



**City of North St. Paul
Housing & Redevelopment Authority
Special Meeting Agenda**

**September 17, 2024
6:20 PM**

The Housing and Redevelopment Authority special meeting will be conducted on **September 17, 2024** at 6:20 p.m.. The meeting location is the City Council Chambers of City Hall, located at 2400 Margaret St., North St. Paul.

You can watch the meeting on our YouTube channel here [**tinyurl.com/NSPYouTube**](https://tinyurl.com/NSPYouTube)

I. Call to Order

II. Roll Call

John Monge, Chair
Tim Cole, Commissioner
Cassidy Schweer, Commissioner
Lisa Wong, Commissioner
Jason Nordby, Commissioner
Brian Frandle, Executive Director

III. HRA Action Items & Recommendations

- A. Approve Request for Proposals (RFP) for the Margaret Street Commons Redevelopment Site

IV. Adjournment

The next regularly scheduled Housing & Redevelopment Authority meeting is TBD

Housing and Redevelopment Authority Staff Report



Report To: North St. Paul HRA

Report From: Riley Grams, Community Development Director

Meeting Date: September 17, 2024

Agenda Item: Approve Request for Proposals (RFP) for the Margaret Street Commons Redevelopment Site

Action Requested: Motion Discussion Public Hearing

Form of Action: Resolution Ordinance Contract/Agreement Other

RECOMMENDED ACTIONS

Approve the draft Request for Proposals (RFP) for the Margaret Street Commons Redevelopment Site Posting

BACKGROUND

The City of North St. Paul, and the North St. Paul Housing and Redevelopment Authority (HRA), has acquired properties over time on a site located across the street from the North St. Paul City Hall and Police/Fire station with a long-term goal of future development. The site is commonly called the Margaret Steet Commons redevelopment site.

This site has many local advantages, including its proximity to a police/fire station, proximity to the North St Paul High School, walkable downtown area including several restaurants and bars, nearby parks/lakes and other recreational amenities, and located on a public transit bus line and great access to regional highways. The intent is to use the full extent of the property for a redevelopment project.

The site is the former home of two dental offices. While one building still stands, the other since demolished, the entire site is empty of any current use. The existing structure was reviewed in 2022 by LHB Engineering and deemed substandard (per MN Statutes 469.174, subdivision 10). This determination will assist a future Developer in accessing potential financing options for a redevelopment project. The City has conducted a Phase I environmental report on the site in 2019. The report recognized three recognized Environmental Conditions (REC). Before dental office uses, the properties were home to a former dry-cleaning operation, and another adjacent former dry-cleaning operation, which likely contributed to the noted RECs.

The entire site is served by City of North St. Paul utilities (water, sewer, and electric). Currently, the site includes a natural gas pipeline and overhead electrical powerlines that run north-south along the west side of the site. Additionally, there is a 48" public storm sewer line along the west side of the site that will likely present some design impacts.

The site is zoned MU-1 (Downtown Mixed Use) which permits residential and a wide range of commercial uses. This zoning district is intended to:

1. Preserve and enhance the historical character of the Downtown where appropriate with historic renovations and adaptive reuse of structures.
2. Encourage creating a sense of place within the Downtown through aesthetics including architectural diversity, façade designs, parking configurations, pedestrian-scale amenities, streetscape enhancements, landscaping and the public realm.
3. Encourage vertical mixed-use development in which the lower floors generally have more public uses, with private uses on the upper levels.

In 2022, a housing needs assessment was conducted by Maxfield for the City of North St. Paul. That assessment indicated that the City can accommodate 955 new housing units (combination of ownership and rental) and 369 units of senior specific housing for the next 5-6 years. The vision for this site is described in the Redevelopment Master Plan, which calls for continued growth in the downtown population to create continued increased demand for services, such as retail and restaurants. The Master Plan requests that new construction provide housing in the upper floors and retail and service uses on the street level. Developments should be designed to support a small town, pedestrian-friendly character, while at the same time providing adequate parking to support residential uses (specifically under building parking whenever possible).

