

**City of West St. Paul
Economic Development Authority Work Session Minutes
August 12, 2019**

1. Roll Call

President Napier called the meeting to order at 6:07 p.m.

Present: President Dave Napier
Commissioners Wendy Berry, Anthony Fernandez,
John Justen, Bob Pace and Dick Vitelli

Absent: Commissioner Lisa Eng-Sarne (excused)

Also Present: City Manager Ryan Schroeder
City Attorney Kori Land
Interim Police Chief Brian Sturgeon
Fire Chief Mark Juelfs
EDA Assistant Treasurer Char Stark
EDA Executive Director Jim Hartshorn
City Clerk/EDA Secretary Shirley Buecksler

2. North Gateway Development Discussion

Executive Director Hartshorn said that we have been working on this development for about ten years. At one point, he said we had a Joint Powers Agreement (JPA) with the Dakota County Community Development Agency (CDA) and removed about seven separate parcels. We had a market study and it showed a mix but mostly affordable type housing. The EDA sent out a Request for Proposal (RFP) but there were no developers interested at that time.

Hartshorn introduced Lisa Alfson, CDA Director of Community and Economic Development, and Kari Gill, CDA Deputy Executive Director/Director of Housing Development.

Ms. Alfson said that the CDA has been working on the north end for the last couple of years. The brokerage firm came back with three prospects but they weren't considered because the CDA's Board of Commissioners directed her and Ms. Gill to pursue a CDA development for this site.

Ms. Alfson said they have a conceptual site plan for a new product that they are working on. Ms. Gill handed out copies of a preliminary sketch for feedback. She said this is a new product for them. They are looking at doing a building with more studios than one-bedrooms, targeted for the single person. On the site plan, she said, is their building – The Dakota. She said they are hoping to do something on the corner as a welcome to Dakota County and West St. Paul but they haven't figured out the signage or monument for that

corner, yet. The proposal is for a 60 unit building, with a mix of studio and one bedroom units. She said they are in the process of defining it at about 50% of median or about \$33,000/year. For two people, it would be just under \$38,000. The rent isn't defined yet but it would be affordable to people at that income level.

Ms. Alfson said they are proposing surface parking, about 90 stalls and about 1.5 to 1. She said they are contemplating doing a flat roof on this building. Most of their senior buildings have had a gable roof so this would be a different look, she said. Also looking to see how many stories should be built, whether it be a two, three or four story building. She said she thinks four would work. Ms. Alfson said they are expected that they will improve the alley along with the project to help the neighbors be more willing to see something happening there.

Ms. Alfson said the plan is in the very preliminary stages at this time. There is a 12 foot elevation difference as you go from Annapolis to Haskell so it creates some challenges, she said. She said they are looking for feedback to see if the CDA should pursue this further and they are looking for feedback on parking, surface, the ratio and the number of stories.

Commissioner Vitelli said he is interested in the project but not in the flat roof for aesthetics. He said he would like to see underground parking and would take advantage of that 12 foot elevation change and utilize it to get some parking underground.

Commissioner Justen asked if there is no possibility of looking at this as a potential mixed use with commercial first floor and affordable housing above. Ms. Gill said they haven't talked with their Board about doing that. Ms. Gill said it has been a bit of a challenge so it would take some discussion with their Board of whether they would be interested.

Commissioner Justen said that part of what we're trying to do on the north end of Robert Street is to try and increase commercial usage. He said we have zoning there and if the houses do anything significant, they have to go commercial. He said it seems our intent on that end of town is to increase commercial so it certainly would make him happier if it included some commercial and said he loves the idea of getting affordable housing in there, as well.

Commissioner Vitelli asked to clarify his comment – if it's only two stories, he doesn't want a flat roof. If it's taller than two stories, he's okay with the flat roof, he said.

Ms. Alfson said looking back to the 2014-15 market study, there weren't enough rooftops on the north end. She said we've seen that from the Sherman project. It might be different if it were a mixed use, she said. She said this is where they've been a little cautious.

Commissioner Pace said he agrees with Commissioners Vitelli and Justen. When you enter West St. Paul, he said he'd like more than a two story with a flat roof. He added that he doesn't want to settle and wants to see something nicer.

