



Legislation Text

File #: RES PH 20-201, **Version:** 1

Approving a business subsidy, in the form of a forgivable loan from the Commercial Vitality Zone Program, to M.E.K. Properties Limited Partnership (MEK Properties) for the construction of a new parking lot at 1641-1675 Rice Street & 160-166 Larpenteur Avenue (District 6, Ward 5).

WHEREAS, the City Council of Saint Paul, Minnesota is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Section 469.001, et seq. (the "Act"); and

WHEREAS, the City Council has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and is authorized to create redevelopment projects as defined in Minn Stat Section 469.002, Subd. 14; and

WHEREAS, the Commercial Vitality Zone Program ("CVZ Program") is an economic development program funded by an annual sales tax revenue account from the City of Saint Paul's ½ cent local sales tax, known as Sales Tax Revitalization or "STAR"; and

WHEREAS, the purpose of the CVZ Program is to utilize this annual funding to provide a nimble, flexible approach to investments in neighborhood commercial corridor districts that have assets with potential organizations with capacity and community-developed plans in place, and that promote increased commercial vitality throughout the city; and

WHEREAS, the criteria of the CVZ Program is to invest in catalytic zones where other investments can be leveraged and build off an existing strategy, where identified feasible and visible projects exist in the zone, and where those projects have the potential to meet expected outcomes of the Program around vitality, growth, and equity; and

WHEREAS, the MyThrift Store strip center mall located at 1641- 1675 Rice Street and 160 - 166 Larpenteur Avenue was identified in the Rice-Larpenteur vision plan (Res 18-1741) as an "area of opportunity" for the neighborhood. The strip center mall is home to several local businesses including MyThrift Store, two restaurants, and other retail businesses; and

WHEREAS, the parking lot of the MyThrift Store strip center mall is worn-down and needs substantial repairs and improvements; and

WHEREAS, the CVZ Program funds will allow MEK Properties to improve the parking lot's appearance, increase safety for vehicles and pedestrians, and improve the tax base for the area (the Project); and

WHEREAS, the Project includes a mill and overlay of the parking lot, adding a sidewalk along Rice Street, closing two curb cuts, adding landscaping, and a small parklet area; and

WHEREAS, MEK Properties requests a 5-year forgivable loan from the Program in an amount up to \$337,500 for the Project, with annual forgiveness based on continued ownership and maintenance of the property; and

WHEREAS, the City Council finds a public purpose in awarding MEK Properties a forgivable loan because it will improve the appearance of the parking lot, improve safety, and increase the local tax base;

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Saint Paul, Minnesota, that:

1. The City Council hereby approves a business subsidy in the form of a 5-year, forgivable loan, with annual forgiveness based on continued ownership and maintenance in the property, from the CVZ Program of up to \$337,500, for MEK Properties Project for repairs and improvements to the parking lot at 1641- 1675 Rice Street & 160 - 166 Larpenteur Avenue; and

2. That the PED Executive Director and Director of the Office of Financial Services of the City of Saint Paul are hereby authorized and directed to execute the necessary documents on behalf of the City Council provided that such are consistent with the agreements articulated in this resolution and the attached staff report, and acceptable in form and substance to the Saint Paul City Attorney.