

Riversedge 2020 Q1 Update

County Board Update
March 24, 2020

Purpose of Workshop

- Provide County Board with project update on the Riversedge development

Sponsors

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Project Overview

Riversedge is an unparalleled opportunity. It is the last developable site on the downtown Saint Paul riverfront, and will bring in immediate jobs, new residents, businesses and visitors, making a tremendous impact on Minnesota's economy.

This kind of bold, innovative development is exactly what our state needs to remain competitive.



Goal: Expand Tax Base and Create Jobs

RIVERSEGE PROGRAM

PROJECT ONE	TOTAL PROGRAM
Tower 1A Hotel :170 Keys Condo: 90 Units Retail: 10,000 SF	Four Towers Hotel :168 Keys Condo: 56 Units Rental Apt: 350 Units Retail: ~30,000 SF
Tower 1B Apartments: 350 Units Retail: 6,000 SF	Office: ~950,000 SF (two towers)
Parking: Up to 500 Spaces	Parking: Up to 1600 Spaces
Public Realm Lid: 4.5 Acres	Public Realm Lid: 9.2 acres
Construction Start: 2020/2021	

9+ acres
of new public realm

\$788,000,000+
Development

\$15,000,000+
Anticipated annual
property tax revenue

5000+
Jobs Created

Ensuring All Facets of Project Feasibility

- At this stage of the project, Ramsey County and AECOM are advancing work to ensure the project is feasible from a variety of facets:
 - Market feasibility
 - Regulatory / entitlement feasibility
 - Financial feasibility
 - Legislative feasibility

Market Feasibility

- Demand for multi-family residential uses remain strong
- Hospitality will take a dip in Q2 2020 given the current events, but larger uses on this site make it attractive
- Attraction of office end users will drive delivery of office tower scale and timing
 - AECOM advancing engagement with over 300k SF of prospective users

Regulatory / Entitlement Feasibility

- Environmental review
 - Initiating environmental process with the City of Saint Paul once business operations resume
- Rail corridor easement (UPRR, CPR)
 - Engineering agreements with Union Pacific, Canadian Pacific have been established
 - County staff is reviewing AECOM design drawings prior to submitting them to the railroads, along with a draft easement for RR approval
- High-voltage power line relocation (Xcel)
 - Continuing discussions with Xcel Energy once operations resume
 - Engaging City and riverfront property owners and stakeholders

Rail Easement Timeline

1	Initial railroad engagement and presentation of concepts	March - April, 2019
2	Confirmation of Project Requirements	May - June, 2019
3	Engineering Agreements	June - July, 2019
4	Preliminary Engineering and Feasibility Investigations	July - December, 2019
5	Railroad investigative findings on confirmed or new requirements	January - March, 2020
6	Confirmation of project scope and requirements in final design/documents	April - June, 2020
7	Projects assigned to railroad works groups for oversight during construction	July, 2020 - July, 2021
8	Project 1 completion - local engineering /maintenance assume post-project operations	August, 2021

Financial Feasibility

- Private development feasibility (parking and towers)
- Public contribution (lid, public realm)
 - Seeking \$40 million in state bonding
 - Would match with an additional \$40 million
- Other sources/tools
 - Affordable Housing Trust Fund
 - \$5M in set aside contribution – Project 1
 - Facilitates creation of County Affordable Housing Trust Fund
 - Continued exploration of Onsite Affordable Housing creation

Financial Feasibility

	Project 1	Full Project
Private Participation Debt, Equity	\$235M	\$708M
Public Participation	\$40M	\$80M
TOTAL	\$275M	\$788M
Public Contribution %	15%	11%
Tax Base Generation	\$4 – 5.5M per year	\$13.5M - 16.3M per year
Public Realm (Lid) created	4.5 acres	9.22 acres

Legislative request

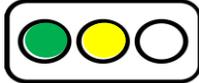
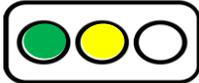
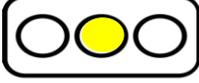
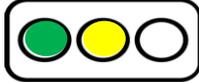
To support the publicly funded portion of this important public-private project, Ramsey County has requested \$40 million in 2020 state bonding funds. This funding would be entirely dedicated to the construction of the public realm space that will double the size of the site and provide a physical pedestrian connection between downtown Saint Paul and the Mississippi River. This request ensures that the development is constructed in a way that is accessible and equitable for all.



