

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

REPORT TO THE COMMISSIONERS

DATE: SEPTEMBER 28, 2011

**REGARDING: RESOLUTION AUTHORIZING SALE AND LEASE OF HRA-OWNED
PROPERTY AT 2286 CAPP ROAD TO L & R ENTERPRISES, LLC AND
EXECUTION OF A PURCHASE AND SALE AGREEMENT, DISTRICT 12**

Requested Board Action

The specific actions being requested of the HRA Board are as follows:

Public Hearing and authorization for the sale and lease of property located at 2286 Capp Road ("Property") to L & R Enterprises ("L & R") for \$578,362 and execution of a purchase and sale agreement.

Background

The Property (proposed Lot 2, Block 1, Capp Road Addition as shown on Attachment B) consists of 2.6 acres of vacant, excess land that was originally part of a larger site purchased by the HRA for the development of the Midway Residence Project. L & R will construct a 12,000 square foot building on the Property for BarOle Trucking that will hold operations staff, and be used for warehousing and logistics associated with correcting mis-loaded trailers. The site will also be used for secured short-term trailer storage. L & R will also lease from the HRA an adjacent 13,000 square foot parcel (proposed Lot 1, Block 1, Capp Road Addition as shown on Attachment B). L & R did not wish to purchase this parcel, which contains creosote contamination.

The HRA, through Contract Services, issued an RFP for the sale of this excess HRA-owned property in September 2007. Only one response was received, which did not meet our minimum qualifications. The HRA subsequently hired Cassidy Turley in early 2008 to professionally market this site. There has been limited interest and the offer from L & R was the best offer received in the past three years. The environmental issues associated with the Property, and its location, reduce the development opportunities and the attractiveness to potential buyers.

The Property is located in an I-2 zoning district, with all of L & R's proposed land uses permitted. See Attachment D for a demographic profile of District 12, the Saint Paul planning district in which the Property is located. No existing businesses will be displaced or relocated as a result of this project, and there was no land acquisition that took place as a result of eminent domain.

Budget Action

Not Applicable.

Future Action

None. Closing on the sale of the Property is expected to occur in late October 2011.

PED Credit Committee Review

PED Credit Committee was informed of the Property sale at its meeting on September 26, 2011.

Compliance

This is a market-rate land sale and no compliance requirements apply.

Green/Sustainable Development

This is a market-rate land sale and the Saint Paul / HRA Sustainability Initiative does not apply.

Environmental Impact Disclosure

Not applicable.

Historic Preservation

Not Applicable.

Public Purpose

This project, which is consistent with the District 12 Plan and the Land Use Plan, will:

- create approximately 20 new FTE jobs with full benefits;
- create new construction jobs;

- Redevelop "underutilized or vacant land in railroad corridors" and "promote the redevelopment of outmoded and non-productive sites... so they can sustain existing industries".

Statement of Chairman

"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 St. Anthony District 12, by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (HRA).

Notice of time, place, and purpose of this hearing was published in the Saint Paul Pioneer Press on September 17, 2011. 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 the St. Anthony District 12 area:

Property Description	Purchaser/Developer	Purchase Price
2286 Capp Road	L & R Enterprises, LLC	\$578,362

The property will be conveyed for the purpose of constructing a 12,000 square foot building on the Property for use by BarOle Trucking.

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

Recommendation:

HRA Executive Director recommends approval of the attached Resolution, authorizing the sale and lease of property located at 2286 Capp Road to L & R Enterprises, and execution of a purchase and sale agreement.

Sponsored by: Commissioner Stark

Staff: Martin Schieckel 651-266-6580

Attachments

- **Attachment A – Resolution**
- **Attachment B – Plat Map**
- **Attachment C – Map/Address of Project**
- **Attachment D – Census Facts**