



**Roseville Economic Development Authority Meeting Minutes
City Hall Council Chambers, 2660 Civic Center Drive
Tuesday, January 17, 2017**

1. Roll Call

President Roe called the meeting to order at approximately 6:00 p.m. Voting and Seating Order: Willmus, Laliberte, McGehee, Etten and Roe. City Manager and EDA Executive Director Patrick Trudgeon was also present; along with Planning Commissioners James Daire, Chuck Gitzen, James Bull, Julie Kimble, Robert Murphy, and Chair Michael Boguszewski.

Mayor Roe recognized representatives of the Urban Land Institute (ULI) were present who would be participating in tonight's presentation and/or panel discussion.

2. Pledge of Allegiance

3. Approve Agenda

Etten moved, McGehee seconded, approval of the agenda as presented.

Roll Call

Ayes: Willmus, Laliberte, McGehee, Etten and Roe.

Nays: None.

4. Public Comment

5. Workshop: The Minnesota Urban Land Institute (ULI) presentation, "*Navigating Your Competitive Future.*"

Mayor Roe asked Planning Commissioners to introduce themselves; after which he turned the meeting over to ULI for their presentation prior to a panel discussion of those present.

On behalf of ULI Minnesota, Gordon Hughes thanked the City Council for this opportunity for their workshop team and to Roseville city staff in preparing for this workshop. Mr. Hughes asked each member of the team to introduce themselves and provide a brief biography identifying their specific areas of expertise. Those present included Mr. Hughes, retired City Manager of the City of Edina and now advisory with ULI; Mr. Pat Masta with ULI MN, also a commercial real estate attorney and consultant with Briggs & Morgan; Owen Metz, Developer for rental housing with Dominium; Rusty Fiefield, Financial Consultant with Northland Securities; Max Musicant, with Musicant Group consultants; and Cathy Bennett, ULI MN, and former Economic Developer for the City of Roseville.

Prior to the Panel Discussion, Mr. Hughes led in a brief presentation and comparison of Roseville with other communities, including data on demographics, employment and jobs as a point of reference for trend affecting Roseville in coming years; as well as observa-

tions of Roseville from the perspective of developers.

Panel Discussion

A synopsis of the panel discussion included the reality that few Class A office developers are being built in today's marketplace; Roseville has not attracted new multi-family construction that other communities have done; economics of housing that often make new rental housing projected difficult in many settings; major developments occurring in other cities that required strong public/private partnerships; why low density attached housing (e.g. townhomes) are not being built in Roseville; new workforce housing and modern amenities associated with it that may provide a needed component to Roseville's housing stock; increasing trends in rentals as evidenced nationally and locally; and impacts realized with the Great Recession that affected the overall development community. Additional discussion included the high value placed on walkability by Boomers and Next Generation, especially safe sidewalks, trails and other connections to safe and interesting places; modest place-making improvements (temporary or permanent) that may help create vibrant public spaces and opportunities for human interaction especially in SE Roseville; and Roseville's reputation in the development community; and Roseville's vision for the future and reaction to opportunities to create innovative financial tools and their ability to leverage the community's key assets.

Individual comments and discussion among the panel included:

- Rental trends in the market and turnover data for younger age groups and immigrants
- Children taking over parental homes after having been raised in Roseville and frequently moving back as part of Roseville's aging community demographics as well as seen as a positive affect in regenerating the community
- A breakdown of housing types (e.g. owner-occupied versus tenant-occupied) in three categories: single-family detached whether owner- or renter-occupied; multi-family attached (townhomes); and multi-family rentals (apartments); and comparisons between the type and value of them that would attract future generations, some age-restricted and some not
- Why the future economic competitiveness of Roseville is important based on recent survey information on jobs and local labor force
- Industries by employee numbers in Roseville and considered an importer of jobs, with more jobs in the city than resident workers, somewhat lower than in other communities
- Breakdown of where Roseville's labor force comes from and where Roseville residents work; and a comparison of average annual wages compared to median household income, with Roseville also lower than other comparisons in the county, state and peer communities, possibly due to Roseville's heavy employment base in the healthcare and retail fields.
- Former perceptions that the City of Edina was an executive suburb, and the City of Roseville was a junior executive suburb, no longer considered as such by those in the industry VERSUS a perception that Roseville in reality was a mostly blue collar community, and more of an extension of Minneapolis/St. Paul with a demographic shift in recent with new residential development creating more white collar and executive jobs and homes in Roseville

