

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

REPORT TO THE COMMISSIONERS

DATE: SEPTEMBER 28, 2016

**REGARDING: APPROVAL OF A CHANGE IN TERM FOR A FORGIVABLE LOAN FROM
THE NEIGHBORHOOD COMMERCIAL PARKING PROGRAM TO THE
GRIGGS MIDWAY BUILDING CORPORATION. (DISTRICT 11, WARD 4)**

Requested Board Action

The specific actions being requested of the HRA Board are as follows: Approve a change in term from seven to five years for a previously-authorized forgivable loan for the Griggs Midway Building Corporation to assist with the redevelopment of the Griggs Midway parking lot.

Background

The Neighborhood Commercial Parking Program was approved by the HRA on August 12, 2009, by Resolution 09-08/12, to help mitigate the loss of 85% of the parking on University Avenue due to light rail development, and to minimize the disruption and relocation of businesses in the Central Corridor. The HRA approved additional funding by Resolution 10-3/10 on March 10, 2010.

On August 12, 2015, by Resolution 15-1457, the HRA approved a forgivable loan, with a term of seven years, from the Parking Program to the Griggs Midway Building Corporation, 1821 University Avenue West, District 11, Ward 4. The Griggs Midway Building Corporation owns five buildings in the block behind the NE corner of Fairview and University. Two of the buildings front on Dickerman Park, which is being reclaimed by the Parks Department from decades of private use and developed into a park, eliminating about 57 parking spaces. In addition, the Griggs Midway Building has developed a parking lot that encroaches in the City's right-of-way on Fairview Avenue, which the City also wants to reclaim, at a cost of about another 27 parking spaces. To mitigate the loss of this parking and remove the encroachments on Fairview, this forgivable loan from the Parking Program will redesign the remaining parking more efficiently to almost make up for the parking lost in Dickerman Park and on Fairview Avenue.

The seven-year term for the forgivable loan was the standard set out in the Parking Program guidelines, meant to keep HRA staff involved in new parking lots operated by businesses and property owners who were often inexperienced in parking lot management. The Griggs Midway Building Corporation has been operating their lot for 23 years, and would like to reduce the forgiveness period to five years in order to limit the liability on their asset. Because of their long-term experience and evidence of successful operation, HRA staff supports this request.

The project is consistent with the zoning for the property, which is T4 (Traditional Neighborhood). Because it is within a quarter mile of an LRT station, there are no parking requirements for the building. No additional City or HRA approvals are required. No existing businesses will be displaced or relocated. No acquisition by eminent domain is involved. A **Map** of the project is attached.

Budget Action

N/A

Future Action

N/A

Financing Structure

The source of funds from the Parking Program is the Snelling University Tax Increment Financing District (the CCLRT Betterments). The loan will be forgiven over a five-year period, provided the parking lot is maintained.

PED Credit Committee Review

This is not a credit decision and does not require review by the Credit Committee.

Compliance

The following compliance requirements apply to this project: Vendor Outreach, Two-Bid Policy, Affirmative Action, and Little Davis Bacon.

Green/Sustainable Development

The project is considered maintenance of an existing nonconforming parking lot and is therefore not required to comply with the site plan review requirements for parking lots, or the Saint Paul/HRA Sustainability Initiative. The project will, however, dramatically improve the appearance of the parking lot on Fairview north of University by removing vehicular encroachments and developing a landscaped buffer between the parking lot and the sidewalk.

Environmental Impact Disclosure

N/A

Historic Preservation

N/A

Public Purpose/Comprehensive Plan Conformance

The primary purpose for this project is to retain local businesses, and the secondary purpose is to support commercial activity. The project conforms with the Fairview Station Area Plan, a chapter of the City's Comprehensive Plan, adopted by the City Council on October 22, 2008, section 3 of which supported reclaiming Dickerman Park and section 4 of which supported using landscaping to buffer parking lots from the pedestrian environment.

Recommendation:

The Executive Director recommends approval of a change in term of the forgivable loan from the Neighborhood Commercial Parking Program for the Griggs Midway Building Corporation parking project from a seven-year period to a five-year period.

Sponsored by: Commissioner Russ Stark

Staff: Ross Currier, 266-6611

Attachments

- **Attachment – Map**
- **Attachment – District 11 Profile**
- **Attachment – Public Purpose**