Joint Development Authority
TCAAP Redevelopment Project

AGENDA

Monday, May 2, 2016

5:30 p.m.

Arden Hills City Hall—Council Chambers

1. Roll Call
2. Approval of Agenda
3. Approval of Minutes, 4/4/16
4. Public Inquiries/Informational
    a. *The intent of the Public Inquiries/Informational part of the agenda is to provide interested parties with an opportunity to speak to the JDA about an issue or concern about a past or future agenda item. The current agenda for tonight's meeting is structured to ensure that the JDA accomplishes their business within that agenda. If there is a public hearing scheduled as an agenda item, the public will be invited to speak to that agenda item. In addressing the JDA, please state your name and address for the record, and a brief summary of the specific matter being addressed. To allow adequate time for each person wishing to address the JDA, individuals should limit their comments to three (3) minutes. Written documents may be distributed to the JDA prior to the meeting, or as bench copies, to allow a more timely presentation.*
5. Consent Agenda
6. Old Business
7. Public Hearing
    a. None
8. New Business
    a. Master Developer Solicitation Selection
9. Development Director Update – see attachment
10. Administrative Director's Report – see attachment
11. Commissioner Updates
12. Adjournment

Joint Development Authority
Monday, April 4, 2016
Arden Hills City Council Chambers
Minutes
5:30 pm

Present:
Joint Development Authority: Chair David Sand, Commissioner Blake Huffman, Commissioner Fran Holmes, Commissioner David Grant, Commissioner Rafael Ortega

Also present: Jill Hutmacher, (Arden Hills); Josh Olson, (Ramsey County)

Roll call taken.

Approval of agenda.

Motion by Commissioner Huffman seconded by Commissioner Grant to approve the agenda as presented. Motion carried.

Approval of March 7, 2016 minutes.

Motion by Commissioner Ortega seconded by Commissioner Grant to approve the minutes as presented. Motion carried.

Public Inquiries/Informational
None

Consent Agenda
None

Old Business

Master Developer Interview Schedule and Update

Josh Olson discussed the schedule that would be followed for the Master Developer Interviews. He indicated the County had received four responses to the Master Developer solicitation and these responses were reviewed by the Solicitation Review Committee (SRC) on Tuesday, March 29th. A decision was made at this meeting to interview all four proposers. Interviews would begin on Monday, April 11th. It was noted the JDA would be interviewing the proposers on Tuesday, April 19th and Tuesday, April 26th.

Commissioner Grant questioned when the JDA would get a copy of the proposals. He hoped to review this information prior to the April 19th interviews. Josh anticipated the JDA members would receive copies of this information after the April 11th SRC meeting.

Commissioner Grant asked when the SRC would have their reports ready for the JDA to review. Josh believed staff would have their reports drafted for the JDA the middle part of next week (Wednesday, April 13th). He explained the staff report would have comments regarding all four vendors.

Commissioner Grant inquired if the JDA would still be making a final decision on the Master Developer on May 2nd. Josh indicated staff was not planning to hold a special meeting between April 26th and May 2nd. He reported the Master Developer would be discussed and decided on at the May 2nd JDA meeting.

Commissioner Ortega asked if the May 2nd deadline had to be held. Development Director Hutmacher reported this was a self-imposed deadline due to the design standards process. She explained the County and City wanted to bring a Master Developer on board as soon as possible given the fact design plans for the spine road were moving forward.

Public Hearing
None

New Business

LMCIT Insurance Renewal

Josh reviewed the LMCIT Insurance Renewal information with the JDA. He explained the new rate was lower than was estimated by staff.

Commissioner Grant asked if the reduction in the policy had any correlation to a reduction in coverage. Josh reported this was not that case.

Motion by Commissioner Huffman seconded by Commissioner Ortega to approve renewal of the LMCIT Insurance Policy. Motion carried.

Development Director's Report

Development Director Hutmacher stated she had no information to report.

Administrative Director's Report

Josh had nothing to report.

Commissioner Updates

Chair Sand questioned how the re-meandering of the creek was coming along. Josh discussed the creek re-meandering project in detail with the JDA. He was pleased to report the County

Road H interchange bids came in lower than anticipated. Development Director Hutmacher reported the creek re-meandering work needed to occur seasonally and the project would not be complete this year.

