

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

REPORT TO THE COMMISSIONERS

DATE: April 8, 2015

**REGARDING: RESOLUTION AUTHORIZING FINAL HRA DESIGN APPROVAL FOR
THE SALE OF HRA-OWNED PROPERTY IN VICTORIA PARK TO
VICTORIA PARK COMMUNITIES, LLC (District 9, Ward 2)**

Requested Board Action

The purpose of this report is to request the Housing and Redevelopment Authority Board of Commissioners (HRA) approve the attached resolution giving final HRA design approval of the plans and specifications per the Purchase Agreement with Victoria Park Communities, LLC (Developer) to allow the HRA to move forward with selling the HRA-owned parcels (the Property) in Victoria Park for the purpose of developing a new multi-unit, market-rate apartment building.

Background

The Property, part of a larger site that was formerly owned by Koch Refineries, is made up of several vacant parcels totaling 7.62 acres (see Attachment B). It is located in the Victoria Park Urban Village, adjacent to the former Exxon property that is currently being cleaned up for future use as City parkland. Due to deed restrictions, only the two acres adjacent to Otto Street can have occupied buildings – the use of the remaining property is limited to surface parking, trails, and green space. The Property will be sold as-is for its appraised value of \$3.1 million. Net sale proceeds will be returned to the HRA Enterprise Fund.

On November 28, 2012, the HRA approved, by Resolution No. PH 12-348, a Purchase Agreement for the sale of the Property to the Developer, an entity of Chase Real Estate. The Developer will build a 197-unit, market-rate, “higher-end” five-story apartment building with 171 spaces of underground and 175 spaces of surface parking (see Attachment C). The total development cost is expected to be approximately \$30 million. This project is Phase II of a two-phase project, and is expected to commence this summer. The Developer completed Phase I, a \$30 million, 215-unit, three-story, townhouse-style, market-rate apartment development located

directly north of the Property in Victoria Park last fall. Phase I is 95% occupied and operating well. Both of these developments are privately financed without any City or HRA subsidy.

The approved Purchase Agreement between the HRA and the Developer spells out the terms and conditions related to the sale of the Property. One of the conditions includes a contingency that the HRA will have sole authority to provide final exterior design approval of the Project. The Developer has collaboratively worked with, the Saint Paul Design Center, City staff, and the neighborhood groups, including the Fort Road Federation, and has finalized the design that is agreeable to all participants. All other contingencies of the Purchase Agreement will be met or waived by the April 30, 2015 deadline, and a closing for the sale of the Property will be scheduled within 30 days or upon final plat approval.

Budget Action

Not Applicable.

Future Action

None. Closing on the sale of the Property is expected to occur this spring 2015.

PED Credit Committee Review

No Credit Committee action is required since the Property is being sold at appraised value.

Compliance

The following compliance requirements are applicable to this project: Vendor Outreach Program, Chapter 84.01; Affirmative Action, Chapter 183.04; Little Davis-Bacon Labor Standards.

Green/Sustainable Development

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

Environmental Impact Disclosure

Not applicable.

Historic Preservation

Not Applicable.

Public Purpose/Comprehensive Plan Conformance

This project will:

- create approximately 198 new housing units;
- return tax-exempt property to the tax rolls, generating approximately \$436,000 in annual taxes;
- create new construction jobs;
- recover funds that can be used by the HRA for other development activities.

This project is consistent with the District 9 Plan, which says that additions to the housing stock should take place near transit; the plan also identifies Victoria Park as a key site for major housing developments.

This project is consistent with the following sections of the Land Use Plan, where Victoria Park is designated as a Mixed-Use Corridor and a Neighborhood Center:

1.1 Guide the development of housing in Established Neighborhoods, commercial areas within Established Neighborhoods, and in Residential Corridors.

1.2 Permit high-density residential development in Neighborhood Centers, Mixed-Use Corridors, the Central Corridor, and Downtown.

1.21 Balance the following objectives for Mixed-Use Corridors through the density and scale of development: accommodating growth, supporting transit use and walking, providing a range of housing types, and providing housing at densities that support transit.

1.23 Guide development along Mixed-Use Corridors.

1.25 Promote the development of more intensive housing on Mixed-Use Corridors where supported by zoning that permits mixed-use and multifamily residential development.

1.42 Promote the development of housing in mixed-use neighborhoods that supports walking and the use of public transportation.

Recommendation:

The Executive Director recommends and requests the HRA Board of Commissioners approve the attached Resolution, authorizing final HRA design approval of the plans and specification of a new multi-unit residential development as a condition of the Purchase Agreement with Victoria Park Communities, LLC in order to sell HRA-owned parcels in Victoria Park.

Sponsored by:

Commissioner Thune

Staff:

Diane Nordquist 651-266-6640

Attachments

- **Attachment A – Resolution**
- **Attachment B – HRA Property/Rendering**
- **Attachment C – Site Plan**
- **Attachment D – Map/Address of Project**
- **Attachment E – Census Facts**