



RAMSEY COUNTY

Ramsey County Board Workshop:

Ramsey County Riverfront Property Master Developer Update

Economic Growth and Community Investment Service Team
Community and Economic Development Department

April 9, 2019

Estimated Start: 1:30 p.m.

220 Courthouse, Large Conference Room

Agenda

- | | |
|----------------------------------|---|
| 1. Introduction | Johanna Berg, Deputy County Manager
Kari Collins, CED Director |
| 2. Overview of Process | Josh Olson, Redevelopment Manager |
| 3. Master Developer Presentation | Brian Dusek, AECOM |
| 4. Questions | |



Board Workshop

Ramsey County Riverfront Property Riversedge Project Update

April 9, 2019

Purpose of Workshop

- Provide introductions
- Update on AECOM's due diligence activities and progress
- Seek County Board's continued satisfaction with the project vision and AECOM's progress

Sponsors

Ryan O'Connor, County Manager

Johanna Berg, Deputy County Manager, Economic Growth and
Community Investment

Staff Project Team

- Kari Collins
- Josh Olson
- Martha Faust
- Lee Mehrkens
- Amy Schmidt
- John Siqveland

Consultants

- Sara Thatcher, Goff Public
- Springsted, Financial Advisors

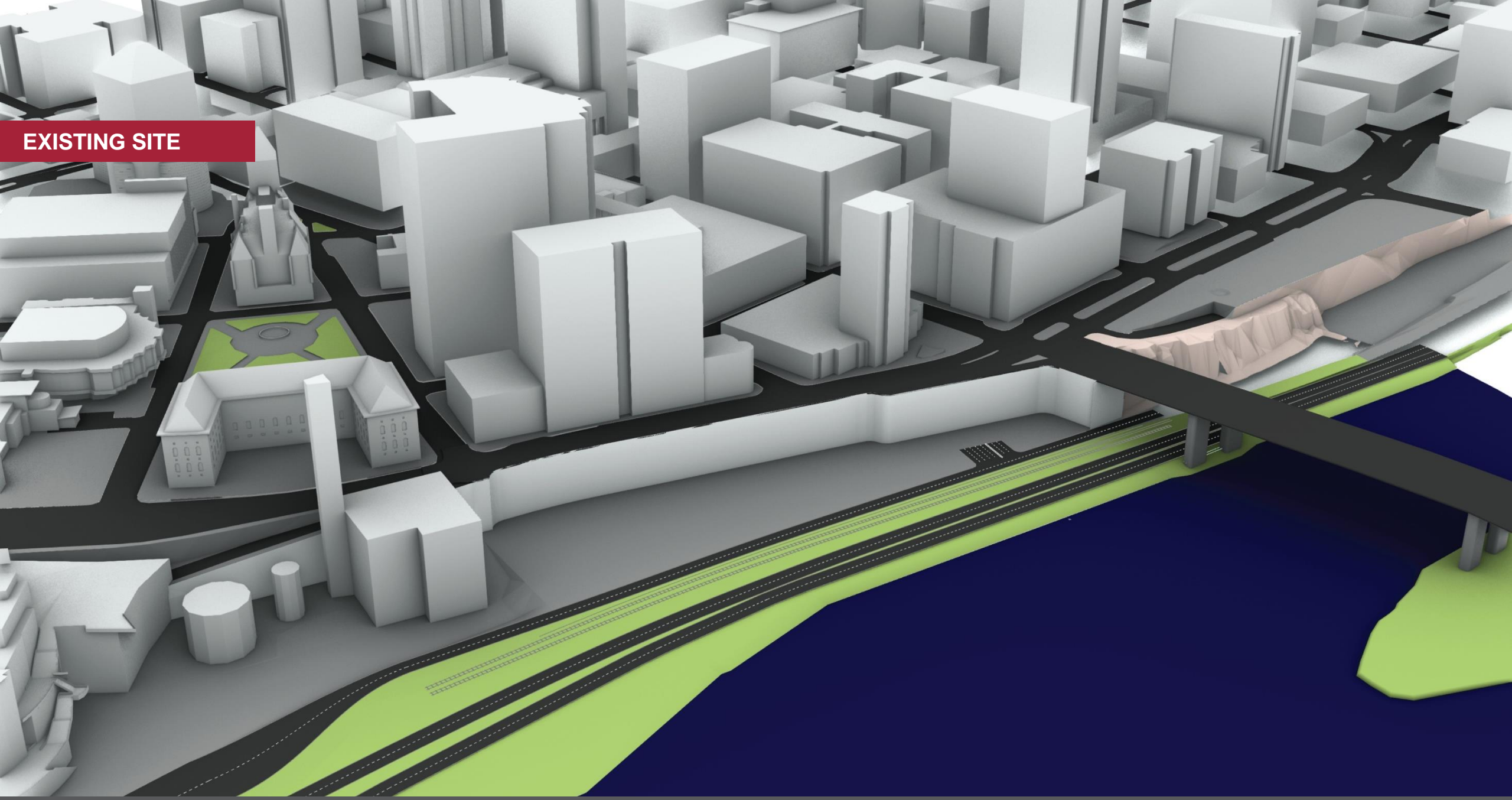
Background

- November 20, 2018 – Board Workshop
- January 22, 2019 – Approval of Preliminary Development Agreement with AECOM
- Formation of a City/County/Developer Working Group
- Next Board check in – Early June

Focus of Today's Due Diligence Update

- Schematic/Conceptual Design
 - **Project Phasing**
- Entitlements
 - **Air Rights**
 - **Utility Relocation**
 - **Access/Roads**
- Market Feasibility/Analysis
 - **Program/Phasing**
- Financial Feasibility/Analysis
- Legal

