

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

REPORT TO THE COMMISSIONERS

DATE: DECEMBER 11, 2019

**REGARDING: RESOLUTION AUTHORIZING A TEMPORARY LICENSE AGREEMENT
FOR HRA-OWNED PROPERTY LOCATED AT 845-851 PAYNE
AVENUE, DISTRICT 5, WARD 6**

Requested Board Action

Staff is requesting the Housing and Redevelopment Authority of the City of Saint Paul (“HRA”) Board of Commissioners authorize HRA staff to enter into a temporary license agreement with Flannery Construction for HRA-owned property located at 845-851 Payne Avenue. The temporary license agreement will be for temporary use of the parcels for construction equipment staging, storage, and construction worker overflow parking.

Background

Flannery Construction has requested a temporary license agreement from the HRA for the use of an HRA-owned redevelopment property at 845-851 Payne Avenue for temporary use as a construction staging site from February 1, 2020 through August 3, 2021. Flannery Construction is building a multi-unit housing development across the street at 848 Payne Avenue over this period and needs a secure area for construction equipment staging, storage, and construction worker overflow parking.

HRA Resolution 95-5/3-2 (attached) establishes guidelines for temporary use of HRA parcels and specifies that any term of use exceeding a period of thirty (30) calendar days requires approval of the HRA Board of Commissioners.

845-851 Payne Avenue is a .23-acre redevelopment site available for sale subject to the HRA disposition policy. The property is the former site of a repair garage and supply shop. The HRA acquired the property in 2014, demolished the building on site and completed environmental remediation for larger future development with adjacent HRA owned parcels.

The property has been vacant and available for redevelopment since that time. Redevelopment is the primary objective for the parcels, and an RFP is planned for release in late 2020 once the development at 848 Payne is well under way and leasing begun, demonstrating the market for this site. Any future development would most likely occur after August 2021, at the earliest. However, should there be a desire to pursue redevelopment of this site earlier, the temporary license agreement will include a 30 day notice termination clause.

Flannery Construction will indemnify the HRA from any liability and will carry liability insurance for the use of the site. Flannery Construction will be responsible for maintaining the site. If there is any damage to the site, Flannery Construction will be responsible for restoring the site to its current condition.

Budget Action

Staff recommends an annual parcel use fee over the eighteen (18) month use period of \$500.00 per month payable as a lump sum payment of \$9,000.00 due within fifteen (15) days of the commencement of the license. This rate was determined by an appraiser. A one-time \$4,000.00 damage deposit will also be collected within fifteen (15) days of license commencement. The deposit is fully refundable. If construction ends prior to the eighteen (18) month time temporary use period Flannery Construction can be refunded for additional months paid.

Future Action

NA

Financing Structure

NA

PED Credit Committee Review

NA

Compliance

NA

Green/Sustainable Development

NA

Environmental Impact Disclosure

NA

Historic Preservation

NA

Public Purpose/Comprehensive Plan Conformance

Allowing staging use on this site creates a secure central location for daily construction work, minimizing crew impact on the surrounding neighborhood and maximizing safe passage of materials and personnel between the development site and the staging area.

The proposed temporary staging use supporting an affordable housing development is consistent with the 2030 Comprehensive Plan Strategy H 1.1 which calls for an increase in housing choices across the city to support economically diverse neighborhoods.

Recommendation:

Authorize a temporary license agreement with Flannery Construction for temporary construction staging use of 845-851 Payne Avenue located in District 5, Ward 6.

Sponsored by: Councilmember Busuri

Staff: Claire Pettry 651-266-6608

Attachments

- **Map**
- **District 5 Profile**
- **HRA Resolution 95-5/3-2**