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

REPORT TO THE COMMISSIONERS **DATE: JULY 22, 2026**

REGARDING: **RESOLUTION AUTHORIZING A THREE (3) YEAR LICENSE WITH UNION PACIFIC RAILROAD (UPRR) FOR ITS EXCLUSIVE USE OF HRA PROPERTY AT 43 EAST WATER STREET, DISTRICT 3, WARD 2.**

Requested Board Action

Authorize the execution of a license agreement with Union Pacific Railroad (UPRR) for the exclusive use of 43 Water Street East for a period of three years.

Background

In 1995, the HRA acquired multiple tax parcels that now make up the HRA-owned property known as 43 E Water Street ("Property") in accordance with the Riverfront Redevelopment Plan of 1986. Midway Bank donated the property to the HRA on the condition that the HRA assumed responsibility for cost of any required soil contamination clean-up (then estimated at $30,000) and unpaid taxes of approximately $8,000.

According to the Minnesota Pollution Control Agency, the Property is an inactive State Superfund project, Superfund SR0000338. A superfund project occurs when there is known or suspected environmental contamination at a property. The Superfund program identifies, investigates, and determines appropriate cleanup for these sites which are listed on the Minnesota Permanent List of Priorities (PLP). According to the MPCA activity overview, the Property was listed on the PLP in 1984 and delisted in 1987 with application completeness determined in July 2000.

Upon the HRA's acquisition, the designated use of the Property, on an intermediate basis, was to operate as a city owned parking lot for downtown workers and riverfront programming initiatives. The intended use of the Property under the Riverfront Redevelopment Plan of 1986 was residential, with the highest priority for development of public open space. It was later identified for development and use as a public realm and trail in the West Side Flats Master Plan, which is dated August 2001. Future discussions about a potential transfer of property to the City for Parks use are ongoing. Any conveyance of land to Parks or another entity would be subjected to approval of the HRA.

The Property has been operated as an HRA-owned parking lot managed by TransPark Incorporated ("TransPark") since 2009 and Impark prior to that since about 1996. Currently, the average net annual revenue is approximately $11,000 per year with the lot typically about half full at any given time except when there are events, at which time it typically reaches maximum capacity.

Union Pacific Railroad approached staff in the spring of 2025 to inquire about leasing the land for employee parking and a job trailer during a three-year long project on an existing adjacent railroad bridge. The proposed business terms of the license with UPRR include:

- UPRR will have exclusive access and use of the lot beginning August 1, 2026, through July 31, 2029.
- UPRR will pay HRA monthly rent of $1,600 which will be paid in a lump sum of $57,600 upon both parties' execution of a license agreement. If the license is terminated early by UPRR due to early completion of its project, HRA will refund a prorated amount.
- UPRR will be responsible for all permits, operating expenses, utilities, and maintenance costs associated with the Property and its construction project during the lease term.
- UPRR will indemnify the HRA from liability during the lease term.
- UPRR will install temporary security fencing around the Property, perform all maintenance and repair on the Property, arrange for its own security and enforcement as needed, place and store a job trailer on site and minimal additional construction staging, and allow for the parking of UPRR employees, contractors, agents, and invitees on the site.
- UPRR will restore the Property to its existing (or better) condition upon license expiration.

To allow UPRR to use the Property beginning in August, 2026, current parking operations must be terminated. According to the Temporary Parking Operation and Management Agreement with TransPark, a 30-day notice of termination was required. In anticipation of the HRA Board authorizing a license with UPRR, PED staff sent notice to TransPark on June 30, 2026, that operation of the Property as a parking lot would cease and the Operation and Management Agreement would be terminated effective end of day July 31, 2026.

Budget Action

There is no budget action required as a result of this action.

Future Action – None.

Financing Structure - N/A

PED Credit Committee Review - N/A

Compliance - N/A

Green/Sustainable Development - N/A

Environmental Impact Disclosure - N/A

Historic Preservation - N/A

Public Purpose/Comprehensive Plan Conformance

The public purpose for granting UPRR a three-year license is to 1) safeguard the public trust asset of the river, specifically its commercial navigation channels, 2) ensure public safety by replacing or rebuilding aging bridge structures, and 3) preserve a supply chain that delivers critical goods.

Statement of Chair (for Public Hearing) - N/A

Recommendation:

The Executive Director recommends approval of the business terms and authorization to enter into a license agreement for 3-years of exclusive use with Union Pacific Railroad.

Sponsored by: Rebecca Noecker

Staff: Daniela Lorenz

Attachments

- **Map**