

Joint Development Authority
Tuesday, September 4, 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 McClung seconded by Commissioner Grant to approve the agenda as presented. Motion carried.

Approval of June 20, 2018 Minutes

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

Public Inquiries/Informational

Jack Cann, 1774 Portland Avenue in St. Paul, reported he was an attorney with the Housing Justice Center. He discussed a letter that was sent to the JDA regarding the Master Development Agreement (MDA). He described the affordable housing goals within the original MDA and believed the limits were too low. He commented on the Land Use Planning Act noting only 373 affordable units were required in the City of Arden Hills. He suggested the JDA reconsider this goal setting it closer to 600 units of affordable housing. He explained the County was bound by the same requirements as the City to ensure affordable housing units are produced. He believed it was shameful that the proposed development, the largest in the metro area, would have only 146 affordable units at 80% AMI. He stated this was in direct violation with the Fair Housing Act and reported the County could be putting all Federal funding at risk.

Chair Wicklund reported Mr. Can submitted a letter to the JDA and noted that for the record.

Dave Snyder, Organizing Director for Jewish Community Action, 13 West 70th Street in Richfield, explained he sent a letter to the JDA. He encouraged the JDA to work with the faith community. He reported the Jewish Community Action (JCA) has almost 1,000 members across

the Twin Cities and noted this group was extremely involved in social and economic justice issues. He stated his members care a lot about housing. He encouraged the County and City of Arden Hills to provide more affordable housing and at a lower AMI in order to create a stronger community.

Lael Robinson, Housing Justice Center, read comments from an Arden Hills resident at 1212 Karth Lake Drive. She read the residents thoughts in full noting Ms. Asha Elmquist was excited about the Rice Creek Commons Development but had concerns with the site being fully optimized, especially the residential portions. Ms. Elmquist was of the opinion the density was too low and there were not enough housing options. Ms. Elmquist encouraged the JDA to reconsider the housing options within this development to ensure opportunities for all residents to remain in Arden Hills. Ms. Elmquist suggested more affordable housing options be offered and at a 30% AMI.

Don Mullen, 3847 East County Line in White Bear Lake, stated he was the Executive Secretary for the St. Paul Building Trades. He explained he represented 15,000 construction workers in the metro area. He discussed how this project would impact the metro area while also increasing the tax base. He encouraged the JDA to move this project forward not only for the construction jobs it will create, but also for the amenities it will offer to the region.

Chair Wicklund reported Mr. Mullen submitted a letter to the JDA and noted that for the record.

Ben Rave, Dutch Energy, at 1123 LaFond, submitted a letter to the JDA. He described the type of work completed by Dutch Energy, which was a non-profit organization. He understood the importance of this site and encouraged the JDA to consider clean, efficient energy options for the redevelopment site. He stated he supported the goals within the MDA and reported his organization was involved in the Resiliency Task Force. He applauded the JDA, County and City on the progress to date and suggested further density be considered within the development.

Sue Walter Phillips, Executive Director of MICAH, described the work being completed by MICAH to create welcoming communities with housing options for all. She explained the MDA and the plans for the redevelopment project does not create affordable housing options. She expressed concern that the broad needs of the community were not being considered and encouraged the JDA to provide housing for young and old. She explained in the 1970's and 1980's Minneapolis was one of the most integrated metropolitan areas to becoming one of the most segregated over the past 20 years. She commented on the fair housing complaints that have been filed by MICAH with the City of Minneapolis. She explained MICAH was very interested in working with the JDA to ensure there were housing options for all available within Rice Creek Commons.

Tyrone Durell, President of the African American Council, thanked the previous speakers for bringing their concerns to the JDA. He encouraged the JDA to adopt the Minnesota Department of Human Rights Informant and Contracting Bills for this project to ensure

members of his community have work. He discussed the importance of allowing all families the right to work and how this would decrease crime while improving the achievement gap.

Jonathan Weinhagen, representative of Mounds View Schools, thanked the JDA for their time. He discussed the number of student and employees being served by the Mounds View School District and noted this new development was in the middle of the districts service area. He explained this created a great opportunity for growth. He discussed how young families were choosing to move into Arden Hills because of the schools. He commented on the work completed by a recent task force that was put together to address the District's facility's needs. He thanked the community for voting yes and supporting the needs of the District. He explained work was underway to serve the students within the District, which would include those living within Rice Creek Commons. He stated he looked forward to exploring more partnerships with the City and Rice Creek Commons develops. He thanked the City for all of their work on this project and encouraged the JDA to move this project forward.

