**Pedro Park Workgroup Meeting**

**July 29, 2021**

Present: Julie, Gina, Nicolle, Jeanne, Merritt, Chris, Andy, Jon, Judy

Andy Hestness, Principal Project Manager, St. Paul Planning and Economic Development was on hand to talk about how the RFP process works, how it was structured for the Public Safety Annex Building in 2019 and how he imagines it could be structured differently.

The group has acknowledged that the Pedro Park development is stuck because there is no clear answer about the future of the PSA building. Andy’s department (HRA) is the city’s real estate broker and does quite a bit of marketing of properties. A different office actually owns the property but HRA markets the PSA. HRA has the process mapped out for developers. They recently went thru this process for the Fire House at 7th & Randolph which became a new brewery.

How does an RFP happen?

First gate – Need to establish if there is City buy-in thru the Office of Financial Services & the Mayor’s Office that they want the HRA to market the building again and they are willing to have that conversation with the community. Andy’s office serves as a coordinator for city real estate needs. They may not have a process in mind for selling a building. That office (HRA?) does maintain and use the building for storage. Need alignment & buy-in. It’s sort of a chicken & egg situation – The Mayor’s Office is waiting for community buy-in and community is waiting for the Mayor’s office.

This was really a challenging process for the CSA[?]. As a political issue, the Mayor’s Office needs to decide to market the PSA and align with the City Counselor for this area.

Chris Tolberg is the chair of the HRA. We could reach out to him for a conversation.

Last time around members of the Public wanted to know why there was no public hearing when the building was placed under a RFP. Andy explained that there is a difference between putting a property up for sale and going thru the tentative developer status. There is a lack of clarity in the public sphere about the phases of the RFP process and what criteria there needs to be at what point.

The building is heated and electricity has been on as long as the city has owned it.

Julie: It seems as if the RFP was too narrowly focused last time. Can we open it up the next time and even define what we don’t want the property to be used for?

Andy: The Disposition of Property Document spells out the entire process. The HRA uses this for every sale. You can voluntarily add other criteria.

The RFP last time was structured for commercial uses with limited retail, not to be used for housing. Decisions for a new RFP would consider things like:

How much should you limit the RFP and how much should it be broadened?

Do you want mixed use?

Do you want residential?

Affordable housing?

Affordable office space?

What evaluation criteria should the RFP include so that you know whether a developer is meeting the goals and you can compare RFPs.

In the last RFP they were looking for the highest bid to develop the park.

In situations where purchase price has flexibility it is usually because St. Paul wants a project to happen. The PSA did not have that purchase price flexibility.

Does this building have value in the market? No one felt the building should be donated, so therefore you could conclude the building has value.

Is the land the building is on designated as parkland? No. There are rules/processes regarding how city property becomes a park. None of that process has happened for the PSA. This was a very unique situation for this building. The fire station, on the other hand, wasn’t planned for any other use. The City does not regard the land under the PSA as parkland.

What is it that this group can do that provides value so that the city feels they are engaging the community? Nicolle Goodman: The group does not have to come up with cost estimates. A few configurations could shape the space. Council Member Noecker is concerned with this group and how it feels. We do not have to accept any RFP. What are your concerns? What do you NOT want to have happen with the PSA? You can portray the PSA as attractive as possible – mention that there’s a bike lane next to the building, there is public transit nearby, a grocery store and residences. What makes it compelling? It is in the middle of downtown, the building has a history, it has underground parking ramp. Imagine you’re a developer and you were trying to tell them why to invest in downtown St. Paul. You also disclose the challenges of the building.

Chris: Is it about saving the PSA or maximizing the square footage? We want to know that we’re actually being heard.

Nicolle – we don’t sell St. Paul enough. St. Paul is beautiful and walkable. We can entertain proposals that contemplate demolition of the building but it’s kind of a cool building. RFPs set the terms of the conversation. Last time, demolishing the building was off the table but we don’t have to limit that way. Last time they were trying to figure out whether the PSA had value.

Andy: Ackerberg found it could take 10 more stories on top of its foundation. A structural engineer can put in a report to help with that narrative.

Merritt: What about moving to the South with the park by taking over the daycare property and west parking lots?

Andy: Acquiring any single parcel on this land is expensive. There are 3 different parking lots and the Union Gospel Mission daycare. The Naomi Center is vacant but it’s an unattractive parcel for redevelopment. It is potentially condemned I believe (not sure who made this last comment) and the plot of land on which it sits is small and odd making it undesirable to do a teardown/built project.

Western side – Donely parking, Don Keith is ready to talk about selling. What does the parking lot demand look like now? Is it an in-demand parking lot? Might be a buyer’s market. He’d be willing to swap lots with the city. The other 3 parking lots are owned by Pedro relatives. Gina says her siblings talk about how the parking lot business has tanked. They pay property taxes on these lots.

Question: What if the goal were to have a ½-block park? If mayor’s office won’t consider it, then expansion can’t be investigated.

Andy: Parks Department has tried to expand the park but they have seen things not pan out frequently, so they were willing to settle for a smaller permanent park quicker. There were conversations with philanthropy and a bolder vision of realigning 9th street. How do you balance vision with realistic circumstances?

Merritt: If city gave a clear directive to develop a ½ or full block park, then donors and developers would line up. An alliance needs a sign from the mayor’s office.

Andy: The City doesn’t have piles of acquisition dollars. As soon as they say they want to acquire a property the price goes up.

Merritt: City could align silently and make a move to acquire property before the price goes up? Don’t give up the option of using the building for a park if you don’t have a greater plan. If you decide to expand the park, the city must decide to either tear down the building or acquire other land.

Andy: The city owns 4 pieces of land – Park, PSA, the alleyway (east-west) and 2 parking spots. These were all separated on the former RFP. A new RFP could say “do not assume access from the alley”. But that makes the building less attractive.

Merritt: The city is busy and finances aren’t great. What are the constraints in putting together an RFP?

Andy: There is not much cost to doing an RFP. Capacity and staff time is where it slots into work plan. Nicolle can shape the work plan. City Council is also a factor. From a numbers perspective it costs $ to manage a vacant building. It’s expensive to hold a building and not develop it.

Julie: Let’s make something happen with an RFP.

Merritt: Reuse or remove as an option.

Andy: If it were up to him, don’t constrain the uses in RFP. Ackerberg couldn’t make office space work financially but it could have made housing work.

A suggestion was made to have a St. Paul Design Challenge, inviting local colleges to participate, helping to generate interest and excitement.

Andy: Elected officials are gun shy because there is so much tension. If we can help show community solidarity it may help.

Three city departments are involved and none of them are in the lead. Getting the mayor’s office on board would be key. The Alliance is supportive of investment – they would like to just see something be done.

Maybe CM Noecker could champion. There’s no political upside for other council members.

Chris: This is an ethics issue of serving constituents.

Jon: But if it’s just 1 Council Member and the others don’t benefit is it likely to succeed?

Julie: 4 voted for tentative developer status last time.

There’s also a competitive spirit with other districts.

Having the official district council for the neighborhood give its blessing to do an open RFP – if you say we’ll do this together and help plan makes it more palatable for the city. Politicians don’t want to walk into a tense room.

Merritt: There’s a debt owned because of what happened before.

The group would need to be able to explain to the community both the RFP steps and why we want to seek an open RFP and how we will use the information collected.

Next meeting – decide whether we want to pursue the RFP process and figure out our priorities.

We are cancelling the next meeting and will meet at the end of August. Keep up with community interviews and review our goals on the website. There will be homework!