

ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 04/20/09

Item No.: 13.c

Department Approval

City Manager Approval



Item Description: Authorize Staff to Continue to Pursue Funding Opportunities for Twin Lakes Infrastructure and Environmental Cleanup

BACKGROUND

In February staff was contacted by Congresswoman McCollum's office regarding needed assistance to facilitate redevelopment in the Twin Lakes area. They had been contacted by the development community and labor regarding how projects such as Twin Lakes create jobs and stimulate the economy. Staff met with the Congresswoman's staff and discussed the Twin Lakes redevelopment area and also hosted a tour of the project area. The Congresswoman's staff was very interested in how they might help facilitate this project. While they were not able to promise any specific financial assistance they are committed to helping us pursue traditional funding sources.

In March we received short notice that an application period was open to solicit applications for the 2010 federal appropriations bill. Staff submitted an application to the Congresswoman's office for assistance with Twin Lakes infrastructure and environmental cleanup. We just recently received notice that their staff is holding a meeting on April 27th at the Fairview Community Center to allow applicants for federal appropriations to pitch their projects. Staff is seeking support from the Council to continue to pursue these types of funding opportunities for the Twin Lakes area. Staff would continue to keep Council apprised of availability of funding opportunities and level of commitment on the part of the city. Attached is an example of the materials that staff has developed to inform potential granting agencies of the issues and opportunities in the Twin Lakes area.

FINANCIAL IMPACTS

There is no immediate financial impact until appropriations occur or grant awards are communicated. Financial commitment on the part of the city can vary per program. The City Council accepts or rejects awards before expenditure occurs.

STAFF RECOMMENDATION

Authorize staff to continue to pursue funding opportunities for the redevelopment of the Twin Lakes area.

REQUESTED COUNCIL ACTION

Motion authorizing staff to continue to pursue Federal Appropriations and other funding opportunities to facilitate the redevelopment of the Twin Lakes area.

- Prepared by:** Duane Schwartz, Public Works Director
Attachments: A. Twin Lakes Redevelopment Area
B. Twin Lakes Environmental Application
C. Twin Lakes Infrastructure Project Application

Background

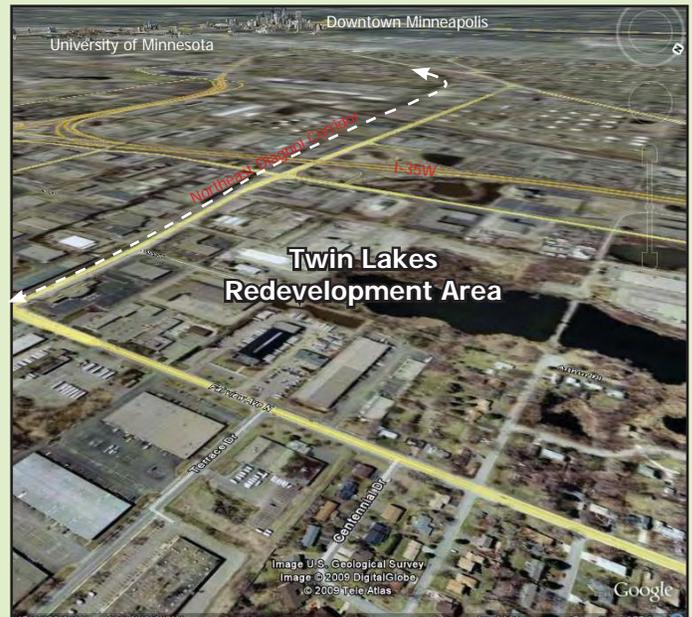
Over the past 20 years, the City of Roseville has worked to facilitate land use change within the Twin Lakes Redevelopment Area. The vision for this area has evolved from a business park in 1988 to a mixed-use area that includes a variety of office, service, and residential uses today. Through the development of a master plan and creation of design guidelines, this area is planned to become a desirable working and living environment with physical connectivity and visual cohesiveness.