Bobby Casper, representative of the St. Paul Labor Federation, stated he represented 175 unions in the four county area. He discussed how impactful the TCAAP development would be to his 57,000 laborers and encouraged the JDA to support this project.

Bea Kyle, representative of the St. Paul Chamber of Commerce, offered a letter of support for the ongoing redevelopment of Rice Creek Commons. She explained the Chamber strongly supports this project along with the jobs and affordable housing that would be created. She commented on how this development would impact the economy. She commented on the importance of affordable housing noting she was the product of an affordable apartment in an affluent neighborhood with a good school system. She encouraged the JDA to consider the importance of creating opportunity and quality living experiences for all members of the community.

Russ Adams, Executive Director for the Alliance for Metropolitan Stability, stated he has visited City Halls all over the metro area. He discussed the impact of this project noting it went far beyond Arden Hills. He commented on the subsidies that have been poured into this site in order to prepare it for redevelopment. He encouraged the JDA to follow through with the City's mission to create a vital community for all and not just those living at 80% of the area median income. He stated there were many seniors and those living in the mobile home park that were scared about how this development would impact their livelihood. He encouraged the JDA to get specific about their affordable housing goals by increasing the density and affordable housing options.

Brenda Holden, Arden Hills City Councilmember at 1881 Beckman, stated there was not a single Councilmember in Arden Hills that did not want this project to move forward. She explained for the County to state the City was trying to put the brakes on this was completely inappropriate. She indicated the problem the Council has is with the process. She commented the County and the developer has met over 18 months and there has been little to no communication between the County and the City. She reported the County was going to do

well on this development and feared the City was going to get nailed for expenses. She stated there was a misunderstanding as to how the increased tax base will impact Arden Hills. She explained that a 60% increase in the tax base does not mean the City will have a huge cash inflow. Rather, the City's responsibilities to maintain, provide public utilities and emergency services only go up as this development is constructed. She indicated the revenues from this project will not meet the expenditures for years. She expressed frustration with the "partnership" the County has had with the City. She reported the County has cut the City out of the negotiations process and commended the County Commissioners for putting the screws to the little City of Arden Hills.

Fran Holmes, Arden Hills City Councilmember at 1804 Venus Avenue, stated she had a neighborhood picnic at Valentine Park on Labor Day. She reported many residents were asking about TCAAP and was told by the residents to protect the City's interests. She understood the residents' wanted this project to move forward but they feared how the expenses from the new development would impact the City. She reviewed the revenues that would be gained from the TCAAP project and noted the County's revenues were 100 times that of the revenues projected for the City. She reported the City Council does not want to put uncertainty on its taxpayers. She encouraged the County to be more transparent about their negotiations with the developer and to stop rushing the approval timeline. She explained it was very clear the City of Arden Hills has been committed to TCAAP and has met all County deadlines. However, at this juncture, the ongoing maintenance and financial decisions for TCAAP were being negotiated by the County and the developer with no feedback being considered from the City. She explained the JDA was now being asked to vote on an Executive Summary of the MDA with key provisions missing that has not been reviewed by the Arden Hills City Council. She encouraged the County to work more closely with the City to rebuild trust in order to complete a successful redevelopment project on TCAAP.

Steve Scott, Arden Hills City Councilmember at 4286 Norma Avenue, stated he works for the US Department of Veterans Affairs. He commented on the importance of transparency, stakeholder input and full disclosure for all parties involved in major redevelopment projects. He explained the County has not abided by these three tenants which has put this project at serious risk.

Keith Baker, National Association of Minority Contractors, commented on the State employment rules along with the importance of the contributions small businesses can make in this project. He encouraged the JDA to consider business incubation opportunities within this project.

Amanda Cass Peterson, representative of MICAH at 824 Princeton Avenue in Shakopee, explained she started out life as a young mom in college and had to apply for Section 8 housing in Brainerd. She reported she was given a full-time job offer prior to graduating from college and noted she has lived in apartments throughout her life. She stated all communities had to provide housing for community members at different phases in their life. She encouraged the

JDA to provide additional housing options for those living below 80% AMI. She commented on the housing needs for seniors in the community.

