

# Technical Assistance Panel

## HOST ORGANIZATION APPLICATION FORM

Please provide the following information and supporting materials in PDF format and send via email to: [Aubrey.Austin@uli.org](mailto:Aubrey.Austin@uli.org). Questions? Call the office of ULI Minnesota at (612) 338-1332.

DATE OF APPLICATION: September 22, 2016

LEAD APPLICANT ORGANIZATION: City of Sartell

CONTACT PERSON: Anita Rasmussen

TITLE/ROLE: Community Development Director/Assist. City Administrator

ADDRESS: 125 Pinecone Road North, Sartell MN 56377

TELEPHONE NUMBER: 320.258.7306

EMAIL: Anita@sartellmn.com

*Please attach the following required documents to this application:*

**1. COVER LETTER**

Briefly state the need for a Technical Assistance Panel (TAP), including how the proposed TAP meets ULI Minnesota's Selection Criteria (below).

**2. STUDY AREA SYNOPSIS**

Define the study area and provide a one to two-page description including background information, previous development efforts and their outcomes, and current or future plans and activities (both public and private).

**3. SCOPE OF WORK**

Provide three to four well-defined, answerable questions your organization would like the TAP panel to address for the study area.

**4. DOCUMENTED LEADERSHIP SUPPORT**

Provide a letter from the municipality in support of the TAP process, agreement with the criteria outlined in this application, and the program fee (as determined by ULI MN based upon the agreed scope of work). Letters of support from local businesses, property owners, and/or community-based organizations are encouraged but are not required.

### SELECTION CRITERIA

- Strong local leadership capacity
- A clearly defined scope of work, and three to four well-articulated questions to be addressed during the session
- A clearly defined geographic boundary (a neighborhood, district, corridor, site, etc.)
- Transferability to other communities in the region



September 30, 2016

Aubrey Austin  
ULI Minnesota  
Sent Via Email – [Aubrey.Austin@uli.org](mailto:Aubrey.Austin@uli.org)

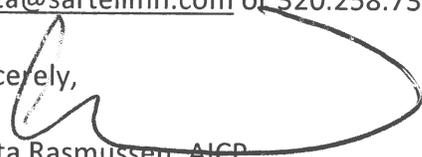
Dear Ms. Austin:

It's with great excitement that I'm sharing with you how a project in Sartell fits the selection criteria needed in requesting assistance from the Urban Land Institute of Minnesota as part of the Technical Assistance Panel program. The City of Sartell is embarking on a land use and redevelopment study for a 38 acre demolished paper mill property located in the heart of our community and along the Mississippi River. The impact of how the City decides to convert this property or how to adjust the regulatory controls is immense due to the high visibility and the general affection for a property that was once the home to hundreds of mill workers for over a century. The property is part of Sartell's history but has the great potential for future opportunities.

In the subsequent pages, you will begin to understand why our project fits the selection criteria needed to ensure our project is considered including a resolution of support by the Sartell City Council applying for the ULI TAP, four clearly defined questions we wish to have the panel explore, a clearly defined 68 acre former mill property and the transferability of the knowledge gained from reviewing the redevelopment potential on a former industrial site along the Mississippi River.

We look forward to working with the ULI TEP on this incredibly important project for Sartell and central Minnesota. Should you have any questions, please do not hesitate to contact me at [anita@sartellmn.com](mailto:anita@sartellmn.com) or 320.258.7306.

Sincerely,



Anita Rasmussen, AICP  
Community Development Director/Assistant City Administrator

### **Study Area Historical Synopsis**

An explosion and fire at the Verso Paper Mill in Sartell, MN on Memorial Day 2012 commenced a massive 5-day fire response event supported by 92 fire departments from across the State. One employee perished in the explosion, and four others were injured. Governor Dayton and Congressional leaders visited the site on multiple occasions during and following the emergency response event.

On August 2, 2013, Verso CEO David Paterson, met with Governor Dayton, Legislative Representatives for Sartell and the Sartell Mayor to convey the corporation's decision to forgo rebuild efforts and to cease permanently operation of the mill in Sartell. He further indicated that efforts to expedite the sale of all assets of the mill in Sartell would commence immediately.

*Job Impact as a result of the Mill closure:* 260 at the time of explosion plus 175 jobs permanently laid off six months earlier (5th largest employer in Sartell); @700 jobs impacted in the timbering industry in northern MN.

*Tax Impact of the Mill closure:* + \$1.1 million in annual property taxes, Sartell and Benton County's largest individual taxpayer

*Utility Impact of the Mill closure:* \$150,000+ in annual water & sewer utility revenues, Sartell's largest utility customer

Verso announced on January 29, 2013, that all assets of the mill in Sartell would be sold to AIM Development (USA) LLC whose corporate headquarters is in Quebec, Canada. AIM acquired the assets on or about March 8, 2013, for \$12.5 million (\$11.56 million for the plant, \$940K for the landfill site). AIM's expressed interest in the acquisition was to salvage out & demolish all but two buildings down to ground level and then flip the properties for resale.

Demolition at the former paper mill plant site started in August 2013 and is now nearly complete. The current owner, AIM, has indicated an intent to sell all of its holdings associated with the mill property but has declined to continue any redevelopment planning processes or remove the significant footings and foundations which were once part of the 750,000 square foot paper mill.

