



Legislation Text

File #: Min 14-19, **Version:** 1

Approval of the April 23, 2014 HRA Meeting Minutes.

ROLL CALL

Present: Commissioner Brendmoen, Lantry, Stark, Thao, Thune, Tolbert

*Absent: Commissioner Bostrom

CONSENT

1. Approval of the April 9, 2014 HRA Meeting Minutes.

Commissioner Stark moved approval. The HRA meeting minutes were approved.

VOTE: **Yeas - 6** **Nays - 0**

2. Resolution Authorizing Designation of a Tentative Developer Status for Payne Avenue Guild, LLC for the Property at 619, 621, 623, and 627 Wells Street, District 5, Ward 6.

Commissioner Stark moved approval. Approved as set forth in RES 14-708.

VOTE: **Yeas - 6** **Nays - 0**

3. Approving the Issuance of Revenue Bonds by the City of Saint Paul to Refund all Outstanding Sales Tax Revenue Refunding Bonds (Civic Center Project), Series 1996, Issued by the Housing and Redevelopment Authority of the City of Saint Paul, Minnesota; Authorizing the Optional Redemption and Prepayment of the Series 1996 Bonds; and Authorizing the Execution of Various Documents in Connection with the Redemption of the Series 1996 Bonds and Related Transactions.

Commissioner Stark moved approval. Approved as set forth in RES 14-716.

VOTE: **Yeas - 6** **Nays - 0**

PUBLIC HEARINGS

**Commissioner Bostrom arrived.*

4. Authorization to Acquire Tax Forfeit Property at 820-822 Concordia and Subsequently Convey Same to Rondo Avenue, Inc. for Development as an African American Museum and Community Center, District 8, Ward 1.

Ms. Cecile Bedor, Executive Director for the HRA, stated that 820 Concordia Avenue is a vacant lot which was the location of the last structure in the original Rondo neighborhood. Rondo Avenue, Inc. ("RAI") is a nonprofit organization, founded in 1982, dedicated to preserving, conserving, and accurately interpreting the contributions of African-Americans to the City of Saint Paul. Ms. Bedor noted that they are probably best known for their sponsorship of the Rondo Days festival. RAI wants to acquire this property and construct the Rondo Community Museum to house historical memorabilia and provide and host ongoing community programming. The facility will also house RAI administrative offices.

This property is currently owned by Ramsey County who obtained title through tax forfeiture. City Council approved a \$25,000 STAR grant last year to assist RAI with the acquisition of this site. The

proposed action is to acquire the site from Ramsey County, and immediately sell it to RAI to develop the Museum. The estimated price is \$7,826.50 which includes Ramsey County fees and costs.

Mr. Marvin Anderson, Co-Founder and Project Manager with RAI, spoke in favor of this project.

Commissioner Thao stated this project is a strong example of community and government coming together.

Commissioner Thao moved approval. Approved as set forth in RES 14-105.

VOTE: **Yeas - 7** **Nays - 0**

5. Resolution Approving the Sale and Conveyance of Parcels 975 Minnehaha Avenue East and 1087 Ross Avenue under the Inspiring Communities Program, Dayton's Bluff, District 4, Ward 7.

Ms. Bedor stated in July of last year, the HRA board approved the HRA Land Disposition Strategy to address 240 parcels in the HRA inventory. One element of the strategy pertained to the disposition of 56 buildable lots. In order to inform the development of a strategy and process for the disposition of these lots, staff began with a pilot project for four vacant lots. All were listed on the Multiple Listing Service (MLS) this past February, with the sole requirement that any structure built must be owner-occupied. The HRA sold one of the four, 1029 Margaret, to a neighbor for side yard. Staff is proposing the sale of these two properties to The Investor Group for single family home development. 975 Minnehaha Avenue East was donated to the HRA in 2009; the HRA demolished the structure. The proposed sale price is \$8,000. The HRA acquired the vacant lot at 1087 Ross Avenue from Ramsey County via the tax forfeiture process in 2005. The proposed sale price is \$10,000. Sale prices are based on an appraisal of a typical lot in Dayton's Bluff and a real estate broker opinion of value. This will be a cash purchase.

Commissioner Lantry moved approval. Approved as set forth in RES 14-110.

VOTE: **Yeas - 7** **Nays - 0**

6. Resolution Approving the Sale and Conveyance of Parcel 1003 Hudson Road under the Inspiring Communities Program, Dayton's Bluff, District 4, Ward 7.

Ms. Bedor stated this is the fourth parcel that was listed on MLS per the pilot disposition process. The HRA acquired this property, which is on the corner of Hudson and Cypress, in April 2007 for \$1 from Ramsey County through tax forfeit. Use of this property is restricted to business or commercial parking for an adjacent business or residential development. August Ventures, LLC intends to develop the site as a parking lot for their adjacent property, which includes a laundromat and housing units. The proposed sale price for this parcel is \$7,000.

Commissioner Lantry moved approval. Approved as set forth in RES 14-108.

VOTE: **Yeas - 7** **Nays - 0**

7. Approval of the Sale and Conveyance of Parcel 1010 Bush Avenue under the Inspiring Communities Program, Dayton's Bluff, District 4, Ward 7.

Ms. Bedor stated the HRA purchased 1010 Bush Avenue in August 2010 with NSP funds for \$58,500. This foreclosed two-story, 1,488 square foot home with four bedrooms and two bathrooms was built in 1904. The property is being sold to Mao Thao based on the after-rehab appraisal and in consideration of NSP costs for \$130,000 with an owner-occupancy deed restriction. Total gap assistance is \$181,592 with program income estimated at \$119,500.

