

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

REPORT TO THE COMMISSIONERS

DATE: FEBRUARY 19, 2025

REGARDING: AUTHORIZATION TO DESIGNATE F & C DEVELOPMENT, INC., AN INDIANA CORPORATION, AS TENTATIVE DEVELOPER OF CENTRAL STATION BLOCK, SAINT PAUL, MN, DISTRICT 17, WARD 2

Requested Board Action

Staff is requesting the Housing and Redevelopment Authority of the City of Saint Paul (“HRA”) Board of Commissioners to approve the designation of F&C Development, Inc., an Indiana corporation (“Flaherty & Collins”), or an affiliated entity owned and controlled by Flaherty & Collins, as tentative developer of the HRA-owned property at Central Station Block (“the Property”) through December 31, 2026, in order to finalize due diligence, financing, construction costs, and get approvals needed to redevelop the property.

Background

In total, the developable property at Central Station Block is comprised of five parcels: four are owned by the Metropolitan Council (“Met Council”) and one is owned by the HRA. The HRA-owned parcel, 355 Minnesota Street (PIN 062822120109), is comprised of 0.22 acres and is located in the northern corner of the block, and is currently vacant. The four Met-Council-owned parcels, totaling 1.32 acres, are also vacant apart from the passage of the Green Line Light Rail Transit (“LRT”) and its Central Station platform. All five parcels, by way of a Joint Powers Agreement (“JPA”) between the City of Saint Paul, the HRA, and the Met Council, executed in 2023, are committed to a process of joint redevelopment as one 1.66-acre site, zoned B4.

Near the end of 2023, the HRA and the Met Council jointly released a Request for Letters of Interest (RFI) to gauge developer interest and to generate ideas and enthusiasm for a Request for Proposals (RFP).

On March 25, 2024, the HRA and the Met Council jointly released an RFP for Central Station Block with a submission deadline of July 25, 2024, in compliance with the HRA's disposition policy. (See full RFP document attached.) HRA and Met Council staff received one proposal, from Flaherty & Collins, an Indianapolis-based company that have completed 103 development projects in 13 states.

Following the proposal submission deadline, a team of five HRA and Met Council representatives reviewed the proposal and interviewed Flaherty & Collins in September 2024. The proposal was evaluated against the development vision and review criteria outlined in the RFP.

Development Vision

The vision for the block is for a high-density, mixed-use development that both maximizes the development potential of the site and increases transit ridership. New development should demonstrate high-quality architectural and urban design that:

- Contributes to the urban fabric of downtown Saint Paul
- Activates the street
- Brings increased vitality to the core of the CBD
- Is sensitive to its historic context

Review Criteria

- Qualifications
- Experience
- Financial Terms
- Development Concept
- Integration and Impact of LRT and Bus

Staff Recommendation:

The review committee determined Flaherty & Collins' proposal to be aligned with the review criteria and the redevelopment vision of the HRA and Met Council. Key reasons include:

- Qualifications & Experience

- Extensive large-scale development and property management experience, have built mixed-use projects in Saint Paul and the Twin Cities, have successfully completed public-private partnerships
- Assembled an experienced team of development / financial / commercial consultants, architects and contractors
- Have expressed interest in the Central Station site since 2015
- Development Concept
 - High density housing development that utilizes both sides of the LRT station and includes active ground-floor commercial space
 - The proposal provides for a variety of unit types, including family-sized units
- Financing Capacity
 - Proven ability to raise debt and equity and structure complicated public-private partnerships

Flaherty & Collins proposes to construct two new mixed-use buildings on the site: a 20-story tower and a 6-story building, connected by skyway over the LRT station. The buildings will include approximately 300 market-rate housing units (including one-, two-, and three-bedroom units) and 10,000 square feet of ground-floor commercial space, totaling 369,600 square feet of combined development. Final design and number of housing units may depend on community engagement input, financing requirements, and other variables.

Budget Action

N/A

Future Action

Future possible actions by the HRA Board may include public financing and holding a public hearing for sale of the Property to Flaherty & Collins.

Financing Structure

Tentative developer status will allow Flaherty & Collins time to pursue financing for the project.

Compliance

The following compliance requirements may apply to this project: Vendor Outreach Program, Affirmative Action, Davis Bacon Labor Standards, Affirmative Fair Housing Plan, Two-Bid Policy, Project Labor Agreement, Living Wage Ordinance, Sustainability Policy, Business Subsidy and Section 3.

Green/Sustainable Development

As applicable, this project will comply with the Saint Paul Sustainable Development Policy.

