

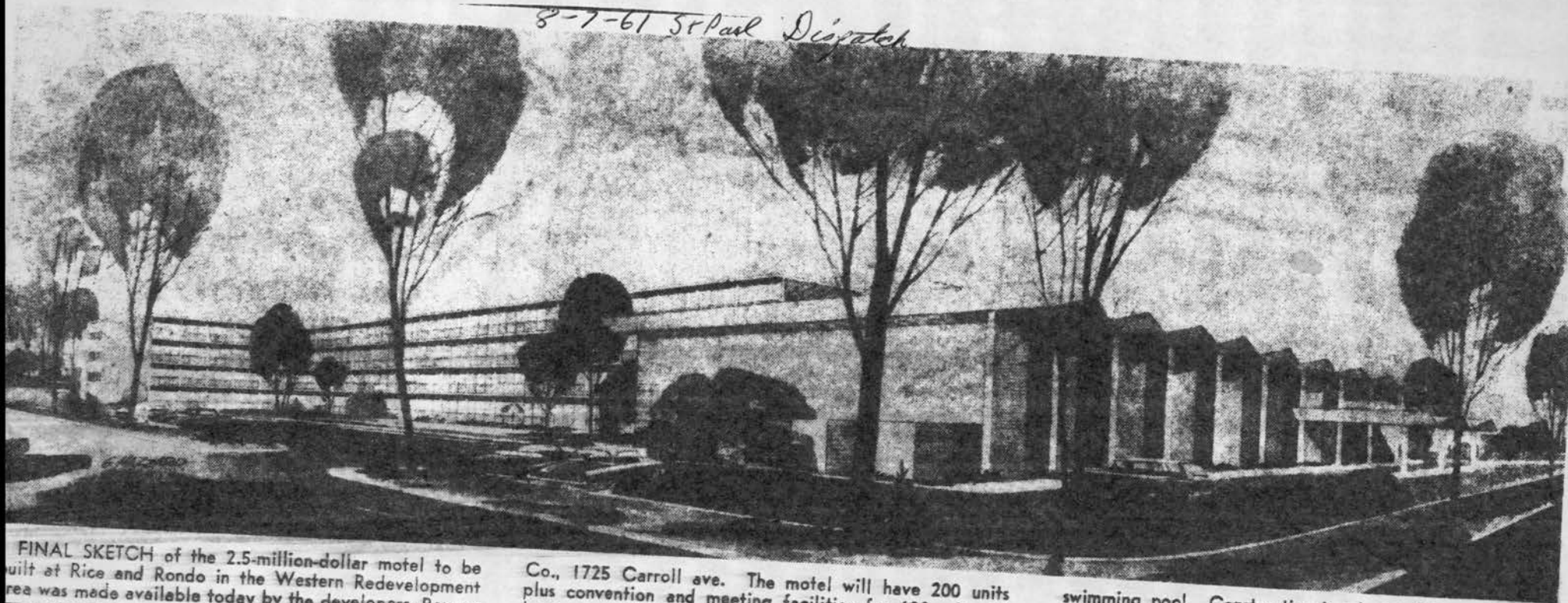


Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota:
Redevelopment project files

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8-7-61 St Paul Dispatch



FINAL SKETCH of the 2.5-million-dollar motel to be built at Rice and Rondo in the Western Redevelopment area was made available today by the developers, Ravoux

Co., 1725 Carroll ave. The motel will have 200 units plus convention and meeting facilities for 600. It will have a public dining room, coffee shop, bar, grill and

swimming pool. Construction is scheduled to begin this year with completion in 1962. It will employ about 115 persons.

Ravoux

Parcel 4



REPORT TO THE COMMISSIONERS

DATE:

May 29, 1961

REGARDING:

Preliminary approval of Ravoux Company Proposal
Parcel No. 4, Western Redevelopment Project
U. R. Mimm. 1 - 2

This report is intended to show a brief history of the events to date relating to the sale of Parcel No. 4, and a recommendation for preliminary approval of the sale to the Ravoux Company.

March 24, 1960 - The Authority approved the Procedures for Disposition of Project Land dated March, 1960, by Resolution No. 60 - 22.

March 30, 1960 - The Authority by Resolution No. 60-27 established the fair-use value of Parcel No. 4 at \$1.30 per sq. ft.

April 21, 1960 - The Authority received preliminary proposals for Parcel No. 4 under the two proposal arrangement established in the Procedures for Disposition. Proposals for Parcel No. 4 were received from the following organizations:

St. Paul Development Corporation	\$10,000
Golden Valley Shopping Center	\$30,000
Capitol Plaza Corporation	\$227,070
Sears Roebuck & Company	\$303,200
The Kroger Company	\$303,300

May 31, 1960 - Final proposals were received for the two proposal procedure which has been established. Proposals were received from the following organizations:

St. Paul Development Corporation	\$450,000
Sear Roebuck & Company	
(Same as original proposal)	\$303,200
The Kroger Company	\$315,411.20
Golden Valley Shopping Center	\$181,850
Capitol Plaza Corporation	
(Same as original proposal)	\$227,070

June 29, 1960 - The Authority at their meeting on this date considered the technical, legal and monetary reviews as prepared by the Authority staff in regard to all five proposals.

June 29, 1960 - The Authority by Resolution No. 60-58 rejected all proposals for Parcel No. 4 and recited the fact that four of the five proposals were unsatisfactory because the monetary proposals below the fair-use value of the land and the St. Paul Development Inc. proposal was for other reasons considered unsatisfactory.

- June 29, 1960 - The Authority by Resolution No. 60-59 established the Procedure for Disposition by Direct Negotiation with prospective Redevelopers and indicated subject to approval by HHFA that the parcel should be offered without public bidding.
- Sept. 7, 1960 - The Authority by Resolution No. 60-76 served to revise portions of their procedures previously established in Resolution No. 60-72 and Resolution No. 60-76 indicated in part as follows: "...that the reoffering of said Parcel No. 4 shall (in order to give consideration to the time, effort, and expenses expended by the offerers in the Authority's last offering) be limited to those submitting said offers and that each of said offerers be notified that such offers and proposals will be received."
- Sept. 28, 1960 - Negotiation proposals were received from the following three corporations:
- | | |
|----------------------------|-----------|
| The Kroger Company | \$397,500 |
| (\$1.31 per sq. ft.) | |
| Capitol Plaza Corporation | \$308,000 |
| (\$1.16 per sq. ft.) | |
| St. Paul Development, Inc. | \$455,000 |
| (\$1.50 per sq. ft.) | |
- Oct. 25, 1960 - An amended proposal was received from St. Paul Development Inc. which included among other things a copy of an agreement between St. Paul Development Corporation and Callander Consulting Company dated October 3, 1960.
- Nov. 3, 1960 - The Authority at its meeting passed a motion presented by Mr. Cummins and seconded by Mr. Rein which served to reject all proposals on Parcel No. 4. Mr. Moriarity indicated that he was against the rejection of all proposals and favored the Kroger proposal.
- Nov. 9, 1960 - The Authority by Resolution No. 60-93 rejected the proposals received from St. Paul Development Inc. dated September 28, and the Capitol Plaza Corporation proposal of the same day.
- Nov. 9, 1960 - The Authority by Resolution No. 60-94 served to establish the negotiation period with "...all the prospective Redevelopers for the sale and redevelopment of Parcel No. 4," with a deadline established as November 21, 1960.
- Nov. 21, 1960 - Offers and Proposals were received from the following two organizations:
- | | |
|--------------------|-----------|
| The Kroger Company | \$455,150 |
| The Ravoux Company | \$455,000 |

Nov. 30, 1960 - The Authority meeting of this day allowed the verbal presentation by representatives of the Kroger Company (Mr. Gustav Larson and Mr. Woodman) and the Ravoux Company (Mr. Keeley). Following the verbal presentations, Mr. Rein indicated the following, "I would like to move at this time that the Authority go on record as in favor of the Ravoux Company for the Development of Parcel No. 4 and authorize the Executive Director and other staff members involved to negotiate the Contract."

Dec. 2, 1960 - A letter from URA indicated that they had received Resolutions 60-93 and 60-94 and would wait our submission of recommendations regarding the sale of Parcel No. 4.

Subsequent to a motion by the Authority on November 30, 1960, the staff negotiated with the Ravoux Company in order to obtain a satisfactory Contract.

A complete proposal was transmitted to URA on January 12, 1961, and on February 13, 1961, we received URA comments concerning the form of Contract and other necessary documents. The Authority staff has resolved all of the comments that have been raised by URA. A recent submittal dated May 18, 1961, from Ravoux Company, including the final Contract and revised exhibits (Narrative, Guarantee, Financial Statement & Balance Sheet) were submitted to U.R.A. in a letter dated May 22, 1961. The Contract for Purchase by and between the Authority and the Ravoux Company as redrafted and reexecuted by the appropriate officers of the Ravoux Company, and as presented to the Authority under the date of May 12, 1961, was approved by U.R.A. on May 24, 1961. The Proposal and Contract gathered for consideration at this time is as follows:

Contract for Purchase dated May 12, 1961

Redeveloper's Statement for Public Disclosure dated November 21, 1960

Redeveloper's Statement of Qualifications and Financial Responsibility dated November 21, 1960

Redeveloper's Affidavit of Non-Collusion dated November 21, 1960

Offer to Purchase Project Land and Proposal for Redevelopment dated November 21, 1960.

Guarantee of Donovan, Inc., as to Completion and Performance by Ravoux Company dated May 12, 1961

A five sheet plan entitled "Proposed Motel Development including Drawings No. 1-A dated 12-19-60, No. 1 dated 12-16-60, No. 2 dated 12-16-60, and an undated Drawing No. 3.

The above mentioned Redeveloper's Statement of Qualifications and Financial Responsibility includes a Ravoux Company Balance Sheet dated May 19, 1961, and a Donovan Inc. and Subsidiary Companies Financial Statement dated December 31, 1960.

The plan exhibit to the May 12, 1961, Contract for Purchase essentially satisfies the parking requirements on the basis of the Development Department's January 5, 1961, Review of Ravoux Company Proposal for Parcel No. 4 dated December 27, 1960. The computation of Parking Spaces Required as contained in the Review should be utilized for the review of any further construction plans submitted by the Redeveloper as follows:

	<u>Parking Spaces Required</u>	
	<u>200 Unit Motel</u>	<u>300 Unit Motel</u>
(a) Motel	200	300
(b) 25% of above may be applied to other uses	(50)	(75)
(c) Total first floor commercial requirement	75	75
(d) Required Commercial parking	25(75-50)	0(75-75)
(e) Total Conference Hall Requirement	100	100
(f) Required Conference Parking	50 (100-50)	25(100-75)
Total Parking Requirement	275	325

All Construction Plans will be reviewed on the basis of the purposes of the Redevelopment Plan Revised February, 1957, as modified through May 1, 1961.

The 4 site plans of the Ravoux Company each show a certain portion of the western part of the parcel as being open or undeveloped. The narrative description (Schedule "B") which is an exhibit to the Contract for Purchase, indicates the following wording:

The drawings as submitted herewith sketch out parking facilities in relation to the need occasioned by the number of rental units and incidental use of the first floor of the commercial area. The drawings as submitted have not taken into account the hundreds of additional parking spaces necessary in order to service convention crowds and organizations making use of the banquet facilities. It is contemplated that as many as 1,000 of such persons (in addition to occupants of the rental units and patrons of commercial facilities on the first floor) will have need for a nearby parking space on a regular basis. The Authority should understand, therefore, that the drawings as submitted are incomplete as to parking facilities and that it is estimated that on-premises parking facilities would encompass the entire tract and not merely the areas shown on the enclosed plans as reserved for parking area. Initially, however, the area in the western portion of Parcel 4 and not shown as parking area will be developed as a lawn.

Redeveloper is presently in the midst of negotiations with Sears, Roebuck and Company respecting a portion of Parcel 4 desired by it for parking facilities.

If these negotiations with Sears are fruitful it is contemplated that both Sears' parking requirements and those of the improvements contemplated by Redeveloper will be satisfied since maximum usage by Sears' patrons should ordinarily occur during the day while the uses contemplated by Redeveloper should generate evening traffic in the main.

The Offer to Purchase and the Contract therefore, includes a proposal by the Redeveloper to purchase and develop the entire parcel of land, as was the intent of the original Invitation for Redevelopment Proposals in March of 1960.

It should be further noted that this sale would obligate the Redeveloper to develop only 200 motor hotel units and the related conference, restaurant, and lounge facilities. The site will be partially developed with permanent parking facilities and approximately $1\frac{1}{2}$ to $2\frac{1}{2}$ acres of the 7 acre parcel will be developed as a lawn which may be utilized for overload parking. It is conceivable therefore, that the Redeveloper may at a later date propose to utilize this remaining portion of the land for other purposes approvable to the Authority, and Ravoux is at present negotiating with Sears Roebuck in this regard.

