

# Business Item

Transportation Committee



**Committee Meeting Date:** February 24, 2025

**For the Metropolitan Council:** March 12, 2025

## Business Item: 2025-49

Tentative Developer Agreement with the City of Saint Paul Housing and Redevelopment Authority and Flaherty & Collins for Central Station Block

<b>District(s), Member(s):</b>	District 13, Lee
<b>Policy/Legal Reference:</b>	Minnesota Statute 471.59 Joint Exercise of Power, RF 1-6 Transit Oriented Development (TOD) Policy, FM 9-1 Real Estate Policy, FM 14-1 Procurement Policy
<b>Staff Prepared/Presented:</b>	Lesley Kandaras, General Manager, 612-349-7513 Nick Thompson, Deputy General Manager Capital Program, 612-349-7507 Michael Krantz, Senior Manager, TOD, 612-349-7392 Jason Schmidt, Senior Project Manager, TOD, 612-349-7509
<b>Division/Department:</b>	Metro Transit / TOD

### Proposed Action

That the Council authorize the Regional Administrator to negotiate and execute a Tentative Developer Agreement with the City of Saint Paul Housing and Redevelopment Authority (Saint Paul HRA) and Flaherty & Collins outlining key milestones for redevelopment of the Central Station Block.

### Background

The Council is owner of two parcels (collectively the "Council Property") on the Central Station Block. The Council Property is approximately 1.44 acres. The Saint Paul HRA owns a 0.22-acre parcel in the northeast corner of the Central Station Block (Saint Paul HRA Property). The Council Property and the Saint Paul HRA property is shown on the attached Exhibit A. The Council Property and the Saint Paul HRA Property combined is 1.66-acres known as the Central Station Block.

The Council property was acquired for the METRO Green Line Light Rail Transit (LRT) Project, is currently vacant, and identified as a redevelopment priority. The Saint Paul HRA Property is encumbered with a permanent transit easement that is improved with a Metro Transit bus stop and bus waiting area. The Saint Paul HRA Property is otherwise unimproved.

The Metropolitan Council adopted a Transit Oriented Development (TOD) policy which recognized the leadership role that the Council has in promoting development along transit corridors. That policy expresses the Council's four goals as it relates to TOD which are to:

- Maximize the development impact of transit investments by integrating transportation, jobs and housing.
- Support regional economic competitiveness by leveraging private investment.
- Advance equity by improving multimodal access to opportunity for all.

- Support a 21st century transportation system through increased ridership and revenues.

On May 24, 2023, the Council authorized staff to enter into a Joint Powers Agreement with the HRA. The Joint Powers Agreement allows for the Saint Paul HRA and Council to market their respective parcels as a single site and to collectively and collaboratively perform services and functions to support redevelopment.

The Council and Saint Paul HRA released a Request for Proposal (RFP) on March 25, 2024, conducting a solicitation for development of the Central Station Block. Final proposals were due to Council's procurement team by July 25, 2024. The Council received one proposal from Flaherty & Collins (F&C). A review panel, consisting of Council and Saint Paul HRA staff, reviewed the proposal, interviewed F&C, and recommended F&C move forward in the process.

### Rationale

A Tentative Developer Agreement (Agreement) between the Council, Saint Paul HRA, and F&C serves as the framework to designate F&C as the tentative developer for the Central Station Block until December 31, 2026. Additionally, the Agreement will outline specific dates and milestones for the tentative developer to meet as the parties negotiate and prepare a development agreement, purchase agreement and other associated agreements for future consideration.

The Saint Paul HRA Board had a work session on February 12 and on February 19 they voted to authorize the designation of Flaherty & Collins as tentative developer of Central Station Block.

### Thrive Lens Analysis

The Joint Powers Agreement advances several Thrive outcomes:

- **Stewardship:** Redevelopment of the Central Station Block is anticipated to generate new transit ridership and sales proceeds for Metro Transit.
- **Prosperity:** Redevelopment is expected to facilitate private investment on a vacant site that is located adjacent to a significant existing and future transit service, including the METRO Green Line.
- **Equity:** Redevelopment is anticipated to increase access to jobs, housing, and destinations along transit.
- **Livability:** Transit-oriented development on Central Station Block will make the community more walkable, bikeable, and safe by increasing access to destinations along transit and by increasing activity on a site in Downtown Saint Paul that is currently vacant.
- **Sustainability:** The Tentative Development Agreement is the first step to work with a developer on bringing a significant transit-oriented development in the area. The Central Station Block redevelopment will help reduce the need to use single-occupant vehicles for transportation and increase transit ridership. Locating new growth along transit is a powerful tool for reducing regional climate-warming emissions.

### Funding

No funding need anticipated.

### Small Business Inclusion

There are no direct impacts to small business contracting with the proposed action.