

Garceau Corner Task Force

Fourth Meeting

August 14, 2019

Attendees: Kevin Watson, Nolan Wall, Cathy Bennett, Craig Johnson, Patricia Youker, Linda Bigelbach, Ashley Wilke, Ron Garceau, Mark McSherry, Lisa Holisak, Sharon Klumpp, Erik Goebel, Jay Chmielecki, Peggy Aho, Paul Maenner, Rick Packer and Alice Messer.

Cathy Bennett opened the meeting at 6:02 p.m. She thanked all Task Force members for the making the commitment to attend the meetings. Task Force members not in attendance: Tom Colgan, Brian Bergstrom and Martin Jokinen.

Introductions were made.

Developer Roundtable – Residential/Open Space Redevelopment Scenarios

Ms. Bennett noted that they were unsuccessful finding a market rate developer to participate in the roundtable discussion. She did receive some feedback from one over the phone.

Planning/Community Development Director Wall noted that a developer said that the housing stock in the area of Garceau Corner is attractive and that the demographics might align with people that are ready for a different style of living, going from single family to multifamily.

The developer suggested pursuing two interest groups: empty nesters, and 55 plus. The developer said that the lake may be considered an amenity and that somehow opening up that area to tie into the lake and the regional trails and parks nearby would be a good idea. They commented that a lot of buildings they are seeing built at this time, in this area, are two bedrooms but potential buyers are saying they want 3 bedrooms. They said that parking will be a huge driver of any density housing development, in terms of how many units can be on a site. Underground parking increases the cost of a project. They also thought that the site could support a restaurant, if you found one willing to be incorporated into the development. They said that the northeast metro housing market still has some potential for growth and is not saturated and that a 100 units or more would be the breakeven number.

Paul Maenner, Maenner Properties, said people that when people decide to downsize they like to continue living in the same area. He said that this site is not a retail site anymore. He concluded that this would be a market rate project of some sort. Would need to fine tune the finishes in keeping with what the neighborhood can afford. A 55 plus option is probably one of the more viable options. If the site were to be a senior living facility with services it would need at least 100 units but 125 would be better. This is needed to cover the costs of services and amenities that would be needed. He said he doesn't consider it a good site for senior memory care. He thinks the best option may be senior living facility with services if it could be done affordably.

Question from Task Force members:

If a property is built as a 55 plus property, could it at any time in the future change that designation to allow any age? Response: Do not have experience with that. That may be a question for HUD, depending on financing used to build a project.

How long does HUD financing run for a project? Response: It could be up to 35-40 years.

Could an option be condos? Response: that would be a coop option and they are very popular. They would also want 125 units.

Rick Packer, Gonyea Homes, spoke about mid-density to lower density housing. He said he doesn't think the site is large enough to get critical mass of units. If you were to put a cul-de-sac in you could probably get 8 to 10 lots. He thinks it might be doable to get 8 - 4 single family homes on each road. Cul-de-sacs cost a lot of money to build. He said that new home prices need to be similar to what other homes in the surrounding area are valued at. He would suggest that the City might need to waive a lot of its rules and regulations to keep the development costs low as possible and make it marketable.

Question from Task Force Members:

Would duplexes, multiplex buildings be a viable option for the site? Response: They could be built, but if it's the City's goal to maximize its return of much of its invested capital investment and maintain harmony in the neighborhood, the City should be looking at a higher density project.

Alice Messer, St. Paul Parks and Recreation, said that most properties that are repurposed into parks are done so because they are unbuildable and there is contamination and they spend a lot of money cleaning them up. They also have a plan that looks at system-wide needs. She said that a trends they are seeing is dog parks and different sport sites. Designation play areas and splash pads are very popular. She said that open spaces cost a lot to maintain. She said that this site could potentially be a good trail head if adjacent to County park land.

Questions from Task Force members:

What is the process to turn a property into an 'open space', revitalize it? Response: St. Paul is working on one now and it will cost about \$3 million to redo the parking lot, maintain some of the parking and integrate it with storm water. If it's under a hard surface you would have to remove 3 feet of soil and if turning it back to native you would need to remove 4 feet of soil.

Do splash pads or pools generate a profit or does it need subsidization? Response: Splash pads typically require subsidization, pools may break even.

How difficult would it be for the City to make access from the site to the regional park system by engaging with the County? Response: If it's in the County's horizon, comprehensive plan, they could find funding for a park.

Might the County be willing to work with a developer to integrate the site into the County park system working in cooperation with a developer? Response: That might be a good idea, and the may be willing to work with a developer, perhaps on a trail head which could be a buffer of sorts.

Ms. Bennett reference a memo from Jenna Fletcher, representative of the Trust for Public Land. Task Force member had a rebuttal to Ms. Fletcher's memo and handed it out to Task Force members.

How building a bridge? Response:

Would the county work with a developer to build it in with their property? Response: Haven't seen that happen before.

Ms. Bennett referenced a memo in the meeting packet from Jenna Fletcher, The Trust for Public Land, regarding park open space and the question of whether an additional park is needed in the City.

Questions from Task Force members:

What value would a 55 plus facility bring to the City? Response: Value it brings is it helps the existing population that are living in single family homes transition to new housing and frees up that home to bring in other people to the community.

Is it viable to build a large capacity building or does it come down to the purchase price of the property? Response: the land in a community, say a 100 unit apartment building, the land is a small component.

City Administrator Watson reviewed the financial impact if the land were to become a park. He said that if the decision is to turn the property into a park then the Council would need to repay that money using a tax levy. Not sure if we would have to return it next year or over a few years. Watson reviewed the numbers with four different tax levy increases for immediate payback through one-time levy increase.

Planner/Community Development Director reviewed the Gap Analysis which has been revised showing potential TIF Assistance for various end uses.

Questions from Task Force members:

Would excess of gap be funded by the developer? Response: Yes or by using other grants.

Where would the City get funding to maintain an additional park? Response: The maintenance costs would need to be included in the City's CIP plan and its yearly budget.

Why do we need TIF in order to get someone to build on the site? Response: TIF funds can be used to bring down the cost of a project. The developer takes a certain amount of risk with everything they do, they are putting equity and capital in the front end and expect to get paid back over time.

Review and Decision-Making Process

Will be discussed at the next meeting.

Meeting Recap

Set October Meeting Date

The next meeting is scheduled for September 25 at the Vadnais Commons, and the October meeting was scheduled for October 16 at City Hall.