The staff proposes that the Authority by Resolution indicate their preliminary approval of the Proposal for Purchase by the Ravoux Company and establish a date for a public hearing relating to the proposed sale. Among other things, the resolution of the Authority should recite the rejection of all other proposals received for Parcel No. 4, as URA has not as yet concurred in Resolution No. 60-93 in which we rejected the previous proposals for land purchase.

May 16, 1961

Ray Ackerson

Bill Chapman

Income from Land Sale
Western Redevelopment Project
U. R. Minn. 1-2

Parcel No. 5

Assuming that we receive the construction plans from the National Redevelopment Corporation on June 5, 1961, (presently established date for plan submittal), we will review the plans and will be in a position to approve them by the middle of May, 1961, which would require the final payment for this parcel (Approximately \$98,000) by the middle of August, 1961.

Parcel No. 4

We expect to be able to take final action on the Ravoux Company purchase Contract on May 24, 1961, and assuming that we have no opposition at the public hearing, the Redeveloper would be required to pay full price of the land about 6½ months later. We would, therefore, receive full payment (\$455,000) about the middle of December of 1961, or early in January of 1962. This Redeveloper could conceivably make payments substantially sooner, but we could not force any earlier action.

Parcel No. 10

Land Purchase Proposals will be received on May 18, 1961. Assuming that we have no delays in selecting a Redeveloper we should receive full payment (approximately \$125,000) by about the middle of November of 1961. It is conceivable, of course, that the best Redevelopment Proposal would contain a payment clause which would extend payment until sometime early in 1962.

I hope this information will assist you in your requisition of Redevelopment funds.

BBC:dme

ccs: BBC/ MDA; JAH; co file

BB C
April 20, 1961

Mr. J. P. McCollum
Regional Administrator
Housing and Home Finance Agency
Room 2000 - 105 W. Adams Street
Chicago 3, Illinois

Re: Parcel No. 4
Western Redevelopment Area
Project U. R. Minn. 1-2

Dear Mr. McCollum:

Attached herewith is a report dated April 18, 1961, and entitled Disposition of Parcel No. 4, Western Redevelopment Project for your information. This report is in answer to a verbal request to Mr. Haner that we supply you with the events that led up to our Authority decision to sell the above parcel to Ravoux Company. Attached also is a copy of the November 28, 1960, staff review of the Kroger and Ravoux proposals for your information.

Subsequent to April 18, the Authority has resolved many of the comments raised in your February 13, 1961, letter and expects to be in a position to take action in the Ravoux Proposal at an early date.

It may be noted that the Authority favors the Ravoux Proposal over the Kroger Proposal generally for the following reasons:

1. The Ravoux proposal reflects a use which, from a planning standpoint, appears to be more appropriate for the location. This parcel lies immediately adjacent to the State Capitol grounds, and a motor hotel may be more fitting in that location than a grocery store.
2. Four major parcels of the Western Project have a Redevelopment Plan use which would allow a grocery store and one parcel has already been sold to an organization for a retail grocery facility. Another moderate sized grocery store is located within 1½ blocks of the Project limits.
3. The Ravoux proposal shows the placement of a motor hotel with 200 dwelling accommodations and a conference facility with an area in excess of 9000 sq. ft. The proposal also assumes the possibility of the placement of an additional 100 motor hotel units. The Kroger proposal showed a grocery store and a motor hotel with 130 accommodations. The Redeveloper has indicated that the major ballroom would have the

overall dimensions of 40' by 100' or 4,000 sq. ft. The Ravoux proposal includes a Banquet Area (Ballroom) with the overall dimensions of 51' by 114' or 5,800 sq. ft. The Authority desires, if at all possible, to negotiate a sale of this land to a Redeveloper who will develop a major conference facility. The area of this conference facility (Banquet Area) is second in size to only one facility in St. Paul (the St. Paul Auditorium). The Authority will have served the City well if we are instrumental in the locating of a major conference facility as such a facility may be a stimulant to the economy of St. Paul.

4. The Grocery facility proposed by the Kroger Company would be a certainty for immediate development, but the motor hotel proposed may be questionable. The proposal for this motor hotel is for the purchase by the Capitol Plaza Corporation which is represented by Mr. Raphael Silver of Cleveland, Ohio. The National Redevelopment Corporation proposal (also Raphael Silver) and Contract dated November, 15, 1957, for parcels 5, 6, and 8 in the Western Area has resulted only recently in the commencement of construction on Parcels 6 and 8. Parcel No. 5 has not as yet been purchased by National Redevelopment Corporation in accordance with the 1957 Contract and the Authority may be forced to foreclose on this portion of the Contract. Needless to say, the disposition to this Redeveloper may be an unwise decision.

5. The purchase proposals on November 21, 1960, were as follows:

The Kroger Company	\$455,150
Ravoux Company	455,000

The November 28, 1960, Negotiation Proposal Review which is attached herewith, concerning the November 21, 1960, proposals serves to indicate among other things, the annual tax return to the community that would be expected based on the two proposals as follows:

The Kroger Company (including the Kroger facility, the Sears addition, and the Capitol Plaza building)	\$79,439
Ravoux Company (assuming a 200 unit motor hotel)	\$75,523
Ravoux Company (assuming a 300 unit motor hotel)	\$101,000

The Kroger proposal also assumed the disposition of some land to Sears Roebuck & Company which would increase the tax to the community an additional undetermined amount. As one of the reasons for Redevelopment is to place land into a productive reuse, the substantial margin of tax return expected from the Ravoux development over the Kroger development is pertinent. The monetary difference of only \$150 is considered unimportant.

6. Neither the Kroger or Ravoux proposals contained a proposed form of contract with Sears Roebuck and Company. The Kroger proposal did, however, contain a letter from Sears Roebuck dated November 15, 1960, indicating their intent to purchase and develop. The Ravoux proposal only indicated that they would sell a portion of the land to Sears.

The above reasons and the attached information is submitted in answer to the verbal requests of members of your staff regarding the events that have led up to the Authority decision to favor Ravoux Company and the reasons for the Authority action.

Sincerely yours,

B. B. Chapman
Development Planner, for

J. A. Haner
Administrative Assistant

BEC:dme

ccs: UR; BEC; MDA; JAH

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF ST. PAUL

MEMO

DATE: November 28, 1960

TO: L. J. THOMPSON
FROM: B. B. CHAPMAN
SUBJ.: NEGOTIATION PROPOSALS - NOVEMBER 21, 1960 - PARCEL 4 - WESTERN REDEVELOPMENT AREA

Attached is a report entitled "Negotiation Proposals, Parcel 4 - Western Redevelopment Area, U.R. Minn. 1-2, November 21, 1960" which is prepared as review of the proposals received from the Kroger Company and Ravoux Co.

Notes:

Ravoux Co.

Completed forms, in the name of the Ravoux Co., were received on November 25 as follows:

Offer to Purchase
Redeveloper's Statement for Public Disclosure
Redeveloper's Statement of Qualifications and Financial Responsibility
Redeveloper's Affidavit of Non-Collusion

The Kroger Co. (Sears Roebuck development)

A phone call from Mr. Frederick Thomas representing Sears Roebuck and Company revealed the following changes expected in the Sears Roebuck building on Parcel 3 if the two acre portion of the Parcel 4 is available to them for parking use:

1. Building construction on Parcel 3 of the Western Redevelopment Area would be increased in area by approximately 20,000 square feet which would include approximately 10,000 square feet of retail area.
2. The original estimation of employment assumed approximately 700 employees for the building on Parcel 3 and this amount would be increased by about 80 employees.

A letter is expected from Sears Roebuck and Company in this regard.

BEC

FILE COPY

November 28, 1960

NEGOTIATION PROPOSALS, PARCEL 4 - WESTERN REDEVELOPMENT AREA, UR MINN. 1-2
NOVEMBER 21, 1960

Subsequent to the rejection of all proposals for the purchase of Parcel No. 4 in the Western Area by Resolution 60-93 and 60-94 which were passed by the Authority on November 9, 1960, two proposals have been received for the purchase of this land. A proposal was received from Ravoux Co. dated November 3, 1960 and a proposal was received from The Kroger Co. dated November 21, 1960. The following portions of this report serve as a review of the proposals received in relation to the requirements established by the Authority as contained in the Procedures for Disposition of Project Land. Consideration is given to the site development proposal, the financial return to the Authority and the tax return expected to the community from each individual development.

THE KROGER COMPANY

The November 21, 1960 letters from The Kroger Company serve as a proposal for the purchase of the entire parcel, the development of a portion of the parcel by The Kroger Company and the sale of portions of the parcel to the Capitol Plaza Corporation and Sears Roebuck and Company. No reservations were made to The Kroger Company's proposal other than a stipulation in the letter from Capitol Plaza Corporation which indicates that they will buy the land within 18 months after The Kroger Company has purchased the land from the Authority. This proposal shows no speculation in land as it definitely states that sale to the other two organizations would be for a price of \$1.50 per square foot.

We may expect, if the sale is made to this organization, that the grocery store to be constructed by The Kroger Company would be constructed on schedule in accordance with the Contract Documents. We may expect further that plans would be submitted from Sears Roebuck and Company which would utilize their portion of the land to its utmost with the development of a building larger than previously proposed on Parcel No. 3.

Site Development Proposal

The proposal presented indicates the development of approximately three acres of land for a Kroger retail grocery store. The building proposed is similar to that which was presented in the previous proposal and it is estimated that on the basis of a cost of between \$13.00 and \$14.00 per square foot, the development of the Kroger building itself will cost approximately \$400,000. It appears that 261 parking spaces will be provided which is ample to satisfy the needs of this grocery facility.

Approximately two acres of land are to be sold to Sears Roebuck and Company. A letter from the Sears Roebuck dated November 15, 1960 to the Kroger Company, which is a portion of the Kroger proposal, indicates that they would be willing to purchase the land for development of additional parking space for their retail store in Parcel No. 3. Although nothing has been received recently from Sears Roebuck and Company, previous letters indicated that approximately 20,000 square feet of retail space could be added to the store if two areas of additional parking space were available. Assuming the cost of approximately \$15.00 per square foot for this additional space we may expect that the additional construction in the Sears building would have an evaluation of approximately \$300,000.

The Kroger Company proposes to sell approximately two acres of land to Capitol Plaza Corporation. The letter dated November 8, 1960 from Capitol Plaza Corporation to The Kroger Company, which is a portion of The Kroger Company proposal, serves to outline the terms of the purchase. The plan presented by Kroger shows the same motel as was submitted by Capitol Plaza in an earlier proposal. It may be assumed that the Motor Hotel would have 130 rooms.

The earlier proposal also showed a dining room and a lounge. Assuming a cost of \$8,000 per dwelling accommodation, a 130 room motel would produce a total building cost of approximately \$1,400,000. For purposes of comparison with Ravoux Company the value of the dining room and lounge has not been estimated as the extent of these facilities are not yet known. The arrangement of the site as proposed by The Kroger Company appears to be satisfactory although refinements will be necessary in subsequent plan proposals in order to coordinate the three developments. The two entrances to the parcel from Rise Street are only 30 feet apart and the building Requirements stipulate 180 feet as minimum. This requirement must be satisfied in later plan submittals.

Although the plans have not been submitted to the Veterans Service Building Commission in relation to the Parcel 4 development, it is assumed that the arrangement of a motel on the east portion of the site is much more compatible with the existing development in the Capitol Approach Area than a grocery store would be. We have requested preliminary comments from the Veterans Service Building Commission concerning the development by Kroger in contrast with that development proposed by Ravoux Co. and their comments are expected shortly. We will request approval of the development plan after more elaborate plans are received.

Financial Proposal

The Kroger Company proposes to purchase the land for a price of \$455,150 and submitted a certified check in the amount of \$5,765, which places on deposit with the Authority a total amount of \$45,315 which represents 10% of the total purchase price proposal. The proposed purchase price is equal to \$1.50 per square foot for the purchase of land and the proposal further indicates that land will be sold to Sears Roebuck and Company and Capitol Plaza Corporation for \$1.50 per square foot which eliminates land speculation. The proposals to the Kroger Company from Sears Roebuck and Company and Capitol Plaza Corporation both indicate that they will purchase the portion of the land at a price of \$1.50 per square foot.

Tax Return Expected

The following is only an estimation of the tax return expected based on the type of development proposed by The Kroger Company.

