Rebuild Saint Paul News Coverage – August 19, 2010

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St. Paul kick-starts its future

Mayor Chris Coleman announced an initiative to spend public money to revive stalled projects.

By CHRIS HAVENS, Star Tribune Last update: August 18, 2010 - 11:14 PM

The big hole at the corner of 5th and Wall Streets in downtown St. Paul pretty much sums up the state of development in the city in recent years: grand plans, little progress.

It's a common story in many U.S. cities, given the lethargic economy. But Mayor Chris Coleman has had enough.

On Wednesday, Coleman stood across the street from that dusty dent and announced an initiative to jump-start the Lofts at Farmer's Market and other stalled projects across the city. The spark will be \$15 million in new local spending, which is expected to unlock more than \$100 million in state, federal and private investments and create hundreds of jobs for seven projects.

"We are rebuilding our community, we are rebuilding our city," he said. "But we are doing it at a time where we desperately need to get people back to work."

Coleman's announcement comes at a pivotal time for St. Paul, which has been battling high downtown commercial vacancies, mounting foreclosures and vacant houses in neighborhoods, and job losses.

At the same time, the Central Corridor light-rail line promises to bring much-needed development along its 11 miles, and the Lowertown neighborhood is already benefiting from new bars, restaurants and employers.

During the mayor's first term, project plans were detailed and money was sought, but very little got built. Coleman said the city is in a position now that it wasn't before, where several projects are ready to go.

"Get cranes up in the air, get shovels in the ground, get people back to work and start doing some of the things that we've talked about for a long time," Coleman said.

A downtown supermarket

The highlight of Coleman's announcement Wednesday was that Lunds officially made a deal to go into the high-profile but long-delayed Penfield project in downtown, which has been without a full-service grocery for years.

The city will act as the developer for the Penfield as well as the Lofts at Farmer's Market because it's seeking to use federally backed bonds that are part of the stimulus program. Deputy Mayor Ann Mulholland said the city isn't planning on becoming a regular developer, but that those two projects are "catalytic" and need to get done because of the coming light-rail line.

"By putting a grocery store in downtown, you're really setting the stage for residential development over the next generation," said Bob Lux, a private developer working with the city on the Penfield and Farmer's Market projects.

Help from the state

Coleman outlined 15 projects, but many do not fall under the city's purview. For instance, the Metropolitan Council is leading the biggest project, the Central Corridor. The state Department of Transportation is leading the replacement of the Cayuga and Lafayette bridges. Private developers are working on the Schmidt Brewery's conversion to housing and retail, housing on the West Side and a new health clinic on the East Side.

Still, all of the projects are using a mix of taxpayer money, whether it's considered local or federal, in the form of loans, bonds and grants.

What helped free the \$15 million is a provision in the jobs bill passed during the recent legislative session that loosened restrictions on how the city can use excess tax increment financing (TIF) money from special taxing districts. It can now pool the money from various parts of the city and redistribute it to other areas. The requirements are that the projects be new construction or significant renovation; start construction by July 2011; couldn't be done without the money, and create or preserve jobs.

The projects receiving the TIF money range from downtown housing to a health clinic to the expansion of a North End produce company.

Construction on all of the projects has either started or is expected to begin this year or early next year.

City officials said \$62.6 million of local money will net \$1.6 billion in state, federal and private money to complete all 15 projects. About 3,200 jobs would be created.

"These projects are a blessing to us," said Tom McCarthy of the St. Paul Building and Construction Trades Council.

Chris Havens • 612-673-4148

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St. Paul says downtown Lunds grocery store, other long-stalled projects moving forward

By Frederick Melo fmelo@pioneerpress.com Updated: 08/19/2010 11:31:50 AM CDT

Westside Flats Apartments Ñ Wabasha and Fillmore Streets New construction of 178 market rate apartments with 11,500 square feet of restaurant and retail / office space. Total cost: \$30.5 million. Public investment: \$1.5 million from jobs bill. (Courtesy to Pioneer Press: City of St. Paul)

Hear those construction cranes cranking up in St. Paul? Nope, you probably don't just yet, but you soon will, said Mayor Chris Coleman. The mayor on Wednesday announced a signed deal for a new downtown Lunds supermarket — the city's first major downtown grocer in 30 years.

