

RiversEdge Update

County Board Update
August 2, 2022

Sponsors

Ryan O'Connor, County Manager

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

County Project Team

Kari Collins, Director, Community & Economic Development (CED)

Josh Olson, CED

Rick Howden, CED

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Alex Kotze, Chief Financial Officer

Allison Winter, Communications

Jennifer O'Rourke, Government Relations

AECOM Team

Bane Gaiser, Managing Principal

Courtney Bragg, Project Manager

Project Goals: Maximize Development, Expand Tax Base, Create Jobs, Enhance Vitality, and Connect to the River.



8 acres
of new public realm

\$788,000,000+ Development

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

5000+
Jobs Created

Bold | Beautiful | Connected | Welcoming | Accessible to All

Park at RiversEdge

Public Realm

Eight acres of riverfront oriented public space

A new terraced connection over rail tracks and Shepard Rd.

A vibrant and active 18 hours day / 4 seasons public space

A welcoming and accessible space for all that celebrates the natural and cultural asset of the Mississippi River



Integrated and coordinated into a set of projects that continues Saint Paul's connection to the river

Riversedge

River Balcony

Lower Landing Park →

Upper Landing Park

Bold | Beautiful | Connected | Welcoming | Accessible to All

Assessment of Project Feasibility

Public Realm & Private Development

- Market Feasibility**

Office: Increasing new demand is driving new construction, but overall market remains mixed
 Residential: St Paul continues growth trends with new supply and rental growth, closing gap with Minneapolis
- Regulatory Feasibility**

Formal processes to commence; engagement with the City and railroads remains positive.
- Financial Feasibility**

Will seek direction from Board of Commissioners at Closed Session.
- Legislative Feasibility**

Legislative session ended without passage of bonding bill, among other items.

2022 Legislative Session Overview

- \$26 million request
- **SF 2022:** Pappas
- **HF 2467:** Mariani (not seeking another term)
- No bonding bill passed either legislative body
- Continues to leaves financial gap for full build-out of public realm (Park at Rivers**Edge**)

Market Outlook

- Office – Source: JLL, Avison Young
 - **Outlook: Increasing new demand is driving new construction, but overall market remains mixed**
 - Economic trends signal **positive movement** – Twin Cities unemployment low with **strong job growth**
 - Outlook shows **significant tenant demand** outlook (2.3 million sf)
 - 12 million sf of office proposed or under construction with more moving forward based on **better outlook**. RiversEdge is only one in St Paul.
 - Downtown vacancy remains elevated in St Paul at 15-18%, but no major transactions and no new construction.
- Multifamily Residential – Source: CoStar, New
 - **Outlook: St Paul continues growth trends with new supply and rental growth, closing gap with Minneapolis**
 - Downtown St Paul added over 700 multifamily units since 2019, **~25% growth**, outpacing Minneapolis (14%) and the overall Twin Cities Metro (11%)
 - Rents in St Paul rose ~10% in 2021 and another 3% Year to Date 2022, **outpacing Minneapolis**
 - High quality new projects have achieved **higher asking rents** (\$2.6 - \$2.75 / square foot)
 - No high rise apartment projects in St Paul
 - The Saint Paul Rent Stabilization Stakeholders Group recommended a 15-year exemption for new construction for the Mayor and City Council to deliberate further.

Railroad Update

- Establishment of South Boundary Property Line
 - Third party legal counsel engaged (Cozen O'Connor)
 - Registration process to establish property boundary
 - Ongoing meetings with Canadian Pacific (CP) & Union Pacific (UP)
- Design and Engineering Update
 - Conceptual plans accepted
 - CP third party nearing completion

Railroad Update

- Immediate next steps
 - AECOM to incorporate CP comments into design
 - These are minor edits to the current plan for finalization. The outstanding comments pertain to the next phase of design, which provides more details including items such as utility relocation.
 - Negotiations with real estate teams
 - To finalize easement to allow construction of public realm

Scope of Phase 1



Near Term Project Steps

- Finalize South Boundary Property Line
- Work with railroad real estate team to secure all necessary agreements with railroads for connection to river
- Finalize and Execute Purchase and Development Agreement
- Initiate environmental and regulatory processes (AECOM)
- Continue collaboration with Great River Passage Conservancy (River Balcony) and the City of Saint Paul on the River Balcony
- Solidify project financing
- Design & Construction



RAMSEY COUNTY

AECOM

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Delivered.

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