Building Costs:

Kroger Building	\$400,000
Sears Building	300,000
Capitol Plaza Building	<u>1,040,000</u>
Total Building Cost	\$1,740,000

Building Value	Adjusted Value (40%)	Land Value	Full & True Value	Est. Tax Value (40%)	Tax Rate	Est. Annual Tax
\$1,740,000	696,000	455,150	1,151,150	460,460	.17252	79,439

The above indicates that the annual tax return to the community for this development may be expected to be approximately \$79,000. If sale is made to this organization, a tax return in excess of \$50,000 may be expected per year assuming the full land value and the development of the Kroger and Sears buildings and without considering the Capitol Plaza building. At the time that the Capitol Plaza building is constructed or some other organization constructs at that location the full tax return could again be expected.

RAVOUX CO.

The two letters received from the Ravoux Co. dated November 21, 1960 serve as a proposal for the purchase and development of the entire Parcel No. 4. No proposal plan was received. The proposal is to purchase the property on identically the same terms as were submitted in the proposal dated September 28, 1960 as amended on October 25, 1960. The redeveloper therefore in the name of Ravoux Co., offers to purchase the land for \$455,000 and further proposed to develop a 200 unit motel. The development would include a kitchen, dining facilities, bar and lounge. The building would be ten floors in height not including an elevator penthouse. The amended proposal dated October 25, 1960 reserved the right to revise the overall design of the facility but that any change would be consistent with the purposes of the original offer. As the plan proposal submitted on October 28, 1960 showed the development of the motor hotel with 318 units and as the firm proposal of this organization indicates only a 200 unit motel, no further review of the plan is necessary as major changes are expected.

The DEVELOPMENT SECTION TECHNICAL REVIEW dated November 10, 1960 serves as a complete technical review of the September 28 proposal.

The AMENDMENT TO OFFER TO PURCHASE dated October 25, 1960 served to propose a revision to the wording of the standard form of Contract in order to allow 195 days in order to obtain mortgage financing. The latest proposal dated November 3, 1960 indicates that the developer will pay the Housing Authority interest at the rate of 4% for a period starting 90 days after its offer is accepted and until such time as the full purchase price is paid or until Ravoux Co. notifies the Housing Authority that it is unable to obtain mortgage financing. The proposal received to date, therefore, would allow this redeveloper 195 days for obtaining mortgage financing and the redeveloper would be paying interest to the Authority at the rate of 4%. The rate of payment has not been clearly stated and it should be stated as follows: "The undersigned will pay the Housing and Redevelopment Authority interest at the rate of 4% per month, on the entire \$455,000, for the period starting 90 days after this offer is accepted and until such time as the full purchase price is paid or the undersigned notifies the Housing and Redevelopment Authority that it is unable to obtain mortgage financing....."

The Amendment to Offer to Purchase dated October 25, 1960 served to retract certain conditions of the September 28 offer in regard to food and beverage licenses and the construction of the freeway adjacent to Parcel No. 4.

The October 25 proposal included an affidavit in regard to the purchase of 100% of the stock of St. Paul Development Inc. by Donovan Construction Company. The purchase amount may be considered appropriate for the value of St. Paul Development Inc.

Included also in the October 25 Amendment to Offer to Purchase is an affidavit in regard to contract by and between St. Paul Development Inc. and Callender Consulting Company. Attached to the affidavit is a copy of the Contract dated October 3, 1960. A normal motel business of the type planned would render at least \$160,000 payment to Callender over a period of ten years without mention of the services to be performed.

As the November 3, 1960 proposal by this redeveloper includes by reference the September 28 Offer to Purchase and Proposal and also the Amendment to Offer to Purchase dated October 25, 1960 and as many of the provisions have been added, retracted and otherwise revised, it is necessary to obtain a clear-cut proposal in the name of Ravoux Co. without reference to previous submittals.

Financial Proposal

The Ravoux Co. proposes to purchase the land for a price of \$455,000. This corporation has submitted to the Authority a bid bond in the amount of "10% of amount of bid (10%)" in the name of St. Paul Development Inc.

The proposed purchase price is equal to a \$1.50 per square foot for the purchase of land. No bond in the name of Ravoux Co. has been submitted.

Tax Return Expected

The following is an estimation of the tax return that may be expected from the development of this parcel as a 200 unit motel development. A 200 unit Motor Hotel with a cost of \$8,000 per unit would produce a total motel development cost of \$1,600,000. No value is being assumed for a development of the restaurant, lounge or conference facilities as the development of these facilities are no more sound in this proposal than they were in the proposal by The Kroger Company for the Capitol Plaza Corporation motel.

BUILDING COST - \$1,600,000.

Building Value	Adjusted Value (40%)	Land Value	Full & True Value	Est. Tax Value (40%)	Tax Rate	Est. Annual Tax
\$1,600,000	640,000	455,000	1,095,000	438,000	.17252	75,523

The above indicates that the annual tax return to the community for the 200 unit motel facility would be approximately \$75,500. If the developer completes the development of a 318 unit motel as was presented in the proposal dated September 28, 1960 and by reference therefore is a portion of the present proposal, the estimated annual tax to the community would be over \$101,000.

Conclusion

At the present time the Authority has two proposals for the purchase of Parcel No. 4 in the Western Redevelopment Area. The Authority could make at this time, a preliminary decision to sell to either of the organizations. Additional information should be supplied from the developer that the Authority selects in order that appropriate background material is available for use as exhibits to the Contract for Sale. These exhibits are necessary in order to assure the development in accordance with the requirements of the Procedures for Disposition of Project Land dated March, 1960. The following material is therefore necessary for contract exhibits:

The Kroger Company

1. A resubmittal of the site plan generally as submitted on November 21. This plan should show the date of submittal and should refer to the Kroger purchase proposal.
2. Additional plan sheets showing a typical floor plan of the Kroger Company and the Capitol Plaza buildings.
3. A REDEVELOPER'S AFFIDAVIT OF NON-COLLUSION with reference to the November 21 proposal in the form prepared by the Authority.

Ravoux Co.

1. A resubmittal of the plan as submitted on September 28, 1960 (if it is still current) indicating the name of the developer as Ravoux Co.
2. A resubmittal of the Redeveloper's Statement of Financial Responsibility in the form prepared by the Authority.
3. A resubmittal of the Redeveloper's Statement for Public Disclosure in the form prepared by the Authority.
4. An Affidavit of Non-Collusion in the form prepared by the Authority.
5. A certified check or a bond to accompany Offer to Purchase in the amount of \$45,515 in the name of Ravoux Co.

The wording of the Contract for Purchase should be revised by the Corporation Counsel as appropriate depending on the developer selected by the Authority.

BBC

DISPOSITION OF PARCEL NO. 4
WESTERN REDEVELOPMENT PROJECT
U. R. MINN. 1-2

April 18, 1961

This report serves as a tabulation of the events, arranged in chronological order, prior to the motion of the Authority to favor the Ravoux Company for the Purchase of the Parcel. It is intended to display the actions of the Authority, the correspondence with the Urban Renewal Administration and the reports and actions of the staff in this regard.

March 25, 1960 - We transmitted the Procedures for Disposition of Project Land dated March, 1960, to URA with copies of Resolution No. 60-22 approving the procedures.

March 30, 1960 - The Authority by resolution established the fair use value of Parcel No. 4 at \$1.30 per sq. ft. by Resolution No. 60-27.

April 5, 1960 - The Authority submitted to URA copies of Resolution No. 60-27 for approval of the fair use values.

April 13, 1960 - Copies of the corrected Form 3 of the Disposition Document were transmitted to potential redevelopers.

April 21, 1960 - The Authority received Preliminary Proposals for Parcel No. 4 under the two bid proposal arrangement established in the Procedures for Disposition. Proposals for Parcel No. 4 were received from the following organizations:

St. Paul Development Corporation	\$ 10,000.00
Golden Valley Shopping Center	\$ 30,000.00
Capital Plaza Corporation	\$227,070.00
Sears Roebuck & Company	\$303,200.00
Kroger Company	\$303,300.00

April 22, 1960 - The URA approved the fair-use value of Parcel No. 4 at \$1.30 per sq. ft.

April 25, 1960 - We transmitted complete sets of all proposals received on April 21, to URA.

May 3, 1960 - Addendum No. 1 to the Disposition Document was issued which served to establish the date for receiving final proposals which served to include Form 3 (corrected) of the Offer to Purchase.

- May 10, 1960 - A letter from URA served to indicate that we should substitute new Form H 6004 (2-60) in place of the Redevelopers Statement of Public Disclosure included in our Disposition Document.
- May 10, 1960 - Addendum No. 2 to the Procedures for Disposition was issued which served to revise the building setback requirement for structures (related only to Parcel No. 2).
- May 11, 1960 - The preliminary proposal review dated May 10, 1960 was reviewed by the Authority.
- May 13, 1960 - Our letter to URA requested that we not require the preliminary bidders to furnish information of Form H 6004, but that we would require the final bidders on Parcels 1, 2, 4, and 11 to submit on the revised form.
- May 20, 1960 - The public notice was placed in the St. Paul papers regarding the second opening date for receiving proposals (May 31, 1960).
- May 20, 1960 - URA approved the procedure which we had suggested concerning the receipt of H 6004 in place of Form 6 in our Procedures for Disposition.
- May 19, 1960 - The Notice of Intent to Invite final offers was submitted to all preliminary proposers for Parcels 1, 2, 4, and 11.
- May 24, 1960 - We transmitted copies of the publicity material to URA as used in the preliminary advertisement for the sale of the 4 parcels.
- May 31, 1960 - Final Proposals were received for the two bid procedure which had been established, and revised proposals were received from the following organizations:
- | | |
|---|--------------|
| St. Paul Development Corporation | \$450,000.00 |
| Sears Roebuck & Company
(Same as original bid) | \$303,200.00 |
| The Kroger Company | \$315,411.20 |
| Golden Valley Shopping Center | \$181,850.00 |
| Capitol Plaza Corporation
(Same as original bid) | \$227,070.00 |
- May 31, 1960 - A letter was received from Apache Realty Corporation indicating that they intended to negotiate the purchase of the entire capital stock of St. Paul Development Corporation.
- June 3, 1960 - The Authority transmitted complete sets of the Final Proposals for Purchase to URA.

- June 10, 1960 - Copies of Form 6004 were transmitted to all Redevelopers submitting final appraisals for them to complete and return.
- June 24, 1960 - The Authority transmitted copies of the technical, monetary and legal review for all proposals on May 31, 1960, to the URA.
- June 28, 1960 - The Authority received, from Apache Realty Corporation, a letter indicating that the bid deposit which was made with the St. Paul Development Proposal on May 31, 1960, was not approved by Apache Realty and was therefore null and void.
- June 29, 1960 - The Authority meeting on this date served to consider the technical, legal, and monetary reviews as prepared by the Authority staff in regard to the two proposal procedure for the purchase of Parcels 1, 2, 4, and 11. In effect, we had received 5 preliminary proposals and 3 of the Redevelopers submitting preliminary proposals submitted also a final proposal. As the two Redevelopers that failed to submit final proposals (Capitol Plaza Corporation and Sears Roebuck & Company) did not retract their preliminary proposals, in effect, the Authority had five (5) valid proposals. Of these five (5) only one Redeveloper (St. Paul Development Corporation) had proposed a monetary amount above the fair use value established, which \$1.30 per sq. ft.
- June 29, 1960 - The Authority resolution 60-58 of this date served to indicate that St. Paul Development Inc. was the only Redeveloper submitting a satisfactory monetary final proposal as received on May 31, 1960, and that this proposal was for other reasons considered unsatisfactory.
- June 29, 1960 - Resolution No. 60 - 58 served to reject all proposals for Parcel No. 4.
- June 29, 1960 - Authority Resolution No. 60 - 59 served to approve the preparation of a Procedure for Disposition by Direct Negotiation with prospective Redevelopers. This resolution further indicated that subject to approval by HHFA, the Authority would proceed to offer the parcel without public bidding.
- June 30, 1960 - A letter to Redevelopers served to advise that all proposals for Parcel No. 4 were rejected subject to approval of URA.
- July 11, 1960 - The Authority transmitted to URA a supplemental opinion of council regarding St. Paul Development, Inc. and copies of the resolutions adopted by the Authority on June 29.
- July 12, 1960 - We transmitted copies of Resolution No. 60-57 to Redevelopers which served to reject all final proposals on Parcel No. 4.
- July 14, 1960 - We transmitted copies of Resolution 60 - 58 and 60 - 59 to the potential Redevelopers of Parcel No. 4.