Future Meeting Schedule

The next special JDA meeting will be Tuesday, April 19 at 5:00 pm at Arden Hills City Hall. The next regular meeting will be Monday, May 2, 2016, at Arden Hills City Hall.

Meeting adjourned at 5:55 pm.

Approved _____ _____

David B. Sand, Chair Date

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AGENDA ITEM 8

MEMORANDUM

DATE: April 29, 2016

TO: Joint Development Authority Board of Commissioners

FROM: Directors Hutmacher and Worthington

SUBJECT: Rice Creek Commons Master Developer Selection

Budgeted Amount:	Actual Amount:	Funding Source:
n/a	n/a	n/a

MASTER DEVELOPER SOLICITATION PROCESS RECAP

On January 4, 2016, the TCAAP Joint Development Authority (JDA) approved the issuance of a solicitation for Master Developer, endorsed the solicitation review process, and the formation of the Solicitation Review Committee (SRC). Responses to the Master Developer Solicitation were due Wednesday, March 9th, 2016. The JDA received four responses. The responses include:

- Alatus LLC
- Kraus-Anderson & Elion Partners
- Opus Group & Pulte Homes
- Ryan Companies & Lennar Corporation

On March 28, 2016, the SRC met to discuss solicitation responses. Based on the review of the four responses, it was determined that all responders met the minimum criteria and interviewed all four proposers. Interviews took place on April 11, 2016.

Based on the review of the solicitation responses and interviews, the SRC forwarded a shortlist of proposers to the JDA for interviews who best demonstrated their qualifications, organizational and financial capacity, and their ability to meet the shared goals of the City, County and JDA. The SRC shortlisted the following proposers to the JDA for interviews:

- Alatus LLC
- Opus Corporation & Pulte Homes
- Ryan Companies & Lennar Corporation

The JDA interviewed Alatus LLC and Opus Group & Pulte Homes at a special meeting on April 19th. Ryan Companies & Lennar was interviewed by the JDA on April 26th, 2016.

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Attachment

A. Master Developer Solicitation Responses – Key Differentiators

JDA Action Requested:

Approve the selection of _____ as Rice Creek Commons Master Developer, and direct staff to negotiate a development agreement with Master Developer.

Joint Development Authority
TCAAP Redevelopment Project

MEMORANDUM

DATE: April 29, 2016

TO: Joint Development Authority Board of Commissioners

FROM: Directors Hutmacher and Worthington

SUBJECT: Master Developer Solicitation Responses – Key Differentiators

Budgeted Amount:	Actual Amount:	Funding Source:
n/a	n/a	n/a

MASTER DEVELOPER SOLICITATION RESPONSES – KEY DIFFERENTIATORS

The Rice Creek Commons master developer solicitation resulted in responses from several of the region's leading commercial and residential developers. While the responses demonstrated individual and firm experience in projects similar to Rice Creek Commons, the proposals and subsequent interviews provide numerous areas where each of the firms/teams differed. The following memo intends to provide a few areas where staff saw the greatest differentiation between the shortlisted firms:

SINGLE FAMILY HOUSING

Alatus LLC identified Tradition Development Corp to lead the single family component of the development. Tradition Development Corp's Cobblestone Lake development in Apple Valley, MN is a 310- acre comparable development in terms of size and horizontal mixed use. Arden Hills staff noted the Cobblestone Lake development was used as a housing example in a mobile tour during the TCAAP master planning process. Tradition builds a variety of upper-scale residential products, utilizing high-quality finishes. Their communities stress aesthetic cohesion and a product that is not "cookie cutter" in terms of appearance. They build a large number of amenities, and utilize unique characteristics of existing site features (such as the Barn at Brandtjen Farms). While Tradition Development Corp will lead the single family development, the Alatus team noted it would work with a wide variety of smaller builders to achieve an ideal market mix of starter, mid-range and higher value homes and create aesthetic differentiation.