The market will break ground next spring, along with the redevelopment of the Schmidt and Hamm's breweries, as well as a dozen other major construction projects across the city, Coleman promised.

Flanked by developers and members of the Housing and Redevelopment Authority, Coleman said a combination of \$15 million in city loans and millions more in private investment will boost a number of long-delayed developments that were nearly given their last rites during the recession.

They run the gamut from the 30,000-square-foot Lunds grocery in the Penfield development on Minnesota Street to artists lofts, affordable senior housing and a health clinic.

"We are rebuilding our community. We are rebuilding our city," said Coleman, standing in front of the future site of the Lofts at Farmers' Market, a 56-unit housing development in Lowertown.

Dubbing the effort "Rebuild Saint Paul," Coleman said the city's tax-increment financing funds had drawn millions of private development dollars. Both pots were further boosted by federal stimulus money, as well as state and federal infrastructure improvements related to the Central Corridor light-rail project, the Lafayette Bridge and other public works.

"There's one heck of a lot of public investment that's about to be spent in this city," said city council member Dave Thune, who chairs the Housing and Redevelopment Authority board.

City officials said the projects will put 3,000 people to work through a mix of permanent employment and temporary jobs in the construction trades. That's modest relief at best for the 200,000 Minnesotans unemployed as of the latest reports from June, but it's still a golden chestnut in the eyes of tradesmen, easily among the hardest hit by the economic malaise.

"These projects, they're a blessing to us," said Tom McCarthy, a representative of the St. Paul Building and Construction Trades Council. "In an economy that's been a recession to most, it's a depression in the (construction trades)."

None of the projects are new, and some are a far cry from their previous paper renderings. In flusher times, the Penfield had been envisioned as a 35-story condominium complex. Then, a little thing called the economy happened.

Plans now call for a six-story building with 235 to 260 market-rate apartments and Lunds, which some skeptics are already grumbling may be too high-end to be sustainable in downtown St. Paul. Lunds announced in 2008 that it was coming to downtown Minneapolis, but never did.

Bob Lux, a principal with Alatus Partners real estate firm, said construction on Penfield will begin in the spring.

Deputy Mayor Ann Mulholland said the Legislature this year passed a jobs bill allowing St. Paul to pool tax-increment financing money left over from previous projects. The money is being funneled, in the form of city loans, to five new developments, including Frogtown Square — 50 units of affordable senior rental housing in Frogtown — and the 178-unit Westside Flats Apartments.

Another project that will benefit is Cossetta's Alimentari on West Seventh Street, where Cossetta restaurant plans to triple the size of its gourmet Italian market. Dave Cossetta said he sent a baker to Europe for a year to learn pastry-making from the greats, and has brought consultants over from France and Italy to help him with the shop.

"This wouldn't have happened but for the jobs bill," said Patricia Lilledahl, director of business development in the city's Department of Planning and Economic Development.

The TIF money effectively acts as a low-interest loan from the city to private businesses looking to build or expand, allowing those businesses to borrow even deeper sums from private lenders. Among the requirements is that construction must begin no later than July 2011 and the money must be spent by Dec. 31, 2011.

Not all of the projects will be complete by then, Mulholland said, but the deadlines form a guarantee that spades will go into the ground on buildings that have lingered on the drawing boards for years.

Other projects, such as the Lofts at Farmers' Market and the Penfield, benefited from traditional TIF dollars as well as Build America Bonds, part of the federal stimulus package.

Under tax-increment financing, cities borrow TIF improvement funds against future tax revenues to spruce up areas and help development projects move forward in specific districts.

"We've had these pent-up projects," Thune said, pointing to the stalled \$76 million redevelopment of the Schmidt Brewery into housing, commercial and retail space. "That started, and died, and started, and died."

When the new vision for the long-vacant Schmidt site will become a reality is still up in the air. Plans now call for 263 housing units and 44,000 square feet of retail space, but no construction timetable has been set. The West Seventh Street brewery bottled its last beer in 2002 and an ethanol plant closed two years later. Likewise, no timetable has been set for the East Side's old Hamm's Brewery, which would become an Asian Pacific Cultural Center.