Located at an interchange of Interstate 35W, Twin Lakes has excellent access to the regional marketplace. However, due to the area's blighted condition, it has been difficult for interested developers to secure tenants for new buildings or financing projects. Two key impediments to development within this area are the known environmental contamination and the lack of adequate public infrastructure.

Extensive environmental assessment activities have taken place within the Twin Lakes Redevelopment Area. Initiated by both the City and the private sector, these studies have identified widespread petroleum-related contamination and areas of hazardous substances. These findings were not surprising as trucking-related uses predominated this area for forty years. Unfortunately, these studies have not resulted in parties initiating cleanup of this area. Brownfields redevelopment is a paradox in that generally cleanup will not occur without development and development cannot occur without cleanup. To eliminate this barrier, the City would like to initiate the environmental cleanup in this area.

When the Twin Lakes area was initially developed, an internal network of roads was not constructed. The trucking operations accessed the regional roadway network via drives directly onto the county road system. To redevelop this area into the mixed-use area as planned, an internal roadway system is needed to allow internal circulation. Twin Lakes Parkway and Mount Ridge Road will form the east-west and north-south spines for this new road network. These streets are being designed as complete streets to promote safe walking and bicycling and to decrease the reliance on the automobile in the area.

Redevelopment of the Twin Lakes Area is an extremely important project for Roseville. Without the City taking a leadership role in the environmental cleanup and the construction of needed public improvements, redevelopment opportunities within Twin Lakes will continue to languish. The City has received \$528,000 from the Minnesota Department of Employment and Economic



The Twin Lakes Redevelopment Area is located within the Interstate 35W corridor and is only 6 miles to downtown Minneapolis and the University of Minnesota West Bank Campus. The East Bank Campus of the University is 2 miles from this site and downtown St. Paul is 10 miles. Due to the proximity to both downtowns and university campuses, it is one of the prime redevelopment opportunities within the Twin Cities Metropolitan Area.

Development to assist with the implementation of the initial phase of infrastructure construction; however, this is only a small fraction of the \$31 million required to create a “development-ready” site.

The groundwork has been laid...

The City is ready and has the capacity to bring this to completion. The City would like to break ground on Twin Lakes Parkway by July 1, 2009. Actions that have been taken to bring this project to a start include:

- ✓ Twin Lakes Parkway is included the Comprehensive Plan as an important transportation corridor
- ✓ Right-of-way officially mapped for Twin Lakes Parkway
- ✓ State environmental review and mitigation plan completed
- ✓ Roadway contamination investigation underway
- ✓ Roadway design underway with 90-percent plans expected to be completed by the end of February
- ✓ Right-of-way appraisals underway
- ✓ Land acquisition set to begin

Project Benefits

Beyond the anticipated \$150 million increase in market value, redevelopment of the Twin Lakes area will provide many benefits to Roseville. This project creates and sustains jobs for community residents. It also facilitates cleanup of environmental contamination adjacent to Langton Lake Park. By using smart growth and transit-

supportive development principles and green-infrastructure techniques, this project will improve the community's overall environmental sustainability.

Job Sustained & Created

The following job projections are based on development that is anticipated within the Twin Lakes Area.

Short-Term Jobs

	# of Jobs
Infrastructure Construction	315
Building Construction*	3,990

Long-Term Jobs

	# of Jobs	Average Wage/Yr.
Office*	2,350	\$33,000 - \$63,000
Service*	380	\$19,000 - \$27,000

*Estimates based on full build out of Twin Lakes with 790,000 sq. ft. of office, 255,000 sq. ft. of service, and 165 multi-family housing units.