The proposal requirements are outlined in the RFP. A general timeline for the RFP process is as follows:

Planning Commission review draft RFP	September 5, 2024
City Council reviews and approves RFP	September 17, 2024
City posts RFP	September 18, 2024
RFP submissions due to the City	January 3, 2025
RFPs reviewed by evaluation committee	January 2025
Selected developers present to Planning Commission	February 2025
Final developers present to City Council	March 2025
City Council selects Developer	April 2025
City Staff begins negotiations on Development Contract	April 2025

The above dates are movable as needed. The RFP will be posted on the City’s website and the League of MN Cities website. The City may also place a small advertisement in the Minnesota Star Tribune and potentially on the Finance and Commerce industry website. Otherwise, the RFP will be distributed to known area Developers by City Staff for consideration.

The Planning Commission reviewed the draft RFP at their September 5, 2024, meeting and provided some minor edits and updates. Staff has completed those updates in the attached version. The Planning Commission unanimously voted to recommend the draft RFP to the City Council for consideration and approval. Provided the Council approves the RFP, City Staff will post the RFP and begin to collect submitted proposals. A future review committee, made up of City Staff and Planning Commission members, will review the submitted proposals and recommend future action to the City Council in 2025.

ATTACHMENTS

1. Draft Request for Proposals (RFP) for the Margaret Street Commons redevelopment site

Developer Request for Proposals (RFP)



