



FRIDLEY PLANNING COMMISSION

WEDNESDAY, SEPTEMBER 16, 2020
7:00 P.M.

AGENDA

CALL TO ORDER

ROLL CALL

APPROVE PLANNING COMMISSION MEETING MINUTES: AUGUST 19, 2020

PUBLIC HEARING:

1. Consideration of a Plat, PS #20-02, by Harry S. Johnson Co. Inc., to subdivide the Slumberland parcel at 8490 University Avenue to create a new commercial lot on the south side of the existing property.
2. Consideration of a Variance, VAR #20-02, by Harry S. Johnson Co., Inc., to increase the size of the existing free-standing sign on the Slumberland property from 80 sq. ft. to 130 sq. ft., generally located at 8490 University Avenue.

ACCEPTANCE OF MINUTES FROM OTHER COMMISSIONS – THROUGH ONE MOTION

Motion to accept the minutes from the following Commission meetings:

1. August 6, 2020, Housing & Redvelopment Authority Commission

OTHER BUSINESS:

ADJOURN

NEXT PLANNING COMMISSION MEETING DATE:
OCTOBER 21, 2020



FRIDLEY PLANNING COMMISSION

WEDNESDAY, AUGUST 19, 2020

7:00 P.M.

FRIDLEY CIVIC CAMPUS, COUNCIL CHAMBERS

7071 UNIVERSITY AVENUE N.E.

MINUTES

CALL TO ORDER

Chairperson Kondrick called the Planning Commission Meeting to order at 7:00 p.m.

ROLL CALL

PRESENT: David Kondrick, Mark Hansen, Ryan Evanson, Terry McClellan, Mike Heintz, John Buyse II, and Ross Meisner

New members introduced: John Buyse II and Ross Meisner

OTHERS PRESENT:

Stacy Stromberg, Planning Manager
Scott Hickok, Community Development Director
Shane LaFave, Roers Companies
Natividad Seefeld, 1106 Onondaga Street
Kevin and Jenny Warden, 6427 Christenson Lane
Rita Doree, 6141 Starlite
Cindy Schultz, 220 – 67th Avenue NE, stated
Carol Blomberg, 6424 Christenson Lane
Cindy Glynn, 6423 Christenson Lane
Rochelle Zemke, 257 – 69th Avenue NE
Sue, 67th and Jefferson
Mark Gus, Locke Park area
Linda Newprinter, Bonnie Neighborhood, 5700 Block
Terri, Christenson Court
Peter Borman, 157 River Edge Way
Unidentified Speaker
Mitch Nelson, 6551 Second Street
Courtney Rathke, 6270 Jupiter Road

APPROVE MINUTES

July 15, 2020

Motion by Co-Chairperson Hansen to approve the minutes. Seconded by Commissioner Evanson.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY.

PUBLIC HEARING:

1. Consideration of a Rezoning, ZOA #20-01, by Roers Fridley Apartments Owner LLC, to have the property at 6530 University Avenue rezoned from C-3, General Shopping to S-2, Redevelopment District to allow for the construction of a multifamily rental housing building and a stand-alone commercial building.
2. Consideration of a Plat, PS #20-03, by Roers Fridley Apartments Owner LLC, to replat the property at 6530 University Avenue to create (2) new lots to allow for the redevelopment of the property.

Motion by Commissioner Heintz to open the public hearing. Seconded by Co-Chairperson Hansen.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE PUBLIC HEARING WAS OPENED AT 7:20 P.M.

Stacy Stromberg, Planning Manager, stated the petitioner, Shane LaFave, Director of Development with Roers Companies is requesting two land use items to allow for the redevelopment of the Holly Center property, located at 6530 University Avenue NE. The land use items are:

1. *Rezoning Request to S-2, and Subsequent Master Plan* – The subject property is currently zoned C-3, General Shopping and the petitioner is requesting to have the property rezoned to S-2, Redevelopment District. When a property is zoned S-2, Redevelopment District, a master plan also needs to be approved for the site.
2. *Plat* – In order to accommodate the redevelopment of the property, the petitioner would like to create 2 new lots.

Ms. Stromberg stated the petitioner is asking for approval of the above referenced land use items to allow for the construction of a 261-unit multi-family rental housing development and a free-standing commercial building.

Ms. Stromberg stated in 1957, the Holly Shopping Center building was constructed. In 1959 a gas station was constructed on the southeast corner of University Avenue and Mississippi Street. Throughout the 1960's and 1970's there were a wide variety of retail shops that included a grocery store, sporting goods, hardware, camera and film shop, and clothing stores at the Holly Shopping Center. The gas station closed at some time in the early 1980's and then in 1985, the owners of the station worked with the City to demolish the gas station that was on the site to improve traffic flow on Mississippi Street by reducing

entrance points and installing turn lanes. At this time the City liquor store was relocated to the shopping center and the Old Country Buffet opened to help revitalize the center.

Ms. Stromberg stated the site was purchased by the existing owner in 2000. Over the past 10-15 years several well-known tenants moved out of the building, including Old Country Buffet, Snyder Drug, Cost Cutters and SMW Credit Union and the overall condition of the property has deteriorated. In 2018, the existing owner put the property up for sale and in the fall of 2019, Roers Companies started discussing a potential purchase of the property with the owners. Roers Companies has a letter of intent to purchase the property contingent upon these land use items being approved.

Ms. Stromberg stated the City's 2030 Comprehensive Plan guides the subject property as redevelopment and the 2040 Comprehensive Plan that is the process of Met Council's approval process further defines the redevelopment of the site as a mixed-use development of multi-family and commercial.