Mark Moorhouse, a vice president with Dominium, the housing developer on the Schmidt site, was optimistic. He said it's too soon for the construction industry to rejoice, but it's not too soon to crack a small smile.

"Now, we think things have stabilized," he said. "They're not getting dramatically better ... but we're likely to see, maybe not in the immediate future, but in the short term, more financing availability."

Frederick Melo can be reached at 651-228-2172.

Projects At A Glance

St. Paul Mayor Chris Coleman said the following projects will move forward within the next year, thanks to an infusion of \$15 million in tax-increment financing dollars, in the form of low-interest city loans. Most had been stalled by the recession, and some are now dramatically different from their original renderings before the economy plummeted.

Lofts at Farmers' Market: Fifth and Wall streets

56 units of market-rate housing and 2,400 feet of retail space on a previously vacant Lowertown site. Total cost: \$11.6 million. Public investment: \$2.9 million.

J&J Distributing Urban Farms: 653 Rice St.

A 20,000-square-foot expansion of J&J Distributing will include a rooftop greenhouse. Total cost: \$8.5 million. Public investment: \$1.5 million.

Hamm's Brewery: 681 E. Minnehaha Ave.

Plans call for the brewery to become an Asian Pacific Cultural Center. Total cost: TBD. Public investment: \$500,000.

Penfield: 10th, 11th, Robert and Minnesota streets

A six-story building housing a 30,000-square-foot Lunds supermarket and 235 to 260 market-rate apartments. Total cost: \$45.6 million. Public investment: \$5 million.

Frogtown Square: University Avenue and Dale Street

50 units of affordable senior housing on three floors, overlooking a level of retail space facing a University Avenue light-rail station. Total cost: \$9.7 million. Public investment: \$1.67 million.

Cossetta's Alimentari: 211 W. Seventh St.

A three-level structure containing a bakery, meat market, take-out meals and gelato site will connect to the existing Cossetta restaurant, with a new parking lot at 212 Smith Ave. Total cost: \$7.3 million. Public investment: \$2 million.

Schmidt Brewery: 882 W. Seventh St.

Plans call for the brewery to be converted into 263 housing units, commercial and retail space. Total cost: \$76 million. Public investment: \$1 million.

Westside Flats Apartments: Wabasha Street and Fillmore Avenue

Construction of 178 market-rate apartments with 11,500 square feet of restaurant and retail/office space. Total cost: \$30.5 million. Public investment: \$1.5 million.

Other Projects Moving Forward

Suite Living Care Clinic: A new health clinic will serve assisted-living residents and the surrounding community north of the Battle Creek neighborhood, near Interstate 94 and White Bear Avenue. Total cost: \$3 million. Public investment: \$700,000.

Central Corridor light-rail transit: A \$970 million light-rail line connecting St. Paul and Minneapolis.

Lafayette Bridge: A \$200 million Mississippi River bridge replacement project on U.S. 52.

Cayuga Bridge: A \$174 million bridge project, including reconstruction along Interstate 35E between University and Maryland avenues, and bridge replacement from Maryland Avenue to Interstate 94.

Como Aquatic Center: A \$7.5 million pool reconstruction, at Horton Avenue and Lexington Parkway.

Highland Park Aquatic Center: A \$2.2 million bathhouse reconstruction, at 1840 Edgcumbe Road.

Payne Maryland Town Square: A \$14 million recreation center and library with parking, at Payne and Maryland avenues.



St. Paul mayor Coleman launches Rebuild St. Paul Kare 11

SAINT PAUL, Minn. -- Taking advantage of more than \$1 billion in infrastructure investment, Saint Paul Mayor Chris Coleman launched Rebuild Saint Paul Wednesday, a \$15 million project that will leverage more than \$100 million in investment and create more than 3,000 new jobs in Saint Paul.

Standing on the corner of 5th and Wall Sts., overlooking the future site of the Lofts at Farmer's Market, Mayor Coleman was joined by the Saint Paul City Council, Saint Paul Area Chamber of Commerce President Matt Kramer and Saint Paul Building and Construction Trades Council Spokesman Tommy McCarthy in highlighting the 15 initial Rebuild Saint Paul projects.