**NORTH
ST. PAUL**

**Margaret Street Commons Redevelopment Site
2375-2395 Margaret Street
City of North St. Paul**



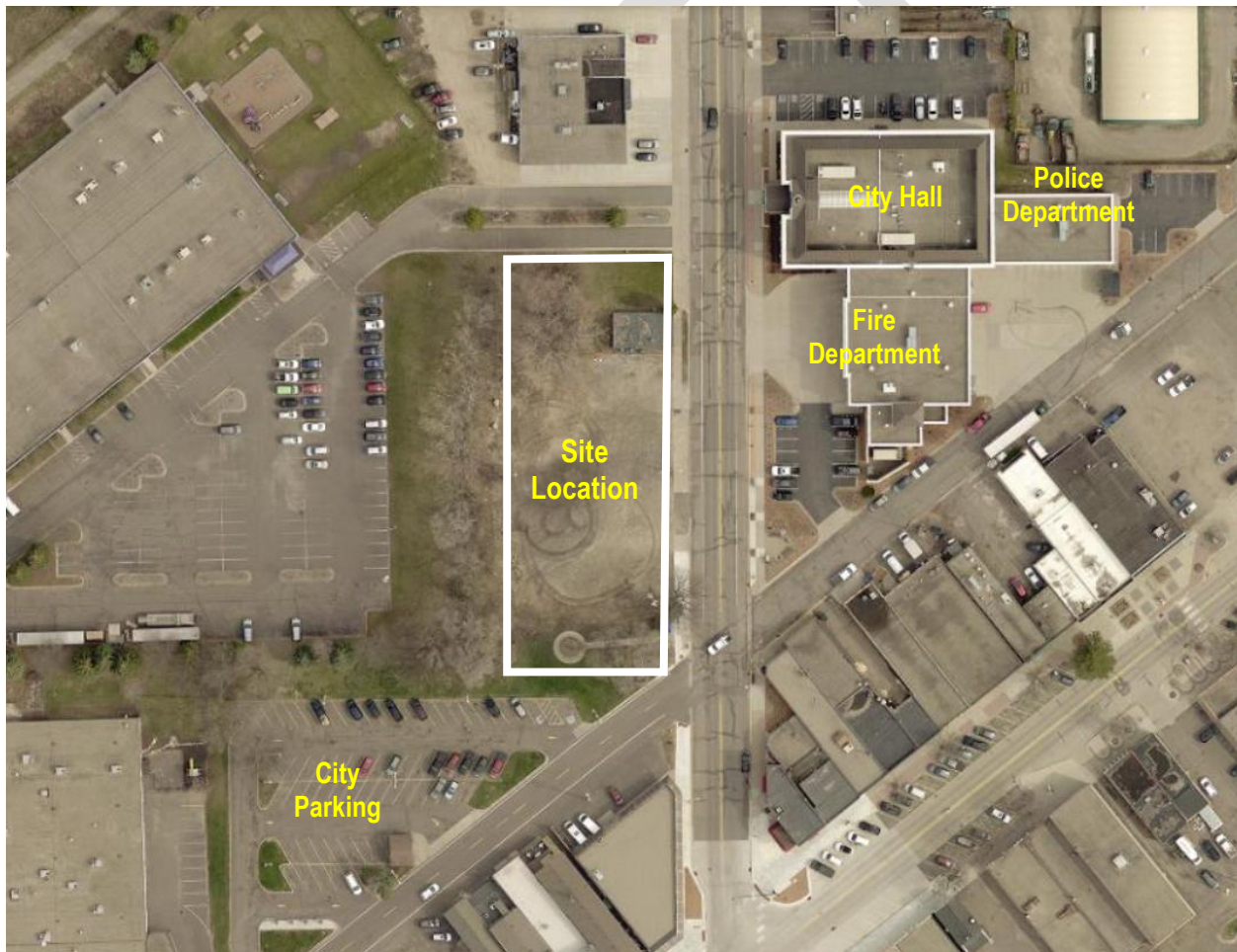
Issued: September 18, 2024

Submission Deadline: January 3, 2025

Development Opportunity

The City of North St. Paul is seeking proposals from developers interested in purchasing and redeveloping a 0.79-acre site at 2375-2395 Margaret Street in downtown North St. Paul. This site is located across the street from City Hall/Police/Fire station. It is within walking distance of North High School, a block from the Gateway State recreational trail, access to nearby lakes and other recreational areas, has great access to Highway 36, and is just 10 miles from downtown St. Paul.

The City and the City's Housing and Redevelopment Authority (HRA) owns all parcels within the project site as well as an adjacent surface parking lot just west of the subject site that could potentially be incorporated into a redevelopment scenario. The City's intent for the project site is that the existing building will be demolished and replaced with a new, residential or mixed-use building that supports the community's vision for downtown. The goal of the City for the site is to achieve a high-quality development that complements neighboring structures, enhances the surrounding community, and serves as a catalyst to spur further private investment.



Site Context

The subject site (2375–2395 Margaret Street) is 0.79-acre (34,412 SF) and owned by the City and the City’s HRA. As mentioned, it is located in downtown at the northwest intersection of Margaret Street and Seppala Boulevard and across the street from City Hall/Police/Fire. The site is adjacent to a large City owned parking lot that may be used for construction site access and/or staging. Property information from the county is listed in the table that follows.



Blue: Margaret Street Commons redevelopment site
 Yellow: Approximate location of storm sewer easement
 Green: City owned parking lot

The estimated market value of each site is listed in the table, below.

Address	Parcel ID	EMV	Area
2375 Margaret Street	122922420109	\$61,100	0.23 acre
2377 Margaret Street	122922420110	\$233,700	0.13 acre
2381 Margaret Street	122922420111	\$2,800	0.06 acre
2385 Margaret Street	122922420112	\$39,600	0.15 acre
2393 Margaret Street	122922420113	\$218,600	0.16 acre
2395 Margaret Street	122922420114	\$15,700	0.06 acre
Total		\$571,500	0.79 acre

Source: Ramsey County

Buildings and Improvements

The site has been cleared of all buildings except one located at 2393 Margaret Street (see right). The remainder of the site contains a gravel parking area, greenspace, and a landscape planter.

The site is the location of two former dental offices. One, which still stands, the former Kelley Gene S DDS, at 2393 Margaret Street. The other dental office was located at 2377, Nelson Paul E DDS, which was demolished in 2020.

LHB Engineering was hired in 2022 to inspect the existing structure at 2393 Margaret Street to determine if it meets the definition of “substandard” per Minnesota Statutes, Section 469.174, subdivision 10. LHB concluded that the building does meet the substandard criteria.



Existing structure at 2393 Margaret Street

Environmental Conditions

WSB Engineering prepared a Phase I ESA in 2019 to identify Recognized Environmental Conditions (REC) on the property. The ESA revealed three RECs, no historical recognized environmental conditions (HRECs), and no controlled recognized environmental conditions (CRECs). The following RECs were identified as well as hazardous waste generator listings:



Gravel parking area

REC-1: Federal Brownfields Listing. The listing is associated with 2385 Margaret is included on the Federal Brownfields database. Reportedly, a Phase I ESA and Phase II ESA was completed at this address in 2013-2014 and petroleum and lead impacts to soil and groundwater were identified. The specific compounds and concentrations detected are unknown at this time. The presence of petroleum and lead impacts at the property is considered a REC.