Green Infrastructure

- Includes permeable paving to decrease runoff from paved surfaces
- Uses a stormwater reuse system to capture runoff in below-ground storage chambers so it can be re-used to irrigate landscaping
- Integrates native plants into the landscaping as they can survive winter cold and summer heat, require little irrigation or fertilizer, and are resistant to most pests and diseases, creating a both a low-maintenance and attractive streetscape
- Incorporates landscaped connections between the development and Langton Lake Park



Smart Growth & Transit-Supportive Development

- Supports infill business and residential development in the core metropolitan area, which decreases development pressure on the urban edge—resulting is less urban sprawl
- Maintains community vibrancy through investment in an aging inner-ring suburb
- Allows office and housing densities supportive of mass transportation and opportunity to expand on Metro Transit's park-and-ride investment
- Adjacent to the Northeast Diagonal, a future transit corridor connecting Minneapolis to White Bear Lake
- Supports active living by developing a pedestrian friendly environment with interconnected uses



Brownfields Cleanup

- Eliminates environmental hazards through planned and monitored remediation activities in an area of community concern
- Decreases negative environmental impacts to Langton Lake and Langton Lake Park
- Renews an area known for blight and environmental unknowns to an area of community opportunity



Environmental Remediation

Environmental contamination is well documented within the Twin Lakes Redevelopment Area, but is not fully understood. In the early 2000s, the City, with financial assistance from the U.S. EPA, conducted an area-wide Phase I Environmental Site Assessment and groundwater studies. As the majority of land within this area is privately owned, the City's efforts were limited to publicly owned right-of-way. Property owners have also conducted assessment activities on individual sites. Both City- and property-owner-led investigations have found widespread petroleum contamination as well as areas of hazardous substance contamination in the soil and groundwater.

Soil and groundwater contamination includes:

- Diesel-range organic compounds
- Gasoline-range organic compounds
- Benzene, ethylbenzene, toluene, and xylene
- Volatile organic compounds (VOCs)
- Chlorinated VOCs

To date, the source of the groundwater contamination has not been found.

Without outside intervention, environmental cleanup is anticipated to occur incrementally, prior to project construction. The City created a TIF Hazardous Substance Subdistrict for this area. The income generated by this district is expected to drop below its projection as its value is derived from the existing market value of the properties, which are expected to decrease with the 2010 assessment. The cleanup costs far exceeded the City's ability to pay with the more favorable initial projection, thus the existing gap will increase.

Needed Activities

- Enroll the area into the State's Voluntary Cleanup Program and Petroleum Cleanup Program
- Finalize subsurface of soil and water investigation
- Undertake remedial planning
- Implement action plans

Estimated Cost

\$16 million



Twin Lakes 1974. This area was contaminated because of its historical trucking uses.



Although secured by a fence, people find ways in.



Illegal dumping of rubbish continues to occur.

Infrastructure Improvements

Since the mid-1990s, the City has planned the construction of a new east-west street, Twin Lakes Parkway, and new north-south street, Mount Ridge Road. The City anticipated that this area would be developed by a master developer, who would construct all the infrastructure as part of their project. Based on changes in market dynamics, the City's position is shifting and it believes that it needs to take the lead in implementing infrastructure improvements within this area.

In order to spark interest in the Twin Lakes Redevelopment Area, Roseville initiated the design of public infrastructure. The existing infrastructure is inadequate to meet the mixed-use vision for this area. The City is currently designing the needed water and sewer utilities, streets, sidewalks and pathways, and streetscaping for this area. The new infrastructure will create a vibrant, pedestrian friendly development, setting the tone for future private investment.

Environmental sustainability for this project is also a key objective. To conserve water consumption within the area, the City will use lower-maintenance native vegetation to landscape and is designing its stormwater management system to reuse stormwater for irrigation.

The City would like to commence construction of this infrastructure during the 2009 construction season.

Planned Improvements

- Right-of-way acquisition
- Building demolition
- Twin Lakes Parkway construction
- Mount Ridge Road construction
- Iona Lane construction
- Prior Avenue construction
- I-35W ramp improvements
- Arthur Street improvements
- Sidewalks, pathways, and streetscaping construction
- Sanitary- and storm-sewer and water-main installation

Estimated Cost

\$15 million



The future entrance of Twin Lakes Parkway from I-35W and Cleveland Avenue.



