



Minutes
Roseville Economic Development Authority (REDA)
City Council Chambers, 2660 Civic Center Drive
Tuesday, October 17, 2017 – 6:00 p.m.

1. Roll Call

President Dan Roe called to order the regular meeting of the Roseville Economic Development Authority (REDA) in and for the City of Roseville at approximately 6:00 p.m. Voting and Seating Order: Willmus, Laliberte, Etten, McGehee and Roe

Present: President Dan Roe and Commissioners Robert Willmus, Tammy McGehee, Jason Etten, and Lisa Laliberte

Others Present: Executive Director Patrick Trudgeon, Community Development Director Kari Collins, City Planner Thomas Paschke, Housing & Economic Development Program Manager Jeanne Kelsey, GIS & Economic Development Joel Koepp; REDA Attorney Martha Ingram with Kennedy & Graven; and Stacie Kvilvang with Ehlers, Inc.

2. Pledge of Allegiance

3. Approve Agenda

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

Ayes: 5

Nays: 0

Motion carried.

4. Public Comment

5. Business Agenda

a. Consider Subsidy Request from McGough, LLC for new Headquarters located at 2785 Fairview Avenue

Community Development Director Kari Collins introduced representatives of McGough Construction for a conceptual presentation as detailed in the staff report and attachments. Ms. Collins noted that the company was within a 45-day due diligence period to purchase the property for their headquarters on the site immediately north of their existing facility; seeking some financial assistance from the city to facilitate locating their headquarters in Roseville. Ms. Collins also noted additional consultant opinions from the city's Financial Advisor, Ehlers and from the REDA Attorney.

Applicant Representative Brad Wood, Chief Operating Officer with McGough Construction

As detailed in the narrative as part of this presentation (Attachment A), Mr. Wood provided a history of this private, family-owned company currently

headquartered in Roseville, with overflow warehousing and employees currently located in White Bear Lake, MN. Mr. Wood reviewed the proposed consolidation of their headquarters at one location. Mr. Wood's presentation included project types the firm was involved in; current and proposed future employee counts based on their regional strategy of growth; location of branch offices in several other Minnesota locations as well as other states; and their firm's experience in Roseville, as well as other options outside Roseville if necessary. Mr. Wood reported that the firm would like to remain in Roseville and expressed their hope that it could happen with the assistance of the community.

Applicant Representative Andy McIntosh, Vice President of Development with McGough Construction

Mr. McIntosh expressed appreciation to city staff and Ehlers representatives in working through this proposed project. Mr. McIntosh reviewed the condition of their current property at 2737 and 2711 Fairview Avenue; with current operations from three separate buildings and locations, proving inefficient. Mr. McIntosh reviewed other options available to the firm in the area, including leasing building; with the preference to stay in Ramsey County and Roseville if possible.

2785 Fairview Building

Formerly known as the "Hagen site," Mr. McIntosh reviewed this building, originally built in the 1960's as a trucking terminal; and put on the market for sale; with a recently reduced price receiving multiple offers, and currently successfully put under contract by McGough with approximately two weeks remaining on their purchase agreement due diligence period.

Mr. McIntosh provided pictures of the exterior and interior of the structure; reviewed features intended to be salvaged and re-used in a portion of the building; while other portions were slated for demolition.

Mr. McIntosh reviewed the checklist as part of their tax increment financing (TIF) application, and previously-referenced Attachments C and D.

Ms. Collins also referenced the checklist and sources and uses in arriving at the subsidy request as detailed in the staff report (pages 2 and 3) for this blighted property; with the proposal to create a new TIF district and capture increments accordingly.

Member Willmus stated his full support of the McGough efforts; and looked forward to working with them to make this work; and thanked representatives for their presentation, speaking to the importance of the firm in Roseville. If and when the project moves forward, Member Willmus advised that he would, as with all TIF and public subsidy requests, be looking to the job creation aspect, noting that this certainly aligned with his perspectives on that.

Therefore, Member Willmus reiterated his full support, encouraging his colleagues to support the request as well, wishing McGough the best of luck.

Member Laliberte also thanked the representatives for their thorough presentation, as well as the written memoranda from Ehlers and the REDA Attorney providing a full picture. Member Laliberte expressed appreciation for the history of McGough and expressed her interest in seeing this come to fruition.

