocate suddenly from Alliance Bank Building.
- BAF is flexible but the program has some guidelines including:
 - Funds must be awarded to a for-profit business
 - Applicants must provide at least 10% equity to the project
 - Fund must be given as a loan that is paid back
- Staff is proposing authorize the use of up to \$70,000 of BAF to provide assistance to the Alliance Bank tenants as they seek new spaces. This will involve waiving some of the existing BAF guidelines for this specific use of funds.



Proposed BAF program

- Amount: \$70,000
- Maximum award: up to \$5,000
- Eligible applicants: Tenants of Alliance Bank Building as of March 10, 2025 that are moving to another location in Saint Paul, preferably downtown
- Eligible uses:
 - Costs must be incurred after March 10, 2025
 - Moving costs including hiring movers, renting trucks, etc.
 - Build out of new space (tenant improvements)
- Items needed for reimbursement:
 - Invoices with amounts for eligible costs
 - A signed lease or Letter of Intent to sign a lease in Saint Paul
- To be considered for reimbursement, receipts must be received by June 30, 2025



Guideline modifications

- Given the emergency nature of this situation staff is requesting a waiver of the following BAF guidelines for this effort:
 - Make the funding eligible to non-profits
 - Remove the requirement for 10% equity
 - Remove the requirement that the funds must be a loan



Public purpose

- This use of funding meets a number of public purpose goals including:
 - Retaining businesses in Saint Paul
 - Retaining employees in Saint Paul
 - Supporting commercial activity
 - Supporting downtown



Next steps

- If the use of funds is approved staff will:
 - Work with CAO to draft a grant agreement
 - Communicate next steps to tenants
 - Create any materials needed for tracking

Questions?



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