"Rebuild Saint Paul taps every tool we have access to - combining bonding, state and federal funds, and private partnerships to get these projects off the pages of planning books and into the ground. As Saint Paul leads the way out of the recession, we must invest to create jobs and lay the foundation for new economic growth," Mayor Coleman said.

The project demonstrates the city's use of tools to aggressively invest in development that creates jobs and vitalizes the area. The Central Corridor Light Rail Transit, Lafayette

Bridge and Cayuga Bridge projects are being led by city partners and utilize federal funding. Saint Paul's contributions to the projects will further enhance the performance and increase the value of these important assets.

"The Chamber is very pleased to see that the Mayor and the city of St. Paul are utilizing these new tools from the state and the federal government to jumpstart projects and create both construction and long-term jobs," said Matt Kramer, president of the Saint Paul Area Chamber of Commerce. "Member businesses benefit when the city makes these investments, and this initiative will give a much-needed push to some key projects in St. Paul."

Saint Paul is taking advantage of resources like the recently enacted Minnesota Jobs Bill, tax increment financing and Build America Bonds to leverage private funds that will make possible the new construction of eight development projects: Lofts at Farmer's Market, Penfield, Cossetta's Alimentari expansion, Frogtown Square, J and J Distributing Urban Farms, a health clinic next to Suite Living (formerly Comforts of Home), Westside Flats and Schmidt Brewery.

Finally, the Como Aquatic Center, Highland Park Aquatic Center, and Payne Maryland Town Square are planned City projects that were funded using Build America Bonds, a federal program that allows state and local governments to obtain debt funding at lower borrowing costs.

"The best way to stimulate growth is to invest in our community. These projects will provide the framework to revitalize our neighborhoods while creating jobs for our residents when they need them most," Council President Lantry said.



Mayor Coleman Launches Rebuild St. Paul WCCO

On Wednesday, he launched a \$15 million project that is expected to leverage more than \$100 million in investment and create more than 3,000 new jobs in St. Paul.

Rebuild St. Paul is possible thanks to more than \$1 billion in infrastructure investments. Coleman announced the project standing on the corner of Fifth Street and Wall, a future site of just one of the 15 initial Rebuild St. Paul projects.

With the help of the Minnesota Jobs Bill, Rebuild St. Paul will initiate new construction projects like Lofts at Farmer's Market, Penfield -- featuring apartments and a Lunds full service grocery store, Cossetta's Alimentari expansion, Frogtown Square and a health clinic next to Suite Living.

Also planned are neighborhood projects like the Como Aquatic Center, Highland Park Aquatic Center and Payne Maryland Town Square.

The purpose of the project is to combine bonding, city, state and federal funds and private investments to get projects off the ground.



Mayor Coleman Launches \$15 Million Project To Rebuild Saint Paul KAALTV

Saint Paul Mayor Chris Coleman announced Wednesday a new \$15 million project that will generate more than \$100 million in investments and create thousands of new jobs in the area.

It's called "Rebuild Saint Paul," a project the Mayor says will invest in other projects around the city to spark economic growth and create more than 3,000 new jobs.

"Saint Paul is open for business - it is time to get these projects off the page and get cranes into the air," Mayor Coleman said in a statement.

The Mayor says the project will generate growth in several Saint Paul neighborhoods, including Lowertown, Highland Park, Frogtown and Payne Phalen, with 15 initial "Rebuild Saint Paul" projects.

"Rebuild Saint Paul' taps every tool we have access to - combining bonding, state and federal funds and private partnerships to get these projects off the pages of planning books and into the ground," Mayor Coleman said.

The Saint Paul Mayor introduced the new initiative from the corner of 5th Street and Wall, near the future site of the "Lofts at Farmer's Market."

For more information on "Rebuild Saint Paul" click here.



'Rebuild St. Paul' announcement long on ambition, short on detail

Posted: 5:30 pm Wed, August 18, 2010

By Burl Gilyard

St. Paul Mayor Chris Coleman held a news conference Wednesday morning to tout a range of new development projects around St. Paul and drum up some enthusiasm amid the sluggish economy. Coleman touted a list of 15 projects topping \$1 billion under the banner of "Rebuild St. Paul" - projects leveraging public money to drive private investment.

