

Business Item

Community Development Committee



Committee Meeting Date: August 15, 2022

For the Metropolitan Council: NA*

*Per Livable Communities Act Grant Amendment Process (Business Item [2012-296](#) and [2014-182](#)) the Community Development Committee is the final authority on this item.

Business Item: 2022-231

Project Scope Amendment for Farwell Yards TBRA Cleanup Grant (SG-16802)

District(s), Member(s): District 13, Chai Lee
Policy/Legal Reference: Livable Communities Act, Minn. Stat. § 473.25
Staff Prepared/Presented: Samuel Johnson, Senior Administrator, (651) 602-1757
Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council approve amending the Farwell Yards (SG-16802) TBRA Cleanup Grant Award project summary as detailed in this report.

Background

The City of Saint Paul was awarded a \$400,700 Tax Base Revitalization (TBRA) Cleanup grant in the 2021 Round 2 funding cycle ([Business Item 2021-351](#)) for Farwell Yards, a project that will include a new apartment building and the renovation of an existing building into expanded artist production studios and new office space. The eligible use of funds involves numerous cleanup activities, including asbestos abatement; soil remediation; removing vats of paint, varnish, and other storage tanks; vapor mitigation; monitoring plans; and related environmental oversight.

During the TBRA application and award period, the Farwell Yards project developer continued refining the project. The number of housing units increased but the affordable housing units shifted to another apartment building to be built on an adjacent parcel. This adjacent parcel is outside the project boundaries originally provided in the TBRA application. The developer also applied to the City for a Tax Increment Financing (TIF) district that would cover parcels in the TBRA project site and the new affordable housing apartment building on the adjacent parcel.

As a result, the City requested an amendment (attachment A) to the Project Summary. A comparison of the original and amended project summary can be found in table 1. All other Project Details remain the same (attachment B).

Council staff reviewed these changes and determined they were significant. Changes are deemed significant based on criteria provided in the LCA Amendment Guidelines (Business Items [2014-182](#), [2012-296](#), & [2011-302](#)). Council staff rescored the project using the TBRA Contamination Cleanup grant award process outlined in the 2021 Fund Distribution Plan ([Business Item 2021-47](#)).

Table 1

	Original	Amended
Net Tax Capacity Increase	\$959,443	\$809,845
Total Housing Units	210	221
Affordable Units	21 at 51% - 60% AMI	0

Rationale

The Farwell Yards project received a score of 121 in the fall 2021 funding cycle, making it the top scoring project. When Council staff rescored the project with the proposed changes, the project received a score of 116. With the proposed changes, it would still be the top scoring project in the fall 2021 funding cycle. The project scored lower because of the reduced increase in Net Tax Capacity. The reduction to affordable housing units did not change the score because the original percentage of affordable units proposed (21 units is 10% of the 210 total units) was lower than the 20% minimum requirement to receive points for affordable housing, per the 2021 fund distribution policy. However, any reduction in the number of affordable units requires a Community Development Committee review per the LCA Amendment Guidelines.

Council staff recommend the Committee approve amending the project summary (Attachment B) to represent these changes and to keep the same level of funding for the updated project as awarded in 2021.

Thrive Lens Analysis

Investigating and cleaning up contamination to encourage new residential choices and business opportunities supports Stewardship of prior infrastructure investments, increased Prosperity, and Livability, and encourages redevelopment and infill. Investments in Areas of Concentrated Poverty and Environmental Justice also support the Equity outcome identified in Thrive MSP 2040.

Funding

There is no impact to funding. The proposed changes only affect the project scope and have no impact on the award amount given to the project.

Small Business Inclusion

NA



Attachment A: City of Saint Paul Letter of Support



SAINT PAUL
PLANNING & ECONOMIC
DEVELOPMENT

DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT
NICOLLE GOODMAN, DIRECTOR

City Hall Annex, 25 West 4th Street, Suite 1300
Saint Paul, MN 55102
Tel: 651-266-6565

May 3, 2022

TO: Samuel Johnson and Marcus Martin, Met Council
FROM: Michael Wade, City Planner, Saint Paul Dept. of Planning & Economic Development (PED)
SUBJECT: Summary – 150 Water St. project amendment (Grant #SG-16802)

Mr. Johnson and Mr. Martin,

The applicants associated TBRA grant number SG-16802 have made minor changes to their project description. The changes are reported in the attached TBRA Amendment Workbook.

There is no change to the dollar amounts for the grant-funded activities. Total dwelling units in the proposed mixed-use building on 150 Water Street have been increased from 210 to 221 units, and all units below market rate have been eliminated. (The same developer is now planning a 63-unit entirely-affordable project next door, which would be empowered partly by the market-rate rents of this project through a potential TIF district. An application has been submitted to the City for establishment of that TIF district; the City's decision is pending.) The increase in projected net tax capacity for 102-150 Water Street is now \$809,844.85, from \$115,684.00 to \$925,528.85. The developer's reported change in project schedule did not correspond exactly to the grant funded activities, but has been reported on that tab of the workbook.

Sincerely,

Michael Wade
City Planner, Saint Paul Department of Planning & Economic Development

CITY OF SAINT PAUL
MELVIN CARTER, MAYOR

AN AFFIRMATIVE ACTION &
EQUAL OPPORTUNITY EMPLOYER

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Attachment B: Revised Project Summary

Revised Project Summary

Grant #	SG-16802
Grant Type	Contamination Cleanup
Applicant	City of Saint Paul
Project Name	Farwell Yards
Project Location	102 and 150 West Water Street and 75 Bidwell Street, Saint Paul
Council District	13 – Chai Lee

Project Detail

Contaminant history	The 5.1-acre multi-parcel site includes a partially occupied 6-story warehouse, two vacant corrugated steel sheds/garages and a vacant brick building with gravel storage and parking areas. Historically, the site was used for equipment maintenance/storage and by a paint/varnish business. Recently, the site has been used for auto maintenance, leased storage, and a solid waste transfer site. Contaminants of concern include polycyclic aromatic hydrocarbons, diesel-range organics, metals (chromium, barium, lead, arsenic) and debris in the soil; Trichloroethylene (TCE) in the groundwater; and TCE, naphthalene, and 1,2,4-trimethylbenzene in the soil vapor. Asbestos was also confirmed in the 75 Bidwell building.	
Redevelopment project to start construction by the end of the grant term	Expected benefits include construction of 221 market-rate apartments and renovation of 60,000 square feet within an existing 210,000 SF building into 30,000 SF of new office space and additional 30,000 SF of artist production studios.	
	Original	Revised
Jobs (FTEs)	253	253
Net tax capacity increase	\$959,443	\$809,844.85
Acres cleaned	5.1	5.1
Total housing units	210	221
Affordable units	21 at 51%-60% Area Median Income (AMI)	0
Funding		
Grant Amount	\$400,700	
Funding partner requests	\$0 (Prior awards include \$1,392,178 from DEED; \$200,849 from Ramsey Cty ERF).	
Previous LCA funding	\$0	
Use of Funds		
Eligible Uses (to be completed by the end of the grant term)	For asbestos abatement, soil remediation, soil vapor mitigation including pre-mitigation and post-construction soil vapor sampling and a vapor mitigation operation maintenance and monitoring plan, as well as cleaning, disposal and removal of former paint and varnish vats, underground and/or above-ground storage tank removal, and related environmental oversight.	
Comments	Abatement is limited to asbestos-containing materials within building located at 75 Bidwell Street. Building demolition and dewatering, or groundwater monitoring, and sampling are not eligible for grant funding.	