Commissioner Lantry moved approval. Approved as set forth in RES 14-107.

VOTE: Yeas - 7 Nays - 0

8. Approval of the Sale and Conveyance of Parcel 680 Nebraska Avenue under the Inspiring Communities Program, Payne-Phalen, District 5, Ward 6.

Ms. Bedor stated the HRA purchased 680 Nebraska Avenue in February 2011 with NSP funds for \$24,250. This foreclosed one-story, 1,920 square foot home with two bedroom one bathroom was built in 1921. The property is being sold to Joshua and Danielle Cather based on the after-rehab appraisal and in consideration of NSP costs for \$147,500 with an owner-occupancy deed restriction. Total gap assistance is \$96,421 with program income estimated at \$133,500.

Commissioner Bostrom moved approval. Approved as set forth in RES 14-106.

VOTE: Yeas - 7 Nays - 0

9. Authorization to Acquire Property Owned by the City of Saint Paul at Seventh Street East and Kittson Street and Subsequently Convey Same to Jay Montpetit for Use as a Parking Lot, Dayton's Bluff District 4, Ward 2.

Ms. Bedor stated the HRA serves as the City's agent in property disposition. This is the companion action to the action the City Council took approving the sale of this site to Jay Montpetit for \$27,000 for use as an improved parking lot for the Downtowner Car Wash.

Commissioner Bostrom moved approval. Approved as set forth in RES 14-109.

VOTE: Yeas - 7 Nays - 0

DISCUSSION

10. Resolution Approving and Authorizing Acquisition of 845-851 Payne Avenue, Saint Paul, Minnesota, Acceptance of STAR Funds, District 5, Ward 6.

Ms. Bedor stated 845 and 851 Payne Avenue are located on the northwest corner of Payne Avenue and Whittall Street. The site includes a vacant commercial building and small surface parking area. In 2013, the owners, Gerald and Nancy Holt, asked the Twin Cities Community Land Bank if they would like to buy the property. The Land Bank then contacted PED staff about the city's potential interest in the property. Ms. Bedor noted that staff believe this parcel is critical to the continued redevelopment efforts along Payne Avenue, noting that the property is a block in from the Payne Avenue gateway, across the street from Kendall's ACE Hardware, and across the street from a HRA-owned parcel the HRA is currently marketing. Staff is recommending the purchase of this site to ensure this eye-sore does not negatively impact the investments the HRA and local businesses have made to date, nor hinder the significant momentum Payne Avenue is currently enjoying.

Ms. Bedor noted that the owners wanted to work directly with the Land Bank to close by December 31, 2013. The Land Bank acquired the site in December for \$50,000 and the HRA executed a Purchase Agreement with the Land Bank contingent upon HRA Board approval, for \$50,500. Ramsey County estimates the current market value of the properties at \$126,500. Staff is recommending purchasing the property "As-Is", demolishing the current vacant building which is in poor condition, and preparing the site for sale and redevelopment. The funding source for the purchase would be \$50,000 from Commissioner Bostrom's year-round STAR account. Funding to demolish the building and prepare the site will be \$50,000 in ISP funds. Ms. Bedor stated that a gas station and auto repair shop once occupied the site, so some level of contamination is assumed; external funding will be sought to

help pay for those costs.

Commissioner Bostrom moved approval. Approved as set forth in RES 14-718.

VOTE: **Yeas - 7** **Nays - 0**

11. Resolution Authorizing Approval of a \$120,000 Loan under the Strategic Investment Fund Program to HLB Tautges Redpath, Ltd for 55 East Fifth Street; and Budget Amendment.

Ms. Bedor stated HLB Tautges Redpath, Ltd. ("HLB") is the twelfth largest accounting firm in Minnesota. Created in 1972, they are an employee-owned accounting firm providing services in the greater metro area. HLB has 120 employees and is currently located in White Bear Lake. They've outgrown their current location, and with plans to expand their workforce, they are investigating leasing up to three floors (36,000 square feet) in the Alliance Bank Building in downtown.

Due to existing leases, HLB will likely lease one floor now, however no lease has been executed. Assuming they move forward, 40 HLB employees will be housed downtown by October. They plan to take additional floors and move the rest of their employees as circumstances allow.

Staff is recommending that the proposed \$120,000 forgivable SIF loan, which will be used for purchasing furniture and equipment, be available for nine months in \$40,000 increments, at a rate of \$1,000 per job, and based on leasing additional floors.

Proposed terms are a 5-year forgivable loan at 4.25% (prime plus one). Each scheduled yearly payment on the loan would be forgiven if HLB maintains the required number of employees. The loan will be a full recourse obligation of HLB, and the HRA will have a separate security interest in the firm's fixtures, equipment and other business assets.

Commissioner Stark asked about the SIF fund balance. Ms. Bedor stated there is a \$200,000 balance for 2014.

Commissioner Thune moved approval. Approved as set forth in RES 14-720.

VOTE: **Yeas - 7** **Nays - 0**

STAFF REPORT

12. Greater MSP Discussion with Michael Langley.

Ms. Bedor gave an update on the genesis of the GreaterMSP organization and GreaterMSP CEO Michael Langley's background. Mr. Langley presented an overview of GreaterMSP's mission, key strategies, and initiatives. He also discussed the benefits to the City of Saint Paul. Commissioners requested additional information about the number of Saint Paul residents employed at the companies detailed in the GreaterMSP annual report.

ADJOURNMENT

Commissioner Tolbert moved adjournment. The HRA meeting was adjourned.