

Joint Development Authority  
Special Meeting  
Tuesday, April 19, 2016  
Arden Hills City Council Chambers  
**Minutes**  
5:00 pm

Present:

Joint Development Authority: Chair David Sand, Commissioner Blake Huffman,  
Commissioner Brenda Holden, 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 Holden seconded by Commissioner Grant to approve the agenda as presented. Motion carried.

Approval of Minutes

None

Public Inquiries/Informational

None

Consent Agenda

None

Old Business

Master Developer Solicitation Review Committee – Recap and Recommendation

Development Director Hutmacher stated on March 9<sup>th</sup> the JDA received four responses to the Master Developer Solicitation. A Solicitation Review Committee (SRC) was created from representatives of both City and County staff. On March 28<sup>th</sup> the SRC met to discuss the solicitation responses. Based on the review of the four responses, it was determined that all responders met the minimum criteria and recommended that all four proposers be invited for an interview with the SRC. Interviews took place on April 11<sup>th</sup>. It was noted Ehlers provided a letter detailing financial capacity of the four responders.

Development Director Hutmacher commented that based on the review of the solicitation responses and interviews, the SRC recommends 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 and County. The SRC recommends the following proposers to the JDA:

- Alatus, LLC
- Opus Corporation and Pulte Homes
- Ryan Companies and Lennar Corporation

Development Director Hutmacher explained the three responders were requested to prepare answers to seven questions, as outlined by staff for consideration by the JDA. She anticipated the developers would have an approximately 35 minute presentation for the JDA, which would be followed up by approximately 20 minutes of questions and answers.

### New Business

#### Master Developer Interview – Alatus, LLC (5:30 PM)

Chair Sand requested the JDA members introduce themselves to the Alatus representatives.

The JDA members introduced themselves to the Alatus representatives.

Bob Lux, Alatus, thanked the JDA for their time and consideration. He explained he took the role of Master Developer very seriously. He introduced the members of his team and believed they were a very professional and distinguished group of individuals. He explained the members of his team have completed master planning projects in the past and understood TCAAP was a legacy project. He discussed the study work he had done to learn more about making this a landmark development while addressing the solar and geotechnical issues for the site. He believed his team would bring the lessons they have learned from the past in order to advance TCAAP to another level. It was his opinion the Alatus group would work well together with its partners to reach the goals and objectives of this development. He noted Alatus would be working with multiple home builders and multiple multi-family contractors to compliment TCAAP. He stated the project would be very inclusive.

Mr. Lux reviewed a chart with the JDA noting the vendors that would be included in the TCAAP project.

Kent Carlson, Inland Development Partners, explained he was a commercial real estate developer. He indicated he would be bringing his retail expertise to the project. He provided a brief summary on his background, noting he completed Twin Lakes and recent projects in New Hope and Shakopee. He discussed the importance of bringing the right retail to TCAAP.

Tom Shaver, Inland Development Partners, noted he had been in business for the past 32 years. He explained his area of focus within TCAAP would be on the corporate environment and the corporate campus. He appreciated the involvement of both the City and the County in providing a vision for this site. He discussed how the tax base would be increased through the

new development. He provided further comment on corporate campuses that he had completed through the metro area.

Mr. Lux believed the key to this development would not be just building buildings. Rather, it was about attracting residents, along with the best and the brightest employees that want to work in Arden Hills. In addition, the infrastructure of parks and open spaces was of such importance.

Todd Stutz, Tradition Development Corporation, discussed the construction that has been completed by his team and stated Robert Thomas Homes, Hanson Builders, Pratt Homes and Gonyea Homes would be working with Alatus on this project. He noted he has an ongoing relationship with the environmental consultant that worked on TCAAP. He felt blessed to be a part of the overall team. He appreciated the efforts of the JDA, the City Council and the County in drafting the Redevelopment Code, a Master Plan, along with a strict set of architectural design guidelines and development standards. Further discussion ensued regarding several developments that he has been a part of throughout the metro area. He discussed the importance of having a variety of builders on the project and believed that Alatus had assembled a great team with homebuilding experience in the north metro for this venture.

Mr. Lux believed the neighborhoods completed by Todd had a unique look and feel than any others in the metro area.