The Opus/Pulte partnership identified Pulte Homes to lead the single family component of the development. Pulte Homes intends to offer a wide range of housing products, both used locally and used successfully in other parts of the country. Pulte recommends that the Hill be developed primarily with single-family homes on various lot sizes. The Creek neighborhood would be targeted to empty nesters with low-density custom homes in the NR1 subdistrict. The Town neighborhood would be targeted to millennials, pre-family and post-family households. Row homes and townhomes would provide sense of scale and a pedestrian-friendly environment along arterials. Small lot single-family and rental

and ownership multifamily would also be developed in the Town neighborhood. Each of the three neighborhoods would have an HOA to maintain common areas. While Pulte Homes is identified as the primary single family developer, the Opus/Pulte team noted it would work with other homebuilders (they identified Hanson Builders as part oftheir team at the Review Committee interview) to provide additional product differentiation especially at the higher price point.
The Ryan/Lennar team identifies Lennar as the lead for the single family component of the development. As a national builder, Lennar has access to a catalog of home styles and designs across the country. Lennar sees the Creek neighborhood as influenced by the surrounding natural environment with traditional architectural styles. The Town neighborhood would be the "social epicenter" with maintenance-free housing products. Along the east-west pedestrian corridor, Lennar proposes housing to be architecturally dominant with garages in the rear. The Hill neighborhood would have larger homes on larger lots. Lennar noted it may work with other homebuilders to provide additional product differentiation, but their catalog is extensive and had the capacity to provide desired differentiation.

ORGANIZATIONAL STRUCTURE
The Alatus LLC proposal differed from the Opus/Pulte and Ryan/Lennar proposals. Alatus and its Principal Bob Lux would will serve as master developer and thereby be responsible for overall coordination of the master developer team. Alatus is partnered with Inland Development Partners (retail, office, and commercial) and Tradition Development Corp (single family residential). The Alatus LLC proposal focuses on a small core team of principals with a larger, more diverse set of advisors. Alatus has committed to utilizing other large developers in partnership for specific projects.

The Opus/Pulte and Ryan/Lennar teams demonstrated similar organizational structures to one another whereby a strong commercial developer and strong residential developer forms the partnership. They both indicted they might employ additional consultants or niche developers to their team, but they stated they had the organizational structure between the partners to keep the majority of work 'in-house.'

TOWN CENTER
Each of three shortlisted firms acknowledged the town center portion of Rice Creek Commons to be the most challenging development area.

Alatus LCC stated development would begin with the residential neighborhoods and town center. Retail would include a regional grocer and a national fitness provider. Alatus reinforced the town center as not only central to the site but also central to the creation and success of the brand and 'place' of RCC. They stated the getting the town center right early was important to the other components of the site including single family residential and the attraction of major corporate user.

Opus/Pulte's proposal indicated the development of the town center to be a second phase of site development. They expressed concern about the phasing of the town center development.

Ryan/Lennar stressed their commitment to making the town center unique and successful but cautioned moving quickly with the development of it. They reiterated other regional attempts of suburban town centers have yielded mixed results and in some cases 'ghost towns'. The Ryan/Lennar team felt strongly maximizing development energy in other portions of the site would ensure a positive development outcome for the full site.

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PHASING

Due to market conditions, each of the developer candidates would likely start with mid-range single-family housing in the Hill or Creek neighborhoods. Alatus has a flexible approach in terms of meeting different market segments and cycles because of the wide range of development partners and small builders with whom they would work. Opus/Pulte and Ryan/Lennar have similar approaches in terms of phasing for single-family housing.

Commercial and Office development will be heavily market driven. All developers cited the lack of market interest in speculative office construction, and noted that the retail development at County Road H would need to lead commercial development on site. The most notable exception is that Alatus would focus more on the Town Center development initially than either Opus or Ryan. Alatus' recent experience with Block E in Minneapolis is relevant to the mixture of uses and amenities that the Town Center could attract. Opus and Ryan have done high-profile projects (Arbor Lakes and Downtown East respectively) that are relevant to the Town Center; Opus expressed concern that the Town Center development in Phase 1 or 2 would be difficult. Ryan's experience with Downtown East is more commercially focused, with less of a "town center" feel in terms of the street level retail. Alatus stressed the need to be thoughtful about the Town Center development, and fully "activate" the streetscape. They also called out the importance of intentionally connecting that part of the site to the civic spaces near the water resources corridor and water treatment plant.