

January 14, 2019

To: CRC Board Members

From: Jon Fure

Subject: Motions by the CRC Development Review Committee on Dec. 10, 2019

John Rupp, owner of Commonwealth Properties, presented a concept to sell the Saint Paul Athletic Club building to a nonprofit or group of nonprofits for the purpose of operating the building as a community center. The committee passed two motions (in bold text below), and the board will be asked to vote on those two motions.

Here is a summary of the discussion:

- The proposal would involve selling the Athletic Club building to a nonprofit organization, which could include an entity comprised of several nonprofit organizations, for the purpose of operating the building as a nonprofit community center, and job-training services would be provided by a nonprofit partner organization.
- The Athletic Club building's amenities include:
 - Outstanding workout rooms and equipment, locker rooms, and a swimming pool, which includes restored mosaic tile artwork
 - Upscale banquet facilities
 - Office space
 - Hotel
- The proposal would also involve the Capital City Plaza Parking Ramp, located at 50 4th Street East (which could provide free parking to some nonprofit customers / clients, and market-rate parking proceeds could be used to support community center operating expenses).
- The proposal would also involve the vacant and under-utilized indoor garden on 3rd floor of Town Square. Glass that utilizes photovoltaic / solar technology could be installed to make it feasible to grow food in that space, in addition to providing year-round park space for residents, workers and visitors.
- The job-training services would include providing on-the-job training to workers in the building's athletic / fitness facilities, the hotel, and in the banquet facilities (a restaurant could be added that would be similar to the very popular City View Grille that is operated by Saint Paul College).
- An adjacent vacant parcel on the Central Station block could also contain a new residential building, such as a senior housing building, that would have access to the athletic club and community center.
- The City of Saint Paul Housing and Redevelopment Authority (HRA) has the ability to issue tax-exempt bonds for certain types of projects, and that would allow the nonprofit entity to receive lower-interest financing.
- **The committee voted unanimously in favor of a motion to recommend support for the concept to sell the Saint Paul Athletic Club building to a nonprofit that would operate the building as a community center with office space for one or more nonprofit organizations.**
- **The committee voted unanimously in favor of a motion to recommend to the Saint Paul Housing and Redevelopment Authority to support tax exempt financing associated with this project.**
- Additionally, your proposal would help address issues that have been expressed to me in countless conversations that I have had with Downtown Saint Paul residents and workers. One of the most common complaints I hear about is that the indoor park in Town Square has fallen into disrepair, and the escalators from the skyway level to third floor are boarded up. In such a visible location, it's the epitome of blight, and we are eager to support efforts to revive that space and again make it accessible. I also frequently hear complaints that we lack a community center in Downtown Saint Paul.