Mary Bak, Kinzie Real Estate Services, thanked the JDA for their time and stated she was excited to be a part of this project. She explained she had worked for 28 years as a community development director and discussed her experience with the 11,000 acre Glenview Naval Air Station redevelopment. She appreciated the TCAAP Redevelopment Code along with the vision that had been provided by the City. She commented further on her experience with multi-jurisdictional planning which was conducted through the Glenview Naval Air Station redevelopment.

Mr. Lux stated it would be important for TCAAP to tie into the rest of Arden Hills. He wanted to see the site be inclusive to the remainder of the City and not be an island onto its own. He then further introduced himself to the JDA and discussed his work history. He stated he has been in development for the last 30 years. He noted several large developments he had been a part of throughout the metro area. He hopes condominiums would be a part of the TCAAP development. He looked forward to taking on this challenging project.

Mr. Lux explained how his team would approach this project in the first six months noting a development agreement would have to be reached, along with refining market research and a business plan. Schedules for development would be drafted and a project community center would be built. This community center would serve as a project office and town center for the development. He believed this building would provide a look and feel of the coming development. He indicated he would begin to address the sustainable elements for the development and teams would be brought together to begin brand development. He stated

public outreach would begin along with public communication. He wanted the development to be successful for his team, as well as the community. He understood that time was the enemy in real estate and he would really have to get after this project.

Mr. Carlson discussed the vision for Rice Creek Commons, noting this would be an inclusive development. He would be reaching out to brokerage communities and the commercial broker communities in order to reach key corporate users and commercial construction businesses. He discussed the important relationships he had with commercial construction businesses and how these connections would be tapped in order to assist in bringing key businesses to this community. He stated key elements that will make this development successful would be the trails and natural environment of the site. Another important element to the site would be having restaurants and key anchors, such as a grocery store or fitness center.

Mr. Shaver added that the major initial operation would be reaching out to brokerage firms and architectural firms in order to make them aware of what was being planned. He understood Todd would be building beautiful homes and Mary would be keeping the project in check. However, the ability to attract and retain the employment base was crucial. His job would be to convince corporate America that this was a great environment to house their employees long-term.

Mr. Stutz discussed the importance of walkability with natural amenities within this development and all of Arden Hills. He commented on the market research that would have to be conducted in the first six months in order for him to understand the proper mix of housing that would be needed for the site and who he would be housing within the development.

Ms. Bak believed Alatus would have to start by branding the site through signage and social media. Once the land use parcels were being developed, the group would have to be descriptive as to what would be implemented. Through her previous work in Glenview she understood the importance of tying the TCAAP site into the rest of the community.

Mr. Lux stated that beyond just building buildings, a sense of place would have to be created. This would be done through the right name and the right people. He then discussed the density goals for the site and requested further comment from Mr. Stutz.

Mr. Stutz commented on the housing developments within TCAAP. He believed the neighborhoods would be high-quality, diverse and would have a great deal of character. He understood there would be a need for non-traditional families.

Mr. Lux believed in order for this development to be successful each element within the development would have to reek of quality. By doing this, this would create the most value, a higher tax base and the development would attract both residents and commercial users. He wanted to see TCAAP attract the right users noting this would assist the property in developing in a faster amount of time.

Ms. Bak stated that proper environmental, sustainability, infrastructure, and technological elements should be built into the neighborhoods as this would raise the overall value.

Mr. Lux described how Alatus would approach taking the land down. He stated the land take down schedule would be determined through the development contract in the first three months and would be based on the findings of the market study. He did not believe public assistance/TIF would be needed in order for the single family or multi-family housing to be successful.

Mr. Carlson explained that retailers were similar to single family housing and would not require assistance. These users could afford to buy land at market rates and pay their associated assessments. He was not certain if this would be the case for commercial and office users. He believed the timing for this development was perfect and discussed several corporate campuses that were looking to expand in the metro area. He would work to best package this development to make it competitive.

Mr. Lux discussed Alatus' access to capital noting he would be bringing in institutional capital that understands the development. He indicated he would have \$850 million in equity available.

Commissioner Holden feared Arden Hills would be broken into two cities after this project was completed. She wanted TCAAP to be a part of Arden Hills and asked how Alatus would address this concern.

Mr. Lux was aware of this concern and understood the City did not want TCAAP to be an island unto itself. He believed his ability to be inclusive and listen to the needs of the community assist in addressing this problem.