Member McGehee thanked McGough for their presentation and their community partnership and support. Member McGehee stated her interest in the opportunity to retain the firm in Roseville; and asked about geothermal options for this building given their interest in re-use and restoration.

Mr. Wood responded that McGough was one of the key leaders of sustainable building, and were currently reviewing what made the most economic sense; and encouraged tours of the building by REDA members.

Member Etten stated his full support of the request; and upon learning more about Hazardous Site funding, stated his preference to use funds already in the bank before taking more base taxes away from other taxing jurisdictions. With the main interest in using TIF, Member Etten noted that the main focus was for job retention and retaining businesses in Roseville.

President Roe agreed in supporting the request; expressing his pleasure that a site has presented itself in Roseville that would allow retention of McGough in Roseville, that was of importance to all. President Roe noted projects completed by McGough that were of note in the area, and also the firm's involvement in the Beyond the Yellow Ribbon project.

President Roe reviewed next steps with staff and the applicant; with Mr. Wood thanking the REDA for their support in addressing this quick turn-around.

b. Review Economic Development Comprehensive Plan

Community Development Director Collins re-introduced Jim Gromberg, Economic Development with WSB for that portion of the comprehensive plan update. Ms. Collins reviewed the goals and objections for the draft presented tonight and input from the REDA as the advisory entity for this particular Chapter 6 (Attachment B) of the comprehensive plan, detailed in the staff report and attachments.

Jim Gromberg

Mr. Gromberg noted identification and ranking of five key redevelopment sites as displayed on the 2040 future land use map; and asked for input and any adjustments on the priorities for those sites.

Member McGehee asked how much of this chapter or specific requirements were from the Metropolitan Council.

Mr. Gromberg advised that this chapter was one of the recommended sections by the Metropolitan Council to forecast how redevelopment may occur, the city's tools to attract new businesses and their interaction with existing businesses. However, Mr. Gromberg advised that there were no real requirements as with other land use sections of the comprehensive plan, with this chapter being one of the newer chapters recently added.

Member McGehee stated that she found it disconcerting that the various assertions and mathematical work (e.g. median priced homes in Roseville wrong) were not in keeping with what the EDA has discussed for its goals over the years, or that of the City Council either.

While it may be fine to have plan goals as identified, Member McGehee questioned what was written under several redevelopment sites (e.g. Sites 3 and 4) questioning where that description came from, as she didn't feel comfortable with it from a council member or resident perspective. Member McGehee opined that there was a heavy emphasis in the chapter on lower wage jobs; workforce housing, etc. with computations based on the wrong median priced home value which she found misrepresentative. In general, she found the draft overall to not be forward-thinking as laid out or based on community surveys completed over the years with residents stating that they wished to maintain all current amenities.

Member McGehee stated that she had a hard time with this chapter since the Council had asked for an update process. There was unanimity that overall the city was well-satisfied with the existing comprehensive plan and only updates were needed, not a new plan as presented in this chapter. Member McGehee further stated that she was happy with the format of the existing document, providing visions and facts; while this new version recreates that format with objectives and tasks.

Member Laliberte stated that she was not delving into the writing and structure at this stage; but had instead focused on the identified sites. With Site 1, Member Laliberte noted that Twin Lakes had been identified for a long time; as well as Site 2 with the considerable attention being expended for the Southeast Roseville Redevelopment Area.

Regarding Site 3, Member Laliberte noted the considerable dispute about the Har Mar Mall site; previously identified by the Housing & Redevelopment Authority (HRA) as a site to pay attention to, even though people in that area were reluctant to change, and certainly not any intensified density as proposed here and in past conversations in that area. Having participated in walkabouts in that area and in talking to those residents, Member Laliberte opined that

in that area and in talking to those residents, Member Laliberte opined that consideration of more walkable retail space would benefit from more discussion on the general vision for that area. Since this area could serve as the city's main street square at some future point, Member Laliberte noted the interest by residents in more green space in that area as well.