Commissioner Fernandez said this is 50% AMI and asked what AMI workforce housing is. Ms. Gill said they do a preference for 50% but can go up to 60% if we didn't have enough applicants.

Commissioner Fernandez said the only thing with the one bedroom and studios is that it's a high volume of turnover. Typically higher than a two or three bedroom type. He asked if they have another project like this with just one bedroom and studios. Ms. Gill said no.

Commissioner Fernandez asked where their funding source comes from. Ms. Alfson said they would issue essential funding bonds, similar to The Dakota.

Commissioner Fernandez asked how long it has been on the market and at what price. Since 2017, Ms. Alfson said, but there was no price, only received offers. Commissioner Fernandez asked if there was anything they felt was credible from these offers. Ms. Alfson said when they came to the EDA previously, it was stated that the City wanted market rate housing, but they got no offers. The three offers they did receive were for affordable housing requiring some sort of subsidy so they thought, if this is what we're getting, then they were more interested in doing it themselves and seeing what the EDA's interest was.

Commissioner Fernandez asked who it is geared towards. Ms. Gill said it is not geared towards senior housing.

Commissioner Fernandez asked if this type of aesthetic would be comparable to what is across the street. Ms. Gill added that one of the things they do is always try to make sure the exterior fits in with the community and it's a benefit to the neighborhood. The interiors tend to be a bit more modest, she said. There would not be a washer and dryer in each unit but there would be one on each floor. She said they would work on the exterior to make sure it's an attractive building.

Commissioner Fernandez asked who the landlord would be; Ms. Gill said it would be the CDA. They would manage and own it.

Commissioner Fernandez asked about what is happening on the other side of the street from The Dakota. Ms. Gill said a purchase agreement was entered into for an assisted living facility development. She said the purchase agreement is going through City approvals now.

Commissioner Berry asked if it's 60 units for a two story, how many units a three story building would have. Ms. Gill said they would probably shrink the footprint. From a management perspective, she said they don't want to make it too large. It's one thing people like about their senior housing project – it's manageable and people know each other.

Executive Director Hartshorn said that The Dakota is 56 units.

Commissioner Vitelli asked if this building would have any wheelchair units. Ms. Gill said they have to do 3% of the units fully accessible per ADA law.

Commissioner Justen said one point we should look at is the neighbors behind there that have had concerns about what was going to happen in this area. They get a lot of Robert Street noise so the height is positive as a good blocker. However, he said we have to consider the site line for their backyards on the joining street will be looking at. Commissioner Justen said we should talk with these property owners about it. He said the neighbors want something other than the empty lot, however.

Mayor Napier said the underground parking would be important and a gable roof would be aesthetically pleasing, especially if it is a two story. Commissioner Vitelli asked how many stories are at The Dakota; Ms. Alfson said it is three with a gable roof.

Commissioner Fernandez said, at minimum, he thinks it would have to be three stories. Two is not enough for him.

Commissioner Vitelli said shrinking the footprint would allow more green space and parking space, so it has its pros and cons.

Commissioner Justen said going to three stories makes sense but if it's going to shrink the building down to half the area, that worries him because we're gap-toothing again. He said it might be worth considering commercial on the first floor and residential on the next two floors, keeping the same footprint. Then we get our three stories.

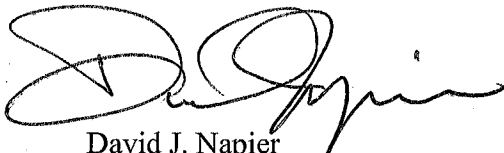
Commissioner Fernandez said if you build up, you have more surface space to look at doing something else. Going back to our renaissance plan that asks for density and height, he said this feeds into that. He said he would prefer three, at minimum, or higher.

Mayor Napier thanked Ms. Alfson and Ms. Gill for coming to the meeting to discuss this project.

3. Adjourn

Motion was made by Commissioner Justen and seconded by Commissioner Vitelli to adjourn the meeting at 6:23 p.m.

All members present voted aye. Motion carried.



David J. Napier
President
City of West St. Paul