Ms. Bak stated this was a concern with the Glenview redevelopment as well. She explained how the community assisted in the redevelopment of this site, noting a school was placed in the center along with a number of parks, which drew the community to the site. She believed the town center would serve as a draw for Arden Hills. She discussed how it would be important to keep the community informed on the development and what was coming to the area.

Mr. Shaver indicated the City has done a great job recognizing this site as being part of Arden Hills. This would have to continue through the TCAAP redevelopment.

Commissioner Ortega questioned how corporate users would be attracted to the site.

Mr. Shaver stated the amenity package that would be programmed into the site would assist in attracting corporate users. Also, the City and County would create a sense of place that would assist in identifying Arden Hills as being a great location for corporate headquarters. Further discussion ensued regarding the success of Twin Lakes.

Commissioner Grant asked what Alatus liked or was challenged by within the TCAAP redevelopment code.

Mr. Lux thought the true challenges were the density of 1,400 units and the amount of flex space should be reduced on the north side of the boulevard. He wanted to see the tone for the development set on this property and did not see flex space meeting this need.

Commissioner Grant inquired if the density was too low or too high.

Mr. Stutz commented the proposed density level was too high for this development given the amount of space set aside for residential neighborhoods.

Ms. Bak agreed especially given the variety of land uses the City wanted to see on this property.

Mr. Lux described how a portion of the flex space could be used to incubate new businesses. He discussed the importance of creating a high quality entrance point.

Commissioner Huffman questioned what would become of the community center that would be constructed by Alatus in five or ten years.

Mr. Lux stated the reality was the building may be temporary. However, with enough understanding the building could be placed in a manner that it could be converted into a park structure in the future.

Commissioner Huffman inquired if it would be difficult to attract quality retail with the proposed level of residential developments.

Mr. Lux did not believe this would be a concern. He discussed how restaurants would draw people to the new development.

Ms. Bak commented on the importance of creating an experienced based town center.

Commissioner Huffman noted the success of the Centennial Lakes development. It was his hope this Rice Creek Commons could have a similar look and feel. He asked if the developers had any experience with their developments having an active military base as a neighbor.

Ms. Bak discussed the partnerships that had been established in Glenview. She believed it would be important for the City and County to establish relationships with the people in the military, in order to see what needs they might have. She encouraged the City and County to include them in the planning process.

Commissioner Huffman commented on how County Road E was being revitalized. He inquired if the developer had considered creating any transportation links between the new development and the remainder of the City.

Mr. Lux indicated this would involve working with the transportation department and addressing this perceived problem in order to find an appropriate solution. He stated a transportation hub may address the linkage issue. He was uncertain how involved Metro Transit has been with this group but noted he was very close to some of their staff members, along with an individual serving on the Met Council.

Mr. Lux thanked the JDA for their time and for considering Alatus as the master developer for the TCAAP site. He hoped the JDA realized this was an experienced team willing and ready to bring its expertise to this project. He reiterated that this project was not just about building buildings. He hoped the JDA could see the passion Alatus had about the success of this project and that it be inclusive.

Chair Sand recessed the meeting at 6:25 p.m.

Chair Sand reconvened the meeting at 6:33 p.m.

#### Master Developer Interview – Opus Corp & Pulte Homes (6:45 PM)

Chair Sand welcomed Opus Corp and Pulte Homes to the JDA meeting. He requested the JDA members introduce themselves to the Opus and Pulte representatives.

The JDA members introduced themselves to the Opus and Pulte representatives.

Matt Rauenhorst, Opus, introduced himself to the JDA and discussed how committed Opus was to the success of Rice Creek Commons. He discussed the members of his team, noting Pulte Homes and Eric Padget brought a lot of expertise.

Phil Cattnach, stated it was a pleasure to be before the JDA this evening. He commented on the depth of knowledge and expertise within the Opus and Pulte team. He believed this group would bring about a first class, transformative project for the Rice Creek Commons/TCAAP site. He reported he has been reviewing this site for some time and understood this site had a special vision. He was excited to be a part of bringing this vision to life.

Eric Padget, Pulte Homes, was excited to be a part of this team. He indicated he has been strategically placing neighborhoods around the TCAAP site. He complimented the City, County and JDA on their vision.

Mr. Rauenhorst addressed why the JDA should select his team. He believed the work between the City, County and the master developer was closer to a marriage than a simple transaction. He commented on how his team's expertise was aligned with the vision for the site, which

would assist in creating a first class development. He stated both Opus and Pulte had the financial and experiential knowledge to complete this project. He discussed his team would attack the first six months. He appreciated the groundwork that had been completed by the City through its vision and the TRC.