Specific to Site 4 (Lexington and Larpeur Redevelopment Area), Member Laliberte noted that all four strip malls in that area should be included since all were experiencing declining activity and could benefit from a harder look; with Mr. Gromberg and President Roe confirming that all four were duly identified as part of this site. With Site 2 often considered the backdoor to Roseville, Member Laliberte suggested the entire Rice Street corridor also receive attention, especially on the north end.

With Site 5 (Pacal facility), Member Laliberte suggested that would be an interesting conversation to have due to its location and access issues in that area and should benefit from discussion prior to putting it in the comprehensive plan in black and white. President Roe sought clarification from Member Laliberte if her intent was that a different site should receive higher priority than the Pacal facility or if more thought was needed about what the city wanted it to be if remaining a priority. Member Laliberte responded that she considered it needing more thought and discussion about how the city envisioned redevelopment of that site.

Specific to the five sites identified, Member Etten stated his full support for Sites 1 and 2; and while understanding the intensity of use concerns with Site 3, recognized the opportunity to change those uses. However, Member Etten suggested a better term than "intensify" may be prudent; and as Member Laliberte mentioned, the need for better transit and mall connections, all valid as part of the feedback received from walkabouts.

Specific to Site 4, Member Etten agreed that it included the right number of considerations and opportunities, even though some of the strip malls were more or less still functional, opined that it would take a considerable effort on the city's part and expressed his uncertainty that the city was up to that task.

Regarding Site 5, Member Etten suggested more discussion, including staff's thoughts and limited interest by the private market in the currently building unless completely demolished and a new facility built. Member Etten questioned the number of corporations interested in locating on that site given the access concerns.

Member Etten stated his interest in the northern portion of Rice Street as a site as well; and expressed his wish that the city could affect greater change and interest along both sides of that corridor.

Member Etten stated that he was not as concerned about the other additional information included as Member McGehee, making the supposition that the calculations and median home values came from a source, and asked Mr. Gromberg to identify the source material used.

Mr. Gromberg advised that it was part of the computer data system used at WSB as well as census bureau information. Mr. Gromberg advised that in the final draft of the plan, those sources would be called out and identified. From that perspective, Mr. Gromberg advised that the numbers had been found worthwhile in the past and were used frequently in the industry.

Member Laliberte added some additional thoughts:

- Identifying any sites abutting housing to be sensitive and not do economic development in a vacuum since it affects the entire community
- Specific to Site 3, the need to have additional discussion and information about frontage and roadway issues, given the difficulty in navigation across Snelling Avenue from Roselawn Avenue onto County Road B; with no talk about anything regarding Har Mar development that doesn't include those roadway conversations.
- Also, consideration about the organic redevelopment occurring in the warehousing area on Terrace Drive, adjacent to Site 1 (Twin Lakes).

Member McGehee referenced her previous conversations with MnDOT and their plans over the next few years to look at the interchange of Highway 36 and Snelling Avenue. Member McGehee suggested discussion about linkage and possible ways to limit traffic moving between Har Mar Mall and the Rosedale Center. She also suggested such new ventures as an opportunity for increased pedestrian and bicycle safe passage.

For Site 3, President Roe noted the importance of looking at the west and northwest commercial corners of Snelling Avenue as well, and intensifying uses definitely requiring careful consideration as well as the south side of Har Mar Mall and residential neighborhoods. With the intense development due to access to Snelling Avenue, President Roe noted the need to balance residential and commercial uses and factors involved, including pedestrian crossings across Snelling Avenue at County Road B and in other areas crossing Snelling.

President Roe suggested incorporating the Rice Street Corridor as a site or trading it for the current Site 5.

Specific to concerns expressed by Member McGehee, President Roe clarified that the "objectives" and "tasks" were the result of an exercise performed earlier this year by the EDA. When looking at the language, President Roe cautioned using terms like "intensifying" use where concerns had already been expressed by residents. President Roe also suggested not prioritizing these

sites among each other, but simply using bullet points instead of numbers, since one or more may rise to the top before another no matter their priority.

Member McGehee agreed with Member Laliberte about the Lexington/Larpenteur area as an enclave of small buildings and residents that are often overlooked (e.g. Greenhouse Village development), but characterized around smaller, modest, single-family homes on smaller lots while also serving a lot of multi-family apartments. Therefore, Member McGehee expressed interest in not seeing that area develop outside that small business aspect but remain appropriately sized for similar uses and how the community functions in that area, including walkability and sidewalks.

