

Joint Development Authority
Special Meeting
Monday, April 26, 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: Ryan Streff, (Arden Hills); Heather Worthington, (Ramsey County)

Roll call taken.

Approval of agenda.

Motion by Commissioner Ortega 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

Administrative Director Worthington provided a summary from the SRC and noted the JDA would be holding the third interview for the master developer for the Rice Creek Commons property. The JDA would be interviewing Ryan Companies & Lennar.

New Business

Master Developer Interviews – Ryan Corp & Lennar (5:00 p.m.)

Chair Sand requested the JDA members introduce themselves to the members of Ryan Corp and Lennar. The JDA members introduced themselves.

Collin Barr, President of Ryan Companies North Region, discussed how excited Ryan Companies was to be before the JDA to share their vision and goals for the TCAAP site. He provided the JDA with a printed summary of their presentation and then introduced the members of his the Ryan team. He discussed his background in commercial development and believed his team was well prepared to move forward with this development.

John Aune, Lennar Homes, stated he would be the executive in charge for Lennar on this project. He introduced the other members of his team present.

Mr. Barr discussed the primary activities that would be completed in the first six months. He believed it would be important to move fast on marketing/branding, land planning, land purchase terms and the project approvals. He indicated the project website would need enhancement in order to generate increased interest in the site, while also fueling demand. He understood the timeline was aggressive, but he looked forward to this project getting off the ground.

Mark Schoening commented on the vision for the site. He indicated this was a unique site given its close proximity to Minneapolis, it had great natural resources and site features. He believed the chosen master developer would have to focus on one key question, "Why Rice Creek Commons?" He explained his team has discussed this question tirelessly and in the end has determined the core values for the site should be that the project is convenient, high quality, affordable, has a sense of community, authenticity and is sustainable. He wanted the core vision for this project to anchor the project in values that people respond to. He wanted these core values to be drawn into an overall plan for the site. He was committed to bringing this vision to each corner of the project and was excited to get going as quickly as possible. He believed this was a phenomenal piece of real estate that held a great deal of promise.

Mr. Aune discussed the proposed number of residential units on TCAAP. His vision for the site would be to have high quality neighborhoods. He stated he had conducted some preliminary density testing on the site. Market research was conducted on commercial, retail, senior living and health care to help identify the profiles of individuals that would be interested in living in Rice Creek Commons. As a national builder, he has selected the best housing products that would fit well into Rice Creek Commons. He further discussed the collections of homes Lennar would be building on TCAAP. He indicated there were approximately 140 different home combinations that could be constructed, noting the house colors could also vary. He commented the housing products could be further diversified through multi-family products.

Doug Bober provided further comment on the multi-family housing products offered by Lennar. He explained millennials were not typically purchasing single-family homes, but rather were leaning towards multi-family options. Products options were described in detail, noting the goal was to create community within a community.

Mr. Schoening commented on the central elements within Rice Creek Commons. He noted the Town Center and the natural resources corridor were key components on this site. He

discussed the difficulty of developing Town Centers, but believed there was a solution to make this work and for it to be done well. He believed the project would have to be developed around the Town Center in order for people to be drawn to this area. He stated the space would have to feel both common and central in order to be authentic.

Tony Barranco discussed corporate offices and how these would fit on Rice Creek Commons. He provided comment on several corporate campus projects he had been involved in. He indicated one of the most important features on corporate campuses was properly programming the space.

Casey Hankinson explained how the JDA can be confident that Ryan and Lennar is the right team. He stated Ryan has 67 years of experience. He believed his company was a specialist and not a generalist. He indicated there was a true sense of team at Ryan Corp. He reported Lennar had 145 years of experience. He realized this project was not about Ryan or Lennar but rather about the end user and building communities. He commented the Lennar team has been the number one homebuilder in the State of Minnesota for the past 10 years. He discussed the long history Lennar and Ryan had with the metro area.

Mr. Barr stated both Ryan and Lennar could work with the redevelopment code. He believed the TRC tied into the Master Plan and the densities that the market would support for the site. He commented on the development market cycles and believed now was the time to build aggressively on this site. He stated there was a chance that some portions of the plan may need to be tweaked to meet the market demand.

Mr. Barr discussed his access to capital. He reported Lennar was a \$9.5 billion national company that would be able to internally fund their projects. This would make projects move along more quickly. He then commented on the equity available to Ryan Company. He stated he has run a dozen different economic models with a range of densities. Most of the models showed no requirement for incentives. However, a couple models did. His opinion was that public incentives would not be necessary, unless an extraordinary amenity was wanted by the community.

Mr. Schoening thanked the JDA for their time and asked if there were any questions or comments.

Commissioner Huffman asked if Lennar was the number one builder based on volume or satisfaction.

Mr. Schoening explained this classification was based on the Builders Association in the Twin Cities and was based on revenue.

Commissioner Huffman questioned if each housing plan had different floor plans.

Mr. Aune reported this was the case. He provided further comment on how the housing models were interchangeable.

Commissioner Huffman inquired what Lennar was doing in terms of energy efficiency.

Mr. Aune indicated Lennar Homes was proud to be staying on top of energy efficiency. He stated an energy efficiency survey was completed on every home constructed. This survey was then reviewed with their customers.

Commissioner Huffman asked how Ryan Corp was able to compete with itself in the same market.

Mr. Schoening stated Ryan had made a concerted effort not to be involved in two directly competing projects in the same community. Also, at the end of the day, Ryan was the conduit for their clients financing, which meant they needed to listen to their clients and help them find the right site.

Commissioner Grant requested further information regarding the commercial and retail on the site.

