

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

REPORT TO THE COMMISSIONERS

DATE: April 22, 2015

**REGARDING: DESIGNATION OF PHALEN VILLAGE PARTNERSHIP AS
TENTATIVE DEVELOPER FOR THE HRA-OWNED
PARCELS LOCATED IN PHALEN VILLAGE, DISTRICT 2,
WARD 6.**

Requested Board Action

Approval of Phalen Village Partnership as tentative developer for currently owned HRA parcels; 1371 Phalen Boulevard, 1180, 1165, 1150 Prosperity Avenue and upon closing by the HRA an additional parcel 1186 Prosperity Avenue, for the Phalen Village Project, for a period of 12 months, per the terms and conditions contained in the attached Resolution (**Attachment A**).

Background/Project Description

The first plan to revitalize the Phalen Village area started more than 20 years ago with the completion of the Phalen Village Small Area Plan and amendment to the Land Use Chapter of the Comprehensive Plan. The New Phalen Village project calls for a new physical and social center for the Phalen Village community through coordinated public infrastructure improvements that will build a new framework for private investment by removing barriers from past uses and obsolete circulation patterns. This project is consistent with the original small area plan. Major projects in the area to date are: Real Life, Phalen Townhomes, BCA, Phalen Clinic, Walgreens, Wells Fargo Bank, a new McDonalds and a Cub Foods store with additional small stores.

The New Phalen Village Project will complete the transformation of the neighborhood that began 20 years ago when the Metropolitan Council awarded the first LCDA grant to restore Ames Lake out of the ruins of a failed shopping center. The Project has the following elements:

- 1) Acquire 1186 Prosperity Avenue and combine with the 4 HRA-owned lots to create an almost 3.3 acre parcel with the recently approved \$700,000 LCDA grant
- 2) Vacate Prosperity Avenue creating a pad for a potential commercial parcel

- 3) Sell Wells Fargo a 30 foot strip of land on the east side of 1371 Phalen Blvd to allow them to develop a new row of parking and an alley shared by the project
- 4) Develop 24 affordable rental townhouses on the east side of vacated Prosperity Avenue with a private-public green space in front and a private alley with tuck under garages behind
- 5) Develop a larger mixed use building at the SE corner of Clarence and Rose of 21,500 sq. ft. of commercial space with 2 storefronts and 36 affordable apartments above
- 6) Develop a woonerf on Rose with cisterns to store irrigation water and settling ponds for any overflow south of Phalen to filter storm water before it reaches Ames Lake

The Phalen Village, LLC Development team consists of GJR Architecture Inc., NHH properties, Paster Enterprises, Boisclair Corporation and Northeast Neighborhood Development Corp. The team will continue to work on the above stated project and develop a project budget during the tentative development period. The next step for the project will be negotiating a Development Agreement. Refer to **Attachment B** for additional background and project information along with maps.

Budget Action

PED Staff is seeking a tentative developer designation only. No budget action at this time.

Future Action

The project is in the initial stages of redevelopment and no detailed sources and uses of funds have been determined. A project pro forma has been completed. The Met Council has provided funding for the first phase of the project. Any future requests will require HRA Board action.

Compliance

The Developer acknowledged the following City/HRA compliance will be applicable for this Project: Wage Determination, Vendor Outreach and Affirmative Action.

If other public funds are approved for the project, additional compliance regulations may be required.

Green/Sustainable Development

The Developer Team will incorporate green and sustainable building practices in the project.

Environmental Impact Disclosure

Not applicable

Historic Preservation

Not applicable

Public Purpose/Comprehensive Plan Conformance

The Phalen Village Redevelopment Project is consisted with the Comprehensive Plan, the Phalen Village Small Area Plan and the District 2 Plan.

Future Actions

Approve a Development Agreement within 12 months.

Recommendation:

HRA Executive Director recommends the approval of the attached HRA Board Resolution designating Phalen Village Development as tentative developer for the Property referenced in this report.

Sponsored by: Commissioner Bostrom

Staff: David Gontarek 266-6674 and Jennifer Jordan 266-6598

Attachments

- **Attachment A -- Resolution**
- **Attachment B—Background/Power Point**