### **Study Area Synopsis**

The property, also located in Benton County, is approximately 38 acres in size and consists of Heavy Industrial zoned property along a +1/2 mile reach of the Mississippi River. The Draft Future Plan Use Land Use Plan guides the 38 acres for light industrial/office and warehouse. In addition, there's approximately 15 acres of land zoned for B-2 General Business (currently containing an office complex) and parking lot. Land Use Plan guides this site for commercial.

Also adjacent to the site and directly on the Mississippi River, there is a hydroelectric facility owned and operated by Eagle Creek Energy. Eagle Creek maintains an access easement to their facility through the former mill property. There is also a very active BNSF Active Rail Line, which

bisects the industrially zoned areas and the commercially zoned areas. Properties to the east of the former Mill include single family residential (older). The property to the south of former Mill is zoned light industrial and consists of a manufacturing facility which is currently vacant.

As part of the demolition and interim use permit process, the City required AIM Development to be part of the MPCA's VIC program. Through their analysis, the environmental status concluded that the extent and magnitude of the Identified Release (arsenic and SVOCs in soil, cadmium, and lead in groundwater) had been defined and the contamination doesn't pose a risk to human health or the environment, given the current property use (vacant). Given the current property use (vacant) there is no need for removal or remediation.

In addition to the VIC program requirement, the City also required the property owner complete a redevelopment planning process which was initiated in the winter of 2013. Some concept plans, market studies, and general analysis had been performed as a result. However, in early 2014, AIM Development postponed further review and any further planning efforts until after the environmental review was completed.

In the Spring of 2016, there was increasing concerns that the City's official controls relating to the comprehensive plan (2003 and draft 2016), and that the subdivision and zoning ordinance may not adequately address the specific permitted/accessory/interim and conditional uses allowed on I2 properties, including the former paper mill, along with the appropriate standards in relationship to setbacks, height, building materials, screening and other site regulations may be outdated

As a result, the City Council appointed a task force consisting of property owners, Sartell citizens, representatives from the City's Commissions and Council, the development community and other governmental partners to convene a study which will create a vision for the I2 properties along the River, in particular, those properties which are vacant, to determine appropriate land uses (may include master planning), review ordinance standards to determine if there is a need to amend the City's official controls or its comprehensive plan. Also, the City enacted a moratorium (interim ordinance) which essentially halts any new development from occurring on the identified heavy industrial properties, including the former Mill property, to ensure the planning process can proceed without risk.

The moratorium applies to any new uses occupying the I-2 properties, platting, construction, erection, placement, reconstruction, enlargement, or expansion of any new development, not previously approved by the City of Sartell. During the period of the moratorium, applications for zoning permits, site plans, rezonings, land use amendments, preliminary plat, final plat and other permits and approvals related to development shall not be accepted by the City; neither Staff, the Planning Commission nor the City Council shall consider or grant approval of any application for such work shall be issued. The task force had their first official monthly meeting in August of 2016.

### **Scope of Work**

The City of Sartell, along with the appointed Task Force members are requesting the assistance from ULI to obtain some insight, exchange ideas and offer a recommendation on the practical and highest/best land use by evaluating the former paper mill property.

Specifically, The City would like the following questions to be explored:

1. Given the site constraints and market conditions, what is an appropriate land use designation for the property?
2. How can the City and the Property owner maximize the redevelopment potential of the site?
3. Does the current state of the property (recently demolished with existing footings/foundations still in place) affect the redevelopment potential?
4. Will this site be of interest to a state or national market? What is the best way of attracting attention to this opportunity?

**RESOLUTION 64-16**

**RESOLUTION SUPPORTING THE APPLICATION TO THE URBAN LAND  
INSTITUTE ADVISORY SERVICES**

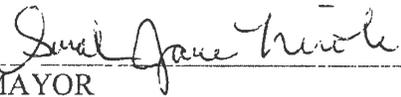
BE IT RESOLVED that the City of Sartell will act as legal sponsor in the application for advisory services offered by the Urban Land Institute of Minnesota and that Mary Degiovanni City Administrator (and/or assigns) is hereby authorized to complete the application to the Urban Land Institute for Technical Assistance Panel advisory services on behalf of the City of Sartell.

BE IT FURTHER RESOLVED that the Technical Assistance Panel is intended to provide unbiased, interdisciplinary panel of volunteer real estate professionals who will assist in the City and the I2 Task Force in evaluating the land use for the former Paper Mill property, along with all other I2 properties and all I2 regulatory ordinances and policies.

BE IT FURTHER RESOLVED that the City has submitted a grant request to the Initiative Foundation of Central Minnesota to assist in covering the \$15,000 (up to) cost associated with the technical assistance provided by the Urban Land Institute.

NOW, THEREFORE BE IT RESOLVED that the City Administrator be hereby authorized to submit an application for technical services execute such agreements as are necessary.

**ADOPTED BY THE SARTELL CITY COUNCIL THIS 11th DAY OF  
July, 2016**

  
MAYOR

ATTEST:

  
Administrator Clerk-Treasurer

SEAL