



Legislation Text

File #: RES 12-1907, **Version:** 1

Resolution Authorizing Designation of a Tentative Developer Status for Covenant Capital LLC for the Property at 699 East 7th Street, Ward 7, District 4

WHEREAS, the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (the “HRA”) has duly adopted and there is now in legal effect a City-Wide Comprehensive Plan/ Redevelopment Plan for the acquisition, rehabilitation and resale of properties which identify the Dayton’s Bluff District 4 area as a part of this plan; and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Chapter 469 of the Minnesota Statutes, Housing and Redevelopment Act (the “Act”) and by authority of said Act engages in activities relating to: 1) housing projects and development; 2) removal or prevention of the spread of conditions of blight or deteriorations; 3) bringing substandard buildings and improvements into compliance with public standards; 4) disposition of land for private development; and 5) improving the tax base and the financial stability of the community; and engages in the aforementioned activities when redevelopment or development needs cannot be met through reliance solely upon private initiative, and may engage in said activities in targeted neighborhoods; and

WHEREAS, HRA staff received a proposal for redevelopment of a HRA-owned building at 699 east 7th Street from Covenant Capital, LLC; and

WHEREAS, according to the HRA’s disposition policy, HRA staff requested proposals on the City of Saint Paul’s web page; and

WHEREAS, after more than 45 days of posting the notice, no further proposals were received by HRA staff; and

WHEREAS, after reviewing the submitted proposal, staff recommends accepting the proposal from Covenant Capital, LLC to rehabilitation of the building located at 699 East 7th Street for their development of a mixed commercial and housing development known as the Project (the “Project”); and

NOW THEREFORE, BE IT RESOLVED by the HRA that Covenant Capital, LLC be designated as Tentative Developer for 699 east 7th Street for a period of 90 days, within which period of time the Tentative Developer, at its own cost, will complete the following:

1. Within 90 days, for the Project, complete a formal scope of work with architectural/engineering plans and specifications to include a site plan, elevations, incorporate Green/Sustainable Development guidelines, exterior treatments/materials and interior schematics for review by HRA and suitable for submission to the Department of Safety and Inspections to obtain the proper building permits.
2. Within 90 days, for the Project, submit evidence of availability of construction financing for review by HRA staff for acceptability.
3. Finalize a detailed development budget and businesses plan for approval by the HRA staff.
4. A final and HRA approved scope of work must be completed within the 90 day tentative developer

period.

5. Within 90 days receive all approvals for zoning, licenses and any other required City or State approvals required for the Project.
6. Negotiate final terms and conditions of a development agreement which will include review of all compliance requirements, details of the bidding process and sworn construction cost statement from their selected contractor for the Project.

BE IT FURTHER RESOLVED, that the terms and conditions of a development agreement by and between the HRA and Tentative Developer be within the following constraints:

1. All pre-development costs are the sole responsibility of the Tentative Developer.
2. The Tentative Developer must work with affected community groups.
3. The property will be sold "as is".

BE IT FURTHER RESOLVED if the Tentative Developer does not timely complete the tasks specified in this resolution by the stated deadlines or abide by its restrictions, the Tentative Developer status shall terminate without further action by this Board.