Councilmember Holden reported the County has stated the City has had ample time to review the documents and the JDA should move forward at this time. She explained the City had not received the final document until August 29th, which was clearly not enough time for the Arden Hills City Council to meet and provide feedback prior to the September 4th JDA meeting. In addition, she commented further discussions had to be held between the City and the County regarding infrastructure, SAC Credits, the cooperative agreement between the County and the City, fee schedule, etc. She commented the City could not commit to anything at this time until further information was gathered regarding these items and the Council could review the most recent draft of the MDA.

Chair Wicklund closed the meeting to public comments and summarized the comments received from the public.

Consent Agenda

None

Old Business

Master Development Agreement Summary

Director Olson reported Louis Jambois would be providing the JDA with a summary on the Master Development Agreement.

Louis Jambois, consulting lead negotiator for the County, presented the JDA with a summary on the draft Master Development Agreement (MDA). He noted the MDA was completed in June but still had several gaps and the summary document has been worked on over the last few weeks. He explained the MDA and purchase agreements were linked and were contracts between the JDA, Ramsey County and Alatus Arden Hills, LLC. He stated all land sales would have to be approved by the County. He indicated the cooperative financing agreement would have to be approved by the County Board and the City of Arden Hills, which would be a complicated development.

Mr. Jambois reviewed the City and County goals for this redevelopment project. He discussed how the project would spur the economy while creating living wage jobs. He explained this was a very large redevelopment project and would be completed in five phases beginning in 2020 and would continue through 2036. He commented further on Phase I of the development, noting this would focus on the Town Center. He reported mass grading would have to occur prior to Phase I and would occur in the summer of 2019 and would cost \$67 million. He explained the County's contribution to Phase I was \$51 million. The City's contribution would be \$8.2 million and the developer would be contributing \$10 million.

Mr. Jambois discussed the performance standards that were put in place to keep the development moving forward. He commented on how future land sales would be split between the County and the developer. He reviewed the blocks slated for development within Town Center. He described the timeline for Phase I, which was quite ambitious and anticipated Phase I would be completed by December 31st of 2024. He then provided further comment on future phases of the development, discussed a parcel map with the JDA and noted how future land sales would be completed.

Mr. Jambois stated City financial obligations would be addressed within a Cooperative Financial Agreement between the City and the County. He estimated the City would have \$3.2 million in trunk sewer and water line expenses. He reported at some point a water tower would have to be constructed around 2023 or 2024 and this would be done at the City's expense. He stated the County was working on the mass grading plan at this time, along with the energy resiliency, workforce performance goals, and affordable housing aspects within the development. He encouraged the JDA to offer their support noting a final MDA would come before the group in October.

Chair Wicklund requested the JDA ask clarifying and technical questions first and that a conversation regarding the MDA be held after all questions had been answered.

Commissioner McClung asked if the Civic block would be included in Phase I. Mr. Jambois reported the Civic Site could go either way and noted this was originally allocated to a later Phase.

Commissioner Grant thanked the speakers who came forward to offer their thoughts on TCAAP. He noted the City and the County have spent a great deal of time working on this project. He commented further on the Civic block property and stated the City was not included in the negotiations for this land sale. Mr. Jambois commented a conversation would have to be held between the JDA, the City, Alatus and the County in order to determine when the Civic block developed.

City Administrator Perrault reported the City was originally given a two year timeframe to begin plans on the Civic Site and noted they would have one year from the time the development breaks ground to begin construction on this site. He anticipated this would be refined as the MDA moves forward.

Commissioner Grant clarified for the record that the City has not been included on any of these conversations to date.

Chair Wicklund asked for further information regarding park dedication fees. Mr. Jambois reported a memorandum of understanding has been drafted between Alatus and the City.

Chair Wicklund questioned if it was standard practice to have job creation performance standards with a JDA. Mr. Jambois stated this was a standard practice when a public entity was involved in a land sale to ensure high quality jobs were created through the development.

