

Joint Development Authority  
Monday, April 2, 2018  
Arden Hills City Council Chambers

Minutes

5:30 pm

Present:

Joint Development Authority: Chair Jonathan Wicklund, Commissioner Blake Huffman, Commissioner Dave McClung, Commissioner David Grant, Commissioner Rafael Ortega

Also present: Dave Perrault, (Arden Hills); Josh Olson, (Ramsey County), Louis Jambois (Ramsey County);

Roll call taken.

Approval of Agenda

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

Approval of January 17, 2018 Minutes

Chair Wicklund reported the blank line on Page 2 of the minutes should read Jenny Bolton. He requested staff make this change to the minutes.

Motion by Commissioner McClung seconded by Commissioner Grant to approve the minutes as amended. Motion carried.

Public Inquiries/Informational

Lyle Salmala, 1480 Arden Vista Court, commented on several energy efficiency measures that were addressed in the ERF that the JDA should consider for TCAAP. He suggested a solar array be considered for this development and believed this would be a win-win for the City and Alatus.

Consent Agenda

None

Old Business

TGRS Optimization Study Update

Director Olson provided the JDA with an update on the TGRS Optimization Study. He stated this study was completed in early 2018. He was pleased to report there were no major impacts to

the development based on the results of the study. He reviewed the recommendations from the study and asked for comments or questions from the JDA.

Chair Wicklund thanked staff for the report.

### Master Development Agreement

Director Olson provided the JDA with an update on the Master Development Agreement (MDA). He discussed the history of this project and noted in 2016 the County received a certification of completion from the MPCA for the remediation work on the TCAAP site. He explained a lot of work has been done for this project both by the City and the County. He noted this was the largest redevelopment project in the metro area and was now ready to begin. He indicated this project had an assessable market value of \$700 million and would create 1,000 jobs. He discussed the amount of work that has been completed on the roadways in order to provide access to the site. He reported Alatus would focus on the Town Center area first in order to spur development on the site. He explained the MDA must be approved by the JDA, the County Board and the City of Arden Hills.

Director Olson then reviewed the plans for TCAAP/Rice Creek Commons in further detail noting the thumb portion of the site was ready for redevelopment at this time. He discussed the plans for this area noting there was a commercial node that would be anchored by a grocer. He reviewed the items that would be completed in Phase I of the project noting this would include the Spine Road, the natural resources corridor, Town Center roads, and a ring road that connects to the Spine Road. He noted this includes 73 acres of land. He commented the Civic Block would be included in Phase I.

Louis Jambois, Ramsey County Consultant, discussed the next steps for the project, which would include structured land acquisitions from Ramsey County to Alatus. He explained these land acquisitions would be phased in a rationale manner to achieve fair market sales for the property. He reported the developer would be able to purchase future phases in a timely manner if performing well within the development. He indicated Phase I of this project would be the largest at 73 acres. He noted the major expenses included in Phase I of this project were mass grading and infrastructure. He commented further on the performance standards that were drafted into the MDA. He explained site design would be completed in 2018 and 2019 with mass grading and infrastructure beginning in 2020.

Commissioner Grant requested further information on how the developer would be held to the proposed performance standards and how the City of Arden Hills would be protected. Mr. Jambois discussed the upfront costs the developer would be investing in the project and how these fund would be utilized to ensure the developer was achieving the MDA vision. He noted the City would be protected by the work that has been done to date.

Commissioner Grant thanked the developer along with the JDA and County staff for all of their work on the MDA. He discussed the 429 assessment process and questioned if the City would

be stuck with \$8 million worth of infrastructure if no development occurred beyond 2019. Mr. Jamborn did not anticipate this would occur. He explained the details of the City's contribution to the TCAAP project still had to be addressed within the MDA.

Commissioner Grant stated for the record the City had \$8 million at risk within this project. He requested the JDA direct staff on how to acknowledge this risk.

Commissioner Huffman stated staff understands they need to address the City's risk, but have not done it yet. He requested staff report back to the JDA with proposals that would address this risk, whether 429 or others, in order to mitigate the City's risk.