Prior Avenue. Reconstruction of this street will benefit new and existing development.



Planned Roadway Network. Twin Lakes Parkway runs generally east to west and Mount Ridge Road and Prior Avenue run north and south.

Summary

The City of Roseville is ready to move forward with redevelopment of the Twin Lakes area and is seeking assistance from the federal government to help jump start this project. The transformation of this blighted industrial area to that of an integrated mixed-use development is anticipated to provide:

- \$150 million in new market value and over 2,700 jobs when completed
- Improved environmental conditions on the site and the surrounding area through brownfields cleanup and construction of green infrastructure
- Smart growth and transit-supportive development by concentrating dense development within the core metropolitan area

Over the last two decades this project has been stymied due to known environmental conditions and lack of adequate public infrastructure. Estimated costs for brownfields remediation and infrastructure construction is \$31 million. The City has created a tax increment financing (TIF) district and has worked with federal, state, and regional partners to help leverage funding for this project. TIF and outside resources are often predicated on known development, not anticipated development. Under current economic conditions, the City's ability to finance this project itself or leverage resources for this project is limited.

The City's goal for the Twin Lakes Redevelopment Area is to have it development-ready by the time the economy rebounds. Without outside resources, this goal cannot be met.

Partnerships

The City has developed collaborative partnerships with several government entities during its redevelopment efforts within the Twin Lakes Redevelopment Area. These partnerships include:

- U.S. Environmental Protection Agency
- Minnesota Department of Employment & Economic Development
- Metropolitan Council
- Metro Transit
- Ramsey County



Rendering of the Metro Transit Park-and-Ride facility planned for the corner of Iona Lane and Mount Ridge Road

Project Needs

Brownfields Cleanup	\$16 million
Infrastructure Construction	\$15 million
Total	\$31 million

Contact Information

For additional information, please contact any of the following people.

Patrick Trudgeon

Community Development Director

Telephone: 651/792-7071

Email: pat.trudgeon@ci.roseville.mn.us

Bill Malinen

City Manager

Telephone: 651/792-7021

email: bill.malinen@ci.roseville.mn.us

Craig Klausing

Mayor

Telephone: 651-308-8916

Email: craigklausing@comcast.net

Organization Name:

* Project Name:

Project Contact Information

Pat Trudgeon

City of Roseville

2660 Civic Center Dr.

Roseville, MN 55113

(651) 792-7071

(651)792-7070

Pat.trudgeon@ci.roseville.mn.us

Project Information

- A brief description of the activity or project. (4500 characters or less):

Over the past 20 years, the City of Roseville has worked to facilitate land use change within the Twin Lakes Redevelopment Area. The vision for this area has evolved from a business park in 1988 to a mixed-use area that includes a variety of office, service, and residential uses today. Through the development of a master plan and creation of design guidelines, this area is planned to become a desirable working and living environment with physical connectivity between uses and the surrounding area and visual cohesiveness.

Located at an interchange of Interstate 35W, Twin Lakes has excellent access to the regional marketplace. However, due to the area's blighted condition, it has been difficult for interested developers to secure tenants for new buildings or financing projects. Two key impediments to development within this area are the known environmental contamination and the lack of adequate public infrastructure.

Extensive environmental assessment activities have taken place within the Twin Lakes Redevelopment Area. Initiated by both the City and the private sector, these studies have identified widespread petroleum-related contamination and areas of hazardous substances. These findings were not surprising as trucking-related uses predominated this area for forty years. Unfortunately, these studies have not resulted in parties initiating cleanup of this area. Brownfields redevelopment is a paradox in that generally cleanup will not occur without development and development cannot occur without cleanup. To eliminate this barrier, the City would like to initiate the environmental cleanup in this area.