- July 15, 1960 - A letter to URA served to explain why the Authority rejected the final proposals by St. Paul development, Inc.
- June 28, 1960 - We received a bond in the amount of \$45,000.00 from St. Paul Development, Inc. in place of the deposit which was submitted with the final proposal on May 31, which was not approved by the Board of Directors of Apache Realty.
- July 12, 1960 - URA approved by letter our resolution No. 60-59 which served to reject all proposals on Parcel No. 4. The letter served also to indicate that URA would not object to a proposed re-offering of Parcel No. 4 by direct negotiation and indicated "We feel that in consideration of the time, effort, and expense expended by the qualified bidders in the first offering, consideration should be given to effecting an acceptable offer with those bidders by negotiations if possible."
- July 15, 1960 - The Authority commented to URA by letter on a letter from St. Paul Development Corporation to URA dated July 5, 1960.
- August 2, 1960 - Letters were sent to the five (5) potential Redevelopers of Parcel No. 4 advising them that URA concurs in the principal of attempting a negotiated sale to one of the five (5) Redevelopers and that each developer would be notified as soon as the procedures were established.
- August 23, 1960 - The Negotiation Procedure for the Disposition of Parcel No. 4 was transmitted to URA. The Negotiation Procedure included the following three (3) items:
- (1) Offer to Purchase
 - (2) Form Letter of transmittal to accompany the Offer to Purchase.
 - (3) A draft of the resolution of the Authority which serves to approve the negotiation procedure.
- August 31, 1960 - A phone call between Mr. Oberndorf of URA and Mr. Chapman of this Authority serve to indicate that URA would not approve the proposed Negotiation Procedure for the Disposition of Parcel No. 4.
- Sept. 1, 1960 - The Authority transmitted to URA a revised Negotiation Procedure including your letter of transmittal to potential redevelopers and the revised Offer to Purchase.
- Sept. 2, 1960 - The Authority transmitted to URA an alternate form of Offer to Purchase.
- Sept. 7, 1960 - The Authority by Resolution No. 60 -76 served to revise portions of the procedures established by Resolution No. 60-72 on August 23, Resolution 60-76 stated in part "that the

reoffering of said Parcel No. 4 shall (in order to give consideration to the time, effort, and expenses expended by the offerers in the Authority's last offering) be limited to those submitting said offers and that each of said offerers be notified that such offers and proposals will be received." The changes, as reflected in this Resolution were made in accordance with suggestions of URA.

- Sept. 7, 1960 - A phone conversation between Mr. Oberndorf, Mr. Heckler of URA and Mr. Chapman of our office was the basis for the procedure for negotiation revision to be made.
- Sept. 13, 1960 - Our letter to URA served to transmit the form Letter of Transmittal and Offer to Purchase, as was sent to the potential Redevelopers of Parcel No. 4 on September 12, 1960.
- Sept. 12, 1960 - A Letter of Transmittal and the Offer to Purchase was submitted to each potential Redeveloper of Parcel No. 4.
- Sept. 20, 1960 - Portions of the Offer to Purchase Form (Page 2) as was to be submitted by Redevelopers of Parcel No. 4 was submitted to URA.
- Sept. 28, 1960 - Negotiation proposals were received from the following three (3) corporations:
- | | |
|----------------------------|-----------------------------------|
| The Kroger Company | \$397,500.00 (\$1.31 per sq. ft.) |
| Capitol Plaza Corporation | \$308,000.00 (\$1.16 " " ") |
| St. Paul Development Corp. | \$455,000.00 (\$1.50 " " ") |
- Sept. 30, 1960 - Copies of the proposals received on September 28, were transmitted to URA.
- Oct. 14, 1960 - Copies of the Proposal Review (as prepared by the staff) was available for the Authority at their special meeting, but no action was taken.
- Oct. 25, 1960 - An amended proposal was received from the St. Paul Development Corp. dated October 25, 1960, which included a copy of the agreement between St. Paul Development Corp. and Calander Consulting Company dated October 3, 1960. It appeared that this contract served as consideration for the sale of St. Paul Development Corporation from Hart Calander to Donovan Construction Company.
- Oct. 27, 1960 - The Authority transmitted to URA additional information as related to the proposals from the Kroger Company and the amendment to offer from St. Paul Development Corp. It was indicated that the amendment to offer from St. Paul Development Corporation was received at the request of the Authority.

- Oct. 31, 1960 - A phone conversation between Mr. Rutchick, and Mr. Chapman of the Authority office and Mr. Oberndorf and Mr. Heckler of the URA served to guide the Authority's actions in regard to a number of questions posed in our letter of October 27.
- Nov. 3, 1960 - The Authority at its meeting passed a motion presented by Mr. Cummins and seconded by Mr. Ryan which served to reject all bids on Parcel No. 4. Mr. Moriarty indicated that he was against the rejection of bids and favored the Kroger Proposal.
- Nov. 3, 1960 - In answer to the November 21 time limit established by Resolution 60-94, the proposal was received from Ravoux Company. This proposal included portions of earlier proposals dated September 28 and October 25 from St. Paul Development and Ravoux Company.
- Nov. 9, 1960 - Resolution No. 60-94 was passed by the Authority which served to establish the date of November 21 as the limit for the receiving of proposals for Parcel No. 4. This Resolution indicated in part "That the Commissioners of the Authority shall cause such notices, publication, or advertisement of the Authority's offering of said Parcel No. 4 for sale through negotiation to be made as in their discretion will accomplish the negotiation for the sale thereof to take place with all persons interested in the purchase and redevelopment of said parcel." To my knowledge no one was directed to place any advertisements or otherwise promote the sale of this parcel to anyone other than those who had already submitted proposals.
- Nov. 3, 1960 - Commissioner Delaney moved at the Authority meeting as follows: "That the Authority proceed promptly to negotiate with the present bidders or any other bidders who would like to develop within a period of 15 days from this date. This motion was amended by Commissioner Delaney to extend time until 4:30 p.m. on November 21, 1960. Commissioner Ryan seconded the motion and the motion was voted on and carried."
- Nov. 9, 1960 - The Authority by Resolution 60-93 served to reject the proposals received from St. Paul Development Corporation dated September 28, 1960, and the Kroger Company dated September 28, 1960, and the Capitol Plaza proposal of the same date.
- Nov. 9, 1960 - Resolution No. 60-94 served to establish the negotiation period with "all the prospective Redevelopers for the sale and redevelopment of Parcel No. 4.", with a deadline established as November 21, 1960.
- Nov. 21, 1960 - Offers and Proposals were received from the following two organizations:

The Kroger Company	\$455,150.00
Ravoux Company	\$455,000.00

- Nov. 22, 1960 - A letter to URA served to indicate that URA did not comment on our letter of October 27 although the Authority had rejected the September 28 proposals. It also indicated that our actions had followed the suggestions of Mr. Heckler and Mr. Oberndorf as contained in the phone conversation of October 31. This letter served to transmit copies of Resolution 60-93 and 60-94 and indicated that we would transmit additional copies of recent proposals and our actions, at an early date.
- Nov. 20, 1960 - The reviews presented to the Authority from the staff dated November 28, 1960, served to indicate that additional corrected documents would be necessary from either the Kroger Company or Ravoux Company in order to assemble the necessary contract exhibits. The Commissioners of our Authority were aware of the shortcomings of both proposals at this time.
- Nov. 30, 1960 - This Authority meeting served to allow verbal presentations by representatives of the Kroger Company (Mr. Gustav Larson and Mr. Woodman) and the Ravoux Company (Mr. Keeley).
- Nov. 30, 1960 - Following the verbal presentations, Mr. Rein indicated the following: "I would like to move at this time that the Authority go on record as in favor of the Ravoux Company for the development of Parcel No. 4 and authorize the Executive Director and other staff members involved to negotiate the contract."
- Dec. 1, 1960 - The letter of this date to URA served to transmit all related proposal information in regard to Ravoux Company and the Kroger Company as received, and indicated further by the motion of Mr. Rein that the necessary exhibits would be gathered and prepared into a contract and would then be transmitted to URA.
- Dec. 2, 1960 - A letter from URA indicated that they had received Resolutions 60-93 and 60-94 and would await our submission of recommendations regarding the sale of Parcel No. 4.
- Dec. 28, 1960 - Resolution No. 60-110 served to direct the return to the Kroger Company of all deposits made in relation to the purchase of Parcel No. 4.
- Jan. 12, 1961 - We transmitted to U.R.A. the complete proposal to date from Ravoux Company with staff and legal reviews.
- Feb. 13, 1961 - We received U.R.A. comments concerning the disposition to Ravoux Company.

Subsequent to the above events the Authority has resolved many of the points which were raised in the February 13, 1961, U.R.A. letter.

Ravoux Co
March 14, 1961

CONTEXT OF ADDITIONAL WORDING FOR THE
RAVOUX CO. CONTRACT FOR PURCHASE OF PARCEL 4

Within one year from the date of the Deed of Conveyance, the Redeveloper will submit a "proposal for the western portion of the parcel" to the Authority in the form of site plans, building plans, narrative description and additional information regarding the proposed use for the westerly approximately 215 feet of the parcel. Such plans shall be for uses in accordance with the Redevelopment Plan and Building Requirements and shall be presented in the manner outlined in Part IV of the Procedures for Disposition dated March, 1960.

The Redeveloper shall submit additional "construction plans" for approval by the Authority in accordance with Article III of this Contract, within 90 days after the approval of the "proposal for the western portion of the parcel", shall commence construction of the improvement of the westerly 215 feet of the parcel within six months following the approval of construction plans and will complete this portion of the improvement within 18 months thereafter.

If, in the event the Redeveloper does not submit to the Authority a proposal for the development of the westerly 215 feet of the parcel or does not submit satisfactory construction plans or does not commence construction within the times specified within this section, the Redeveloper shall, at the written demand of the Authority and by quit claim deed, reconvey the western approximately 215 feet of the parcel, excluding the entrance drive traversing the south portion of the parcel, to the Authority. Consideration for the reconveyance will be for a sum equal to \$1.50 per square foot times the actual area in square feet, of the portion of the parcel reconveyed.

The Authority will then dispose of this portion of the parcel to another Redeveloper or Redevelopers for uses in accordance with the Redevelopment Plan.

Rovay

January 16, 1961

ALL COMMISSIONERS

JAMES A. HANES

REVOUX CO. PROPOSAL

Attached herewith are copies of the Legal, Financial and Development Department's review of the above proposal. I have also attached a short review covering the pertinent points of all three reviews. There are a number of points which must be resolved prior to the execution of the Contract as shown in the cover memo.

JAH

BEC:emk

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF ST. PAUL

MEMO

DATE: January 16, 1961

TO: J. A. HANER
FROM: B. B. CHAPMAN
SUBJ.: RAVOUX CO. PROPOSAL

This report contains a short description of the status and recommendations regarding the comments presented in the Legal Review dated January 9, 1961 by Mr. Rutchick, the Financial Review dated January 12, 1961 by Mr. Ackerson and the Development Department's review dated January 9, 1961 by myself.

LEGAL REVIEW

Item No.

1. Redeveloper should be asked to answer question No. 11 of the Statement of Qualifications and Financial Responsibility.
2. Redeveloper should be asked to answer question No. 6 of the Statement of Public Disclosure.
4. May I suggest that the Authority approve the Guarantee of Donovan, Inc. in the amount of \$226,000 as a satisfactory Performance Bond. The type of bond should be approved by the Authority as it is allowed by the wording of the Contract, the amount is adequate in relation to the type of development planned and the bond will become a legal and binding document at the time that the Authority executes the Contract for Purchase. I have reviewed the type of bond by phone with Mr. Obendorf of U.R.A.
- 6 (b) As the Contract for Purchase received from St. Paul Development Corp. with their proposal dated September 28, 1960 contained a provision allowing 90 days after approval by the Authority to obtain mortgage financing, and as the Authority motion to favor Ravoux was based on the September 28, 1960 Contract and other additional material I suggest that the Authority allow the 90 day provision to remain as contained in the present Contract.
6. (d) The Contract provision of the Redeveloper which prevents the sale of any other land in the Western Redevelopment Area for Motel or Hotel is a reasonable request and I suggest that the Authority approve it. I have reviewed this with U.R.A.
6. (f) See No. 4 above.
6. (g) The provision that allows the Redeveloper to conform to "any one of" the four site plans appears satisfactory as they all essentially comply with the requirements. The four alternate site plans show only different site arrangements of the same buildings. I have reviewed this with U. R. A.

FINANCIAL REVIEW

Comment No:

- 1 & 3 The Redeveloper should submit a current Balance Sheet and such statement should be certified by a C.P.A.
5. The Redeveloper should supply additional information in regard to Question No. 5 and 11 F of the Redeveloper's Statement of Qualifications and Financial Responsibility.

DEVELOPMENT DEPARTMENT'S REVIEW

The Authority should promote the development of a more adequate Conference facility by recommending that Ravoux consider expanding now or at a later date to include additional public space such as an alternate meeting room and space for the display of exhibits. A conference facility without additional public space may not actually bring new conferences to Saint Paul.