President Roe agreed with the need to service that area and address walkability, suggesting it may be an appropriate area for using mixed use, such as apartments above retail.

In general, Member Willmus stated his agreement with his colleagues. However, Member Willmus called attention to his preference to prioritize these areas, given the limited resources available and to have some context for focus and positioning the city to respond when partners came along.

Regarding Sites 1 and 2, Member Willmus stated that he considered those his priority areas.

Specific to the Rice Street/Larpenteur Avenue area, Member Willmus agreed with President Roe, and referenced past conversations to extend north on the Rice Street corridor up to County Road C-2 on the Roseville side. Member Willmus questioned the need to highlight the former armory site, opining that with proper zoning the site was more likely to redevelop naturally rather than through city efforts.

Regarding Site 5, Member Willmus expressed no concern with including that site to consider commercial/industrial development.

Member Willmus concurred with President Roe's comments to look at businesses on the west side of Snelling Avenue and making connections for better flow, including the Target site as this plan looked long-term as well as satellite locations adjacent to this site to keep an eye on.

President Roe opined that he considered the Pacal site (#5) to be at the lowest spectrum. However, President Roe suggested consideration be given to the area generally along Long Lake Road west and north of County Road C, with some fairly new redeveloped sites along with some in need of attention. President Roe questioned if that area had been considered of if ruled out, sought the rationale in doing so.

Member Laliberte also sought staff input on Site 5 and if that was considered less of a priority or if it should be moved up in priority.

Ms. Collins responded that when staff and the consultants considered particular areas, they were interested in covering various areas in the community. With the Pacal site consisting of an aging building, but representing a huge site ripe for redevelopment, Ms. Collins reviewed the interest to consider what opportunities it could present for the future. Ms. Collins agreed that all opportunities were not identified, and suggested Long Lake Road may fit into one of these opportunity areas. Ms. Collins clarified that the goal of the comprehensive plan in identifying these sites was to make opportunity areas and available tools to redevelop those areas should it occur and how to portray those pieces in the plan.

Following additional discussion, President Roe suggested that a general paragraph be included to talk about potential development and available tools generically and then exclude repetitive language elsewhere and instead reference them to those limited tools available.

Member Willmus suggested that the city remain aware of its limited resources and areas that it could affect and make changes to. Therefore, Member Willmus identified his priority areas as Twin Lakes and the Rice Street corridor as far north as County Road C-2; representing a significant task in and of itself. Member Willmus stated that he wasn't overly concerned with the Lexington/Larpenteur area; but opined that it did make some sense with the area surrounding Har Mar Mall for additional conversations; with less interest from him on the Pacal site.

With transportation and pedestrian health, safety, and welfare concerns expressed by Member McGehee, President Roe noted that some of those issues may be addressed in the Transportation Chapter of the plan update.

In conclusion, and without objection, President Roe indicated that the REDA directed staff and the consultants to focus on Sites 1 and 3, in addition to the Rice Street corridor as economic and redevelopment sites for focus with a statement to prioritize their use through economic development resources. Further, President Roe indicated that the REDA directed staff to consider Sites 4 and 5 as "opportunity" sites with language incorporated such as "the city might consider the use of assistance, provided..." similar to that used in existing policies.

c. Review 2017 Economic Development Activities and Consider Re-Use of HRA Funds

Community Development Director Kari Collins, Housing & Economic Development Program Manager Jeanne Kelsey, and GIS & Economic Development Technician Joel Koepp were present to provide details on

department activities for 2017 to-date and to seek direction for several “next steps” from the REDA.

The staff presentation included preliminary data from the Golden Shovel website (Attachment A); fund balances as of August 14, 2017 (Attachment C); Revolving Loan Fund service through Central Minnesota Development Company (CMDC – Attachment D); and a legal opinion from REDA Attorney Martha Ingram related to HRA tax levies (Attachment B).

Details related to business retention and expansion in the community to-date was reviewed, including ambassador and business visits and staff’s respect for those businesses contacted but declining a city visit; workforce development issues and tools available in the community through partnerships with area schools with direct input by employers seeking employees; major commercial projects that to-date are the second highest commercial new construction valuation in the last decade at \$29.5 million; and the third highest commercial addition/alteration (expansion) valuation in the last decade at \$26.2 million.

