

Community Development Committee

Meeting date: April 1, 2019

Per Council policy, the Community Development Committee is the final authority on this item.

Subject: Saint Paul Port Authority Request for a Project Change to the Tax Base Revitalization Account Grant, Major League Soccer Stadium Complex SG-04703

District(s), Member(s): 14 – Kris Fredson

Policy/Legal Reference: Minn. Stat. § 473.252

Staff Prepared/Presented: Paul Burns, Manager, Livable Communities (651-602-1106)

Division/Department: Community Development / Regional Planning

Proposed Action

That the Community Development Committee:

- (1) approve a grant amendment changing the project site area, reducing the expected amount of commercial space and associated tax base and jobs, revising the scope of work, and extending the grant term by two years for the Tax Base Revitalization Account (TBRA) grant agreement SG-04703 Major League Soccer Stadium Complex awarded to the Saint Paul Port Authority; and
- (2) authorize its Community Development Division Director to amend the grant agreement on behalf of the Council.

Background

The Metropolitan Council granted \$1,250,000 from the Tax Base Revitalization Account (TBRA) to the Saint Paul Port Authority in 2016 for contamination cleanup of a former retail strip mall for development of a soccer stadium, retail and office space, and hotels ([Business Item 2016-124](#)). (The former bus garage property was not part of the Livable Communities grant.)

In December 2018, the Port Authority requested an amendment to the grant to revise the site boundary and add a grant-eligible activity related to managing stormwater. More specifically, the Port Authority is adding an area outside of the original project area needed for stormwater management and new commercial space and removal of a similarly sized commercial area from within the original project area (Figures 1, 2, and 3). The changes to the development area for the first development phase have resulted in:

- Changes to the cleanup plan
- Reduction in commercial space from 106,200 square feet to 100,210 square feet
- Reduction in the increase in future net tax capacity from \$3,503,351 to \$2,028,637
- Minimal reductions in the future jobs (-1% change)
- The need to extend the term of the grant to allow for completion of the cleanup and commencement of the catalyzed project

Livable Communities grant amendment guidelines approved by the Community Development Committee (CDC) ([Business Item 2011-302](#)) require TBRA project changes to be approved by the Community Development Committee if the overall tax base increase is reduced by 20% or more from the expected tax base increase

originally proposed. Although the proposed project will still result in a significant increase in tax base, the proposed increase in the tax base resulting with these changes is 42% less than the original estimate.

Tax Base Revitalization Account grant agreements require the grant-funded activities to be completed and the project catalyzed by the grant to be commenced by the end of the grant term. The agreements also allow for grant term extensions of up to two years when progress is shown.

Rationale

The project received the highest evaluation score of all applications in the spring 2016 funding cycle. The revised project will result in a high level of tax base increase, private investment, and job growth to the Midway area in Saint Paul. Staff believe that the revised project would have been recommended for funding in that grant round.

Thrive Lens Analysis

Investing in cleaning up contamination for the Major League Soccer stadium complex area advances several Thrive outcomes, including stewardship of prior infrastructure investments, increased Prosperity and Livability, and encourages redevelopment and infill. Investment in opportunities for job growth in Areas of Concentrated Poverty such as the subject property also support the Equity outcome identified in Thrive.

Funding

In 2016, the Council approved a grant of \$1,250,000 for this project. With approval of this business item, there are no changes to the funding amount of this 2016 grant.

Known Support / Opposition

No opposition has been submitted for the amendment. The City of Saint Paul adopted a master plan for the entire block including the subject area of the grant amendment in August 2016.

