

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

REPORT TO THE COMMISSIONERS

DATE: April 23, 2014

REGARDING: AUTHORIZING TO ACQUIRE 845 AND 851 PAYNE AVENUE FROM THE TWIN CITIES COMMUNITY LAND BANK, LLC, ACCEPTANCE OF \$50,000 FROM THE SAINT PAUL CITY COUNCIL'S YEAR-ROUND STAR PROGRAM AND APPROVAL OF \$50,000 FROM THE INVEST ST. PAUL'S SMALL BUSINESS LOAN PROGRAM. DISTRICT 5, WARD 6.

Requested Board Action

1. Authorization to acquire 845 and 851 Payne Avenue from the Twin Cities Land Bank, LLC.
2. Authorization to accept \$50,000 from the Saint Paul City Council's year-round STAR program to assist in the acquisition of 845 and 851 Payne Avenue.
3. Approval of \$50,000 from the ISP's Small Business Loan Program to assist in the acquisition of 845 and 851 Payne Avenue and the demolition of the building located at 845 Payne Avenue.
4. Authorizing the Executive Director to finalize the acquisition documents for execution by the appropriate HRA officials.

Background

845 and 851 Payne Avenue are located on the northwest corner of Payne Avenue and Whittall Street. The site is comprised of a vacant commercial building and small surface parking area. The past use of the property was a gas station and auto repair shop. Staff is assuming that because of the past uses, the property most likely has some type of contamination. If any contamination is found on the site, staff will seek out external funding to help with the clean-up. The property is current zoned T2 (Traditional Neighborhood.).

In 2013, the owners (Gerald and Nancy Holt) approached the Twin Cities Community Land Bank, LLC (Land Bank) to inquire if they would like to buy the property. The Land Bank then contacted PED staff to see if the HRA was interested in acquiring this parcel. Staff indicated strong interest, as this parcel is a critical site in the redevelopment efforts along Payne Avenue.

The property is a block in from the Payne Avenue gateway, across the street from Kendall's ACE Hardware, and an HRA-owned parcel the HRA is currently marketing. Staff is recommending the purchase of this site to ensure this eye-sore does not negatively impact the investments the HRA and local businesses have made to date, nor hinder the significant momentum Payne Avenue is currently enjoying.

The owners' preference was to work directly with the Land Bank and to close December 31, 2013. The Land Bank acquired the site in December 2013 for \$50,000 and has recently executed a Purchase Agreement with the HRA (with HRA Board approval contingencies) for \$50,500. Ramsey County Department of Property Records and Revenue currently has the market value of the properties at \$126,500. The HRA plans to purchase the properties "As-Is". Assuming approval of the attached Resolutions, the HRA would demolish the current vacant building (a blight) and prepare the site for sale and redevelopment in keeping with the neighborhood plans.

Budget Action

NA

Future Action

HRA Board action will be required when the property is sold to a developer.

Financing Structure

NA

PED Credit Committee Review

NA

Compliance

The demolition phase of the project will comply with the following programs: Vendor Outreach Program, City's Labor Standards and Two Bid Policy.

Green/Sustainable Development

The project will comply with the Saint Paul/HRA Sustainability Initiative

Environmental Impact Disclosure

NA

Historic Preservation

The project has been reviewed by HPC PED staff. A May 1999 Historic Payne Avenue Business District Study has determined that the “The district south of Wadena Street (Aguirre Avenue) has lost integrity”. This area is to be omitted from D.O.E. district. HUD 106 review will not be required.

Public Purpose/Comprehensive Plan Conformance

The District 5 Plan (1979) has a land use goal to maintain and limit new commercial development to existing commercial areas along Payne Avenue. Redeveloping the properties at 845-851 Payne Avenue would contribute to enhancing the existing commercial area along Payne Avenue and meet this goal, without encroaching on adjacent residential areas. In addition, the citywide Comprehensive Plan (2010) seeks to increase neighborhood-serving commercial uses in Established Neighborhoods, such as along Payne Avenue. In Land Use Policy 1.7, the plan seeks to “permit neighborhood-serving commercial businesses compatible with the character of Established Neighborhoods. This use should occur at the intersection of two streets, either arterials or collectors, located on a transit route and where commercial development currently exists. Retail businesses and smaller multi-family housing referenced in Policy LU-1.8 will be on at least three of the four corners of the intersection, much like what is seen at this intersection.

Recommendation:

The Executive Director recommends approval of the attached resolution for:

1. Authorization to acquire 845 and 851 Payne Avenue from the Twin Cities Land Bank, LLC.
2. Authorization to accept \$50,000 from the Saint Paul City Council’s year-round STAR program to assist in the acquisition of 845 and 851 Payne Avenue.

3. Approval of \$50,000 from the ISP's Small Business Loan Program to assist in the acquisition of 845 and 851 Payne Avenue and demolition of the building located at 845 Payne Avenue.
4. Authorizing the Executive Director to finalize the loan and land sale documents for execution by the appropriate HRA officials.

Sponsored by: Commissioner Bostrom

Staff: Daniel K. Bayers, (266-6685)

Attachments

- Attachment A -- Resolution
- Attachment B -- Map and Address of Project
- Attachment C -- Project Summary Form
- Attachment D -- Public Purpose Form
- Attachment E -- Census Facts