Staff reported that twenty-one new construction permits for single-family and/or townhomes had been received, with eleven additional permits in the plan review stage, representing the second highest year in the last decade.

Ms. Kelsey reported on several businesses that staff had worked with through some trouble spots during 2017.

With development and residential projects, Member Willmus asked if staff was able to track how soon those properties were marketed and sold, requesting that additional information from staff (e.g. Wheaton Woods, Farrington Estates, Garden Station) and their price points and if they’re moving as expeditiously as hoped.

President Roe suggested staff prepare a monthly email blast to the City Council about their activities versus only one annual report providing longer-term issues, allowing for a fresher monthly approach.

Instead of an email blast, Member Laliberte suggested a standing document allowing staff to simply plug in new information as the EDA became accustomed to reviewing commercial and residential permit statistics.

Member McGehee suggested something similar to this presentation, with the one page telling it all.

President Roe also suggested success stories other than those highlighted in the newsletter that may be outside the public information realm but still of interest to the EDA.

Member Laliberte also suggested that staff share those businesses they reached out to without response or not interested in a city visit as part of that more frequent report.

Mr. Koepp reported on the success of the department's e-permit launch early in May to provide more business-friendly service provision from the city, with over 450 registered users on site, and approximately 35% of all permits now applied for and issued online. Ms. Collins noted that approximately 50% are also paying online, with contractors routinely establishing accounts online and proving very successful to-date.

Ms. Kelsey reported on business retention efforts, including scheduled Business Council meetings and attendance varying dependent on relevancy of topics. Ms. Kelsey advised that the current meeting site, Affinity Credit Union, would no longer be available in 2018 due to their need for additional training space; and a stabilized new site under negotiation at the Marriott Courtyard Motel. Ms. Kelsey addressed partnership opportunities with area businesses (e.g. Business Exchange) sponsored by both Chambers of Commerce and the Roseville Visitor's Association.

President Roe recognized sponsors of the Small Business Series who have a large part in making it happen.

Business Recruitment

Staff reviewed inquiries being fielded by staff on various redevelopment sites; and reviewed the status of various sites.

Concept Development

Ms. Collins reviewed current vacant properties related to some concept developments; pending staff consultations with other potential developers; and updated the REDA on other pending projects and their status.

Additional discussion included housing projects and their three-stage approach; status updates for the former armory site and PIK terminal; other concept plans pending for various projects; and an update on residential energy audits to-date.

Specific to the Neighborhood and Commercial Enhancement Programs, staff reported on the new effort to perform reviews by areas and no longer segregating residential and commercial properties; and ongoing compliance and success of the program since the community and staff are being more proactive in addressing potential conformity issues representing little cost to the city for abatements to-date.

Program Development

As outlined in Attachment D, Ms Collins sought feedback from the REDA on how best to retool the current multi-family and housing program to serve a broader business/commercial need. Ms. Kelsey reviewed the original intent when seeking out this organization for loan origination and monitoring services, and approved lenders to leverage funds for gap financing for certain improvements or equipment. Ms. Collins reviewed the recommendation for staff and the EDA to talk about when and how a business would qualify for equipment and/or façade improvement loans through the EDA.

President Roe clarified whether staff's proposal was to take the entire multi-family balance and use it for other purposes, or just a portion for that use and the other portion for everything else.

With the current balance (Fund 724) at \$1,645,299, Ms. Collins advised that staff was open to EDA direction, with the idea to put the money to broader uses.

Regarding this particular CMDC organization, Member Willmus asked how they compared in cost structure with other organizations.

Ms. Kelsey noted the difference in this organization than with those underwriting businesses and monitoring their finances to help before the problem became larger; and while offering to perform additional research, advised that this organization was used by the cities of St. Louis Park and Fridley.

Member Etten stated his openness to broader uses, whether through this CMDC or another firm, especially in using the current balance available versus increasing the levy to add new dollars or a new program.

Ms. Kelsey reviewed the only remaining multi-family housing loan (Sienna Green 2) still outstanding at less than \$60,000. Ms. Kelsey noted that the only other use of these funds was to acquire properties on Dale Street to redevelop the former Fire Station site.