EXISTING SITE

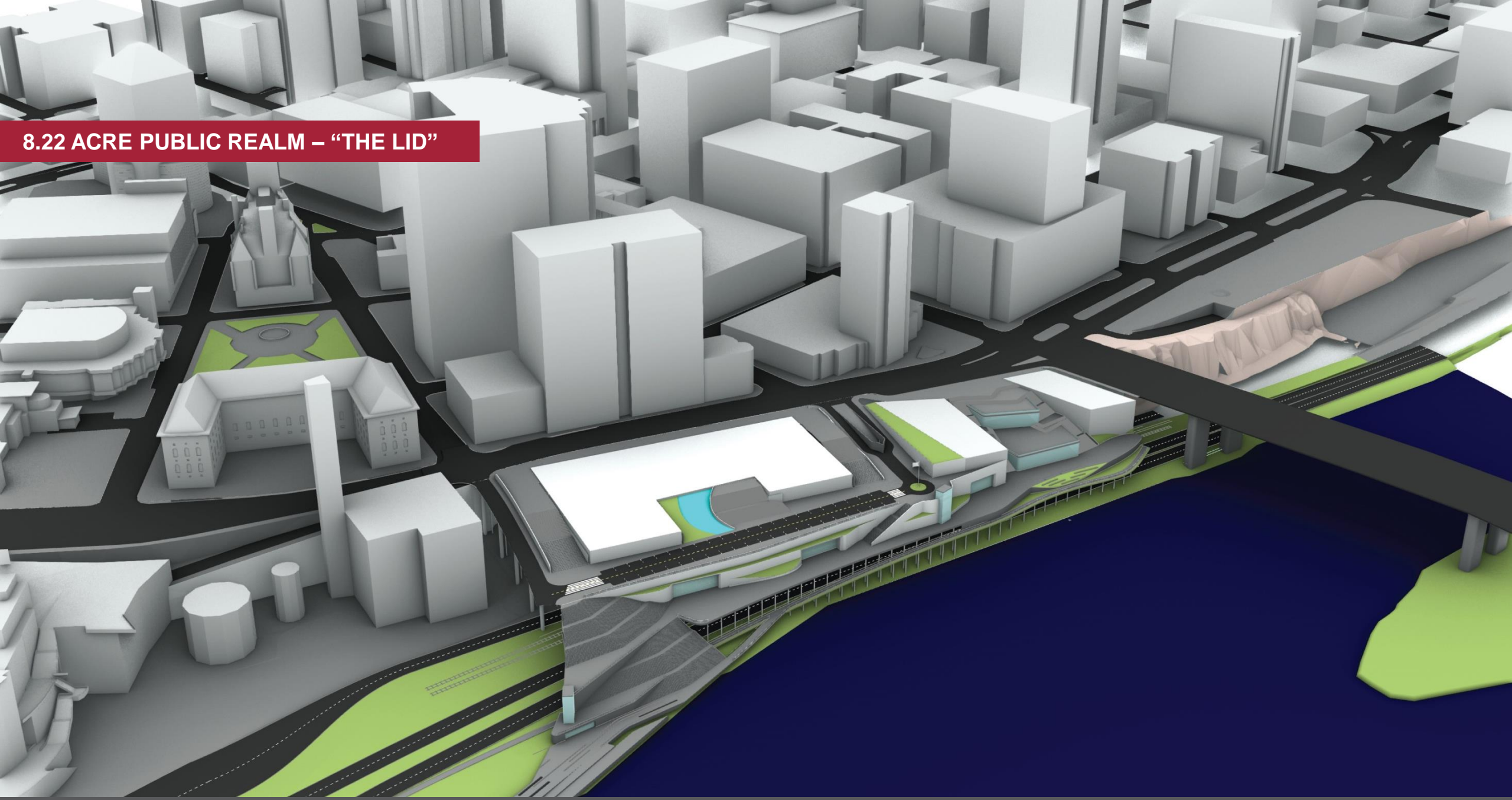


PHASE 0 – ~1,500 STALL PARKING RAMP

**ON RAMP FROM
KELLOGG BLVD**

**ON RAMP FROM
SHEPARD RD**