Public Purpose/Comprehensive Plan Conformance:

The proposed project would bring an active mix of uses in a new high-rise building to a vacant site at the intersection of the Green Line LRT and multiple bus lines, in the heart of downtown blocks away from the river.

Flaherty & Collins' proposed redevelopment aligns with the goals and policies of the City's 2040 Comprehensive Plan in the following areas:

Goals

- LU-1. Economic and population growth focused around transit.
- LU-2. Neighborhood Nodes that support daily needs within walking distance.
- LU-8. People-centered urban design.
- T-1. Investment that reflects the City's priorities.
- T-3. A transportation system that supports access to employment and economic opportunity.
- T-4. True transportation choice throughout the city, with a shift from single-occupant vehicles toward other modes.
- H-2. Well-designed, energy-efficient buildings and sites constructed with quality materials.
- H-7. Strong neighborhoods that support lifelong housing needs.

Policies

- LU-1. Encourage transit-supportive density and direct the majority of growth to areas with the highest existing or planned transit capacity.

- LU-2. Pursue redevelopment of Opportunity Sites as higher-density mixed-use development or employment centers...
- LU-6(3). Foster equitable and sustainable economic growth by growing Saint Paul's tax base in order to maintain and expand City services, amenities and infrastructure.
- LU-6(4). Foster equitable and sustainable economic growth by proactively directing new development to high-priority geographies, such as Neighborhood Nodes, ACP50 Areas and Opportunity Sites.
- LU-6(8). Foster equitable and sustainable economic growth by enhancing vibrant downtown neighborhoods and connecting them to the Mississippi River.
- LU-9. Promote high-quality urban design that supports pedestrian friendliness and a healthy environment, and enhances the public realm.
- LU-10. Activate streetscapes with active first-floor uses, street trees, public art, outdoor commercial uses and other uses that contribute to a vibrant street life.
- LU-22. Continue to invest in Downtown and promote a broad mix of uses that attract greater numbers of people and employers to ensure Downtown's vitality as the civic, cultural and employment center of the East Metro.
- LU-23. Strengthen neighborhood connections to and within Downtown Saint Paul through development and improvements that support and complement Downtown businesses and urban villages.
- LU-25. Continue to strengthen Downtown as a residential neighborhood that provides services and amenities for people of all ages.
- LU-29. Ensure that building massing, height, scale and design transition to those permitted in adjoining districts
- LU-30(4). Improve access to jobs by prioritizing development with high job density.
- LU-31. Invest in Neighborhood Nodes to achieve development that enables people to meet their daily needs within walking distance and improves equitable access to amenities, retail and services.
- LU-33. Promote amenities that support those who live and work in Neighborhood Nodes, including frequent transit service, vibrant business districts, a range of housing choices, and neighborhood-scale civic and institutional uses...

- LU-35. Provide for multi-family housing along arterial and collector streets, and in employment centers to facilitate walking and leverage the use of public transportation.
- T-21. Reduce vehicle miles traveled by 40% by 2040 by improving transportation options beyond single-occupant vehicles.
- T-22. Shift mode share towards walking, biking, public transit ... to reduce the need for car ownership.
- T-27. Improve public transit mode share and support quality public transit in all parts of the city through strategic establishment of transit-supportive land use intensity and design...
- H-8. Encourage creativity in building design and site layout
- H-16. Increase housing choice across the city to support economically diverse neighborhoods by pursuing policies and practices that maximize housing and locational choices for residents of all income levels.
- H-46. Support the development of new housing, particularly in areas identified as Mixed Use, Urban Neighborhoods, and/or in areas with the highest existing or planned transit service, to meet market demand for living in walkable, transit-accessible, urban neighborhoods.
- H-47. Encourage high-quality urban design for residential development that is sensitive to context, but also allows for innovation and consideration of market needs.

Furthermore, the proposal is consistent with the 2003 Saint Paul Downtown Development Strategy, the 1997 Saint Paul on the Mississippi Development Framework, the 2017 Central Station Block Design Guidelines, and the Downtown Alliance's 2024 Downtown Investment Strategy.

Recommendation:

The Executive Director recommends approval of the resolution authorizing F&C Development, Inc. as tentative developer of Central Station Block.

Sponsored by: Commissioner Noecker

Staff: Jonathan Reisetter, Principal Project Manager 266-9119

Attachments

- **Request for Proposals**
- **Map**
- **Public Purpose**
- **D2 Downtown Neighborhood Profile**