Mr. Rauenhorst explained he would be conducting further due diligence with the MPCA, watershed district and other agencies in order for strategies to be formulated. He wanted to identify every entities goals in order to help prioritize and meet those goals. He discussed a net zero energy home that was being built in California by Pulte Homes. He stated he would be bringing in energy partners to weigh strategies for this project. He saw the Rice Creek Commons neighborhoods being LEAD certified. He then commented on the importance of branding the site and how this would set the vision and marketing for the project.

Mr. Cattanach commented on the scale of the development. He understood that this land was an extension of Arden Hills. He appreciated the natural resources on the site along with the cohesive nature of the master plan.

Terry Minarik, Confluence, discussed how place-making would be accomplished. He believed place-making was critical to the success of the development and would be completed by creating an energetic common space, by creating a variety of all-season space, through social interaction within those spaces, and by keeping residents and visitors engaged in the space. He wanted to see a single branding at the entrance points to the site. He commented on the importance of pedestrian connections to the regional trails and the remainder of Arden Hills.

Mr. Rauenhorst described the critical elements of success. He stated one key would be not compromising on the vision. He did not want to see any partner undermining the original vision for the site.

Mr. Padget anticipated development on the site would begin within the Hill neighborhood with a variety of products that would be tied into the natural resource borders. He indicated a sales center could be tied into the neighborhood that would become a long-term amenity for the community. He discussed the importance of uniform signage and wayfinding. He believed it would be key for the project to have a grocer.

Mr. Padget did not believe the development would support 1,431 residential units. He commented on the diverse housing products that would be offered throughout the development and appreciated how the Master Plan envisioned and supported life-cycle housing. He believed the Creek neighborhood would support 55+ home buyers. He discussed how active and involved Pulte Homes has been in the residential development in the northern portion of the Twin Cities. He described the new home models that Pulte Homes would be bringing to the metro area.

Mr. Rauenhorst discussed how the new trends on the national level would be incorporated into this development. He wanted to see Opus deliver a variety of different commercial users that

would be responsive to the conditions of the marketplace. He understood that corporate campus users were very unique. He was committed to sustainability within this development and this groundwork would be laid through LEED certified neighborhoods.

Mr. Cattanach discussed the variety of techniques that would be used to create the Town Center in order for this area to be properly branded for the community. He indicated the public realm and trails would have to be developed. He commented on the importance of properly programming the Town Center space year round, while also drawing on Rice Creek as a natural resource. He believed it would be important for the project to have public gathering areas. He explained how it would be crucial to brand the entire development with similar way finding, entry gates and other signage.

Mr. Rauenhorst thanked the JDA for their time and for considering his team. He discussed the special qualities within the team and how this would benefit the project. He understood the JDA, City and County wanted TCAAP/Rice Creek Commons to be unique. He believed that the numerous entities on his team that would be involved with this project would greatly benefit to the development.

Mr. Padget stated Pulte Homes was committed to seeing the project through from beginning to the end. He believed his references spoke loudly as to the how his organization approached and successfully completed projects.

Mr. Rauenhorst was of the opinion he had the right team to complete this project. He indicated Opus and Pulte Homes had the ability to work across the various product types in order to reach the goals of the JDA. He believed this group would work diligently to pioneer solutions for the site in order to optimize the development. He understood the site would have challenges and he would exercise patience while the project developed.

Mr. Cattanach commented one of the first steps for his organization would be to enter into a master developer agreement with the JDA describing the phased purchases. He wanted to fully understand the economic goals of all parties in order to create an environmental cleanup that met the needs of all involved. He explained that Pulte Homes was committed to begin development in the next year. He stated commercial development would follow the residential and would be identified through the branding.

Mr. Rauenhorst indicated he thrived on creating developments that did not require public assistance. However, there were certain opportunities where the market may necessitate public incentives, such as a corporate campus. He believed this would require all parties involved to sit down and review the pros and cons of the tool. He discussed how Opus could utilize its own equity to fund the development of this project. He thanked the JDA for their time and consideration and asked for questions or comments.

Commissioner Holden understood Pulte Homes only had five home types in the neighborhood recently constructed in Arden Hills. She feared how this would translate to TCAAP if Pulte Homes completed 75% of the housing stock on this site.