Mr. Schoening stated Ryan's approach would be to market the site as the most interesting regional retail node in the Twin Cities in the last decade. He commented the site had great access and space. He indicated he would sit down and work out a concept stage plan with the JDA and solicit interest from this plan. He reported the primary focus would be around food, both restaurants and grocers. The project would also have to have interesting activities.

Commissioner Grant indicated the site has been named "Rice Creek Commons". He asked if Ryan believed this name should move forward or if another name should be selected.

Mr. Schoening explained this was discussed with the Selection Review Committee. At that time, Jon Aune stated he wanted to stick with the name because it was so hard to name a community. He believed the proposed name was general enough that the Arden Hills dimension wasn't captured. He explained that on most of the projects he has completed there has been a tie back to the community that it was located within. His current thought was to use the "Commons" term while different names for the neighborhoods.

Mr. Aune agreed individual community names were needed for the neighborhoods. He stated he was not tied to the Rice Creek Commons name.

Commissioner Grant asked if Lennar would be willing to bring in other residential builders.

Mr. Aune stated currently his vision would be to build all of the homes. However, he would be open to involving other builders in the metro area.

Commissioner Ortega questioned how Ryan would seek a corporate user.

Mr. Hankinson stated this was one of his favorite aspects of development. He discussed how development had changed over the past 10 years. He indicated he would want to establish a partnership with the members of the JDA in order to assist in finding the proper users for this site.

Commissioner Holden expressed concern with this project becoming a community unto itself. She reminded the representatives present that this land was a part of Arden Hills. She requested further comment on how this project would tie back into the remainder of the community.

Mr. Schoening did not mean to suggest that this would be a self-contained development. Rather, he was trying to suggest his goal would be to market and brand this site in such a manner that it competes across all others in the Twin Cities. He did not see this becoming a community unto itself. He commented on a development in Shakopee and how it was tied into the remainder of the community. He believed the project would have to have an identity that draws people to it.

Commissioner Holden asked how this development would be different.

Mr. Schoening supposed this would come from the site itself. He understood differentiation was important but stated novelty was dangerous. He commented there were effective ways to plan a community of this size, which would be brought forward. He believed the "wow" was that it was about to happen, along with the size and location of the property.

Mr. Schoening commented on several town center developments throughout the nation and believed the water feature within Rice Creek Commons should be made a central amenity. He discussed the important of programming the town center area year round in order to continue drawing people to this location and to create a sense of belonging. Further discussion ensued regarding Centennial Lakes.

Chair Sand asked how programming would be accomplished.

Mr. Schoening commented the programming would evolve over time. He believed that tenants and landlords would have to come together in order to create a successful town center.

Chair Sand reviewed Ryan's retail vision for Rice Creek Commons. He asked if it was still Ryan's intent to develop the Hill neighborhood first and inquired how the walkability feature would be tied into the town center.

Mr. Schoening stated from a retail standpoint, he believed this would be an early component that belonged on the freeway. He indicated it would benefit the development to have some retail established within the project prior to the town center developing.

Mr. Aune explained the Hill neighborhood would have a widest variety of home collections. He understood access to utilities would have to be evaluated.

Mr. Barr reviewed several final slides within his presentation. He explained Ryan and Lennar had hundreds of people behind them to complete this project. He discussed several large-scale projects that have been completed by his organization in the metro area. He stated this project would benefit by the Ryan and Lennar team based on the number of experts and size of the team. He believed his team should receive serious consideration as the master developer based on the vast amount of successful experience they had.

Mr. Barr commented on the ability and knowledge Lennar had in building homes. He was proud of the work Lennar has done in the metro area because it was also building communities. He was proud of the fact Lennar had a high satisfaction rate along with being the number one builder in the metro area.

Mr. Barr thanked the JDA for their consideration and reported Ryan and Lennar were excited about and ready to work on this project right now, with its team members and resources. He encouraged the JDA to select Ryan and Lennar as the master developer based on its track record and experience with commercial, retail and residential development in the metro area.

Chair Sand recessed the meeting at 6:16 p.m.

Chair Sand reconvened the meeting at 6:20 p.m.

Chair Sand requested the JDA deliberate on the master developer candidates. He believed the JDA had been very fortunate to receive presentations from three highly qualified development teams. He understood a great deal of time was involved in researching and preparing for this. He felt good about the high quality of the companies that were represented in by candidates. He was proud to be a part of this process.

Commissioner Huffman questioned how Chair Sand wanted to proceed.

Chair Sand commented a decision would not be made until May 2nd. He was just asking for general comments at this time.

Commissioner Ortega believed he needed more time to digest all of the information that has been presented. He asked if there was any way to get additional housing product designs from the other developers. He indicated this would be important information for the JDA members to review.

Chair Sand agreed there may be more information the JDA would need in order to make an informed decision on May 2nd.

Further discussion ensued regarding the housing types presented by the master developer candidates.

Commissioner Holden questioned if the new housing types that Lennar was proposing to build on TCAAP from around the country would work.

Chair Sand believed it would be beneficial for the JDA members to further digest the information presented this evening. He recommended the JDA members review their notes, prioritize the candidates and be prepared to discuss the pros and cons of each developer and be prepared to make a decision on May 2nd. He clarified that further information would not be submitted by the master developers.

Administrative Director Worthington indicated Josh could reach out to a developer if clarification was needed on any matter.

Commissioner Updates

None

Future Meeting Schedule

The next meeting will be Monday, May 2, 2016, at Arden Hills City Hall.

Meeting adjourned at 6:38 pm.

Approved David B. Sand
David B. Sand, Chair

5-6-16
Date