Ms. Stromberg stated as described by the petitioner, "the University Redevelopment is a transformation of an existing aged retail strip center into a new mixed-use development. The many on-site and in-unit amenities, the proximity to retail and recreational attractions and the ease of access to transportation will make this project stand out in the market. It will include a 4-story workforce apartment community comprising of 261 residential apartments and 189 underground parking stalls and 202 surface stalls. Workforce housing is market rate housing, just not the high-end luxury version of market rate."

Ms. Stromberg stated the petitioner notes that one of the most unique aspects of this project is that it is to target the underserved workforce population of renters. Without sacrificing finish levels and amenities the rent levels in the project will be set at about 80% of what a traditional high-end market rate new construction project would try to achieve. The surrounding area has a large population of renters who have very few options for newer apartment buildings. This project will provide those renters with a new housing option at a rate that will not prohibit entry. It is also a project that will require an income qualification or section 8 vouchers to occupy the building.

Ms. Stromberg stated a free-standing 10,000 square foot commercial building is also proposed to be constructed along the west side of the property, with 87 surface parking stalls.

Ms. Stromberg stated of the 260 units, 67 units will be studios, 109 units will be 1-bedroom, 59 units will be 2-bedrooms and 26 units will be 3-bedrooms. Included in each unit will be a washer and dryer, stainless steel applications, granite countertops, tile backspaces and 9-foot ceilings. Common area amenities in the building include multiple

community rooms, and multiple outdoor patios (one on the top floor with view of the downtown skyline), resident storage areas, a dog wash station, and a game room. Outdoor amenities include a playground, dug run area, seating/gazebo area, and sidewalk connections.

Ms. Stromberg stated the City has received several inquiries over the rents and target market for this project, wondering if this is an “affordable” or “workforce” housing project. Part of the confusion stems from the developer, and others, referring to the project as “workforce housing” without providing a definition.

Ms. Stromberg stated the term “workforce housing” is defined by the Urban Land Institute (ULI) as housing affordable to households earning anywhere between 60% and 120% of the area median income (AMI). In Fridley, that translates to a household of one making between \$43,440 and \$87,360. For a household of four, that translates to incomes between \$62,040 and \$124,800. In total, Fridley households have a median income of 63% of the area median income. To put this in perspective, nearly half of Fridley’s existing households would be cost burdened (paying over 30% of their income) to live in “workforce housing”.

Ms. Stromberg stated the chart below shows the 2020 income limits, based on 60% to 120% of AMI, based on household size, put together by the US Department of Housing and Urban Development (HUD). This chart shows the incomes that meet the ULI definition for “workforce housing”. *The text in red, “63%” is Fridley’s median income.*

| Income Limit | 1 Person HH | 2 Person HH | 3 Person HH | 4 Person HH |
|--------------|-------------|-------------|-------------|-------------|
| 120% | \$87,360 | \$99,850 | \$112,320 | \$124,800 |
| 110% | \$79,534 | \$91,000 | \$102,366 | \$113,740 |
| 100% | \$72,310 | \$82,730 | \$93,060 | \$103,400 |
| 90% | \$65,070 | \$74,450 | \$83,750 | \$93,060 |
| 80% | \$57,920 | \$66,240 | \$74,480 | \$82,720 |
| 70% | \$50,680 | \$57,960 | \$65,170 | \$72,380 |
| 63% | \$45,550 | \$52,120 | \$58,630 | \$65,142 |
| 60% | \$43,440 | \$49,680 | \$55,860 | \$62,040 |

Ms. Stromberg stated the Federal Reserve Bank, HUD, Met Council, and others tend to define “affordable housing” as housing that is affordable to low- and moderate-income households. Low income is typically considered households making 50% or less of AMI, while moderate income is considered those making between 51% to 80% of AMI.

For housing to be considered “affordable” the rent/mortgage payment must be 30% or less of the household’s gross monthly income. The chart below, shows the maximum monthly rent (including utilities) that would be considered affordable for households of different income levels.

| Income Limit | 1 Person HH | 2 Person HH | 3 Person HH | 4 Person HH |
|--------------|-------------|-------------|-------------|-------------|
| 80% | \$1,448 | \$1,656 | \$1,862 | \$2,068 |
| 70% | \$1,267 | \$1,449 | \$1,630 | \$1,809 |
| 63% | \$1,139 | \$1,303 | \$1,465 | \$1,628 |
| 60% | \$1,086 | \$1,242 | \$1,396 | \$1,550 |

Ms. Stromberg stated this project is market rate, non-subsidized, non-rent restricted, with rents that will still be affordable to many in the workforce. The proposed project is aiming to keep its rental rates to approximately 80% of new luxury rental buildings. Estimated rents will range from \$1,100 for an efficiency unit up to \$1,800+ for a three-bedroom unit.

Ms. Stromberg stated in order to not be cost burdened by their housing, a household would need an income of approximately \$44,000 for an efficiency unit, \$48,000 for a 1-bedroom unit, \$63,000 for a 2-bedroom unit, and \$72,000 for a 3-bedroom unit.

Ms. Stromberg stated as stated above, the proposed project will involve the construction of a 261-unit multi-family housing building and a 10,000 square foot commercial building will also be constructed. Based on City code requires, 454 parking stalls is required for both uses. The petitioner is showing 478 total stalls on site, of which 189 of those will be underground, therefore meeting code requirements for parking.