REC-2: Former Dry Cleaner. A dry cleaner was formerly present at 2377 Margaret Street. Dry cleaning facilities are associated with chlorinated solvent storage and use. It is possible that undocumented releases from the former dry cleaner have resulted in groundwater and soil impacts. Therefore, the presence of the dry cleaner facility is considered a REC.

REC-3: Former Adjacent Dry Cleaner. A dry cleaner was formerly present at 2374 Margaret Street / 2550 Seppala Boulevard, located east of the Property. Dry cleaning facilities are associated with chlorinated solvent storage and use. It is possible that undocumented releases from this adjacent site have resulted in property impacts via groundwater migration. Therefore, the presence of the adjacent dry cleaner facility is considered a REC.

Hazardous Waste Generator Listings. Two hazardous waste generator listings were identified. The dental office at 2377 Margaret Street was listed on the Resource Conservation and Recovery Act (RCRA) Conditionally Exempt Small Quantity Generator (CESQG) database. This parcel is listed as a household hazardous waste site per the Minnesota Pollution Control Agency (Site ID 23528).

The dental office at 2393 Margaret Street was listed on the RCRA Non-Generator (RCRA NON-GEN) database. Inclusion on these databases indicates property tenants generate hazardous waste that requires a permit. No indication of a violation or mishandling of hazardous materials was identified during the assessment.

WSB Engineering also prepared a Limited Phase II ESA in 2019 to evaluate soil, groundwater, and soil vapor conditions. WSB Engineering also prepared a Geotechnical Report in 2019. Refer to the reports for findings.

Site Inspections

The site is open for inspection. Please contact the City of North St. Paul Community Development Department (651-747-2400 or nspcd@northstpaul.org) to schedule a site inspection.

Utilities

The City of North St. Paul provides water, sewer, and electric service to the site. A natural gas pipeline and overhead powerlines run north-south along the west side of the site. Additionally, a 48" RCP public storm sewer is located along the west side of the site that will present some design constraints to preserve an adequate utility easement. Burying of overhead electric lines may also be necessary to facilitate redevelopment on this site. This will be further explored as developers put forth proposed plans for the property.

Zoning

The property is [Zoned MU-1](#) (Downtown Mixed Use). Permitted uses in this district include residential, a variety of commercial uses, and limited production and processing uses. This district is intended to:

1. Preserve and enhance the historical character of the Downtown where appropriate with historic renovations and adaptive reuse of structures.
2. Encourage creating a sense of place within the Downtown through aesthetics including architectural diversity, façade designs, parking configurations, pedestrian-scale amenities, streetscape enhancements, landscaping and the public realm.
3. Encourage vertical mixed-use development in which the lower floors generally have more public uses, with private uses on the upper levels.

Buildings within the MU-1 district shall give due regard to the standards within the [Downtown Design Manual](#) (for a copy, please contact the City of North St. Paul Community Development Department).

Market Conditions

Downtown North St. Paul has strong market potential and has enjoyed a healthy pipeline of residential development activity over the past 10 years—approximately 300 new housing units have been constructed less than a ½ of a mile from the project site.

A [Housing Needs Assessment](#) for downtown North St. Paul was prepared by Maxfield in 2022. The study estimates that the City of North St. Paul can accommodate 955 new units of all ages owned and rented housing and 369 units of age-restricted (senior) housing from 2022 to 2030. Maxfield identified demand for most housing products with specifically rental housing and own-occupied multifamily housing. For a copy of the assessment, please contact the City of North St. Paul Community Development Department.

Vision for Downtown Redevelopment

The overall Vision for the downtown as described in the in the [Redevelopment Master Plan](#) (RMP) is to continue to grow the downtown population to create new demand for services, such as retail and restaurants. The project site is located in the Downtown District per the RMP which prescribes the following for downtown redevelopment:

- New construction should, where feasible, provide housing and offices in upper floors and retail and service spaces reserved for street level.
- Development projects should be designed to support a small-town and pedestrian-friendly character while facilitating retail and service business functions.
- Residential developments must have adequate parking to support residents; under building parking is strongly encouraged and may be required based on site specifications.
- Redevelopment should enhance the historic character to ensure it remains the symbolic heart of downtown North St. Paul.