Coleman's list included projects such as the Central Corridor light rail project (which is being built by the Metropolitan Council) down to the \$2.2 million Highland Aquatic Center, a bathhouse reconstruction project.

But many of the projects on the city's list do not yet have set-in-stone groundbreaking dates. And two of the 15 projects on the city's list, redevelopments of the Hamm's and Schmidt Brewery sites, list the construction timing of those projects as "TBD" - to be determined.

Coleman stood across the street from a hole in the ground where construction stopped in the spring of 2008 on the Farmers Market Flats project, which once called for combining 48 condos with an indoor farmer's market.

And despite the press conference location, construction of the project is not slated to start just yet. Diane Nordquist, a project manager with the city's Department of Planning and Economic Development (PED), said construction of the project is now expected to start in January.

The project is now billed as Lofts at Farmers' Market. Plans for an indoor farmer's market at the site have been dropped. The city lists the project budget at \$11.6 million with 58 apartment units and 2,400 square feet of retail space.

Another project on the city's list is the long-planned West Side Flats project being pursued by Minneapolis-based Sherman Associates, listed as a \$30.5 million project with 178 apartments. Marie Franchett, a project manager with PED, said that the developer is currently projecting a spring 2011 start for the project.

The Penfield project has been on the drawing board in various iterations for five years. The budget for the revised Penfield project is now listed at \$45.6 million according to the city. The project calls for 250 to 275 apartments in three buildings and a 30,000 square foot Lunds grocery store.

On Tuesday morning, Bob Lux of Minneapolis-based Alatus LLC told members of the Development Review Committee of the CapitolRiver Council - District 17 that the project's viability was contingent upon the federal extension of the Build America Bonds program. If everything falls into place, Lux said that project financing could close at the end of the first quarter of 2011.

The city has taken over both the Penfield and the Lofts at Farmers' Market projects and intends to be the developer for both projects. Project financing for both deals is slated to include Build America Bonds and tax increment financing (TIF).

At the site of the former Hamm's Brewery, there is a proposal to create an Asian Pacific Cultural Center. The project status is unclear: PED spokeswoman Janelle Tummel said that the plan has not been approved by the city.

Over the years, development plans have come and gone at former Schmidt Brewery site on West Seventh Street. The city's project list now touts a new mixed-use plan combining 263 units of housing with 44,000 square feet of commercial space.

David Kreitzer, who represents the brewery's ownership, had just a brief comment on Wednesday afternoon: "We're pleased to be working with the city of St. Paul, the Fort Road Federation, Welsh [Companies] and Dominium and hope this can be a successful development," Kreitzer said.

Plymouth-based Dominium is large apartment owner, manger and developer. Minnetonka-based Welsh Cos. is a commercial real estate services provider that also invests in properties.

"At this point, Dominium is still interested in converting a couple of the buildings into affordable rental housing. The rest of the site is a little unknown at this point," Nordquist said of the potential project.

Construction is underway on the \$9.7 million Frogtown Square project, which will combine 50 senior rental units of housing with 11,000 square feet of commercial space. The project is slated for completion in January.

Construction on the Cayuga Bridge replacement project, a Minnesota Department of Transportation (MnDOT) project, is not expected to start until the summer of 2012.

The city also touting the planned expansion of Cossetta Italian Market & Pizzeria, an iconic St. Paul eatery.

"We're going to be expanding on West Seventh Street. We're going to expand into Italian pastries and an Italian bakery. We've been working on it for about two years," said owner Dave Cossetta.

Cossetta noted that next year will mark the 100th anniversary of the family-run restaurant. Cossetta said that hopes to break ground on the project in April 2011. The financing is not yet out of the oven.

"We're pretty close," Cossetta said of his project financing.

In early 2006, Cossetta was kicking around an idea for a large-scale multi-family development with potentially hundreds of units near the restaurant. Asked about those plans, Cossetta laughed and said that he had a "really expensive" box full of project plans for the abandoned concept.

"I don't think we're going to be doing anything of that sort," Cossetta said.

One project not highlighted on the city's list is the redevelopment of the vintage Renaissance Box building in downtown St. Paul by the Minneapolis-based nonprofit developer Aeon.

Gina Ciganik, vice president of housing development for Aeon, said that the nonprofit closed on financing for the \$17 million project at the end of July and is under construction. The rehab of the currently vacant building will create 70 affordable rental housing units. The project is slated for completion in August 2011.