Ms. Stromberg stated the existing site is 366,588 square feet in size and 86% of that is currently covered with impervious surface (building, parking areas). The proposed development includes the construction of 2 storm water ponds and an open space area, which reduces the impervious surface area to 60% of the overall site.

Ms. Stromberg stated access to the site will continue as it is today, with the slip-off from University Avenue and two access points on Mississippi Street. The slip-off of University Avenue has been redesigned and widen to allow fire truck access to the site. The location of the Mississippi Street access points will be modified slightly, but there will continue to be 2 of them. The one that is furthest west will be a full intersection and the one to the east with be a right in/right out only.

Ms. Stromberg stated the proposed multi-family building will be 4-stories with a height of 42 feet 6 inches. The R-3, Multi-Family and the C-3, General Shopping zoning districts requires a maximum height of 65 feet or 45 feet when within 50 feet of an R-1, Single Family zoning district. The petitioner is placing the building to abut the corner of University Avenue and Mississippi Street to achieve a similar feel of the other projects recently approved in the City's Transit Oriented Development District. The building is this location also places the building further away from the residential homes to the north, which will create a nice buffer. The petitioner plans to keep and repair the existing fence and save as many trees as possible along the northern property line.

Ms. Stromberg stated the petitioner proposes to mimic the fencing across the street at Christenson Crossing, with the brick bollards and iron fencing, on the corner and along University Avenue. Landscaping will also be installed along the edges of the development to add visual interest along this prominent intersection.

Ms. Stromberg stated the City's zoning ordinance and official zoning map are the mechanisms that help the City achieve the vision laid out in the Comprehensive Plan. The law gives the City the authority to "rezone" property from one designated use to another, so long as the zoning is in conformance with the Comprehensive Plan.

Ms. Stromberg stated during the 2030 and 2040 Comprehensive Planning process, City staff continued to hear from Fridley citizens that something needs to be done with the Holly Center property. Many concerns raised we related to the condition of the structure, façade, parking, and landscaping. The fact that the site is surrounded by residential properties yet doesn't provide pedestrian access and that the site is also over-parked for the type of businesses located in the building and is therefore used informally as a park and ride site.

Ms. Stromberg stated the Comprehensive Plan's 2030 future land use map designates this area as "Redevelopment." The 2040 Comprehensive Plan that is in the approval process with the Met Council also guides this property as "Redevelopment" and further specifies mixed use multi-family and commercial.

Ms. Stromberg stated in 2016, University of Minnesota students completed a Transportation Study for the City and identified the Holly Center as having a high potential for redevelopment into a mixed-use development.

Ms. Stromberg stated the City encouraged the developer to consider a building with retail/commercial users on the bottom floor of the building, however the current market is showing that this mix isn't always viable, and developers are struggling to find commercial tenants to occupy that space.

Ms. Stromberg stated rezoning the property to S-2, Redevelopment District achieves what the City was hoping to see happen to the property in the last two Comprehensive Planning processes. If the rezoning and subsequent master plan are approved by the City Council, any modification of the site plan would need to go back to the City Council for review and approval.

Ms. Stromberg stated Review and Recommendation is also required by the HRA to the City Council before the master plan can be approved. The HRA has seen the plans and will further review them and the redevelopment agreement at their September 3, 2020 meeting.

Ms. Stromberg stated to accommodate the redevelopment of the subject property, the petitioner would like to create 2 new lots, one for the multi-family housing project and one for the commercial building.

Ms. Stromberg stated Lot 1 will be for the multi-family housing project and will be approximately 313,801 square feet (7.21 acres) in size. The City is still working the Anoka County to make sure enough right-of-way, or an easement is obtained to protect the existing utilities, sidewalk and lighting that currently exists along Mississippi Street. A condition will be placed on that plat to make sure that is resolved prior to final plat approval. Lot 2 will be approximately 52,812 square feet (1.21 acres) in size and will be occupied by a commercial user.

Ms. Stromberg stated the petitioner hired Swing Traffic Solutions to complete a Travel Demand Management Plan. They analyzed the intersection of University Avenue and Mississippi Street and Mississippi Street and East River Road. Each intersection is given a letter designation from "A" representing the best operation conditions to "F", representing the best. Generally, Level of Service "D" represents the threshold for acceptable overall intersection operation conditions during a peak hour.

Ms. Stromberg stated the new development will generate 82 inbound and 121 outbound trips during the morning traffic peak hour and will generate 122 inbound trips and 103 outbound trips during the afternoon traffic peak hours. The numbers are based off the 261-unit multi-family building and a daycare use. If the commercial building is occupied by a commercial user other than a daycare, the numbers will likely go down.

Ms. Stromberg stated In the No Build Scenario and the Build Scenario, each intersection gets a letter grade of "B" in the am and "C" in the pm, so both are and will continue to operate well, according to the study.

Ms. Stromberg stated because of the site's proximity to trails, bus transit and the commuter rail station, the owners of the development will have a Travel Demand Management Liaison on staff that will keep the apartment community aware of travel and commuting options to help limit the amount of parking/driving needed.

Ms. Stromberg stated City Staff recommends approval of the Rezoning to S-2, Redevelopment District, ZOA #20-01 and the subsequent master plan, with stipulations as the Proposed use meets the goals highlighted in the 2030 Comprehensive Plan.

Ms. Stromberg stated City Staff recommends approval of preliminary plat, PS #20-03 as well.

