Ramsey County Board Workshop:

Riversedge (Riverfront Property)
Master Developer Update

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

July 23, 2019
Start time: 1:30 p.m.

220 Courthouse, Large Conference Room

Agenda

1. Introduction Ryan O’Connor, County Manager
Kari Collins, CED Director

2. Overview of Due Diligence Process Josh Olson, Redevelopment Manager

3. Master Developer Presentation Bane Gaiser, AECOM
Brian Dusek, AECOM
Stephen Knowles, AECOM
Jeff Rhoda, AECOM

4. Questions
Purpose of Workshop

• Provide introductions
• Revisit County goals for redevelopment
• Invite AECOM, preferred developer, to provide a recap on due diligence activities to date
• Seek County Board concurrence of the project vision, preferred developer and advancement of project implementation activities and development agreement negotiations
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
Mikaela Huot, Baker Tilly
Sara Swenson, Goff Public
Riverfront Vision

- Bold and architecturally significant befitting this iconic location
- Maximize development potential
- Expand the tax base and create jobs
- Enhance vitality through public amenities and prominent public realm
- Use development of the site to connect people to the river
- Anchor the River Balcony into design and programming of the site
- Establish an active ground level including on the river façades
- Use site and design buildings to maximize views of the river valley
- Extend public rights-of-way from the downtown through the site to the river
- Demonstrate innovations in environmentally sustainable design
- Design with the site’s context in mind and as a continuation of the urban fabric
Selection of AECOM

• Request for Development Interest (RFDI)
  – Board Workshop – November 2018
• Preliminary Development Agreement and Initiation of 6-month due diligence period
  – January 22, 2019
• Board check ins
  – March 12, 2019 & April 9, 2019
• Established City-County Working Group
Goals of Due Diligence Period

• Market Feasibility
• Regulatory / Entitlement Feasibility
• Financial Feasibility
Project Overview
# Riversedge Program

<table>
<thead>
<tr>
<th>Project 1</th>
<th>Total Program</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tower 1</strong></td>
<td>Four Towers</td>
</tr>
<tr>
<td>Hotel: 168 Keys</td>
<td>Hotel: 168 Keys</td>
</tr>
<tr>
<td>Condo: 56 Units</td>
<td>Condo: 56 Units</td>
</tr>
<tr>
<td>Retail: 4,000 SF</td>
<td>Retail: ~30,000 SF</td>
</tr>
<tr>
<td><strong>Tower 2</strong></td>
<td>Rental Apt: 350 Units</td>
</tr>
<tr>
<td>Apartments: 350 Units</td>
<td>Office: ~950,000 SF (two towers)</td>
</tr>
<tr>
<td>Retail: 7,500 SF</td>
<td></td>
</tr>
<tr>
<td><strong>Parking:</strong></td>
<td>Parking: Up to 1600 Spaces</td>
</tr>
<tr>
<td>500 Spaces</td>
<td></td>
</tr>
<tr>
<td><strong>Public Realm Lid:</strong></td>
<td>Public Realm Lid:</td>
</tr>
<tr>
<td>4.7 Acres</td>
<td>9.73 acres</td>
</tr>
<tr>
<td>Construction Start: 2020/2021</td>
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</tbody>
</table>
Conceptual/Schematic Design

Public Lid Area
Total 303,473 GSF
6.97 Acres

Project Three
Public Lid 67,422 GSF
Ped. Ramps 2,146 GSF
Tower Three Office/Retail 276 Stalls
Parking Total 1,546 Stalls

Project Two
Public Lid 96,297 GSF
Ped. Ramps 5,851 GSF
Tower Three Office/Retail 787 Stalls
Parking + 41 Surface

Project One
Public Lid 101,200 GSF
Bike & Ped. Ramps 30,342 GSF
Tower One Hotel/Condos
Tower Two Apartments/Retail
Parking 483 Stalls
Surface + 168
Project One – Multifamily / Hotel / Retail
Panoramic from Hotel Rooftop
Panoramic from Apartment Roof Deck looking Southwest
Project Two – Office / Retail Phase 1
Panoramic from Office Tower 1 Rooftop
Market Feasibility