Legislative Feasibility

- Bill authors
 - **HF 4022** – Chief Author: Rep. Mariani
 - Co-Authors: Mahoney, Lillie, Kunesh-Podein, Pinto, Moller, Lesch, Bernardy, Hausman
 - **SF 3515** – Chief Author: Sen. Pappas
 - Co-Authors: Cohen, Hawj, Kent
- Legislative hearings
 - Commissioners and staff continue to meet with legislators.
 - Although the Legislature has limited its activities due to COVID-19, a bonding bill remains a priority

Assessment of Project Feasibility

	<u>Project 1</u>	<u>Project 2/3</u>
<ul style="list-style-type: none"> Market Feasibility 	 <p>Uncertainty with immediate issues related to COVID-19; market demand for residential and hospitality remains strongest.</p>	
<ul style="list-style-type: none"> Regulatory Feasibility 	 <p>Formal processes are commencing; engagement with the City and railroads remains positive.</p>	
<ul style="list-style-type: none"> Financial Feasibility 	 <p>The outcome of legislative session informs final direction on phasing and financial commitments by all parities.</p>	
<ul style="list-style-type: none"> Legislative Feasibility 	 <p>Bills have been introduced in the House and Senate; uncertainty with immediate issue related to COVID-19.</p>	

Critical Next Steps

- Rail easement acquisition (conversations ongoing)
- Environmental and land use applications (pending)
- Office - end user prospect engagement (ongoing)
- Financial partnerships
 - State bonding (session ends by May 18)
 - City of Saint Paul
 - Ongoing assessment of on-site affordable housing options including the use of the City's Affordable Housing TIF tool
- Public engagement & public realm design
 - May 7, 2020 (*tentative*)
- Master development agreement
 - Workforce and contracting inclusion goals



RAMSEY COUNTY

AECOM

Imagine it.
Delivered.