Mr. Padget appreciated this concern. He stated after the recession Pulte Homes was focusing more on the move up buyer by bringing in new home products. He indicated TCAAP would not be a Pulte Homes only development, but understood the need for housing diversity. He then described the numerous housing products that were being constructed by Pulte Homes at this time.

Commissioner Ortega asked how Arden Hills could attract a corporate user to Rice Creek Commons.

Mr. Rauenhorst reported Opus would be leveraging its relationships on a national platform while also speaking to brokerage firms in order to maximize the marketing campaign. He discussed the importance of completing a communication plan on when this property would be available and where this property was located. He described the strong nucleus of corporate headquarters in the metro area. He believed this project would be transformative and would attract new users.

Commissioner Grant asked if there were challenges within the City's vision, Master Plan or TRC.

Mr. Rauenhorst stated from a commercial standpoint, he understood the importance of the corporate campus. He believed the site had the right amount of retail. He indicated the multi-story office may be an area of concern given the level of office in the surrounding market. However, the location would be a huge selling point, along with all of the amenities that would be included in this development. He reported the flex office space would be innovative. He appreciated the vision within the Master Plan but encouraged the JDA to consider the amount of time it would take to fully develop the site.

Mr. Padget complimented the City for creating three distinct neighborhoods with life-cycle housing. His only concern with the density was that conditions would have to be set before there would be a demand for higher density housing. He appreciated the connections between the neighborhoods and the natural resources on the site.

Mr. Rauenhorst discussed how the demands for the site may change over the next five years as the market changes.

Commissioner Huffman requested further information on the proposed 55+ community for the Creek neighborhood.

Mr. Padget explained Pulte Homes has built the most 55+ homes in the last 50 years. He indicated there was high demand for this housing market. He stated these homes may be built on slabs.

Chair Sand understood the Hill neighborhood would be built first and the Town Center wouldn't be addressed until 2020. He questioned if this would create a void in the walkability of the development. He asked why the Creek neighborhood would not be constructed first.

Mr. Padget understood the Town Center would be the central amenity for the site. However, the project would need numerous residents in place to support the Town Center.

Chair Sand inquired how the project would change if the thumb were sold off as a corporate campus.

Mr. Padget explained the project would have to evolve and change as the market demand changed over time. He was willing to evolve with the project.

Mr. Rauenhorst discussed the ancillary businesses that would benefit by surrounding a corporate campus. He requested the JDA allow his team the flexibility to adjust to the changing needs of the market.

Commissioner Holden questioned how the developer was going to minimize the City's long-term maintenance costs.

Mr. Rauenhorst stated this was a very fair question. He encouraged the City to review the benefiting organizations from the City's infrastructure while also looking at sustainable efforts that could be implemented to reduce long-term expenses.

Mr. Padget stated another option would be for the City to consider homeowners associations in order to reduce the long-term maintenance costs for the City.

Mr. Cattanach reviewed the goals of the project for the various stakeholders. He believed his team was the most qualified and understood the sub-market within the metro area. He stated this partnership would be treated like a marriage and was interested in seeing this project all the way through to the end.

Mr. Rauenhorst stated the scale and complexity of this project required a team with expertise. He believed this team had the experience and know-how to bring the JDA's vision to life. He was sensitive to the fact the JDA wanted to drive development. He understood a tremendous investment has been made in this property and he wanted this property to have a sense of character. He discussed how he would work to advance sustainability and technologies on this site. He believed these efforts would draw development and residents to the site. He wanted to be able to bring his strategies gained on a national level to Rice Creek Commons. He understood this was a big decision for the JDA and was thrilled to be considered.

Chair Sand thanked the representatives from Opus and Pulte for their thorough presentation.

Commissioner Updates

Commissioner Holden asked if the master developer would be involved in the solar project.

Development Director Worthington commented the developers would be involved in sustainability and energy efficient projects, but the solar project was not a part of Rice Creek Commons.

Commissioner Holden questioned how negotiations with a master developer would proceed with the JDA.

Development Director Worthington envisioned a development agreement would be negotiated with the master developer by the JDA and a purchase agreement (a County document) would flow from this document.

Future Meeting Schedule

The next meeting will be Tuesday, April 26, 2016, at Arden Hills City Hall.

Meeting adjourned at 7:50 pm.

Approved David B. Sand  
David B. Sand, Chair

4-4-2016  
Date