

Memorandum:

TO: Mayor Fletcher and City Council Members

FROM: Nolan Wall, Planning/Community Development Director

DATE: July 19, 2017

SUBJECT: Single-Family Residential Redevelopment Concept – Garceau Corner

Recommended Council Action

Staff recommends the City Council discuss the potential for a single-family residential development on the Garceau Corner properties and provide direction on the next steps in the process.

Background

Following the withdrawal of the proposed luxury apartment development by the Beard Group, the City held an open house and invited the surrounding neighborhood to discuss the background and challenges associated with redeveloping the site. Staff heard from many residents that a less dense residential project would be a better fit for the neighborhood. Based on the feedback at the May 3 City Council workshop (see enclosed memo); staff has been in discussions with a potential developer on redeveloping the site into a single-family residential project. However, at this time, the developer is continuing to analyze how to construct a viable project and is not ready to bring forward any concepts for review and comment by the City Council. Rather than remove the agenda item, staff thought it would be beneficial to provide an update to the City Council and continue to get feedback.

Discussion

After purchasing the properties and determining the highest and best use of the site that can be delivered by the current market and accepted by the surrounding neighborhood, the City's next step in the redevelopment process is to find the right development partner. In addition, the City Council should consider the following questions:

- What is the long-term vision for this site and the surrounding neighborhood?
- How much additional investment, if any, is acceptable to support the right redevelopment project?
- How important is it to recoup the City's land purchase investment for these properties?
- Is a single-family residential development the right fit for this site?
- Would a single-family/townhouse rental project be acceptable?
- How much density is acceptable, should more be desired for this site to help off-set costs?
- What type of housing should the City be encouraging to meet current/future housing demands?
- Are there other non-residential uses that staff should be pursuing for these properties?
- What type of community engagement efforts should be undertaken before this, or any, potential project is further considered?

Flushing out some of the answers to these questions will help staff and the potential developer, or those in the future, better understand the vision for the site and assess the viability of a project.

Ehlers is working on a preliminary Gap Analysis to determine the viability of a 10-15 lot single-family residential redevelopment scenario, based on the following assumptions as a starting point for any future negotiations:

- Land sale factor of \$25,000/unit
- TIF component to assist the developer or pay back the City
- Up-front clean-up, so there needs to be enough to pay for this cost
- Estimated clean-up cost of \$750,000 – which is a reduction from the amount included in the grant applications, due to less disruption of the site by the proposed project
- DEED and Metropolitan Council grant funds are returned – due to the reduced density and tax capacity

It is worth noting that any changes to these assumptions could have a financial impact on any potential project – some negative, some positive. Staff is continuing discussions with all the grant agencies. At this time, DEED and Metropolitan Council have indicated an amendment to the grant agreement is necessary for any change to the original project and Ramsey County has indicated continued interest to provide additional clean-up funds for a potential project.

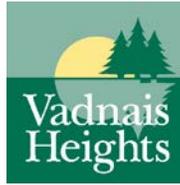
Enclosures:

- Aerial map
- May 3, 2017 City Council Workshop Memo



Nolan W. Wall, AICP
Planning/Community Development Director

651.204.6027 Phone
651.204.6100 Fax
nolan.wall@cityvadnaisheights.com



The City of Vadnais Heights
800 East County Road E
Vadnais Heights, MN 55127

Memorandum:

TO: Mayor Fletcher and City Council Members

FROM: Nolan Wall, Planning/Community Development Director

DATE: May 3, 2017

SUBJECT: Garceau Corner Properties Update

Recommended Council Action

Staff recommends the City Council direct staff on the next steps in the redevelopment planning process for the Garceau Corner properties.

Background

Since the public open house on March 29, the following has taken place:

- New webpage updated with past information and documents.
- Staff received numerous emails and calls from residents concerning redevelopment ideas.
- City Council withdrew the Comprehensive Plan Amendment request to re-guide the properties to high-density residential development.

Discussion

Staff received overwhelmingly positive comments about the Open House and recommends capitalizing on the momentum to keep the community and City Council engaged in an on-going discussion about the redevelopment process and the future of the Garceau Corner.

The following are redevelopment ideas that were raised by the public at the past meetings and feedback since the Open House:

- Hospice care
- Small, multi-tenant commercial building
- Brewery
- Restaurant
- Mixed use, housing on second floor
- Single-family or townhouse development
- Open space/pavilion for local vendors
- Veteran housing
- Two-story multi-family residential development
- Park, with dock
- Sell to St. Paul Regional Water Service/Ramsey County

It is also worth noting that staff did receive several comments in support of the previously proposed luxury apartment development. While the Beard Group was disappointed that the project is no longer moving forward, they indicated they still have interest in partnering on a development in the future.

Staff feels the City Council should consider and discuss the merits of the following options in the redevelopment planning process:

- **Develop a Task Force.** A stakeholder group of 5-7 representatives from the community would work with staff to evaluate various redevelopment scenarios for the site in an effort to build broad community support. Ideally, the group would include residents from the neighborhood and city at-large, local business owner(s), and real estate professional. Liaisons from the City Council and Planning Commission could also be appointed. Staff presented this idea at the Open House and it was well-received. If acceptable to the Council, staff can bring back a formal recommendation for consideration at an upcoming meeting.
- **Hire a Broker.** The City could list the property through a commercial real estate brokerage firm. This would not be recommended until a clear vision for the property is established; however, the broker could also have a role in the education process if included as part of the Task Force. If there is support for this option, staff could schedule meetings with local firms to determine the best fit for the City and make a recommendation to the Council.
- **Hire a Facilitator.** Other communities have hired firms to facilitate a series of discussions with policy makers and other stakeholders to achieve consensus on a redevelopment scenario. Staff reached out to other communities who have undergone a similar process and the Twin Cities chapter of the Local Initiatives Support Corporation was recommended: <http://www.tclisc.org/>. If the Council was interested in exploring this option further, staff could reach out to various firms for more information.
- **Existing Building Conditions.** Currently, the existing buildings are fenced-off from the rest of the site. While fencing provides a deterrent to most criminal activity, the property remains an attractive nuisance that can still be accessed by a determined party. As previously discussed, the existing buildings must remain until an analysis is completed to determine that they qualify as blighted. The Council would then be required to pass a resolution declaring the buildings as blighted and create a Redevelopment TIF District within three years. Demolishing the buildings prior to approving a project jeopardizes the ability to create the TIF District in the future and passes the cost onto the City, but is still possible if the need arises. In the immediate future, the Council should consider whether or not the dilapidated accessory structure on the hardware property should be removed. According to Ehlers, removing that structure may not jeopardize the blight determination for the other buildings.

Staff is looking for Council direction on the next steps in the redevelopment planning process.

Budget Impact

Besides the Task Force, the other options presented will likely have some associated costs. The City has used existing TIF funds to pay for the consultant costs up to this point. Until a project partner and pre-development agreement are in-place, the City will continue to fund the redevelopment planning process.