

*****THE FOLLOWING NOTES AND DISCUSSION POINTS ARE ALL PRELIMINARY. FINAL COMMENTS WILL BE PROVIDED AS PART OF THE URBAN LAND INSTITUTE FINAL REPORT. INFORMATION IS SUBJECT TO CHANGE UPON GREATER INVESTIGATION AND RESEARCH INTO THE SITE*****

TAP Meeting Notes (Draft 1.11)

Footings and Foundations –

- Leaving the foundations and footings in the ground does affect the ability to redevelop the property.
- Developers aren't going to buy the property if they do not fully know the environmental conditions of the property (ie concrete).
- It is difficult to sell property for redevelopment with existing concrete slabs/infrastructure in place successfully.
- The concrete is a barrier or complication in redevelopment (in addition to the tracks and the Mississippi River).
- From a marketability perspective, the more barriers on the property, the lesser ability to get maximum development potential.
- There are some limited, unique structures which have been left in place (those were buried, not used structurally) – ie CHS Field.
- Ford site is unique in being able to use some of the existing foundation...that is not necessarily applicable to the Paper Mill site.
- This site needs to have a complete environmental knowledge before the site can move forward in any development state.

Costs Associated with Redevelopment

- Because we don't know the extent of additional environmental issues, the costs are nearly impossible to compute.
- The cost for due diligence can be \$150,000 plus, which is more than most developer would set aside.
- Not cost effective to wait for the next buyer/developer to determine these environmental issues. Will want to have that done in order to market the property to a developer (timeframe to develop is the issue).
- Investigation and cleanup dollars from DEED may be available.
- The property will be competing against greenfield sites – ie – this site needs to be shovel ready.
- Curb appeal matters.

- Banks don't like to lend money to risky sites

Challenges to the Site

- Access to the site, crossing the rail is a challenge.
- Adjacency to the power plant – is not considered a negative, and can be considered a positive.
- Not a high-velocity market – its going to be occupied by an entity which specifically wants this site (from the area, user-driven, target market who likes the rail, workforce, etc).
- Even in high growth areas (ie St. Paul), industrial properties move when the property is ready for development (clean, etc).

Uses for the Site

- Likely going to be industrial. Grade separation for industrial is not thought to be needed.
- High density residential – may not get the rents needed to offset the infrastructure needed (above grade rail crossing). The river is an amenity for HD Residential. The only meaningful reason to have mf is because of the river/bridge – but may not be enough to offset the costs to develop the site as mf.
- Turning it into a park may not be affordable – will likely need 4+ feet of fill on top of the existing structures to make it useful as a park.
- Ruled out office and destination commercial. Any retail on the site will be a small amount and usually will be there to support the use on the site.
- A marina could be a potential, which could support a small amount of commercial development. May still need a separated grade crossing.
- Northstar/bus terminal at this site? Transit from this spot to Minneapolis may not be a realistic opportunity.
- Separated rail-road crossing would be a daunting cost (even if the RR would allow it).
- City should work with the property owner to work on industrial standards to make it easier to redevelop this site (ie. Outdoor Storage, etc). The shape of the property makes it difficult to develop – being able to work through the challenges with incentives may make it more palatable.

Engagement

- City needs to re-engage with the property owners towards a resolution. Create a plan of action which incentives redevelopment.
- Clarify the conditions of the IUP and agree on the next steps.
- The environmental review isn't done to the city's expectations and per agreements (despite what the property owners may believe after receiving the letter of No Action from the MPCA), the directive needs to be defined and the redevelopment/master plan completed.
- The property owner should engage a real estate professional which extensive knowledge of environmental issues and challenges.
- City should sponsor a DEED grant to investigative environmental issues.
- Craft a path or plan for AIM Development to sell the property for redevelopment
- Property this complex will require some level of public participation in the redevelopment responsibilities (money, zoning amendment, TIF, abatement, etc).

Other

- Number One criteria for CEO's is to live near their business. This site may be attractive to a local CEO.
- -This is not a nationally marketed site. It will be useful for a local user, someone who wants to be (or already in) in the St. Cloud market.
- The rail makes the site unique.
- Industrial can be an interim use for 30-40 years