Ms. Stromberg stated City staff recommends the following stipulations on Rezoning and Master Plan, ZOA #20-01:

1. The property shall be developed in accordance with the site plan submitted for "Fridley Multi-Family", page #C2-1, by Loucks, dated 08/12/2020.
2. The exterior building elevations shall be developed in accordance with the architectural exterior elevation's sheets submitted by Kaas Wilson Architects.
3. The petitioner shall meet all requirements set forth by:
 - a. The Building Code
 - b. The Fire Code
 - c. The City's Engineering department – related to grading, drainage, storm pond maintenance agreement, utilities, and utility connection fees
 - d. The City's Planning department – related to landscaping, signage, parking, setback, and sidewalk/trail connections.
 - e. The Rice Creek Watershed District
 - f. The Minnesota Department of Transportation
 - g. Anoka County
4. If the square footage of the footprint of any of the buildings proposed changes by more than 10%, a S-2 master plan amendment shall be required.
5. The petitioner shall dedicate a trail easement along the eastern property line that connects the residential neighborhood to the north to the sidewalk on the southeast corner of the site, if it is determined that the trail connection is required to be solely or partially on the subject property.
6. The parking formula for this project requires that the 189 underground parking stalls are assigned to a rental unit through that unit's lease to assure adequate parking overall on this development site.

7. A shared parking and access easement shall be filed with Anoka County on Lot 1 and Lot 2.

Ms. Stromberg stated City staff recommends approval of the following stipulation on Plat, PS #20-03:

1. Right-of-Way dedication or easement dedication for utilities, sidewalk and lighting shall occur with final plat approval.

Motion by Commissioner Heintz accepting two letters, one from Charles and Melinda Hanes and the other from Elizabeth Showalter. Seconded by Commissioner Evanson.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY.

Co-Chairperson Hansen stated his question is regarding the planned reconstruction eventually by Anoka County of Mississippi Street. He asked whether the City has any considerations for upgrading the street lighting on that in conjunction with this development? Or is that going to happen with the County road project potentially?

Ms. Stromberg replied, that is something which is on the radar of the Council; and the City is hopeful they will be able to combine the two. It is something being talked about.

Co-Chairperson Hansen stated Ms. Stromberg also mentioned the fencing is going to mimic the Christenson Court Development to the south, which will be along University Avenue. As to the screening on the north side of the property, would that consist of primarily the existing trees that are already there and intended to be left in place?

Ms. Stromberg replied, correct. It is the hope, and the petitioner can speak to this further, that they can save as many trees as possible and keep the fence in places where it is structurally sound and replace it where it isn't. She understands from comments from some people in the neighborhood that it is not in the best condition in some places so they certainly will replace it where it needs to be, but trying to keep those big trees is also important.

Co-Chairperson Hansen stated he would like to understand a little better about how the long-term management is intended to happen at this property. Whether the developer is going to be the long-term owner, how that is going to work, and what kind of rental policies they might have.

Commissioner Evanson stated he was also interested in who would be the actual manager of the property. He has heard of some other area properties where if you have

not had the right management company you have a tough time leasing, or where some of those have even then become affordable subsidized housing in order to fill the property. He would like to get an understanding of how the property is going to be managed.

Commissioner Evanson asked do they have any idea of what is going to happen to the existing businesses that currently occupy the Holly Center? Any conversations about where they will be placed? Also, what type of tenants do they imagine would occupy the commercial-zoned property on the west side of the property?

Ms. Stromberg replied, those are best answered by the petitioner. However, from what she understands related to the existing tenants and the existing Holly Center, that is being negotiated between the existing property owner and the tenants. The developer is not in the middle of that nor is the City.

Commissioner Heintz stated they are going to have 261 units. He asked whether there will be a park in there because the closest park would be Jay Park.

Ms. Stromberg replied, yes. Within the middle of the development, there is a park area which will include a tot lot, a gazebo, and picnic areas.

Commissioner Heintz asked whether they will work with staff on creating that or is it just going to be owned by the development?

Ms. Stromberg replied, yes, it would be a privately-owned park.

Commissioner Heintz stated, being there is a park dedication fee and all that, is there a way to make that a public park in case other people want to come and use that?

Scott Hickok, Community Development Director, replied his understanding with the City's parks master plan is the City has a beautiful set of parks, but it has an abundance of parks. For Fridley to take this on as another City park, particularly with the fact that it is wrapped by the private development, he would not hold hopes this would become a public park but instead an opportunity for folks who live in this development to get out, stretch their legs, meet their neighbors, and enjoy some outdoor space.

Commissioner Heintz stated the City in the process of redeveloping parks for the next 10 years, a big project, he is hoping they will work with staff so that they do not do a duplication of something that is in a park near by

Commissioner McClellan stated there is a little service road that runs parallel to University Avenue and you can get into the Holly Center from there. He asked what is the plan for that piece of road?

Commissioner McClellan stated he a little research on the developer and they recently sold a property they built not too long ago. Is that on their agenda? Is this a develop, build, and sell? Also, he referred to the question, who is going to manage the building 5 years from now?

Ms. Stromberg replied the slip-off from University Avenue will remain. The developer has designed it so the fire trucks can have access from that entrance. However, there is another piece of that service drive further north and ideally that would be closed off at the point where a residential neighbor does not need to get to it. That portion of the road is not in great condition and is very narrow. They have not done traffic counts out there, but she is not sure how frequently it is used. There have been discussions with Jim Kosluchar and MnDOT about potentially removing that, adding green space, and maybe fencing.

Commissioner Heintz stated it says that the new development will generate 82 inbound and 121 outbound trips in the morning and 122 inbound. He asked whether that is just for the commercial area or is that for the entire area?