When the Twin Lakes area was initially developed, an internal network of roads was not constructed. The trucking operations accessed the regional roadway network via drives directly onto the county road system. To redevelop this area into the mixed-use area as planned, an internal roadway system is needed to allow internal circulation. Twin Lakes Parkway and Mount Ridge Road will form the east-west and north-south spines for this new road network. These streets are being designed as complete streets to promote safe walking and bicycling and to decrease the reliance on the automobile in the area.

Redevelopment of the Twin Lakes Area is an extremely important project for Roseville. Without the City taking a leadership role in the environmental cleanup and the construction of needed public improvements, redevelopment opportunities within Twin Lakes will continue to languish.

Please provide comprehensive but concise answers to the following questions: (150 words or less)

* What is the total project cost (from all funding sources and all years)?:

* What amount are you requesting for this project in FY 2010? (Your request should not exceed the amount that will be used in one year.) Input as a number without dollar signs, commas, or decimals.:

* What is your budget for the amount you are requesting for this project in FY 2010? (For example: salary - \$40,000; computer \$3,000; etc...):

* What other funding sources are contributing to this project? What is the amount that each is contributing?:

* Has the potential recipient received Federal funding from any agency in the past five years?:



No



Yes

If yes, specify from which federal agency the organization has received funding. If the organization or proposed project has received a federal earmark appropriation in the past five years please include the Congressional office that submitted the request:

- Department of Justice
- Environmental Protection Agency
- Department of Homeland Security
- Department of Transportation
- Department of the Interior

Organization Name: City of Roseville

* Project Name: Twin Lakes Infrastructure Project

Project Contact Information

Pat Trudgeon
City of Roseville
2660 Civic Center Dr.
Roseville, MN 55113
(651) 792-7071
(651)792-7070
Pat.trudgeon@ci.roseville.mn.us

Project Information

A brief description of the activity or project. (4500 characters or less):

General Project Overview

Over the past 20 years, the City of Roseville has worked to facilitate land use change within the Twin Lakes Redevelopment Area. The vision for this area has evolved from a business park in 1988 to a mixed-use area that includes a variety of office, service, and residential uses today. Through the development of a master plan and creation of design guidelines, this area is planned to become a desirable working and living environment with physical connectivity between uses and the surrounding area and visual cohesiveness.

Located at an interchange of Interstate 35W, Twin Lakes has excellent access to the regional marketplace. However, due to the area's blighted condition, it has been difficult for interested developers to secure tenants for new buildings or financing projects. Two key impediments to development within this area are the known environmental contamination and the lack of adequate public infrastructure.

Project Specifics

Extensive environmental assessment activities have taken place within the Twin Lakes Redevelopment Area. Initiated by both the City and the private sector, these studies have identified widespread petroleum-related contamination and areas of hazardous substances. These findings were not surprising as trucking-related uses predominated this area for forty years. Unfortunately, these studies have not resulted in parties initiating cleanup of this area. Brownfields redevelopment is a paradox in that generally cleanup will not occur without development and development cannot occur without cleanup. To eliminate this barrier, the City would like to undertake comprehensive environmental assessment to fully characterize the level and extent of soil and groundwater contamination and develop the appropriate mitigation plans in order to bring closure to these sites.

Please provide comprehensive but concise answers to the following questions: (150 words or less)

* What is the total project cost (from all funding sources and all years)?:

17000000

* What amount are you requesting for this project in FY 2010? (Your request should not exceed the amount that will be used in one year.) Input as a number without dollar signs, commas, or decimals.:

1000000

* What is your budget for the amount you are requesting for this project in FY 2010? (For example: salary - \$40,000; computer \$3,000; etc...):

Environmental Assessment 500000

Environmental Planning 500000

* What other funding sources are contributing to this project? What is the amount that each is contributing?:

* Has the potential recipient received Federal funding from any agency in the past five years?:



No



Yes

If yes, specify from which federal agency the organization has received funding. If the organization or proposed project has received a federal earmark appropriation in the past five years please include the Congressional office that submitted the request:

-Department of Justice

-Environmental Protection Agency

-Department of Homeland Security

-Department of Transportation

-Department of the Interior