"We're off to the races. The contractors are in there going full bore," Ciganik said.

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Building in tight times

Pioneer Press Editorial

Updated: 08/18/2010 07:46:16 PM CDT

A city like St. Paul is always being re-imagined and, sometimes, rebuilt. On Wednesday, Mayor Chris Coleman, St. Paul Area Chamber of Commerce President Matt Kramer, building trades officials and City Council members announced a set of government-assisted projects that aim to turn artists' renderings into real apartments, stores, transportation improvements and park facilities.

Coleman, Kramer and other officials gathered at a news conference at Farmers Market in Lowertown, because one of the new projects, the Lofts at Farmer's Market housing and retail project, will occupy the corner of Fifth and Wall Streets. Coleman announced that a new Lund's grocery store will be part of the Penfield housing development across downtown near 10th and Robert streets.

Officials stood beside a map of the city that listed, in addition to the Central Corridor light-rail project and the Farmer's Market and Penfield projects, these new public and public-private developments:

Expansion of J&J Distributing on Rice Street; Frogtown Square, affordable senior housing plus commercial space at Dale Street and University Avenue; an expansion at Cossetta's Restaurant on West Seventh Street; a health clinic serving assisted-living residents and the East Side; Westside Flats Apartments, market rate housing on the West Side; preparation for future development at the old Hamm's and Schmidt breweries; rebuilding of the Lafayette and Cayuga bridges; new pools and aquatic centers at Como Park and

Highland Park; and a recreation center/library at Payne and Maryland avenues. Deputy Mayor Ann Mulholland said the city is taking advantage of federal Build America Bonds, which are part of the federal stimulus bill, and a state jobs bill, which allows cities more flexibility in using property tax revenue to finance development. She said the city has been analyzing every project on the drawing board to determine which are ready to use these time-limited government programs.

The coming of the Central Corridor and the desire to create construction jobs, she said, add impetus to these projects. She said the City Council will be presented with an overall financing plan in early September. After that, each pending project will come before the Council in its final form for approval, she said.

Key to the projects is tax increment financing, by which cities finance projects by using the additional property tax revenue that the new projects produce. Mulholland said a new state law allows cities to pool their tax increment money and "spend it where we want." But the projects have to be begun by next July — putting an emphasis on "shovel-ready" projects.

Another key is Build America Bonds. These are to be used on both the Penfield and Lofts at Farmers Market projects, Mulholland said. In order to use these bonds, the projects must be publicly owned. We have expressed our reservations about the city getting into the market-rate housing business, and it continues to concern us. Mulholland says the bonds will be federally insured and that local taxpayers will have no further risk. Maybe so — but is this the proper role of government? What checks will there be against official unfairness in a competitive marketplace? What are the implications of what is in some ways artificial development — that is, development the private marketplace has considered and rejected under today's conditions? These are serious questions, and pursuit of their answers is simply due diligence.

We understand that communities use varied tools to spur development, and that St. Paul must be aggressive in pursuit of worthy projects. We have seen over the years that the best projects fit snugly in the city's existing fabric. City officials held their announcement in Lowertown, where gradual and steady redevelopment is reaching critical mass.

To be sustainable, development must be aligned with, not contrary to, market forces. That's an obvious point, but a hard lesson. As these projects advance, let's heed it.

BUSINESS JOURNAL

Mayor unveils plan to jump start downtown Lunds deal; other St. Paul projects

MINNEAPOLIS / ST. PAUL BUSINESS JOURNAL - BY Tara Bannow STAFF WRITER

St. Paul Mayor Chris Coleman on Wednesday unveiled Rebuild Saint Paul, a \$15 million initiative that will call upon private investment, bonding and state and federal funds to tackle a variety of construction projects, including a revised version of a mixed-use project known as the Penfield that would include a previously-announced Lunds grocery store.

Coleman's initial plan outlines 15 projects slated to begin construction between 2010 and 2012. (Click here to visit the website for the program). All told, the plan is expected to generate \$100 million in investment and create more than 3,000 new jobs in the city, nearly 500 of which will be permanent.