Ms. Stromberg replied, it is for both uses combined.

Commissioner Heintz stated that seems kind of light. If they are going to have 189 underground parking stalls and 200+ above, 121 outbound trips in the morning seems a little low to him.

Ms. Stromberg replied, the petitioner hired the traffic experts and that is the data they provided.

Co-Chairperson Hansen stated part of their stall count for the site plan has to account for people owning vehicles, not necessarily driving them every day, and using transit.

Commissioner Heintz stated but you also have the commercial development especially if there is a coffee house in there.

Mr. Hickok stated the number of units here is very similar to the Cielo Project. The study was done by a traffic expert, and he trusts the integrity of the numbers based on the real-life experience with some of the other developments.

Co-Chairperson Hansen asked Ms. Stromberg if she indicated it was a daycare that was intended for the commercial space or that has not quite yet been determined?

Ms. Stromberg replied the developer has mentioned that it could be a daycare user, but they are not 100% sure. Traffic and inbound and outbound at peak hours would be higher for a daycare.

Co-Chairperson Hansen stated he would encourage some crosswalks through that flow of traffic if that is going to be a daycare.

Commissioner Meisner stated regarding the income levels, this is market rate housing, maybe slightly below like 80% of market rate. When they create new apartments like this, do they expect Fridley residents to move into them or do they generally attract people outside of Fridley to come to Fridley? He is trying to understand the importance of the Fridley income vs. the expected people who might live there.

Mr. Hickok replied, yes, considering the marketplace was an important piece for this developer because one of the things they know from the Comprehensive Plan's planning efforts through time is that a mix of types of housing for Fridley was very important. This is an entrance into the market and the type of housing the City does not necessarily have in this price category. There are a number of different things we're seeing in the market place, one, a generation of occupants who uses transit more, uses bikes more, more pedestrian travel modes and that really do not care to do the home and lawn maintenance, etc. but rather be out and mobile.

Ms. Hickok stated in Fridley they have seen an out migration of folks to other cities because we haven't had those opportunities. Kids grow up in town, they love the town, churches and the stores and proximity to things; but there have not been opportunities here. They would anticipate a fair percentage will be a pent-up market that has not had this kind of opportunity before. Again, the developer will probably have an even better answer than that.

Commissioner Meisner stated as to other modes of transportation, the bus stops. If people want to take buses, they have to either cross Mississippi or University coming or going if he recalls correctly?

Ms. Stromberg replied, correct.

Mr. Hickok stated it is important to note that right now the City is starting to implement the things learned through the University Avenue corridor study. That study talked about the aesthetic along the corridor but also about the importance of safety along the corridor.

Some of the City's intersections are really being closely studied right now for what improvements can be made for both Mississippi and University to make it safer and easier for pedestrians and bicyclists to cross, as well as just safer for cars.

Mr. Hickok stated lighting is one part of the equation and increased pavement at the intersections. There are several different things being studied. Right now is a very good time because Anoka County is working on the Mississippi piece of it and MnDOT is working on the University Avenue piece of it. They are going to see other things outside of the boundaries of this fence line probably at that intersection relative to Commissioner Meisner's question.

Shane LaFave, Roers Companies, stated as they designed the site they tried to be really conscious of the surrounding area especially the neighborhood to the northwest and to try and push the building as much as they could to the intersection, leaving that buffer with the trees and the fence. Repairing the fence as much as needed.

Mr. LaFave stated Roers manages all its own projects. Their property manager is called, "Core Living". They have employees who are on site, daily. They would intend to manage this for the long term, and do not plan to sell. They have sold a couple of properties in Minneapolis but that has been in part to everything going on and seeing some people exiting some of those locations. Every time they do a development the long-term plan is to be in that neighborhood, own it, manage it, for 10-15 plus years. That would be the same plan they have here. The same people who develop it will transition it to the management team and will be on it for the long term.

Chairperson Kondrick asked whether they would have an on-site manager there?

Mr. LaFave replied, yes, they will have multiple staff. In a building of this size, you are looking at a staff of about 5 full-time who are there 40 plus hours a week. On-site maintenance and management as well.

Mr. LaFave stated on the commercial side of the project, they did envision this as a potential daycare use; and he thinks they would still prefer to have that. They have been out to the market to several different providers and businesses. So far no one has committed or been interested. They will continue to market it that way but, if someone else comes to the table with a different use that is also complementary to the residential building, they are open to that. It is not set in stone what that building or user has to be. Given the market they are in right now, it is a little tougher than it was six months ago to bring people in; but they will continue to pursue retailers, daycare providers, and whatever is a good complementary use for a building of that size.

Chairperson Kondrick asked, how tall will that commercial building be? The same height as the other building?

Mr. LaFave replied, no, it is technically a one-story building with some additional height being that it is a commercial space.

Mr. LaFave stated workforce housing is really a more specific term for a type of market rate housing. This is not subsidized housing; the rents are not subsidized by the government. This is not Section 8 housing or Section 42 housing. This is market rate housing but with kind of a specific target group in mind, and really that group is those that may not earn quite enough income to go into some of these new ultra-luxury market rate new construction buildings that are being built.

Mr. LaFave stated their hope is that the main residents of this building are Fridley residents. Given the size of the building he is sure they will probably pull some people from surrounding communities as well. From what they have seen in Fridley, there are several older apartment buildings and naturally occurring lower rental rates just because the buildings have aged so much.