Chair Wicklund requested further information regarding the affordable housing requirements. Mr. Jambois explained the intent within the MDA, with respect to affordable housing, was to allow the developer to have agreements with vertical developers. He noted the County would have the option of throwing additional dollars towards affordable housing and all parties would have to come to an agreement if this were to occur.

Chair Wicklund inquired if the \$500,000 number for planning activities was a placeholder. Mr. Jambois reported this was the case.

Commissioner Grant commended the County for all of their efforts to clean up the TCAAP site. He understood this took a great deal of time and energy. He questioned if the site had been cleaned to residential standards or if it was still considered a "Super Fund" site. Mr. Jambois reported the County was working to delist the soils on the property as a "Super Fund" site.

Commissioner Grant asked if this delisting would be in place prior to the County beginning the mass grading work. Mr. Jambois anticipated the delisting would be complete noting the County was making progress.

Commissioner McClung questioned who made the determination on the SAC charges. He asked if the City had agreed to not charge SAC fees from the Met Council. Mr. Jambois explained the City had not agreed to this.

Commissioner McClung inquired why this language had been included in the MDA document when it had not been agreed upon by the City. Mr. Jambois stated this was because this would have to be approved by the City in order for the MDA to move forward.

Commissioner McClung commented there were items within this document that would have to be fleshed out prior to the JDA coming to a point where an approval can be granted. He believed there was a lot of gainsmanship that has not served either party well.

Commissioner Grant stated the City can work with the County on the placeholder number that was put in place for staff and consultant expenses. He questioned if the City gets to see the County's invoices. Mr. Jambois explained the County is building the project and would not be billing the City back for its expenses.

Commissioner Ortega asked what the difference was between the summary and the MDA. Mr. Jambois reported the summary summarizes the draft MDA. He explained it was being presented in draft form as a check in with the JDA. He understood that some areas within the MDA would require more conversation.

Commissioner Huffman commented it was okay for the JDA to have concerns with the JDA. He noted the summary was provided at a very high level. He questioned how unresolved issues would be handled over the next month. Mr. Jambois commented issues that were not resolved would be worked through between the City and the County over the coming weeks.

Commissioner Huffman clarified the County and the City would still have conversations negotiating the SAC fees from Met Council over the coming weeks prior to the final MDA being considered for approval. Mr. Jambois reported this was the case.

Commissioner Huffman asked if it was possible for someone to vote yes this evening on the MDA and vote no in the future if negotiations did not go as planned. Mr. Jambois stated this could happen as the MDA was still in draft form.

Commissioner Ortega commented negotiations would continue between the County, the City and the developer.

Commissioner Grant reported the City does not vote on the MDA. Mr. Jambois commented the City votes on the cooperative agreement, which was an attachment to the MDA. He explained the JDA was a proxy for the City.

Commissioner Grant discussed the amount of time that had passed (two months) to move the MDA from a framework to a draft form. He thanked the County for their efforts on this document but noted he feared the document had taken 10 steps backwards based on the redlined document provided by the developer. He anticipated there was a great deal of work left in order for this document to be completed. He feared the County was proposing a tight timeline if this document was to be in its final form by October. He asked what the County's deadline was for the MDA. Mr. Jambois stated the County was working to have the MDA in final form by October 1st or shortly thereafter.

Chair Wicklund requested the conversation turn to dialogue at this time. He summarized the comments and areas of contention within the MDA. He stated he supported the JDA meeting twice a month going forward to allow for greater discussion regarding the MDA.

Commissioner Grant stated the \$500,000 placeholder for City planning expenses was premature. He commented this number was way off and should be eliminated. He indicated the SAC charge issue was a concern and he couldn't understand why the County was asking the City to give away its assets. He recommended both of these items be removed from the MDA. He questioned what the value was of approving the draft MDA or Executive Summary except to present the City of Arden Hills with a bill.

Chair Wicklund indicated the value of the summary was stated to be to provide staff with feedback on the issues that still need to be addressed.

Commissioner Grant recommended the points of tension be removed from the document.

Commissioner Huffman supported the placeholder number and SAC fees being removed from the MDA. He noted for the record this was a preliminary or draft document that still had items that needed to be negotiated on.

Commissioner Ortega stated he supported both documents and understood there were issues that still needed to be addressed. He reiterated that these documents were between three parties: the City, the County and the developer.