- Peer communities to Roseville considered to be the Cities of Richfield and/or St. Louis Park
- Affordable home prices lower in Roseville due to smaller housing types
- Future transportation (e.g. driverless cars) and transit option impacts to development of the community
- What defines an “urban city” and a “suburb” since the initial concept after the post-World War II war building boom period and current reality and previous developments based on vehicular access versus today’s walkability preferences and convenience to amenities
- Roseville’s status of becoming less a suburb every day as a trend with most inner-ring suburbs.

Further discussion and dialogue included:

- How Roseville fits into the metropolitan marketplace, with recent industrial construction considered good, creating a good tax base and more jobs, some recent hotel/motel construction; but not a lot of office use constructed of late.
- While there has been a huge increase in multi-family units in the metropolitan area over the last few years, why none in Roseville?
- Consideration of the demographics of where employees are coming from and what’s attracting them, and how to address competition from other communities that will continue to increase going forward.
- Consideration of multi-family housing closer to Rosedale Center (not allowed for with current zoning designation).
- The need for flexibility on the part of the City of Roseville for redevelopment and infill development (e.g. outlots or parking lots at malls); and willingness to partner with developers – not with a master plan but with a vision for the future of the community that will attract developers to the community.
- Challenges – and opportunities – of major highways with access to Roseville and how to redevelop as a walkable versus vehicular community.
- More efficient use of office space by many companies versus new construction or redevelopment; and comparably efficiencies in land use to provide amenities for employees in today’s market and for residential uses as well.
- Mixed use not successful without each component able to succeed on its own.
- Financial investments in larger density projects to make them work based on potential rents; creating the need for flexibility by the city in zoning and partnering with developers including investing financially.
- How Roseville sells itself in the future based on community needs and the development marketplace and project viability.
- How to address those Roseville residents ready to move from their current single-family home to a single-level townhome, but not into a senior apartment complex at this stage of their lives.
- How limited land availability in Roseville informs future development and redevelopment by removing barriers, including financial and/or site assembly investments; tax increment financing and creative ideas to send a message to developers that it wants to partner to make a project happen.
- Changing the community’s mentality that by partnering with a developer it achieves a

public improvement whether with housing or area redevelopment or other amenities; by having a tool kit well equipped to deal with today's challenges. This includes not only financial possibilities, but whether or not the city is easy to work with and ready to solve problems with a more creative approach in resolving challenges to a development creating a confident atmosphere for a developer to work in.

- The potential of accessory dwelling units as a housing type becoming more popular and addressing affordable housing for intergenerational living as well as reducing community and family health care costs for caregivers in a close proximity. Consideration of what current restrictions may need to be reviewed to provide more flexibility (e.g. lot size, setbacks, impervious surface coverage requirements) and make them allowable.

Additional discussion included how to approach walkability for the next generation by using existing destinations as social spaces being sought by people used to their electronic lifestyles and now seeking that social interaction. This could include attending events and activities, working with existing shopping centers to make them more social (e.g. Vadnais Height strip mall where a comfortable and walkable environment was created at an existing strip mall creating a traditional main street feel with storefronts and amenities. Costs for such a venture would be less than a major redevelopment; and could operate from a place of strength for developers and users. The city could prime the pump and risk something, or find an early adopter to get things started; and if successful, could then use that test data and results as a case study to show other property owners what could happen. It was noted that grants were available for façade or place improvements, and the city could consider matching programs as it demonstrated results and communicate that data to other interested business and/or property owners.

Discussion included the evolution of how the city could encourage property owners planning façade or parking lot improvements to consider other enhancements versus simply replacement; adding property values as well as redeveloping for the community's benefit.