At \$970 million, the Central Corridor Light Rail Transit line is by far the costliest, although \$18.7 million of its cost is accounted for through local and public investment. Another \$200 million will go toward replacing and adding safety features to the Lafayette Bridge, \$3.5 million of which will be paid through similar investment. Reconstruction of several areas of the Cayuga Bridge will cost another \$174 million, with no estimation of investment to offset the cost.

Those three larger projects are expected to create 1,250 jobs in St. Paul.

The Penfield project was first announced in 2004 and has been revised many times. It is on a city-owned site where a police annex once stood. Lunds signed onto the project in 2008 with plans for a new 30,000-square-foot store. In March, the city took over as lead developer in order to keep the project moving forward and possibly qualify for some federal Build America Bonds. The planned \$46 million project doesn't have financing yet or final city approvals.

"Saint Paul is open for business — it is time to get these projects off the page and get cranes into the air," Coleman said. "From Lowertown to Highland Park, Frogtown to Payne Phalen; Rebuild Saint Paul will invest in projects in every corner of our city to spark economic growth and create new jobs."

In financing the construction, the initiative "taps every tool we have access to," Coleman said, including the recently-enacted Minnesota Jobs Bill, tax increment financing and Build America Bonds. Private funding will be used in eight of the projects, including the future retail and housing units, Lofts at Farmer's Market, the Penfield, a grocery store with 253 housing units, Cossetta's Alimentari expansion, Frogtown Square senior housing and commercial space, expanding J and J Distributing Urban Farms, among others.

"The Chamber is very pleased to see that the Mayor and the city of St. Paul are utilizing these new tools from the state and the federal government to jumpstart projects and create both construction and long-term jobs," said Matt Kramer, president of the Saint Paul Area Chamber of Commerce. "Member businesses benefit when the city makes these investments, and this initiative will give a much-needed push to some key projects in St. Paul."

The 15 initial projects will cost nearly \$1.6 billion, offset slightly by about \$63 million in total investments. Visit the city's website for more information on each project.

Read more: Mayor unveils plan to jump start downtown Lunds deal; other St. Paul projects - Minneapolis / St. Paul Business Journal



St. Paul reviving stalled construction projects

by Laura Yuen, Minnesota Public Radio August 18, 2010

St. Paul, Minn. — St. Paul city leaders say two long-stalled downtown construction projects will finally get built, thanks to a new state law that allows the city to better pool its resources.

St. Paul will use about \$15 million in excess tax-increment financing from across the city to jump-start a number of developments, including a new downtown Lunds grocery and apartment complex.

Bob Lux, the developer of that project, known as the Penfield, said the recession has forced him to scale back his plans, but it's still alive.

"It was originally conceived back at the height of the condo market, and we were going to do a tower, a condo tower, similar to what we did in Minneapolis. We missed the market," Lux saud. "We're bringing it back because we've enjoyed working with the city of St. Paul, and we're really trying to find a solution to get a grocery store into downtown St. Paul."

The Penfield and several other city projects are also getting help from federal-stimulus bonds.

The money could also revive an empty block across the street from the downtown farmers market. That hole in the ground is the site of an on-again, off-again, residential lofts project.

Deputy Mayor Ann Mulholland said St. Paul will look a lot different in just a couple of years, thanks to the new legislation.

"We took advantage of the jobs bill in spades, and pooled every dollar we could physically pool," Mulholland said. "And we're going to push ourselves to get all of those projects in the ground."

Most of the projects will begin construction this fall.



Mayor Coleman unveils plan to jump-start St. Paul developments: St. Paul Mayor Chris Coleman today unveiled Rebuild Saint Paul, a \$15 million initiative that will call upon private investment, bonding and state and federal funds to tackle a variety of construction projects. The project's initial plan outlines 15 projects slated to begin construction between 2010 and 2012. All told, the plan is expected to generate \$100 million in investment and create more than 3,000 new jobs in the city, nearly 500 of which will be permanent.



St. Paul Unveils New Economic Development Plan KSTP

St. Paul leaders promise a new economic development program will bring hundreds of jobs to the city.

Today, Mayor Chris Coleman unveiled a \$100 Million plan that he says will energize downtown, but who pays for all of this, and how long before we see those jobs?

Jay Kolls has some answers.