

## **Garceau Corner Task Force**

### **Third Meeting**

**July 17, 2019**

Attendees: Kevin Watson, Nolan Wall, Cathy Bennett, Craig Johnson, Patricia Youker, Linda Bigelbach, Martin Jokinen, Brian Bergstrom, Ashley Wilke, Ron Garceau, Mark McSherry, Lisa Holisak, Sharon Klumpp, Erik Goebel, Tom Colgan, Jay Chmieleski, Julie Kimble, Peggy Aho, Joe Bergman, Kevin Schief, Cathy Bennett, Jesse Farrell, Dan Hardik.

Cathy Bennett opened the meeting at 6:00 p.m.

#### **Recap of the Second Task Force Meeting**

Bennett recapped the Second Task Force meeting which included: a) History of the site; b) Environmental review; c) Presentation from Ehlers on Financing TIF 101; and d) Background on the City purchase of the site.

Question from Task Force members:

*If in the TIF district we use is it just for that site or does it encompass other properties around it?*

Response: It depends on the nature of the property, there would be more analysis required. If we only include the city property and the property to the north, it would qualify. Anything further than that a blight analysis would need to be done to create a Redevelopment TIF District.

*Would there be any immediate financial benefit to the citizens if doing a TIF?* Response: There wouldn't be any direct financial benefits until the TIF timeframe (up to 26 years) runs out.

#### **Developer Roundtable – Commercial Redevelopment Scenarios**

Julie Kimble, Kimble Consulting, said that she looked at traffic counts and rents in the area. No matter what type of use, the question would be are rents sufficient to support new construction or new renovation of the site. Need to look at traffic counts. There are times when something can be developed that is a destination. Some restaurants pop up that are unique and people come. There is a medical office nearby but generally office rents in this area would not support new construction. Industrial use would be tough especially if it had any types of trucks going in and out. Also retail would be hard because it's not an easy site to find. The ease of finding it and getting to it are not favorable to the site.

Questions / comments from Task Force members:

- *How about mixed use as an option?* Response: Kimble said that mixed use can be even more challenging to put together, and you still would need to have the right combination of uses and sufficient rental income.
- *What impact on value would proximity to the lake bring to the site?* Response: Kimble said that being near some green space could increase the value, but fundamentals would still have to work. It could be an asset to a multi-family dwelling.

Kevin Scheif, restaurant owner, talked about restaurants and locations. Scheif said that there would need to be a destination restaurant at that location. Restaurants are expensive to build. When he looks

at a site he looks at traffic counts. A restaurant costs about \$300 per sq. ft. He said that he is not sure that site could generate enough business. Fast-casual is the only type of restaurant that is growing at this time. The City would have to make it pretty inviting for someone to want to come in and there would need to be community support (people would have to frequent the site).

Questions / comments from Task Force Members:

- *What about a coffee shop?* Response: Scheif said he doesn't think the volume of customers would be enough for a coffee shop.
- *Asked for additional data behind the statements from Kimble and Scheif.*
- *Would the condition of the site turn people off?* Response: Panel replied that even if it was torn down it wouldn't make a difference.

Joe Bergman, Development Manager, Exeter Group, said that the projects that were successful were typically located in high traffic areas and along public transit routes. He doesn't think there is enough people in the City to justify an investment in the property as-is. The building lacks character and there is low traffic counts. He said it may be best to tear it down. Bergman's general analysis of the site is that it would make the most sense as a residential site.

Questions/ comments by Task Force Members:

- *Dog parks with bars are trending right now.*
- *Believe people would come to Vадnais Heights to visit a brewery.* Response was that the challenge with a brewery is that they are strapped for cash and the market is saturated. Most are not very well funded and they don't have the cash to build out a site.
- *If we removed or mitigated some of the environmental constraints would someone be interested in reusing the building and the site?* Response was that it's not enough because the traffic count is not good, does not have locational strength.
- *The community needs a sense of trust with the City during this process.*
- *What about indoor entertainment such as trampoline parks, etc.?* Response was it's about the location.

Planning/Community Development Director Wall said that the City did have interest recently from people that were looking at reusing the building for a brewery. They backed out because of the cost of bringing the building up to code even though they loved the location of the site and the fact that they could tie in some outdoor use. They didn't seem worried about the low traffic counts and visibility but they wanted to rent not own.

Questions / comments from Task Force Members and the Panel:

- May have to spend just as much as new to renovate the space as to reconstruct.
- A project would be constrained by what is there today.
- The longer it sits the faster it will deteriorate. Probably not salvageable three years from now if no upkeep is done.
- There is still a viable structure that can be used.
- *What is the cost to demo it?* Response: There would be remediation work needed in addition to the demo costs.

## **Review and Discussion of Financial Analysis**

Cathy Bennett asked if industrial use would be off the table? The panel said that light industrial might work.

Financial assumptions include land sale price.

Questions / comments from Task Force Members:

- *Who at the City would make the decision not to get back any of the \$900,000 spent on the site?*
- *If the City had to pay back the TIF money, which department fund would payment come out of and how would it affect individual households?* Response: The City would need to levy to pay back the \$900,000 which would mean that the City Council would need to make a policy decision. If the Council were to decide to make the site open space, the City would have to pay back the TIF but if any redevelopment of the site is done, the City wouldn't have to pay back the TIF.
- Important that Task Force and the Council have some kind of communications plan in place once a recommendation has been made. The plan should show how and why the Task Force arrived at the recommendation they did.
- Big unknown is the lake. How to use it, utilize it, and access it.
- Should one of the meetings include a presentation from Ramsey County regarding trails in the area? Need to look at the future of how that site may be integrated with local trails and park space.
- Bennett suggested finding someone to talk about benefits of open space. *Could someone from Conservation Minnesota come in and talk about the benefits of open space?* Response: Yes.
- *What does the City want to get back from this site? Seems that now maybe it's not the goal of the Council to get the money back.* Response: The Council's goals have been to buy it, to redevelop it and to make it nice and recover funds spent on it. But the Council says it needs to listen to the community and hear what they want to try to pursue. There are no preconceived ideas about what the outcome will be. The priority may be to see if there is something that everyone can get behind.
- *Task Force would like to see an estimate of what a levy would look like to the residents of the City.* Response: Staff will provide an estimate using today's market values.

## **Discussion of Future Meeting Topics**

Bennett said that the next meeting will include discussion about residential options: single family, multi-family and a range of specialty senior housing and also a development that would allow access to the general public.

The next meeting of the Task Force is scheduled for August 14 at 6:00 pm.

Task Force members set the September meeting for the 25th and it will be held at the Commons.