Mr. LaFave stated this is designed to give a new construction option for those who have incomes that fall within the range that Ms. Stromberg mentioned. It is just a specific type of market rate housing. There are no requirements to get into the building and you do not have to income qualify. They are really trying to have more outdoor amenities. More usable space for a playground, dog park, outdoor seating, more trees within the site. They want to create places for the residents to get out to meet each other and form a community.

Chairperson Kondrick asked, if they get the go ahead on this, when would they start construction?

Mr. LaFave replied, the idea would be to try and start this year, late fall, or early winter.

Commissioner McClellan asked Mr. LaFave what their estimated cost of construction would be?

Mr. LaFave replied, the total development cost for something like this is usually about \$200,000 per unit so a little north of \$50 million for total cost, including acquisition, architects, etc.

Co-Chairperson Hansen asked whether they have rental policies in place? How will they manage the interaction between different people who live there? Most of the folks here just want good neighbors in the long term.

Mr. LaFave replied, as to the policies they have in place on the management side, they do 12-month or longer leases. They are very pet friendly. They do not allow smoking within their buildings. They very much encourage people to use the community amenities spaces. They have lots of community space set aside on the first floor, multiple different rooms on the upper floor of the building there is a separate top floor deck.

Co-Chairperson Hansen asked whether they do any background checks on people who might be applying to live there?

Mr. LaFave replied, they do background checks. There is an application process that has to happen before they allow someone to move into the building. They will follow all the State guidelines and comply with those. There is a criminal history background and credit check that goes along with living in their communities.

Commissioner Evanson asked, to build this site, looking at the northwest community, there is a fence there now and there are trees there. He asked Mr. LaFave whether they expect to be able to keep those trees?

Mr. LaFave replied, the plan to keep as many as possible. The only ones they would not be able to keep are those which have real extensive root systems that might traverse all the way into where parking or a roadway would be. Assuming those root systems do not go all that way, they would keep every tree they can and keep the fence where it is viable and repair or replace other parts. They are very cognizant about having that boundary and border there, and to have that border as green and natural as it can be. They have no desire to try and mess with that to the extent possible.

Commissioner Evanson stated and that fence is on this property, it is not fencing on the private property?

Mr. LaFave replied he does not know where exactly it falls on the property line. His engineer, who is here, would probably be better at answering that question.

Mr. Hickok stated it is largely on the developer's property. In fact, a large part of it is about a foot in from their property line.

Commissioner Evanson stated there are 189 underground parking lot spots for 261 units. Some units will not have an underground spot. He asked whether they are tied to the units or do people just get the underground parking spots if they are available?

Mr. LaFave replied, they have done it multiple ways. The way they usually land on is the first people to lease, get the option to have an underground stall and so on, until all the spaces are filled up. They usually put a cap on it, so it is like a one per bedroom unit, would get one space. They cannot come in and say they want five. They have a limitation based on what kind of unit and how many bedrooms they are renting. However, it will be on a first come, first served basis.

Chairperson Kondrick asked Mr. LaFave how many elevators will there be?

Mr. LaFave replied, there are like four. He believed two separate stations in the building. The architects, Kaas Wilson, is also here to answer any questions.

Commissioner Buyse stated speaking to some of the letters of concern that were submitted, he asked whether there are any confidences Mr. LaFave can give those residents whether if a tree had to be taken out that a replacement would be found? A suitable replacement that would help with the privacy for the residents and the development?

Mr. LaFave replied, it goes back to this is not something we are going to build and sell and manage long term. They are coming into this neighborhood as neighbors and part of the community. If they have a relationship where you are having to call the City all the time and complain, he does not think anyone is winning in that scenario. They would like to be good neighbors and be understanding of what exists and not make it worse.

Mr. LaFave stated in the grand scheme of a development of this size, if they have to take out a couple of trees, they are certainly going to want to put new ones in. They are going to want to keep that relationship for the long term and not just have a short-term construction mindset on the whole thing. It is in everyone's best interest to create the boundary that everyone wants. They are not trying to impose on the enjoyment of your backyard or private gatherings. They do not want that to be a nuisance to everyone who has already been there before them.

Commissioner Buyse stated that is a good answer and with all due respect that is an intention. That is not a promise.

Mr. LaFave replied that is understood.

Mr. Meisner stated there is an increasing trend of electric vehicles and wanting of charging stations. He asked if that is in the plan now for the parking stalls?

Mr. LaFave replied, yes, they usually designate a certain number and it seems to be growing all the time. They will put high voltage receptacles in front of a certain number of parking stalls to have the option to plug in a vehicle.

Natividad Seefeld, 1106 Onondaga Street NE, she has been the president for almost 11 years of Park Plaza Cooperative. They are a manufactured resident-owned community that in 2010 went up for sale. They received their letter saying you are going to be sold and here is your opportunity to purchase. They took that opportunity, along with Rock USA and North County Foundation to marry their land to their homes. That is now secure, and they will not be displaced.

Ms. Seefeld stated they have over 900 communities in this state, with the lowest rent available currently in the State. As an advocate for housing and speaking before 500 plus people at the Capital for Homes for All, is project is not Homes for All. She was reading on here what the criteria is for their income. She has a good job but if she had to live anywhere else, she would not be able to afford to live in this project. Plus, she would need a three bedroom and it currently states on there that your income has to be extremely high to do that.