Commissioner Grant respectfully requested the placeholder number of \$500,000 and language regarding SAC credits be removed from the MDA. He stated he did not support the document moving forward with these two items. He feared the document would gain traction and wanted to be assured these items were fully vetted by both parties prior to consideration of the final MDA.

Chair Wicklund commented the SAC issue and the reimbursement fees to Arden Hills were both important issues that had to be further addressed within the MDA. He asked if the Commission would be open to increasing the meeting schedule in order to facilitate the negotiation process.

Commissioner Grant supported more meetings so long as progress was being made by the group.

Commissioner Ortega reported it was not this group's job to negotiate as staff members were in place for the County and the City to oversee this task. He explained the JDA was being asked to consider approving a preliminary or draft MDA.

Commissioner Huffman stated meetings were great and would spur additional conversations.

Chair Wicklund agreed this was the direction the JDA should be heading. He stated it was his hope additional work would be completed on the MDA for the JDA to discuss on September 19th to assist this group in becoming more comfortable with the overall language.

Commissioner Huffman stated he would still like to put this item to a vote this evening.

Motion by Commissioner Huffman seconded by Commissioner Ortega to approve the Master Development Agreement Summary.

Commissioner Grant suggested the motion be amended to remove two tension points from the MDA: Issues relating to Met Council SAC fees and the amount of City reimbursement for planning costs.

AMENDMENT: Motion by Commissioner Grant seconded by Commissioner McClung to amend the motion to remove two tension points from the MDA regarding issues related to Met Council SAC fees and the amount of City reimbursement for planning costs.

Commissioner Huffman stated he would not accept this amendment as there would be other issues that may change between now and October.

Commissioner Ortega was in agreement that the two tension points could be resolved in the coming weeks and did not have to be removed at this time.

Commissioner Grant expressed concern with how the loss of SAC fees would impact the City of Arden Hills. He reported the City was not in agreement with the MDA summary as stated.

Commissioner McClung agreed noting there were still areas of contention that would have to be addressed within the MDA. He commented he did not support a vote on this item prior to the areas of contention being addressed. He feared the proposed motion was putting the cart before the horse.

Commissioner Grant explained that by taking the SAC fees away from the City, the developer now has a better negotiated land fee.

Amendment failed 2-3 (Huffman, Ortega and Chair Wicklund opposed).

Commissioner McClung stated he would not be supporting the motion on the floor as there were too many outstanding areas of contention. He explained it was unclear to him what he was being asked to vote on as potential changes would still be made to this document.

Commissioner Ortega reported the County has invested \$92 million in this project and was working to bring about a great project. He encouraged the JDA to move forward.

Commissioner Grant indicated the City of Arden Hills was in the position to move this project forward. He stated he would be able to move this forward once the premature items were addressed. He suggested this item be tabled until SAC and reimbursement fees can be further discussed by the JDA.

Motion by Commissioner Grant to table action on the Master Development Agreement Summary.

Motion failed 2-3 (Huffman, Ortega and Chair Wicklund opposed).

Commissioner Huffman thanked the public for their engagement this evening. He stated the timing was right for this project and he supported the JDA moving it forward.

Chair Wicklund stated he would be voting in favor of the MDA summary with the understanding this vote would signal those at the table what the tension points were and to encourage staff to find solutions.

AMENDMENT: Motion by Commissioner Grant seconded by Commissioner McClung to amend the motion to direct staff to address the tension points within the MDA, specifically the Met Council SAC credits and the amount of administrative fees the City has incurred, and to work towards finding a solution.

Commissioner Ortega questioned why the City was picking only two tension points when others have been discussed.

Amendment failed 2-3 (Huffman, Ortega and Chair Wicklund opposed).

Commissioner Ortega called the question.

Motion carried 3-2 (Grant and McClung opposed).

Public Hearing

None

New Business

None

Development Director's Report

Director Perrault had no report.

Administrative Director's Report

Director Olson commented on the joint agreement being pursued between the County and Xcel Energy for Rice Creek Commons.

Commissioner Updates

None

Future Meeting Schedule

The next meeting will be Wednesday, September 19, 2018, at Arden Hills City Hall.

Meeting adjourned at 8:03 pm.

Approved Jonathan Wicklund Chair
Jonathan Wicklund, Chair

10/1/18
Date