Revised Project Summary

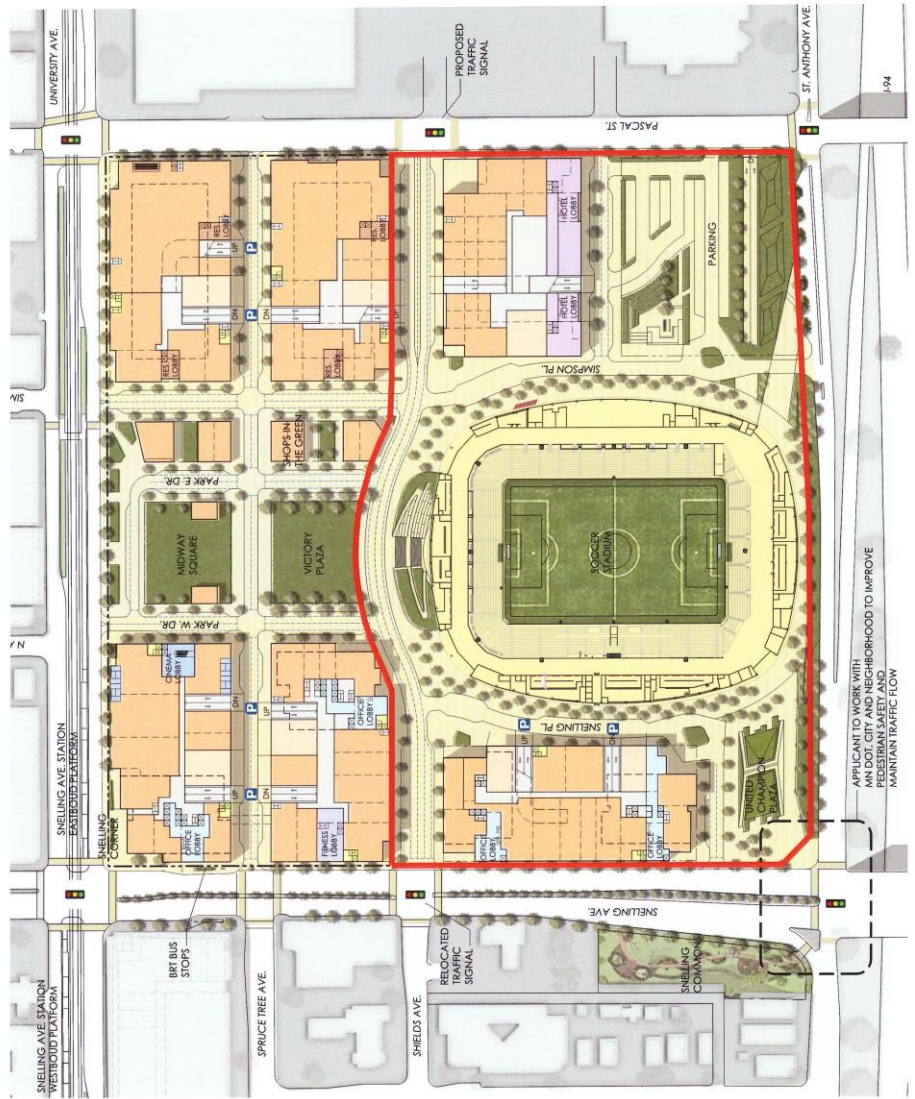
Grant # SG-04703
Grant Type Contamination Cleanup
Applicant Saint Paul Port Authority
Project Name Major League Soccer Stadium Complex
Project Location 400 Snelling Avenue North, Saint Paul
Council District 14 – Kris Fredson

Project Detail

Contaminant history	The site includes a vacant public site and a retail strip mall. It is adjacent to a site formerly used as a bus garage and maintenance facility. The contaminants of concern identified include petroleum impacts, petroleum and non-petroleum volatile organic compounds, polynuclear aromatic hydrocarbons and debris in the soil as well as petroleum and tetrachloroethene in the groundwater and related soil vapor impacts.	
Redevelopment project to start construction by the end of the grant term	Expected benefits include the development of 20,000 seat soccer stadium on an adjacent parcel, and:	
	Original Project	Revised Project
Project site acreage	20.8	21.1
Office space sq. ft.	350,000	132,450
New retail sq. ft.	106,200	100,210
Hotel rooms	400	225
Jobs (FTEs)	1,304	1,290
Net tax capacity increase	\$3,503,351	\$2,028,637
Acres cleaned	20.8	21.1
Total housing units	0	
Affordable units (80% AMI or less)	0	
Funding		
Requested amount	\$1,500,000	
Funding partner requests	\$500,000 from Ramsey County Environmental Response Fund and \$2,500,000 from the Department of Employment and Economic Development, Metro Transit has committed \$3M.	
Previous LCA funding	\$0	
Comments	Cleanup costs on Parcel 7 are not eligible for TBRA funding.	
Use of Funds		
Amount	Uses to be completed by the end of the grant term	
\$1,250,000	For environmental investigation, limited demolition, soil remediation, and soil vapor mitigation. exterior and interior waterproofing of stormwater management system in Great Lawn area.	