Ms. Seefeld stated this would be the third set of medium to high income community that have been built here in the City, including the development next door. The one on University and now the one at Holly Center. She has spent 30+ years in Fridley and watched it grow and change, and low-income families no longer have a place in the City; and they are seeing it get worse as it grows. She knows the Comprehensive Plan calls for a lot of change, but what does that mean for all the residents who are living here currently? They are aging out; she is turning 60 and currently has cancer. What would happen if something happened to her and she was in one of these apartments that cost \$1,100 starting for an efficiency and way more for a three-bedroom. She would lose her space, or she would not make it anywhere else at that point. We are all a paycheck away from losing their jobs and housing. This is not helping the City of Fridley.

Ms. Seefeld stated she does not know how she is supposed to feel because she is such a big advocate for housing. This is one that she would never advocate for in any way, shape, or form. She was in St. Paul twice this past week, and tents are growing. People are homeless. The homeless here is huge. Winter is on its way. COVID is here. People cannot afford to live in housing like this.

Jenny Warden, 6427 Christenson Lane, stated they live right across the street and have a different viewpoint maybe than others do. The whole market rate housing sounds like it could be a workable thing. But who knows, that isn't guaranteed, in ten years it could be Section 8 housing? Is it going to reduce their property values? Those are the questions she has. In addition to that, there is the traffic flow. They are saying 122 more in and outs in the morning or whatever. They sit in their driveway and see the traffic on Mississippi now and it is very busy. To add 261 units is going to make the traffic on Mississippi unbearable. The road does not support it and is not built for it. To add that many more units to the area is going to make the traffic a nightmare.

Ms. Christenson stated in addition to the traffic problem, the new building is going to be an incredibly huge eyesore. There is going to be a monstrosity of a building they are going to look at every day instead of a one-story small strip mall. There are a lot of things that need to be considered in this. She does not think this is good for the area and it is set up for the project of this magnitude. It is way too big for the area, and the community can't support it.

Kevin Warden, 6427 Christenson Lane, stated he wants to know where are the traffic numbers coming from? Are they assuming one person for each unit, because some of the units have three bedrooms, so there will be an increase of more than 100 new trips. Are they saying that the people that are going to be living there are not going to be working? He does not understand that number. It seems that number was fabricated to make the Commission happy. He understands that is what a developer does. He tells you things that make you happy. The reality is he assumes that two people out of that household are going to be moving. That means there are going to be 500 people moving in the morning and 500 people moving in the evening. That number is not even realistic.

Mr. Warden stated let alone that they do not know what is going to happen with the property in the future. Who know if they'll be a management company talking care of the property, who knows if they'll mow the lawn. Nobody is going to use the open space; the developer is telling the Commission what they need to hear to let them develop this.

Chairperson Kondrick stated what is saying is interesting. He was involved in Christenson Crossing, the development you live in when it was proposed to be developed. People said the same thing then about your development. It was a Dairy Queen and a dry-cleaning place and now it's a beautiful place to live. They were told things the same things, about traffic counts, access, and concerns about the management company and that is why it is interesting for him to hear what Mr. Warden is saying, because his development turned out to be a good thing for the City will little to no issues.

Mr. Warden stated but they are talking single-family housing compared to apartments. There is a whole zoning difference here. They know what happens with apartments.

Chairperson Kondrick stated traffic counts have been taken, and they have to rely on that information from an expert in their field on what is going to go on here. They did the same thing for Mr. Warden's property when it was proposed to be developed, people were saying that's too many places, you won't be able to get out, you'll have to go down by RAO; they are never going to get out of there.

Mrs. Warden stated but our development is 54 units in their complex, and now you add 261 more.

Mr. Warden stated and not just small units. There is not even enough underground parking to support the building. Some apartments have three bedrooms. Where are you going to park the other two people who are living there. If you take the numbers here and multiply them, say, two on average, there are 500 parking spots needed?

Mrs. Warden stated it just seems it is a square peg being forced into a round hole. Why don't they consider 150 units instead of 260? We have too many apartments, with Cielo down the road and the other building down at the train station, we do not need anymore.

Mr. Warden stated why don't they redevelop this commercial piece of property and with more commercial? We want to have places to go and eat and a place for the community. That is what they need here. Not another megaplex of "we don't care". If the Commission thinks this is a great idea, that is a mistake.

Mr. Warden stated Ms. Stromberg said by 2030 or whatever this property was already supposed to be redeveloped but the City is taking the first offer. Between now and then there might be a couple other offers which might be a little better. Maybe something a little smaller or a little more community friendly that has some businesses. Nobody even knew the property was for sale and that anything could happen with it. Maybe we should have taken a step back and see if anybody else put's an offer in. The first person who comes in and throws the most money in front of you, it is usually a bad idea.

Mrs. Warden stated and honestly from her perspective and from people she has talked to including neighbors, etc. is they really feel this is far down the pike even without them even knowing.

Commissioner Buyse stated he was wondering how much traffic do they have right now from how the property sits right now?

Co-Chairperson Hansen stated he can probably speak to that to some extent. One of the things that they learned, those of us who participated in the Mississippi Street open houses that Anoka County had, is that traffic has actually went down over the years on Mississippi Street. They are actually looking at reducing the lanes.

Commissioner Buyse stated what he means is do they have a specific number, an estimate, of what it would be if this project went forward. Do they have an estimate of what it currently is with the commercial buildings there now?

Co-Chairperson Hansen replied, from reading the traffic study the trip generation for the apartments is actually going to be less than what they have for the commercial site there today. It is just that it is not a thriving commercial site. However, if it was fully occupied the traffic levels would certainly be very comparable if not more.

Commissioner Buyse stated that is what his assumption would be, that the commercial site would actually have just as much traffic.