Chair Wicklund summarized these comments stating the City of Arden Hills needs to understand the financial package and risks involved in recouping costs and the Commissioners are interested in seeing those packets of information so that the JDA can move forward in an educated fashion.

Commissioner Grant commented he wanted the JDA staff to research a way to minimize the risk for the City of Arden Hills.

Commissioner Huffman stated this question should be answered more broadly, from the City's perspective and from the JDA.

Mr. Jambois stated all parties involved in this project were concerned about risk. He explained the project was being phased in order to mitigate some of the risk and to ensure the development is done in manner that begins creating tax revenue within Phase I. He anticipated it would be difficult to mitigate all risk, but stated the City's risk would be addressed.

Commissioner Grant stated he had to look out for the City. He feared how the City would be impacted if Phase I were not to begin as planned. He explained the City would be out \$8 million in infrastructure expenses and would have no way to recoup these expenses. He commented he would not leave the City at risk for the next two years for \$8 million. He stated he wanted this Board to acknowledge the City's risk and to direct staff to find a way to mitigate this risk. He expressed concern that no one else was recognizing this risk and agreeing that it should be mitigated.

Commissioner McClung agreed with Commissioner Grant. He explained there had been talks about using the 429 assessment process in order to mitigate the City's risk. He stated if this was not going to be pursued, the JDA needed to find another option to achieve the same result. He requested the JDA Board direct staff to investigate this matter further and to provide the JDA with options.

Commissioner Grant supported the JDA staff looking at this further as well given that this was a significant item for the City to take on. He asked if the JDA could support directing staff to investigate this matter further.

Commissioner Grant, Commissioner McClung and Chair Wicklund supported the JDA directing JDA staff to investigate how to mitigate the City's \$8 million infrastructure risk, whether through the 429 process or some other procedure.

Commissioner Grant commented on the MOU that was in place for the Civic block. He explained it would take 60 to 90 days before the City would have an MDA in place for the Civic block.

Chair Wicklund asked how energy related infrastructure was being addressed by the JDA staff within the MDA. Director Olson stated JDA staff has been handling these negotiations in order to get requirements imbedded into the MDA.

Commissioner Huffman thanked staff for addressing the energy related items within the MDA.

Chair Wicklund reminded the JDA staff that this development was an opportunity to be on the cutting edge with respect to energy efficiency. He explained he was not a technical expert but encouraged the JDA staff to reach out to experts in the field for this project.

#### Public Hearing

None

#### New Business

##### League of MN Cities Insurance Trust – Liability Coverage Waiver Form

Director Olson discussed the League of Minnesota Cities Insurance Trust liability coverage waiver form with the JDA. He stated each year the JDA has to approve liability coverage through LMCIT. Staff recommended the JDA not recommend the waiver of tort liabilities.

Motion by Commissioner Ortega seconded by Commissioner Grant to adopt a Resolution, approving the League of Minnesota Cities Insurance Trust Liability Coverage Waiver Form. Motion carried.

#### 2018 JDA Budget

Director Olson reviewed the 2018 JDA Budget in detail. He noted this document was similar to the 2017 budget. He provided further comment on how the JDA's revenue sources would change in the coming years as the site begins to develop.

Motion by Commissioner McClung seconded by Commissioner Grant to approve the 2018 JDA Budget. Motion carried.

#### Development Director's Report

Director Perrault had nothing to report.

Administrative Director's Report

Director Olson commented on the boundary plat and noted the County was working to clean up the legal description of all TCAAP property before development begins on the site.

Commissioner Updates

Commissioner Grant stated the City has hired a Finance Director named Gail Bowman. He reported this individual would be assisting with all JDA financial matters.

Director Olson explained Julie Kleinschmidt would be retiring from the County in June of 2018. He reported the County also had a new County Engineer named Ted Schoenecker along with a Ramsey County Deputy County Manager Joanna Berg assuming a new role as Deputy County Manager over the Economic Growth and Community Investment Service Team.

Future Meeting Schedule

The next meeting will be Monday, May 7, 2018, at Arden Hills City Hall.

Meeting adjourned at 6:39 pm.

Approved Jonathan Wicklund Chair  
Jonathan Wicklund, Chair

6/20/18  
Date