8.22 ACRE PUBLIC REALM – “THE LID”



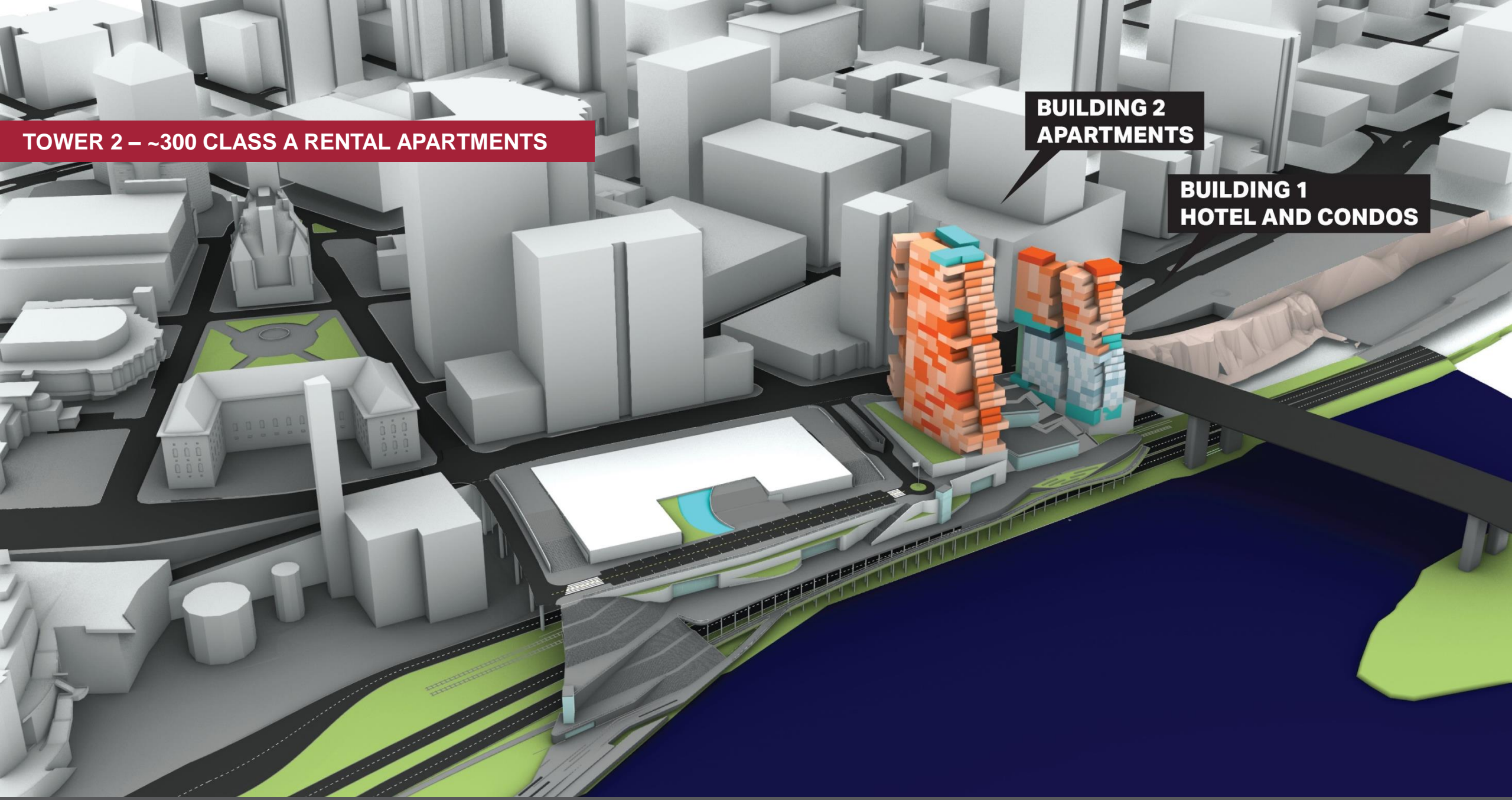
TOWER 1 – 150 KEY BOUTIQUE HOTEL + 80 CONDO UNITS