Comment No:

(1 page 6) May I suggest the approval of the sale on the basis proposed (in regard to the Redeveloper's selection of "any one of" the four site arrangements as stated in 6 g of the Legal Review) and suggest the promotion of the placement of the Ravoux buildings so as to utilize the entire North-South dimension of the easterly portion of the site (drawing 1 or 1A) with the entire unassigned area to be located in the Northwest portion of the parcel only.

(2 page 6) May I suggest that the Authority promote the placement of the Commercial buildings near the West end of the Parcel in order that the conference facilities would be located near its parking area.

Recommendations - Page 7

1. I recommend that the Redeveloper be required to provide minimum of 275 parking spaces for the 200 unit motor hotel facility and 325 spaces for the 300 unit motor hotel. Any variation in buildings planned will be reviewed in accordance with the method used in the Parking Spaces Required portion of the Development review.
2. The Redeveloper should be required to furnish a letter from Sears Roebuck indicating that they are willing to buy (or execute a long term lease) for up to $1\frac{1}{4}$ acres of Parcel 4 for parking purposes and will increase the size of their retail store as appropriate in accordance with the terms of the Contract for Purchase.
3. The Redeveloper should be required to obtain a letter from Sears Roebuck and Co. which indicates that Sears would allow the placement of a building on Parcel No. 4 in conflict with the Building Requirements and generally as shown on the Proposed Motel Development Plan. The Authority may then approve the variance.
4. The Redeveloper should be required to submit Construction Plans at the appropriate time with evidence that they were prepared by a Registered Architect of the State of Minnesota.

H/LENDIA

Housing and Redevelopment Authority
OF
THE CITY OF ST. PAUL,
MINNESOTA



1745 City Hall and Court House
SAINT PAUL 2, MINNESOTA

January 9, 1961

JOSEPH F. GABLER
CHAIRMAN
CLAYTON G. REIN
VICE-CHAIRMAN
HAROLD J. MORIARTY
SECRETARY
JEROME L. LOBERG
ASSISTANT SECRETARY
FRANK H. DELANEY
TREASURER
LOUIS J. THOMPSON
EXECUTIVE DIRECTOR
HAROLD L. RUTCHICK
GENERAL COUNSEL

Housing and Redevelopment Authority
of the City of Saint Paul
60 East Fourth Street
Saint Paul 1, Minnesota

Re: Review of Ravoux Company Offer and
Proposal to Purchase Parcel No. 4 -
Western Redevelopment Area

Gentlemen:

I acknowledge receipt of your letter of December 29, 1960, and enclosures, relating to the Offer and Proposal submitted by Ravoux Company for the purchase and development of Parcel 4 in the Western Redevelopment Area. You request my opinion with respect to the legal sufficiency of said documents. From an examination of said documents, I find:

1. The Redeveloper's Statement of Qualifications and Financial Responsibility discloses that it is a newly formed corporation activated for the purpose of making this particular offer and has no liabilities and presumably has only the capital required by statute, however, the statement does reflect that it is a wholly owned subsidiary of Donovan, Incorporated, a Minnesota corporation, located at 1725 Carroll Avenue, Saint Paul 4, Minnesota, whose consolidated balance sheet as of December 31, 1959, attached to said statement discloses a net worth of approximately \$3,000,000.00. The requirements of the Authority and the Federal Law with respect to such statement appears to have been complied with, except as to Question No. 11 and it is recommended that the Redeveloper be requested to answer said question in its entirety.

2. The Redeveloper's Statement for Public Disclosure has been reviewed and found to have been completed in accordance with the requirements of the Authority and the Federal regulations, except as to Question No. 6 and it is recommended that the Redeveloper be requested to answer Question No. 6 in its entirety.

3. The Redeveloper's Affidavit of Non-Collusion has been reviewed and executed by its President in the form requested by your Authority.



January 9, 1961

4. The Redeveloper, in lieu of a bond equal to 10% of its Offer and Proposal, proposes that the Authority accept the guarantee of Donovan, Incorporated, as to the completion and performance by Ravoux Company of its obligation to purchase said Parcel 4 for \$455,000.00 and to construct and develop certain improvements thereon. The form of guarantee submitted by Ravoux Company assumes that a Contract has already been entered into between this Authority and Ravoux Company. M. S. A. Section 462.525, Subd. 7, requires that a redeveloper furnish a performance bond for the fulfillment of its agreement "with such surety and in such form and amount as the Authority may approve, or make such other guarantee as the Authority may deem necessary in the public interest". The Commissioners should therefore make a determination, whether or not, to accept the guarantee of Donovan, Incorporated, in lieu of a performance bond issued by a surety company.

5. The maps, site plans and other data as submitted are properly for the review by the staff of the Authority and this Counsel makes no comment as to the sufficiency or compliance of the Development Plan of the Redeveloper to the Redevelopment Plan.

6. General Comment. The Redeveloper has submitted his formal Offer to Purchase Parcel 4 of the Western Redevelopment Area for \$455,000.00 and has submitted General Plans indicating the general size, shape, placement and type of construction of each building to be constructed on the land; the General Plan being to construct a 200 unit motor hotel on said parcel of land. Attached to the Offer is a form of Contract for Purchase of Land for Redevelopment furnished to the Redeveloper, however, the Redeveloper requests the inclusion of a number of changes in the Contract providing

- (a) That the guarantee of Donovan, Incorporated for 10% of the Redeveloper's estimate of development cost be accepted in lieu of furnishing a performance bond by a surety company.
- (b) That the Redeveloper have 195 days from acceptance of its Offer within which time to secure mortgage financing for the proposed development, and if said mortgage financing is not obtained within said 195 days, then the remedies provided for termination in Article VI, Paragraph 12, shall be available to either party. I suggest that the time be shortened to 30 days notice instead of 90 days notice as provided for by said Article VI.
- (c) Redeveloper agrees to pay the Authority 4% interest on the purchase price commencing 90 days after acceptance of said agreement and said charge to continue until such time as the full purchase price is paid, or the Redeveloper notifies the Authority that it is unable to obtain mortgage financing.
- (d) That the Authority will not authorize or permit the development of any other portion of the Western Redevelopment Area

Housing and Redevelopment Authority
of the City of Saint Paul

- 3 -

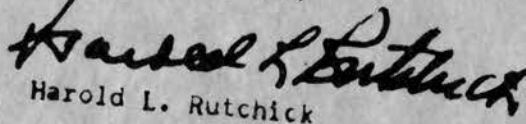
January 9, 1961

for hotel or motel purposes without the prior consent of the Redeveloper or its successors and assigns. This is a policy decision to be made by the Commissioners in consultation with the Urban Renewal Administration.

- (e) The Redeveloper reserves the right to change the overall design of the proposed improvements provided, however, such changes shall be subject to the approval of the Authority and that such approval shall not be unreasonably withheld.
- (f) The Redeveloper proposes to submit the personal guarantee of Donovan, Incorporated, sole stockholder of Ravoux Company, in the amount of \$226,000.00 to guarantee the development of the parcel of land in accordance with its proposal of development and the Redevelopment Plan, and in letting any construction contracts it will require the Contractors to furnish Completion and Performance Bonds in the full amount of said contracts, naming the Authority as obligee.
- (g) The Redeveloper proposes a change in Article III, Paragraph 3 (a), Page 9, of the Contract that the construction of improvements shall be in substantial conformity with "any one of" his proposals, and a similar change in ii of Paragraph 3. I am of the opinion that the Urban Renewal Administration will require this Redeveloper to select and stick with a definite proposal.

7. Conclusion. I am of the opinion that the Offer and Proposal submitted by Ravoux Company for the purchase and development of Parcel 4 is in acceptable form, and the Contract for purchase of Land for Redevelopment may include provisions relating to mortgage financing, since such provisions were contemplated by the preliminary negotiations with the Redeveloper, and is consistent with the requirements of the Urban Renewal Administration.

Very truly yours,


Harold L. Rutchick

MEMO

DATE: January 12, 1960

TO: J.A. Haner
FROM: R.E. Ackerson
SUBJ.: FINANCIAL REVIEW OF RAVOUX COMPANY OFFER AND PROPOSAL TO
PURCHASE PARCEL NO. 4 WESTERN REDEVELOPMENT AREA

In an analysis of the Redeveloper's Statement for Public Disclosure and Redeveloper's Statement of Qualifications and Financial Responsibility together with accompanying Balance Sheet the following facts are re-stated and comments made thereon:

1. Ravoux Company - Newly formed entity which is wholly owned subsidiary of Donovan, Incorporated.
2. Consolidated Balance Sheet - Donovan, Incorporated dated Dec. 31, 1959 indicates as follows:

Current Assets	\$2,794,170.
Current Liabilities	<u>1,108,994.</u>
Operating Capital	\$1,685,176.
Ratio	1.66

3. Proposed cost of development - \$2,260,000.
4. Redeveloper expects to obtain financing for two-thirds of the total value of the development. Assumption then is they expect to provide \$750,000 of their own money out of sources indicated in their Balance Sheet.

Comments

1. A current Balance Sheet should be requested and additional review made on a more current basis. Suggest also that a list of companies that make up Donovan, Incorporated be submitted so that a knowledge of the background of this organization would be available.
2. Based on the Balance Sheet as submitted, it appears they are financially capable of this redevelopment.
3. In the 'Redeveloper's Statement of Qualifications and Financial Responsibility' Question #4 indicates they have submitted a Financial Statement as of Dec. 31, 1960; however, the one submitted is dated Dec. 31, 1959. In any request for additional financial statements suggest they be certified by the Certified Public Accountants doing their work, presently Taylor-McCaskill and Company of St. Paul.
4. Question No. 5 should be answered.
5. Question 11 F should be answered - would clarify and tend to give additional substantiation to the Financial Statement.

R. E. Ackerson

~~ADA~~

MEMO

DATE: January 9, 1961

TO: J. A. HANER ✓
FROM: B. B. CHAPMAN *BB*
SUBJ.: DEVELOPMENT DEPARTMENT'S REVIEW OF RAVOUX CO. PROPOSAL - PARCEL 4 -
WESTERN REDEVELOPMENT PROJECT

Attached is a copy of the Development Department's Review of Ravoux Co. Proposal dated January 5, 1961. This review relates primarily to the technical portions of the Proposal and Contract submitted by the above company dated December 27, 1960.

BBC

January 5, 1961

REVIEW OF RAVOUX CO. PROPOSAL
FOR PARCEL 4
WESTERN REDEVELOPMENT PROJECT
DECEMBER 27, 1960

On November 30, 1960, our Authority approved by motion the sale of Parcel 4 to Ravoux Co., and the staff was directed to negotiate a Contract for Purchase with this organization. Prior to November 30, 1960, we had received by letter dated November 22, 1960, the required number of copies of the followings:

1. Offer to Purchase
2. Redeveloper's Statement for Public Disclosure
3. Redeveloper's Statement of Qualifications and Financial Responsibility.
4. Redeveloper's Affidavit of Non-Collusion

On December 27, 1960, the Authority received the followings:

1. The Narrative Description of the Proposed Development and the plan of development entitled Proposed Motel Development.
2. Redeveloper's Completion and Performance Bond
3. Contract for Purchase of Redevelopment Land (executed)

The purpose of this review is to determine the adequacy of the Documents submitted in accordance with the appropriate portions of the PROCEDURES FOR DISPOSITION and the compliance with previous proposals. The BOND TO ACCOMPANY OFFER TO PURCHASE was not requested of the Developer as he, at this time, submitted the Completion and Performance Bond. The Guarantee of Donovan, Inc. as to completion and performance by Ravoux is submitted. In effect, Donovan, Inc. is acting as surety. The CONTRACT FOR PURCHASE allows the Redeveloper to submit a personal guarantee signed by members of the Corporation and the type of Bond submitted should, therefore, be considered as adequate, if it is considered as legal and binding by our General Counsel.

CONTRACT REVIEW

The Contract for Purchase submitted in the name of Ravoux Co. is dated December 27, 1960 and is executed by R. G. Donovan as President. The revised Contract wording determined through the recent negotiation has been included in the Contract submitted. The purchase amount for the land is \$455,000.00. The necessary wording is included to allow the Redeveloper 195 days in order to obtain mortgage financing following the date that this Offer is accepted by the Authority. Also included is the wording which will require the Redeveloper to pay interest to the Authority at the rate of 4% on the purchase price commencing 90 days after the acceptance of the Offer.

The Redeveloper has inserted certain wording (not previously submitted) which would prohibit the Authority from allowing the "...development of any other portion of the project area for hotel or motel purposes without the prior consent of the Redeveloper...." This provision should be acceptable as we have no remaining land for commercial use. The only remaining parcel of land in the Western Redevelopment Project would be Parcel No. 10 and a revision of the Redevelopment Plan and rezoning would be necessary in order to place a motel in that parcel.