Further discussion included political capital expenditures as a consideration and how willing local elected officials were to take steps to address and change how Roseville is perceived in the development community through incremental changes and the rationale to support it; misconceptions with some past developments and the reality of why they didn't work (e.g. Costco or Sherman project); and how to move toward responsible investment moving forward.

Additional discussion included how to change the message being presented by the City of Roseville to the world and frame opportunities to develop the values of the community and what it cared about; with those values and aspirations continually reviewed and part of each consideration moving forward; and creating venues for the silent majority to champion efforts within the context.

Positive assets of the community were identified as strong retail; sizable and good quality parks; proximity to both downtowns for jobs; with discussion on how best to connect all of those values for the betterment of Roseville in the future.

With more competition since the Great Recession, it was recognized that there would be even more competition among communities for the same things, creating the need for Roseville to be more proactive to find opportunities with the economic activities involved in development of TCAAP and the SW light rail corridor to both downtowns, all of which could take away from Roseville's capital unless it was positioned to take advantage by having a vision in place and willingness to adapt to change.

Additional discussion included the importance of place-making; responses to the market; consensus building among municipalities and stakeholders and developers; creating a framework for a future long-term vision; and steps to build on each success of that foundation that includes innovation over time, starting with real estate and infrastructure, but integrating places, uses, and programs.

Specific to façade or parking lot improvements, the need to collaborate versus requiring compliance with creative enhancements was noted; with emphasis on the community staying flexible in dealing with developers in the market place.

Further discussion included collaboration opportunities with adjacent communities on the other three borders of Roseville for future redevelopment on a regional basis; and how to make Snelling Avenue an asset versus simply serving as a transit corridor as TCAAP develops and as an amenity versus I-35W with evolution to make it more walkable versus current safety issues for pedestrians along it.

Mayor Roe suggested using the SE Roseville – Rice Street/Larpenteur Avenue multi-jurisdictional collaboration as a building block to look at larger issues beyond Rosedale Center for follow-up conversations for that area. Mayor Roe noted that the Rosedale Center didn't have the same transitional conflicts between single-family and multi-family uses that were evident in other areas of the community. Mayor Roe opined that it made sense to consider MDR in that area that may include some sites that could be considered.

Specific to the political capital and silent majority or vocal minority comments expressed earlier, Councilmember Willmus opined that his experience had been positive even when residents had questioned the City Council at length about a certain project or its rationale in moving a certain direction. Councilmember Willmus stated that his takeaway tonight was that there were a significant number of residents seeking one-level housing with an association or someone handling seasonal outdoor maintenance. With comments heard tonight from the consultants that those projects with lower density would not work without city partnership or financial support, Councilmember Willmus suggested the city reconsider some of its current HDR zoned designations for a lower density use (e.g. LDR-2) to meet that preference.

In conclusion, sample images were presented showing affordable housing being built today with amenities that made it comparable to market rate housing versus past offerings. It was noted that most larger housing projects today needed some type of tax increment financing component to make them work.

Mr. Hughes advised that ULI would be seeking feedback on tonight's meeting, as well as other information as a follow-up to tonight's meeting for dissemination to those participating.

Mayor Roe asked that a copy of the ULI power point presentation be provided electronically for the public and tonight's participants.

A follow-up summary of the discussion was provided by memorandum from ULI dated January 27, 2017 entitled ULI Minnesota "Navigating Your Competitive Future" Workshop.

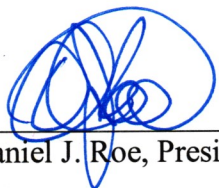
6. Adjourn

Laliberte moved, Willmus seconded, adjournment of the meeting at approximately 8:15 p.m.

Roll Call

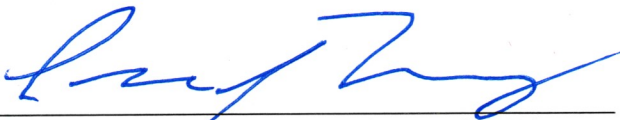
Ayes: Willmus, Laliberte, McGehee, Etten and Roe.

Nays: None.



Daniel J. Roe, President

ATTEST:



Patrick J. Trudgeon, Secretary/Executive Director