**BUILDING 1
HOTEL AND CONDOS**

TOWER 2 – ~300 CLASS A RENTAL APARTMENTS

**BUILDING 2
APARTMENTS**

**BUILDING 1
HOTEL AND CONDOS**



**BUILDINGS 3 + 4
OFFICE SPACE**

TOWERS 3/4 – CLASS A OFFICE / WINTER GARDEN

**BUILDING 2
APARTMENTS**

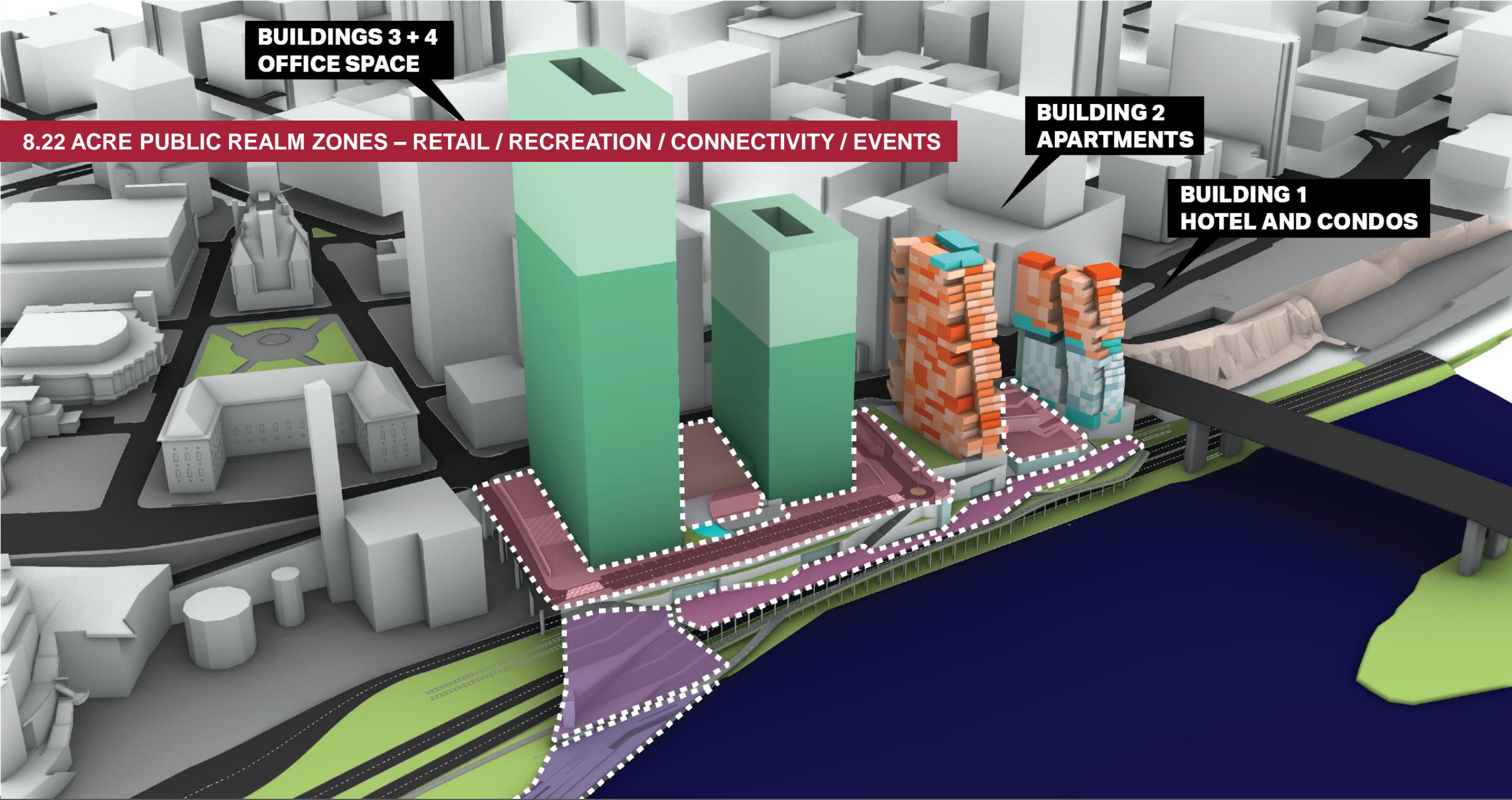
**BUILDING 1
HOTEL AND CONDOS**

**BUILDINGS 3 + 4
OFFICE SPACE**

8.22 ACRE PUBLIC REALM ZONES – RETAIL / RECREATION / CONNECTIVITY / EVENTS

**BUILDING 2
APARTMENTS**

**BUILDING 1
HOTEL AND CONDOS**



AECOM VISION



April 9, 2019

Entitlements Update

- Air Rights (Railroad)
 - _ Negotiations with three railroads commenced in March, 2019. Easements in place by July, 2019
- Power Line Relocation
 - _ Engineering analysis and cost estimating of options in process. Recommendation of Xcel to duct line between Eagle and Robert Streets. Expect details by July, 2019
- Market St. Extension
 - _ Results of traffic study and cost estimates for connection (Traffic Study part of EAW process). Expect cost estimates and direction from City of St Paul by completion of 6 month due diligence
- Tower Height Variance
 - _ Zoning Variance application once design is further along. This will occur in a post due diligence period (Q3/Q4 2019)
- Environmental Assessment Worksheet (EAW)
 - _ Administrative process that will be complete at end of due diligence process

Market Feasibility Update

- Engaged Walker to expand / update August 2017
City of St Paul Parking Study to be relevant for this site
- Complete Reports for Parking, Multifamily, Hospitality, and Retail
 - _ Parking Report Complete by April 2019
 - _ MF / Hospitality / Retail Complete by June 2019
- Market Feasibility – Office End Users