The Redeveloper has inserted certain wording (not previously submitted) which reserves the right to change the overall design of the improvement proposed under each of the alternative plans submitted consistent with the uses and purposes set forth in Schedule B. This is a completely acceptable provision.

The Redeveloper has inserted certain wording in the Contract (not previously submitted) which would allow the personal guarantee of Donovan, Inc. in the amount of \$225,000.00. The implication is that the total development cost for the construction of the improvement is \$2,260,000. This amount is consistent with our estimates. The amount of guarantee should be considered as adequate and the type of guarantee should be considered satisfactory as indicated above.

NARRATIVE DESCRIPTION OF PROPOSED DEVELOPMENT (Schedule B of the Contract)

The Redeveloper has submitted four site plan drawings and one building plan drawing. The four site plan drawings include two general arrangements of the site with the commercial area on the east end of the parcel and two drawings with the commercial area located on the west end of the parcel. The two basic plans (Drawings 1 and 2) show 200 motel units and the proposed rearrangements (Drawings 1A and 1B) show the expansion to include a total of 300 units. Commercial location alternates are also shown. None of the four site plans show the complete utilization of the entire parcel area. The Narrative Description includes the following quotation:

"The Authority should understand, therefore, that drawings as submitted are incomplete as to parking facilities and that on-premises parking facilities adequate to service maximum usage of the motel and banquet facility would encompass the entire tract and not merely the area shown on the enclosed plans as reserved for parking areas."

Following the above quote, the Redeveloper indicates that they are negotiating with Sears, Roebuck and Company for approximately 72,000 square feet of Parcel 4 to be made available for use by Sears. It is not stated whether the Redeveloper intends to sell or lease to Sears, Roebuck and Company. It may be assumed that 72,000 square feet of parking space is available to Sears, Roebuck and Company which would allow them to expand the size of their facility. It is assumed further that overflow parking on some occasions would be satisfied by the utilization of the 72,000 square feet leased or sold to Sears, Roebuck and Company. This appears to be a very satisfactory overlapping of the uses of the parking areas provided by the two organizations.

A copy of Schedule B, THE NARRATIVE DESCRIPTION OF THE PROPOSED DEVELOPMENT is attached.

PROPOSED MOTEL DEVELOPMENT PLAN (atta)

The five sheet Motel Development Plan has been submitted as prepared by Ravoux Company. The drawings have not been signed by a Registered Architect in the State of Minnesota and the Veterans Service Building Commission will require that all plans be prepared by an Architect. It is assumed that further elaboration of the plans by Ravoux Co. will be made by a Registered Architect.

Drawings 1, 1A, 2 and 2A show typical building lay-outs for the construction of the commercial building and the Motel structure. Generally, Building A is shown as a commercial building, two stories in height, Buildings B and C connect to Building A and will accommodate a total of 200 motor hotel units. Building D is a four-story building detached from the major complex of buildings and will accommodate an additional 100 motel units. It is proposed that Buildings A, B, and C be constructed in the complex generally as shown on one of the four plan drawings. The orientation of these three buildings on the four drawings vary only to the relative location of the commercial building. Drawings 1 and 2A show the commercial building on the west end of the complex and Drawings 1A and 2 show the commercial building on the east end of the complex.

All four site plan drawings show the arrangement of the site with some land undesignated for buildings or parking. Drawings 2 and 2A show an undesignated strip of land lying along the north boundary with a width of 38 to 45 feet. These two drawings also show an additional undesignated parcel of land in the west portion of the parcel. Drawings 1 and 1A show the utilization of all of the east portion of the parcel and a portion of the west end of the parcel remaining undesignated.

Drawings 1 and 2 show the development of the commercial building and two motel structures accommodating 200 motel units. Drawings 1A and 2A show the the development of the commercial building and three motel structures with a total of 300 motor hotel units.

Essentially therefore, the Developer has shown two basic building complexes with a commercial unit and 200 motel units plus general arrangements for the expansion to 300 motor hotel units. They also show alternate sizes and shapes of unassigned or undeveloped land. The Narrative Description which is Schedule B to the Contract accounts for the proposed uses of "entire tract and not merely the area shown on the enclosed plans as reserved for parking areas."

The following is a tabulation of the relationship between the number of motel units, the parking spaces provided and the unassigned area of the parcel:

<u>Drawing</u>	<u>Units</u>	<u>Parking</u>	<u>Unassigned Area</u>
1	200	271	2.46 acres
1A	300	323	1.22 acres
2	200	259	2.40 acres
2A	300	331	1.15 acres

All four drawings show an entrance drive from Marion Street immediately north of Rondo Avenue. This entrance drive traverses the southern portion of the parcel to the east and to the portion of the parcel which contains the development. The purpose of this drive is to allow vehicles to enter the motel from the intersection of Rondo and Marion Street. An entrance is needed at that location as the off-ramp from the freeway joins Rondo Avenue near Marion Street.

Drawings 1A and 2A show the location of Building D near the north property line of the parcel. The Building Requirements stipulate that any building set-back from adjacent property line should be 25 feet plus 5 feet for each story above the first. A four story building, therefore, would require a set-back of 40 feet from the adjacent property line. We may allow a variance to this building requirement if it is agreeable to the adjacent property owner. We may not allow a variance which would conflict with local code.

Drawing 3 shows the floor plan of the commercial building including both the first and second floor, the typical floor plan of the motel wing and the elevations of the structure proposed. The first floor of the commercial wing includes the lobby, cocktail lounge, dining room, kitchen and other necessary spaces such as check room, storage rooms, etc. Technically, under the Building Requirements, the Redeveloper is required to provide parking at the commercial ratio for such things as the dining room, cocktail lounge, stairways, lobby, etc. This area as shown on the plan 3 is approximately 5700 square feet which would require approximately 75 car parking spaces. It is assumed that approximately 25% of the patronage of the commercial area would be derived from the motor hotel facility itself. On this assumption, the 200 unit motor hotel would provide parking for 50 cars toward the commercial parking requirement.

It is therefore necessary that the Redeveloper provide 25 additional parking spaces over and above the motel requirement for any plan which is developed containing only 200 motor hotel units assuming that the commercial area remains unchanged.

When the Redeveloper expands his development to include 300 motor hotel units, the 25% patronage from the motor hotel would account for 75 parking spaces. We may assume that if 300 or more motel units are developed, that the one-to-one unit to parking ratio will supply ample parking spaces for the first floor commercial unit plan.

Any of the four alternate site plans indicate ample parking space for the units and the first floor commercial facility.

PROPOSED MOTEL DEVELOPMENT PLAN (Building)

The second floor of the commercial building (Building A) is planned for exclusive use as a banquet or conference hall. The overall area of this floor is approximately 9,450 square feet of which approximately 5,900 square feet will be an open banquet area or conference room. The remaining portion of the floor is utilized for stairways, food service, coat check room, toilets, etc. The 5,900 square feet banquet room should accommodate in excess of 600 people at banquet tables or when arranged as an auditorium, in excess of 1000 people.

It may be noted that the banquet area proposed is the only public space provided in this proposal. A conference facility should ordinarily include spaces for one large meeting room and a separate banquet area. Two public spaces allow for the rearrangement of one space while the conference is meeting in the other space. A single public space would require the conference to vacate the large second floor meeting space from one to two hours before a schedule lunch or dinner. The facility as shown also does not allow exhibition booth space which is usually necessary for a conference facility.

The following information is presented for comparison purposes in regard to the size of the space provided by the Ravoux Co. in relation to other comparable main conference rooms:

Comparable Conference Halls

Ravoux Co. Proposal (Banquet Area)	51 X 115	5900 square feet
St. Paul Hotel	50 X 76	3800 square feet
Lowry Hotel	40 X 88	3500 square feet
Lemington Hotel "Hall of States"	66 X 175	11,100 square feet

It must be noted that the above comparable halls have additional public spaces in order that there is mobility of the conference representatives from the main conference space to the banquet room and the exhibit area.

Parking spaces to satisfy the needs of such a facility will depend on the type and frequency of use of this facility. It is not economical to plan to provide parking space for a banquet hall to satisfy its peak conference capacity. The Building Requirements stipulate that the Redeveloper will supply one parking space for each ten seats of capacity in a public auditorium or meeting room. Parking spaces for 100 cars would, therefore, be necessary for this banquet hall with seating capacity of 1000 people. We may assume that 25% of the patronage of the conference space would be derived from the motor hotel and its parking spaces.

The parking provided for the 200 unit motor hotel would, therefore, provide 50 parking spaces toward the conference facility and the parking provided by the 300 unit motor hotel would provide 75 parking spaces toward the needs of the conference facility.

Although the parking spaces required by the March 1960 Building Requirements which are a part of the Procedures for Disposition have not been satisfied, the Building Requirements were patterned to be applied to uses individually and this proposal includes overlapping uses (i.e. motel and meeting rooms); it is, therefore, appropriate to allow the use of the same parking space. The above references and projection of parking requirements is shown in the following table and should be utilized in determining parking space requirements:

PARKING SPACES REQUIRED

	<u>200 Unit Motel</u>	<u>300 Unit Motel</u>
(a) Motel	200	300
(b) 25% of above (may be applied to other uses)	(50)	(75)
(c) Total first floor commercial requirement	75	75
(d) Required commercial parking	25 (75-50)	0 (75-75)
(e) Total Conference Hall requirement	100	100
(f) Required Conference parking	50 (100-50)	25 (100-75)
Total Parking Requirement (a+d+f)	275	325

The amount of parking shown on Drawing No. 2 is approximately 15 spaces short of the amount indicated in the above table. Drawing No. 1, 1A and 2A appear to be essentially adequate.

The Redeveloper has submitted four site plan drawings for the development of the site. Although the convenient layout of the site is the Redeveloper's choice, some comments concerning the site layout are noteworthy as follows:

1. The relationship between the parking spaces provided and the motel and commercial buildings to be constructed appears most satisfactory in the cases where the Redeveloper has utilized the entire North-South dimension of Parcel 4. Plans 2 and 2A utilize less than the full North-South dimension of the parcel and thereby show an inconvenient and less desirable parking to building relationship.
2. The location of the commercial building (Building A) near the West end of the development as shown on Drawings No. 1 and 2A will result in a convenient building to parking relationship between the Conference Facility and the expansion parking area. This also produces an easy access from the location of the commercial building which is a desirable relationship.

Recommendations

On the basis of the material presented by Ravoux Co., on the basis of the above review of the proposal and in addition to any requirements which may be presented by our General Counsel in regard to the disposition of this parcel of land, I recommend the following procedure:

The Authority approve the execution of the Contract for Purchase in order that Parcel 4 may be sold to Ravoux Co. contingent on the approval of URA and a date for a public hearing be established. The following conditions should be inserted as a portion of the Contract or should be incorporated in the resolution regarding the sale as follows:

1. The Redeveloper should be required to provide 275 car parking spaces if he develops a 200 unit motor hotel with the commercial and conference facilities shown on the drawings and he should provide a minimum of 325 spaces at the time that he expands to the 300 unit motor hotel arrangement. Any variation in the development shall provide parking in accordance with the Redevelopment Plan, the Building Requirements and the above table entitled "Parking Spaces Required."
2. The Authority should approve the disposition on the basis that the Redeveloper will execute a long term lease or will sell approximately 1-1/4 acres of Parcel 4 land to Sears Roebuck and Company in order that their immediate construction may be planned to utilize all of Parcel 3 and 1-1/4 acres of Parcel 4. Any lease or agreement between the two organizations should stipulate that on occasions the overload parking for large conferences or other such activities would be allowed to park on the above leased 1-1/4 acres of Parcel 4. A letter of intent in this regard should be submitted by Sears Roebuck and Company prior to the public hearing for this sale.
3. The Redeveloper should be required to furnish to the Authority a letter from Sears Roebuck and Company indicating that they would permit the placement of a motel structure on Parcel 4 with a proximity to the Sears Roebuck and Company property line in accordance with the motel development plan which is a part of this Contract. If and when the Redeveloper decides to expand to 300 motor hotel units, the Authority can, at this time, allow a variance of the Building Requirements in regard to set-back adjacent property line.
4. The Redeveloper must submit construction plans at the time stipulated in the Contract and these construction plans must be signed by a Registered Architect of the State of Minnesota. This requirement, although not necessary by our Contract Documents, will be necessary before the Veterans Service Building Commission approves the development on this site.

Schedule "B"

Narrative Description of the
Proposed Development

Redeveloper proposes to build a two hundred (200) unit, four-story motel with an accompanying two-story commercial area. These improvements will be located on the easterly portion of the premises in question.

The precise location of improvements is subject to Redeveloper's final decision as to which particular plan of development will be followed.