ramseycounty.us/riversedge

Virtual Tour of Riversedge

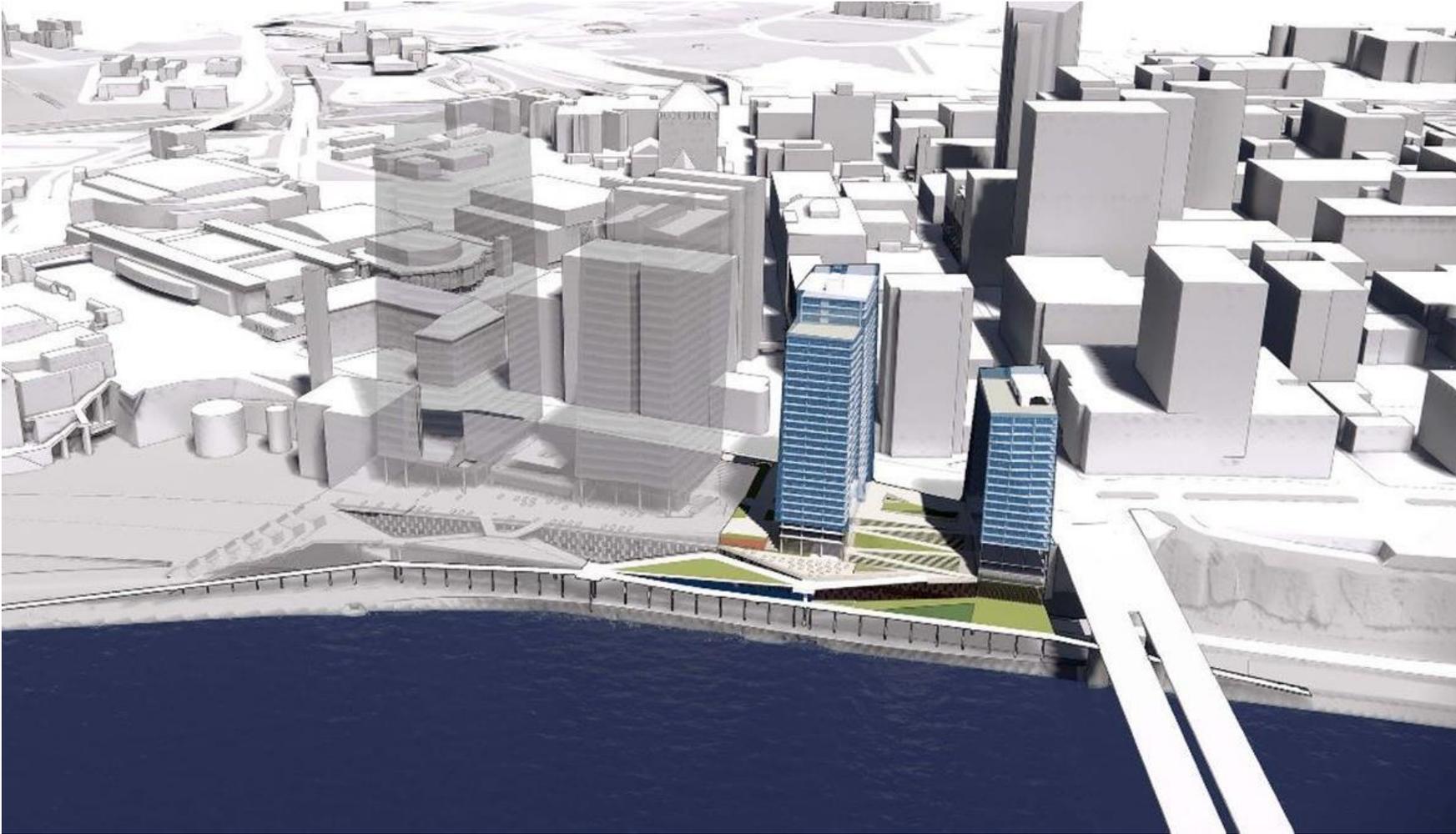
<http://bit.ly/Riversedge360>

<http://bit.ly/RiversedgeVideo>

A buzzing Riversedge

- **Here are 25 big new commercial real estate developments around the U.S.** (*Atlanta Business Chronicle*) <https://www.bizjournals.com/atlanta/news/2019/09/30/here-are-25-big-new-commercial-real-estate.html#g/460359/25>
- **The 10 best cities in the U.S. to move to right now** (*Curbed.com*) <https://www.curbed.com/2020/2/11/21126341/best-cities-to-live-united-states>
(Highlighted regional project to watch)
- **14 Developments to Watch Around the Twin Cities** (*Mpls/St. Paul Magazine*) <http://mspmag.com/arts-and-culture/14-developments-twin-cities/>
- **Business Is GOOD** (*Saint Paul Area Chamber of Commerce*) <https://www.youtube.com/watch?v=h9GfxxRNFHA>

Project One – Multifamily / Hotel / Retail



RIVERSEGE PROGRAM

Tower 1
Hotel :168 Keys
Condo: 56 Units
Retail: 4,000 SF

Tower 2
Apartments: 350 Units
Retail: 7,500 SF

Parking:
Up to 500 Spaces

Public Realm Lid:
4.7 Acres

Construction Start:
2020/2021

Projects Two & Three



RIVERSEGE PROGRAM

TOTAL PROGRAM

Four Towers
Hotel :168 Keys
Condo: 56 Units
Rental Apt: 350 Units
Retail: ~30,000 SF
Office: ~950,000 SF
(two towers)

Parking:
Up to 1600 Spaces

Public Realm Lid:
9.73 acres