- Walker Associates (parking)
- GVA Marquette (multi-family / retail / hotel)
- JLL (Office – Projects 2 and 3)
Regulatory / Entitlement Feasibility

• Zoning / site plan approval / environmental process (City of St Paul)

• Rail corridor air rights (UPRR, CPR)

• High-voltage power line relocation (Xcel)
Financial Feasibility

- Private development feasibility (parking and towers)
- Public subsidy (lid, public realm)
- Other sources
## Financial Feasibility

<table>
<thead>
<tr>
<th></th>
<th>Project 1</th>
<th>Full Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Participation Debt, Equity</td>
<td>$230M</td>
<td>$708M</td>
</tr>
<tr>
<td>Public Participation</td>
<td>$48M</td>
<td>$80M</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$278M</td>
<td>$788M</td>
</tr>
<tr>
<td>Public Contribution %</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>Tax Base Generation</td>
<td></td>
<td>$13.5M - 16.3M per year</td>
</tr>
<tr>
<td>Public Realm (Lid) created</td>
<td>4.71 acres</td>
<td>9.73 acres</td>
</tr>
</tbody>
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Assessment of Project Feasibility

<table>
<thead>
<tr>
<th></th>
<th>Project 1</th>
<th>Project 2/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Feasibility</td>
<td><img src="image1" alt="Green Circles" /></td>
<td><img src="image2" alt="Yellow Circles" /></td>
</tr>
<tr>
<td>Regulatory Feasibility</td>
<td><img src="image1" alt="Green Circles" /></td>
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Critical Next Steps

• Rail Air Rights Acquisition (Timing, Key Milestones)
• Office Offer Packet and Marketing / End User Prospect Engagement
• Financial Partnerships
  – State Bonding
  – City of Saint Paul Engagement
    • Affordable Housing
    • Market Street Extension (Traffic Study)
    • Public Realm Design
• Design Development
• Public Engagement
<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Initial railroad engagement and presentation of concepts</td>
<td>March - April, 2019</td>
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<tr>
<td>2</td>
<td>Confirmation of Project Requirements</td>
<td>May - June, 2019</td>
</tr>
<tr>
<td>3</td>
<td>Engineering Agreements</td>
<td>June - July, 2019</td>
</tr>
<tr>
<td>4</td>
<td>Preliminary Engineering and Feasibility Investigations</td>
<td>July - December, 2019</td>
</tr>
<tr>
<td>5</td>
<td>Railroad investigative findings on confirmed or new requirements</td>
<td>January - March, 2020</td>
</tr>
<tr>
<td>6</td>
<td>Confirmation of project scope and requirements in final design/documents</td>
<td>April - June, 2020</td>
</tr>
<tr>
<td>7</td>
<td>Projects assigned to railroad works groups for oversight during construction</td>
<td>July, 2020 - July, 2021</td>
</tr>
<tr>
<td>8</td>
<td>Project 1 completion - local engineering /maintenance assume post-project operations</td>
<td>August, 2021</td>
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Affordable Housing

• Affordable Housing Trust Fund
  – $5M in set aside contribution – Project 1
  – Allows creation of County Affordable Housing Trust Fund
    • Deepens impact by:
      – Responding to regional supply deficits
      – Targeting geographic areas lacking affordable housing
      – Addressing financing gaps in affordability levels (i.e. ~30%AMI)
    • Allows County to be more strategic with use of funds
    • Consider programing to address both affordable housing and housing affordability
  – Other options considered:
    • St Paul HOME Funds, Saint Paul Housing TIF, Abatement
Board Direction and Next Steps

• Concurrence with project vision/developer?
• Concurrence with preferred developer (AECOM)?
  – Direct developer and staff to initiate an implementation plan focused activities
    • Public engagement
    • Continuation of design
    • Regulatory submittals/clearances
    • Negotiation of development agreement
  – Return to Board with continued check ins
• Timing of Board action steps
  – Amend Preliminary Development Agreement
• Other County Board direction to staff
• Questions?