Redeveloper is actively considering a variety of alternatives, any one of which will contain at the minimum a two hundred unit motel and commercial premises, 9,450 square feet of which will be dedicated to banquet facilities.

Drawing No. 1 shows a site plan for one possible development of the tract.

Drawing No. 1A shows an alternative site plan in the event it is finally decided to make room for future expansion to the extent of 100 units to be located on the north side of the premises.

Drawing No. 2 shows a second alternative site plan. This plan differs from that shown on Drawing No. 1 in the relative location of the improvements upon the tract.

Drawing No. 2A shows a third alternative site plan. It (like Drawing 1A) contemplates future expansion to the extent of 100 units to be located on the north side of the premises. The location of the improvements in Drawing

2A follows the location contemplated in Drawing No. 2.

Each of these drawings is subject to further variation in that it may become necessary to transpose Building A and Building C.

Drawing No. 3 shows the floor plan for the commercial building (both floors), the floor plan for the rental area, elevation, and a typical rental room.

The drawings as submitted herewith sketch out parking facilities in relation to the need occasioned by the number of rental units and incidental use of the first floor of the commercial area. The drawings as submitted have not taken into account the hundreds of additional parking spaces necessary in order to service convention crowds and organizations making use of the banquet facilities. It is contemplated that as many as 1,000 of such persons (in addition to occupants of the rental units and patrons of commercial facilities on the first floor) will have need for nearby parking space on a regular basis. The Authority should understand, therefore, that the drawings as submitted are incomplete as to parking facilities and that on-premises parking facilities adequate to service maximum usage of the motel and banquet facilities would encompass the entire tract and not merely the areas shown on the enclosed plans as reserved for parking areas.

Redeveloper is presently in the midst of negotiations with Sears, Roebuck & Company respecting land desired by it for parking facilities. Sears is interested in 72,000 square feet, more or less, either to the west of the motel as proposed or to the north and west as the case may be.

If these negotiations with Sears are fruitful it is contemplated that both Sears' parking requirements and those of the improvements contemplated by Redeveloper will be satisfied since maximum usage by Sears' patrons should ordinarily occur during the day while the uses contemplated by Redeveloper should generate evening traffic in the main.

These are some of the pertinent factors as to details of construction:

1. The building will be of fire resistant masonry construction with concrete floor and roof slabs. The exterior walls will be of brick, aluminum and glass window wall, and block construction.
2. Each floor of the commercial area will contain approximately 9,450 square feet of area. The first floor will include facilities for a motel lobby, registration area, manager's office, public toilets, a cocktail lounge, a public dining room and kitchen facilities. The second floor banquet area is contemplated to include a large banquet hall, serving kitchen facilities, public toilets and a check room.
3. The rental unit buildings will have four (4) floors with a floor to floor height of eight feet, six inches. Load bearing walls will separate each unit at a space of approximately thirteen feet on centers.
4. Passenger elevators and stairways will be provided as indicated on the floor plan.
5. Both the rental and commercial facilities will be air conditioned.

January 12, 1961

Mr. John P. McCollum
Regional Administrator
Housing and Home Finance Agency
Urban Renewal Administration
Room 2000 - 105 West Adams Street
Chicago 3, Illinois

Re: Parcel No. 4
Western Redevelopment Area
Project No. UR Minn. 1-2

Dear Mr. McCollum:

Our letter of December 1, 1960 served to bring you up-to-date on our negotiations in regard to the disposition of Parcel 4 to Ravoux Co. of this City. On December 27, 1960, we received all the necessary proposal submittals including an executed Contract for the Purchase of Parcel 4 by Ravoux Co. We have been reviewing these documents and we expect to be able to commit ourselves at an early date on the sale of this parcel.

We are attaching herewith, two complete sets of the documents submitted by Ravoux Co. as follows:

1. Contract for Purchase dated December 27, 1960.
2. Guarantee of Donovan, Inc. as to completion and performance by Ravoux Co. dated December 27, 1960.
3. Offer to Purchase dated November 21, 1960.
4. Redeveloper's Statement for Public Disclosure and Redeveloper's Statement of Qualifications and Financial Responsibility dated November 21, 1960 including Consolidated Balance Sheet.
5. Redeveloper's Affidavit of Non-Collusion dated November 21, 1960.
6. The five sheet plan entitled Proposed Motel Development.

Attached also are two copies of the following reviews prepared by our staff and our General Counsel:

AR

January 12, 1961

1. Development Department's Review by B. Chapman dated January 9, 1961.
2. Financial Review by R. Ackerson dated January 12, 1961.
3. Legal Review by Harold Rutchick dated January 9, 1961.

Certain conditions as elaborated in the three reviews must be resolved by the Commissioners of our Authority. Their next regular meeting will be on January 25th and we hope to be prepared to pass a resolution at that time approving the sale, contingent on your approval and will also establish a date for the Public Hearing.

Please render your approval of the disposition to Ravoux Co. on the basis of the material presented with your recommendations to our Authority in regard to the staff and legal reviews.

We would be most happy to meet with you and the Redeveloper regarding this disposition if there are any problems that may be expeditiously resolved in that manner.

Sincerely yours,

James A. Haner
Administrative Assistant

Encle

BBC:kam
cc:MDA:files:JH:AR

Ravoux

January 12, 1961

Mr. William H. Fallon
Secretary
Veterans Service Building Commission
Commerce Building
St. Paul 1, Minnesota

Re: Parcel No. 4
Western Redevelopment Area
Project No. UR Minn. 1-2

Dear Mr. Fallon:

Our letter of November 23, 1960, was sent in an effort to gain your comments concerning the two types of development proposed. At that time, two proposals were under consideration, one from The Kroger Company and one from Ravoux Co.

Between November 23, 1960, and December 5, 1960, we received and information was publicized regarding the revised proposal of Ravoux Co. which shows only a four-story motel development. Mr. Nason commented on the proposals in his letters to you dated September 5, 1960, and his comments were primarily in regard to a four-story 200 or 300 unit motor hotel. It appears that Mr. Nason is generally in favor of a four-story motel development.

On December 28, 1960, we received plans from Ravoux Co. showing a four-story motel development and a two-story commercial wing. Mr. Chapman, of our office, has reviewed this proposal briefly with Mr. Brooks Cavin and he appears to be favorably impressed with the type of development proposed.

The plans submitted to date do not show that they were prepared by a registered architect. Further designs will be prepared that will contain evidence of their preparation by a registered architect and they will be transmitted to you when received. Further plans should be available about three months after we execute a Contract for sale with Ravoux Co.

Sincerely yours,

cc: Brooks Cavin
Nason, Law, Wehrman &
Knight, Mpls.

James A. Haner
Administrative Assistant

✓ BBC:kam
cc:MDA:files:JAH:AR

Ravoux

January 12, 1961

Mr. John P. McCollum
Regional Administrator
Housing and Home Finance Agency
Urban Renewal Administration
Room 2000 - 105 West Adams Street
Chicago 3, Illinois

Re: Parcel No. 4
Western Redevelopment Area
Project No. UR Minn. 1-2

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Our letter of December 1, 1960 served to bring you up-to-date on our negotiations in regard to the disposition of Parcel 4 to Ravoux Co. of this City. On December 27, 1960, we received all the necessary proposal submittals including an executed Contract for the Purchase of Parcel 4 by Ravoux Co. We have been reviewing these documents and we expect to be able to commit ourselves at an early date on the sale of this parcel.

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Certain conditions as elaborated in the three reviews must be resolved by the Commissioners of our Authority. Their next regular meeting will be on January 25th and we hope to be prepared to pass a resolution at that time approving the sale, contingent on your approval and will also establish a date for the Public Hearing.

Please render your approval of the disposition to Ravoux Co. on the basis of the material presented with your recommendations to our Authority in regard to the staff and legal reviews.

We would be most happy to meet with you and the Redeveloper regarding this disposition if there are any problems that may be expeditiously resolved in that manner.

Sincerely yours,

James A. Haner
Administrative Assistant

Encls

BBC:kam
cc:MDA:files:JH:AR

Ravoux

January 4, 1961

Ravoux Company
1725 Carroll Avenue
St. Paul, Minnesota

Gentlemen:

Final plans are being completed for street improvements in the Western Redevelopment Area on Marion Street, Aurora Avenue, Ravoux Street and Fuller Avenue and we are locating driveways to service the parcels. The driveway work could be a part of these street construction plans if location design thickness and width information were available.

We will construct a 33 foot wide driveway entrance to Parcel 4 from Marion Street at a location 50 feet north of the north right-of-way line of Rondo as shown on the four site plans recently submitted to us. Our construction will be limited to the Marion Street right-of-way.

If you do not agree with this entrance location, please contact us. Also, please advise us on the necessary concrete thickness.

If no word is received from you by January 15, 1961, our plans will be completed in this manner in order that we may meet our proposed construction schedule.

Sincerely yours,

Marshall D. Anderson
Director of Development

MDA:kam
cc:BBC:files:AR:JAH
✓

Ravoux

December 29, 1960

Ray Ackerson

B. B. Chapman ✓

Ravoux Proposal for Purchase of
Parcel No. 4, Western Redevelopment
Project No. UR Minn. 1-2

Attached are the following:

1. Redeveloper's Statement for Public Disclosure and Redeveloper's Statement of Qualifications and Financial Responsibility.
2. Donovan, Incorporated Consolidated Balance Sheet, December 31, 1959.

for your review in relation to the sale of Parcel No. 4 to the above firm.

We have received a guarantee of performance which implies that the total development by this organization would cost approximately \$2,260,000.00.

Please give consideration to the financial ability of the firm to perform the work proposed. They expect to obtain financing for approximately 2/3 of the total value of the development. We assume therefore, that they expect to have approximately \$750,000.00 of their own money available for this development.

Attachment
cc:MDA:files:JH:AR

Ronau

December 29, 1960

Mr. Harold L. Rutchick
General Counsel
E-701 1st National Bank Bldg.
St. Paul 1, Minnesota

Re: Parcel No. 4
Western Redevelopment Area
Project No. UR Minn. 1-2

Dear Mr. Rutchick:

Attached herewith are the following documents submitted by Ravoux Company for the purchase of Parcel No. 4:

1. Offer to Purchase dated November 21, 1960.
2. Redeveloper's Statement for Public Disclosure and Redeveloper's Statement of Qualifications and Financial Responsibility.
Attached to these statements is a Consolidated Balance Sheet for Donovan, Inc., dated December 31, 1959.
3. Redeveloper's Affidavit of Non-Collusion.
4. Guarantee of Donovan, Incorporated which is submitted in lieu of Redeveloper's Completion and Performance Bond.
5. Contract for Purchase dated December 27, 1960 executed by R. G. Donovan, including Schedule "B" to the Contract which is the Redeveloper's Narrative Description of the Proposed Development.
6. A five sheet Motel Development Plan.

Please review and submit your comments concerning any necessary revisions in accordance with the past actions of the Authority and the Procedures for Disposition.

Sincerely yours,

James A. Haner
Administrative Assistant

Enc.

BBC:kam
cc:files:AR:MDA

Ravoux

December 29, 1960

Mr. Harold L. Rutchick
General Counsel
E-701 1st National Bank Bldg.
St. Paul 1, Minnesota

Re: Parcel No. 4
Western Redevelopment Area
Project No. UR Minn. 1-2

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6. A five sheet Motel Development Plan.

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Sincerely yours,

James A. Haner
Administrative Assistant

Enc.

BBC:kam
cc:files:AR:MDA
✓

December 29, 1960

Ray Ackerson

B. B. Chapman

Ravoux Proposal for Purchase of
Parcel No. 4, Western Redevelopment
Project No. UR Minn. 1-2

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1. Redeveloper's Statement for Public Disclosure
and Redeveloper's Statement of Qualifications
and Financial Responsibility.
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for your review in relation to the sale of Parcel No. 4 to the above firm.

We have received a guarantee of performance which implies that the total development by this organization would cost approximately \$2,260,000.00.

Please give consideration to the financial ability of the firm to perform the work proposed. They expect to obtain financing for approximately 2/3 of the total value of the development. We assume therefore, that they expect to have approximately \$750,000.00 of their own money available for this development.

Attachment
cc:MDA:files:JH:AR

called ~~Dec 20~~ Dec 20, 1900

Larry Kay. of Kansas

wants 2 conditions to contract.

① Personal Guarantee by Dan.