President Roe asked if the EDA was open to designating a portion of this fund for grants versus a revolving loan fund.

Member Willmus stated that he wasn't sure he wanted to go with grants, but suggested other one-time monies (e.g. SAC credits) may be used to avoid bigger hits to the bottom line.

Member Laliberte suggested identifying fund priorities by ranking and have further discussion at that time.

Member Etten suggested that the discussion also include how active the EDA wanted to become as a consideration in how to use the money (e.g. grant program option or revolving loan fund only).

Ms. Kelsey identified another option could be to buy down interest rates as another form of a grant; but emphasized staff's desire to work with the EDA on their priorities and how to use the monies.

President Roe opined that it made more sense to lean toward revolving loans first, and grants as a second priority.

Ms. Collins advised that staff would vet entities to ensure the right partner had been identified; and then go from there to prepare additional information for the REDA.

Roseville Priority Plan

Staff reported on the department's ongoing work on the City Council's strategic initiatives as it related to economic development and redevelopment including job creation; attracting new businesses and retaining and expanding existing businesses; efforts in Southeast Roseville for increased public safety and increased connectivity and transportation options; receipt of a Healthy Corridors Process grant with presentation scheduled in November; as well as receiving a highly-energized reaction to the GrowRoseville.com website in an effort to transform economic development imaging in Roseville.

Social Media

After previous discussions to pin down the logo to be used for social media platforms, Ms. Collins reported that staff pinned down four options already being used. Ms. Collins noted the challenges in drawing attention versus identifying text options. Ms. Collins noted the requests from Golden Shovel asking for no text and this attempt to push toward a corporate versus residential audience.

Mr. Koepp provided several examples fitting in various social media platforms and provided six concepts and screen shots for how they would appear on mobile devices. Ms. Collins sought one brand from the EDA for use in this application.

Members McGehee and Etten chose shot #1: the "R" and rose.

Member Laliberte chose the bottom or middle brand: either "GROW RV with the rose," or "RV EDA" with the rose. Member Laliberte expressed surprise that the city didn't have a style guide for the rose; and provided her comments based on her expertise in the communications field and within the industry.

Member Willmus concurred with Member Laliberte and her choice, preferring the RV EDA and rose.

President Roe agreed with the logo in the bottom center, opining that just the “R” didn’t identify Roseville effectively.

Mr. Koepp clarified that this graphic would be confined to social media and would not be uncoupled from the text clearly indicating Roseville, MN.

Further discussion ensued about branding specific to the EDA for corporate branding; with President Roe focusing the decision between “Grow RV” with a rose and “RV EDA” with a rose.

Member Willmus chose the lower middle rose and RV EDA; with Member Laliberte choosing the lower middle option; Member Etten choosing the lower middle with his preference that “Roseville” be made larger and swapped with the size of the rose; Member McGehee stated that she did not like either option and felt the one presented by staff was the best; and President Roe agreeing with the middle option.

Ms. Kelsey advised that staff would attempt to make “Roseville” larger, with a smaller rose icon; while the EDA would also get smaller.

Member Laliberte suggested that “Roseville” be bold, but not necessarily “EDA.”

After further discussion, President Roe suggested that with the general direction provided by the EDA, it allow staff to work with designers on the concept.

Regarding staff’s presentation, Executive Director Trudgeon commended staff on their tremendous job in advancing economic development to-date and expressing his pride in their efforts, particularly those four present tonight: Ms. Collins, Ms. Kelsey, Mr. Koepp, and Mr. Paschke.

President Roe and EDA Members all concurred; with President Roe emphasizing his suggestion for more frequent updates to be aware of those efforts in a timely manner.

6. Board and Executive Director Communications, Reports and Announcements

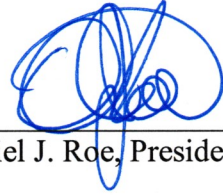
7. Adjourn

Willmus moved, Etten seconded, adjourning the REDA meeting at approximately 8:37 p.m.

Ayes: 5

Nays: 0

Motion carried.



Daniel J. Roe, President

ATTEST:



Patrick J. Trudgeon, Secretary/Executive Director