Figure 1. Original Site Plan

GROUND FLOOR PLAN

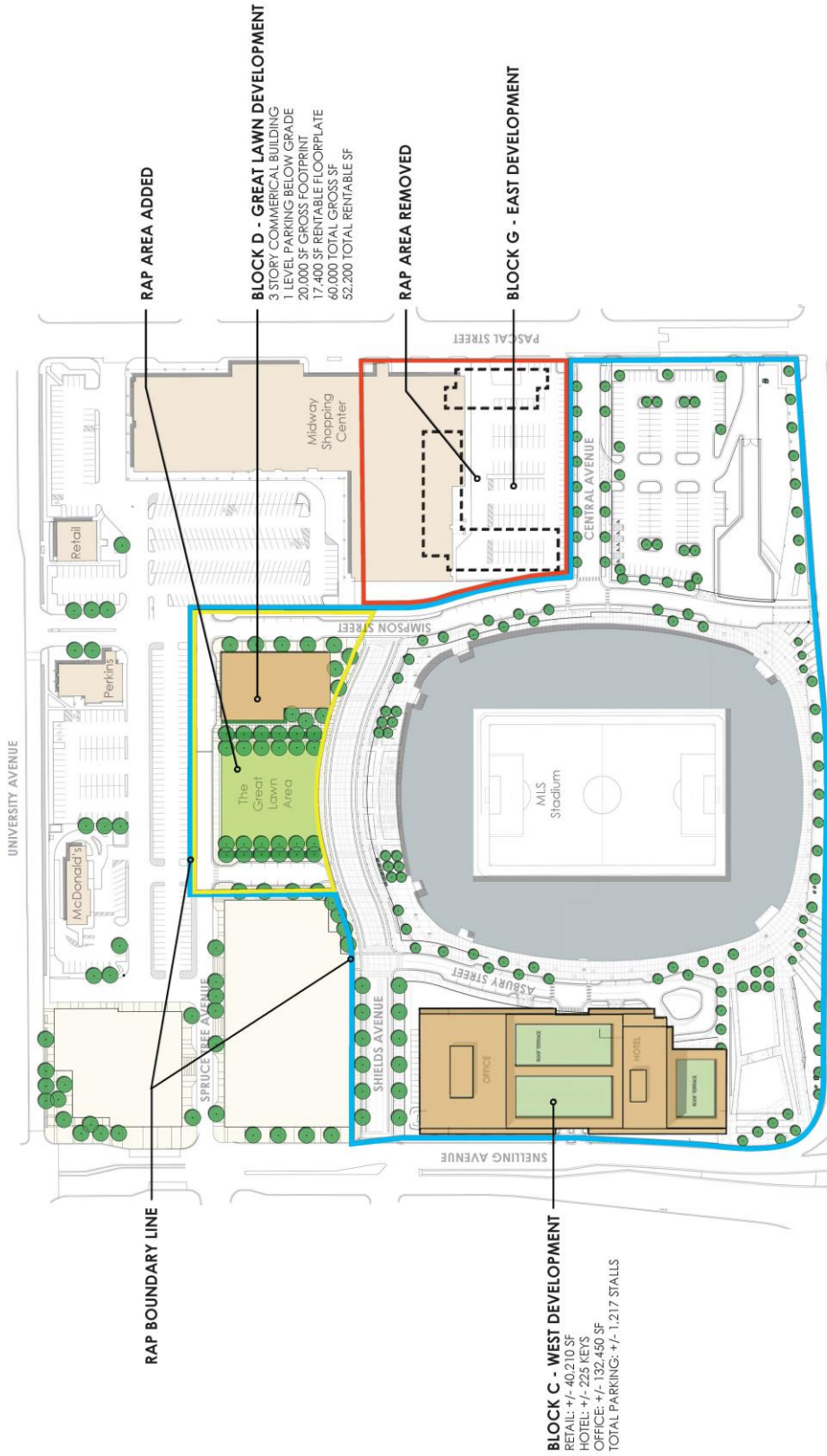


- OFFICE
- RETAIL
- RESIDENTIAL
- HOTEL
- CINEMA
- FITNESS
- LOADING
- PARKING/SERVICE
- CIRCULATION
- STADIUM
- RAP BOUNDARY

MIDWAY, ST. PAUL, MN
APRIL 16, 2016
20

RK MIDWAY  **MINNESOTA UNITED FC**  **S9 ARCHITECTURE** **POPULOUS**

Figure 2. Proposed Site Plan



BLOCK D - GREAT LAWN DEVELOPMENT
 3 STORY COMMERCIAL BUILDING
 1 LEVEL PARKING BELOW GRADE
 20,000 SF GROSS FOOTPRINT
 17,400 SF RENTABLE FLOORPLATE
 60,000 TOTAL GROSS SF
 \$2,200 TOTAL RENTABLE SF

BLOCK G - EAST DEVELOPMENT

BLOCK C - WEST DEVELOPMENT
 RETAIL: +/- 40,210 SF
 HOTEL: +/- 225 KEYS
 OFFICE: +/- 132,450 SF
 TOTAL PARKING: +/- 1,217 STALLS

DEVELOPMENT CONCEPT

SNELLING MIDWAY REDEVELOPMENT

City of St. Paul, Minnesota

LOUCKS
 March, 2019