2 Clause - prohibition from
giving other sale money
for motel use

- (d) For Natural and Manufactured Gas, safety control pilot valves shall be self-contained, of the snap action type, designed to automatically cut off the supply of gas to the main burners upon failure of flame, and to remain off until the pilot is relighted. The functions of thermostatic and safety pilot controls may be combined in one valve unit if suitably constructed therefor and if operated on the same principles specified for separate valves.
- (e) Provide all necessary piping, including pilot tubing, shut off cock and pilot head in connection with the controls to the unit. Pilot tubing and head shall be of corrosion resisting material.
- (f) Provide manual shut-off valves for completely controlling the supply of gas to burners and pilots.
- (g) Provide a 1/2 inch drain valve for each tank with 3/4 inch hose thread for drain.
- (h) Provide with each tank a combination pressure and temperature relief valve, of the extension thermal bulb, and hand relieving lever type. The valve shall be brass or bronze and shall conform to the requirements of the American Gas Association (as specified in American Standard ASA Z 21, 22-1935). The valve shall open at 125 pounds pressure per square inch or at any temperature between 200 degrees and 210 degrees F., and close and reseal itself at a lower pressure or at a temperature of approximately 160 degrees F. The rate of discharge of the valve at any heat input into the tank shall be sufficient to limit the water pressure rise to 137 1/2 pounds per square inch and to prevent any rise in water temperature above 210 degrees F. The valve shall be 3/4 inch IPS size, operating on a 1/2 inch pilot line.

cc
B/Bc

MAUN, HAZEL AND BUSCH
ATTORNEYS AT LAW

JOSEPH A. MAUN
RONALD S. HAZEL
WILLIAM R. BUSCH
C. PAUL JONES
LAWRENCE J. HAYES
JOHN A. MURRAY
JOHN C. JOHANNESON

301 GARRICK BUILDING
SAINT PAUL 2, MINNESOTA
CAPITAL 2-6815



December 20, 1960

Housing and Redevelopment Authority
of the City of Saint Paul, Minnesota
60 East Fourth Street
Saint Paul 1, Minnesota

Re: Parcel No. 4 of the Redevelopment Area known
as the Western Redevelopment Project, UR Minn.
1-3, West of the Minnesota State Capitol.

Gentlemen:

Our client, Ravoux Co., is a wholly owned subsidiary of
Donovan, Incorporated.

Paragraph 4 of the Authority's form purchase contract con-
templates that a redeveloper may submit the guarantee of its share-
holders in lieu of a performance bond.

A statement of financial condition for Donovan, Incorporated
has previously been submitted from which it is apparent that said
corporation enjoys exceptional financial strength.

It is respectfully requested therefore that Ravoux Co. be
authorized to submit the guarantee of Donovan, Incorporated in lieu
of a performance bond.

Very truly yours,

A handwritten signature in cursive script that reads "Joseph A. Maun".

Joseph A. Maun

JAM:pw

October 10, 1960

DEVELOPMENT SECTION'S TECHNICAL REVIEW OF NEGOTIATION
PROPOSALS FOR PARCEL NO. 4 - WESTERN REDEVELOPMENT AREA
PROJECT NO. UR MINN. 1-2

This Report concerns the proposals received on September 28, 1960 for the purchase of Parcel No. 4 in the Western Redevelopment Project. Proposals from three organizations were received.

This review concerns the technical aspects of the proposals.

THE KROGER COMPANY

PURCHASE PRICE \$397,500.00 (\$1.31/sq.ft.)

The proposal indicates the development of a retail food super market and parking lot. The super market will have a gross floor area of 29,720 square feet, a gross retail area of 20,000 square feet and a gross office area of 1,000 square feet. The gross parking requirement is therefore, 261 cars and 261 cars are also planned, thereby satisfying the parking requirements. The building parking set-back requirements seem to be satisfied and the size of parking spaces appears to be ample.

The Kroger Company also proposes to sell or lease the most northerly approximately 2 acres of Parcel No. 4 to the Sears, Roebuck and Company, for parking purposes. They further propose to reserve the most easterly approximately 2 acres of Parcel No. 4 for future commercial development. No plans are presented for this future development although it is indicated that the development may be a savings institution or drug store, both or some other suitable commercial use in compliance with the requirements of the Authority. The organization has executed the Contract and proposes a purchase price of \$397,500.00.

REDEVELOPER'S RESERVATIONS

The narrative submitted by the Kroger Company states that if approval of the Redeveloper's plans by the State Veterans Service Building Commission is not given within 90 days from the date that the Contract is executed, the Redeveloper may, at its option, be relieved of all further obligations and receive back any funds paid or deposited.

Comments: This condition to the agreement to require approval by the State Veterans Service Building Commission within 90 days after execution is a reasonable request.

CONCLUSION:

The Redeveloper's proposal cannot be fully evaluated without knowing in more definite terms, what may be developed on the east approximately two acres of this parcel. A definite time schedule for this future development and for the proposed sale or lease to Sears Roebuck and Company would have to be established in the Contract. See copy of Redeveloper's Narrative Statement, attached.

CAPITOL PLAZA CORPORATION

PURCHASE PRICE \$308,000.00 (\$1.16/sq.ft.)

The plan proposal presented by this organization is essentially the same as that which was submitted at the time of the offering of this project earlier in 1960.

The Redeveloper proposes a shopping development, a motor hotel and excess parking accommodations.

The commercial development proposed would contain 28,000 square feet of gross area, 20,000 square feet of which will be net retail selling space. The parking set-back between Rondo Avenue and the truck loading dock service drive is shown at 10' and 20' is required. The Redeveloper proposes to screen this truck loading dock area with heavy plantings and such plantings should be ample to satisfy the purposes of the Building Requirements.

The Redeveloper proposes to sell approximately 145,000 square feet of land area to a chain operator acceptable to the Authority for the purpose of operating a food store.

The motor hotel proposed will contain 130 rooms. The total parking requirements for the commercial unit and the motor hotel are as follows:

Motor Hotel	- 130 cars
Commercial Unit	- <u>260 cars</u>
Total Parking Requirement	- 390 cars

The redeveloper is proposing to provide 611 cars which is 221 cars in excess of the parking requirements. The developer is willing to sell approximately 2 acres of excess parking space to the Sears Roebuck and Company for their use.

In general, the proposal by this corporation, is as follows:

1. The developer will build, own and operate a motor hotel with approximately 130 rooms, including a dining room, kitchen, meeting rooms and lounge-bar.
2. The developer will sell a portion of the parcel to a chain food store operator for the construction and development of a food store.
3. The developer will sell approximately 2 acres of the land to the Sears Roebuck and Company for parking purposes.

REDEVELOPER'S RESERVATIONS

The Redeveloper submitted an "Addendum to Bid for Acquisition of Land" which serves to place certain reservations to the Offer to Purchase as follows:

Reservation No. 1:

The Redeveloper proposes to negotiate the form of Contract and therefore did not submit an executed Contract.

Reservation No. 2:

The Redeveloper proposes to delay the full payment for the parcel of land until mortgage financing for the construction of the improvement could be obtained.

Reservation No. 3:

The redeveloper's proposal is contingent on the sale at cost of approximately two (2) acres of land to Sears Roebuck and Company.

Reservation No. 4:

The Redeveloper proposes to sell approximately 145,000 square feet of the parcel to a food chain operator for operating a food store. The Redeveloper has already negotiated to an extent with The Kroger Company and has determined that approximately 20,000 square feet of retail selling space will be provided.

CONCLUSION:

The proposed plan will comply with our Redevelopment Plan and the Building Requirements. A definite time schedule for the disposal and development of the Parcel would have to be established in the Contract. See copy of a portion of the Redeveloper's Narrative, and Addendum thereto, attached.

ST. PAUL DEVELOPMENT CORPORATION

PURCHASE PRICE \$455,000 (\$1.50/sq.ft.)

The Redeveloper's Narrative (see copy attached) proposes a 200 unit motel, ten stories high, with a lobby, kitchen and dining facilities and a bar and lounge on the first floor. The second through tenth floors would contain living units. The Redeveloper reserves the right to change this arrangement to permit the addition of an 11th floor for banquet room and kitchen facilities and partial 12th floor for a penthouse type cocktail lounge. These proposals are in accordance with our Redevelopment Plan and Building Requirements.

A plan was also presented entitled "Proposed Motel Development" which shows the construction of two motel structures and related parking spaces. The entrance drive on Rondo Avenue immediately west of Rice Street appears too close to the intersection and thereby conflicts with the Building Requirements. Building "A", located in the easterly portion of the parcel, is a ten story motel structure and is indicated at 138 feet high. Building "B" is located in the westerly portion of the parcel and is a two story structure. A total of 318 motel units are proposed and the first floor of structure "A" will accommodate a kitchen, bar, lounge and dining uses. As the actual area of these uses is not shown, the parking needs cannot be determined. On the basis of previous reviews of proposals for this parcel, it has been assumed that we would not require parking spaces for these motel related commercial uses. A total of 385 off-street parking spaces are provided which is 67 spaces in excess of the Building Requirements for the 318 motel units. Such additional spaces may be ample to supply the parking needs for the related commercial uses. Although complete dimensioning of the parking arrangement is not shown, it appears that the parking spaces provided are in conformance with the Building Requirements.

A driveway extends in an east-west direction immediately south of Buildings "A" and "B". This drive should be considered as a major circulation drive and therefore should be 33'. It is presently shown as 20' and 25' in width and must therefore be widened.

None of the non-compliances listed are major and all may be assumed to be correctable. Further elaboration is necessary of the first floor of Building "A" if the developer plans to utilize a portion of this space for uses other than motel rooms (uses such as a lounge or restaurant). All discrepancies in the proposal appear to be minor and there are some to be corrected in order that the development could be constructed in accordance with the technical provisions of the Redevelopment Plan and the Building Requirements.

REDEVELOPER'S RESERVATIONS

This Redeveloper has inserted four reservations to his proposal which are considered separately as follows:

Reservation No. 1:

The Redeveloper proposes to develop a portion of a floor for a penthouse cocktail lounge and a floor for a banquet room.

Comments: The height restrictions would not prohibit the addition of these two floors. At the time that plans for such proposals are presented the developer should be required to satisfy the parking needs.

Reservation No. 2:

The Redeveloper conditions the proposal on the Redeveloper's obtaining food and beverage licenses.

Comments: The Redeveloper should be required to obtain the desired licenses or retract the condition prior to the Authority's decision to award to this organization.

Reservation No. 3:

The proposal is conditioned on the starting of freeway construction in areas as they effect Parcel No. 4.

Comments: The Authority has no control over the freeway construction. The Redeveloper must retract the reservation in regard to freeway construction to be started by June 1, 1962.

Reservation No. 4:

The Offer to Purchase indicates that the Redeveloper intends to obtain additional shareholders in excess of 10% of the stock of the corporation.

Comment: The Authority should outline the conditions of any transfer of ownership of the corporation and the Redeveloper should agree to such conditions prior to the Authority's decision to award to this organization.

CONCLUSION:

We assume the Redeveloper's proposal is a staged development, a 200 living unit motel to be constructed first followed by 318 motel units to be constructed at a later date. The narrative commits the developer to only 200 units so we assume the additional units may or may not be built at a future date. Either the plan proposal or the narrative proposal can be developed to satisfy our Redevelopment Plan and Building Requirements.

January 12, 1960

J.A. Haner

R.E. Ackerson

FINANCIAL REVIEW OF RAVOUX COMPANY OFFER AND PROPOSAL TO
PURCHASE PARCEL NO. 4 WESTERN REDEVELOPMENT AREA

In an analysis of the Redeveloper's Statement for Public Disclosure and Redeveloper's Statement of Qualifications and Financial Responsibility together with accompanying Balance Sheet the following facts are re-stated and comments made thereon:

1. Ravoux Company - Newly formed entity which is wholly owned subsidiary of Donovan, Incorporated.
2. Consolidated Balance Sheet - Donovan, Incorporated dated Dec. 31, 1959 indicates as follows:

Current Assets	\$2,794,170.
Current Liabilities	<u>1,108,994.</u>
Operating Capital	\$1,685,176.
Ratio	1.66
3. Proposed cost of development - \$2,260,000.
4. Redeveloper expects to obtain financing for two-thirds of the total value of the development. Assumption then is they expect to provide \$750,000 of their own money out of sources indicated in their Balance Sheet.

Comments

1. A current Balance Sheet should be requested and additional review made on a more current basis. Suggest also that a list of companies that make up Donovan, Incorporated be submitted so that a knowledge of the background of this organization would be available.
2. Based on the Balance Sheet as submitted, it appears they are financially capable of this redevelopment.
3. In the 'Redeveloper's Statement of Qualifications and Financial Responsibility' Question #4 indicates they have submitted a Financial Statement as of Dec. 31, 1960; however, the one submitted is dated Dec. 31, 1959. In any request for additional financial statements suggest they be certified by the Certified Public Accountants doing their work, presently Taylor-McCaskill and Company of St. Paul.
4. Question No. 5 should be answered.
5. Question 11 F should be answered - would clarify and tend to give additional substantiation to the Financial Statement.

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