 - _ Confirmed that Vacancy was sub 4% for true Class A leased office buildings

Market Feasibility Highlights

- Parking:
 - 1,500 spaces
 - Single Phase Parking Development
 - Construct lid and building cores for Towers 1 through 4 at same time as lid
- Multifamily Housing / Hospitality:
 - Increased demand for Market Rate housing (ownership and rental) in the St Paul CBD core
 - Continued demand for unique boutique upscale hotel product below 200 keys
- Class A Office:
 - Class A Vacancy in St Paul CBD as defined by national standards is in single digit vacancy, with few to no large blocks (greater than 50k square feet) available.
 - Engaged JLL to partner with preparing an offer packet to take to market – May 2019

Financial Feasibility Update

- Proceeding with development of max footprint for Towers 3 and 4
- Tower 3 (Office Phase 1) and Atrium would deliver in 2022/2023 alongside Towers 1 and 2; Tower 4 site would be landbanked for future
- Expected Tax Revenue Generation – Phases 0 through 3 (all except Tower 4)
- Expected Jobs – Phases 0 through 3 (all except Tower 4)
- Public Investment for Public Realm Lid

Potential Barriers to Development

- Project phasing and marketing of Class A Office (Build One Tower and wait? Build infrastructure to support both towers?)
- Phasing of public financing/public financing needs and risk assessment
- Regulatory Slow Down/Market Conditions

Next Steps

- AECOM and Project Staff will return with an update in early June.

Six-Month Update will include final market, regulatory and financial feasibility of a project.

Next steps for staff include:

- Prepare marketing strategy upon conclusion of market analysis
- Begin preparation of draft Master Development Agreement