Example images: desired character

The project site is also adjacent to Seppala Boulevard and has the potential to serve as a catalyst for the conversion of the roadway to a “living street,” meaning a pedestrian and bike-friendly, multi-functional and aesthetically pleasing street.



Example images: Seppala conversion character

Proposal Requirements

Applicants should submit an electronic copy on or before **January 3, 2025** to Riley Grams, Community Development Director at riley.grams@northstpaul.org. Proposals submitted after this date will not be accepted. Proposals must include all required documents, completed and signed per the instructions

and attached forms included in this RFP. The City of North St. Paul reserves the right to reject any or all proposals or to cancel this RFP if it is deemed in the best interest of the City of North St. Paul.

The City of North St. Paul makes no representations or warranties, express or implied as to the accuracy and/or completeness of the information provided in this RFP. This RFP (including all attachments and supplements) is made subject to errors, omissions, prior sale, lease or financing and withdrawal without prior notice, and changes to, additional, and different interpretations of laws and regulations.

RFP Schedule

Release of solicitation package	September 18, 2024
Question and answer period	September 18, 2024 – January 3, 2025
Proposal deadline	January 3, 2025
Respondent interviews (if needed)	February 2025
City Council presentation	March 2025

Proposers’ Responsibility for Due Diligence

Prospective developers should undertake their own review and analyses concerning physical conditions, environmental conditions, applicable zoning, required permits and approvals, and other development and legal considerations.

Submission Requirements

The City of North St. Paul will review and evaluate all complete proposals in response to this RFP. Responses must include the following information.

1. **Letter of Interest**, including a narrative describing the alignment of the project with the City’s vision and objectives for the site.
2. **Development Design** documents including:
 - a. Proposed land use(s).
 - b. Conceptual site layout depicting building location, access, circulation, and greenspace.
 - c. Conceptual rendering depicting building height, architectural character, and building materials.
3. **Public outreach plan.**
4. **Proposed Purchase Price** for the property in its “as is” condition, subject to typical contingencies including inspections, environmental assessments, planning reviews, etc.
5. **Financing plan**, such as guarantees for completing proposed project and anticipated methods of financing.
6. **Project Team** including an experienced lead developer entity, architects, engineers, attorneys, economic and financial consultants, construction managers, leasing and management companies, and other development and/or financial partners, as applicable.
7. **Proposed development schedule.**
8. **Portfolio** of comparable completed projects and references.

The City of North St. Paul shall not be liable for any expenses incurred by a developer in relation to the preparation or submittal of a proposal, including but not limited to expenses incurred by the developer in preparing a proposal in response to this RFP.

All proposals and other information submitted by a proposer shall be treated as non-public data until the proposals are opened for review by the City. Once the proposals are opened, their content will become available to the public as provided by the Minnesota Government Data Practices Act.

Selection Criteria

The City of North St. Paul will review the proposals based on community benefits and overall ability of the project to accomplish the City's goals as well as the following criteria:

1. Completeness of submission.
2. Development vision and adherence to the City's objectives.
3. Proposed use and site design.
4. Fiscal and community/economic benefits of development.
5. Project feasibility and financing commitments.
6. Financial impact to the City (accounting for land price and any anticipated City financial contribution).

Evaluation Process

The City of North St. Paul evaluation committee will review and evaluate all proposals that have been received by the submission deadline based on the criteria outlined herein. A short list will be established, and proposers may be requested to present their conceptual plan and proposal to the City Council for review and comment.

Development Process

All redevelopment activity will be subject to all applicable application fees, development fees, and utility connection charges in accordance with the current fee schedule and standard development review process of the City of North St. Paul.

Incentives

Understanding that redevelopment of the Margaret Street site may be challenging due to current conditions, the City is open to exploring the use of various incentive tools to achieve its vision. With just cause, the City is potentially open to the use of tax increment financing (TIF) to support costs related to site remediation, new infrastructure and vertical development components that contribute to the City's redevelopment goals for this site.

Questions

Please direct all questions to Riley Grams, Community Development Director for the City of North St. Paul (651-747-2582 or riley.grams@northstpaul.org).