Rita Doree, 6141 Starlite, stated she lives in the Sylvan Hills development and is really not immediately connected to the Holly Center. When they bought their house there was some crappy old apartments along there, a gas station, and a Dairy Queen. That was removed for the townhomes and that is okay. Then the Norstar station was built and residents were told there would a daycare center there, coffee shops, and small businesses. None of that happened and now they're building more apartments. And they are tacky, and they all look the same. Everyone one of them looks like a cardboard box with a slap of bricks on it. They got the same thing going down on University - the Cielo apartments.

Ms. Doree stated she has the railroad tracks on one side of her and apartments are being built all around her. What happened to the little neighborhood she moved into, in a single-family home, where the single-family homeowners cared about their neighborhood and took care of their properties. This is wrong, we need businesses here. The Commission needs to do something to invite those businesses here. She does not know what it is going to take, but they did not do it when they promised to do it when they put in the railroad station.

Cindy Schultz, 220 – 67th Avenue NE, stated her concern is they are going to put 400 people in her backyard. She is right on that fence line. She has the nice big trees. Losing any of those trees would be really hard to see especially in the fall and winter when the leaves are down. You have somebody sitting in the four-story looking in her backyard and she is not okay with that. She has several neighbors that are not okay with that. It is a lot of people to put in a little area. No pedestrian bridges over Mississippi. No pedestrian

bridges over University. They are both scary roads to cross as it is. This is not a good idea. It is too many people in a small space.

Carol Blomberg, 6424 Christenson Lane, stated she would like to know whether a study was done on Third Street. She knows they did a study on University and East River Road, but have they done a study on the entrance and exit out of Third Street. Third Street is their only way to get to the east coming out of their neighborhood. Right now, there are many times where they have to wait and wait and wait to make a left-hand turn to get out of there. There is not that much traffic right now coming out of the mall. Therefore, it is the Mississippi traffic that is stopping them. If you have 150 cars coming out of there, they are going to have a problem getting out of their neighborhood from 3rd Street.

Ms. Blomberg stated she is also wondering if with the reconstruction of Mississippi Street if they are going to close it off because there is too much traffic so they'll never be able to make a left hand turn off Third Street. They have lots of traffic that comes out of their area and that is their only way to get out of their neighborhood unless they go out 61st to University, make a left, and then make a left onto Mississippi Avenue. She loves the area she lives in, but it is going to be a whole different setting for them once this gets built. They need to really consider that because it is not going to be good for anybody who lives south of Mississippi.

Cindy Glynn, 6423 Christenson Lane, stated she is an original owner there. She has been following this since they got their letter and has been talking to all people in the area. She's getting that general feeling that people are very upset about this possible decision they are going to make, and she is one of them. She has lived in her home for 22 years and she loves it there. However, every time she turns around there is another apartment building be built. She hates to say this, she does not want to offend anybody, but every time she goes down University and she sees those big brown Cielo apartments she asked, who did this? She likes Fridley and she likes the home are attractive but turning everything into apartments, no. And the people who are next door, they are saying they need restaurants and businesses. They do not need more apartments. If she had a vote it would be no on this.

Unidentified Speaker stated is on Jefferson over by Lake Commons Park and she has mainly the same concerns people have brought up. However, when they talk about Mississippi and when she spoke to the person from the County, they said five years ago that was done. In that time, they made 61st down to a single lane. A lot of people who used to take that area now use Mississippi. And then on top of that Mississippi is going down to a single lane with roundabouts. That is going to slow the traffic down and make additional traffic. That is the only way they can get out of their homes where they are. Mississippi is the easiest way.

Unidentified Speaker, who lives on Jefferson near Commons Park said there are so many new apartment buildings going up in their area. If they look at East River Road right now, they have problems with Georgetown and then the apartments at Mississippi Street and East River Rd, and then River Pointe Apartments, which do have quite a few police calls. Now they are turning University into all apartment buildings which they might be nice right now but a few years down the line when there not so nice, there will be more crime and apartment complex parking lots are good places to hide out. It just seems like the crime will go up if that is all University is. How is that even a welcome to Fridley. People who are not from Fridley, come down University, come down East River Road; and there is nothing to look at, except apartment buildings.

Unidentified Speaker stated Fridley schools are dying because most of their taxes from probably two-thirds of the people in Fridley goes to Spring Lake Park, Anoka-Hennepin, and Columbia Heights. Now they are putting a bunch of people who do not take ownership, because they are going to move every year or so, and those kids go into their school system and they have to be brought up. Right now, if you have kids in school the teachers have to try and bring the kids who are from other cities, other places, up to par to where they are at for teaching. The more people they have coming in and out at different times of the year is also putting a hardship on their schools. She is worried about the crime, how Fridley looks to people coming through the City, and the schools.

Rochelle Zemke, 257 – 69th Avenue NE, stated she was part of many of the four planning sessions for University and she wanted City Hall to be here. However, what she does not recall hearing in any of the sessions is that they wanted more apartments in Fridley. Since it is the Planning Commission's decision to forward it to the City Council, if they were at any of those sessions, they would agree with her that residents wanted more homes. They were super excited when they were going to have more single-family in Fridley and they are all sold. It is something people coming to Fridley wants is owner-occupied, single-family homes. Also, to repeat what others have said about being a welcoming site when driving in or through Fridley, apartment, apartment, apartment is not very welcoming for someone.

Ms. Zemke asked if they knew what the current occupancy is for the apartments the City currently has? Are they building something that maybe they do not need or there is not a need for? It would be great if it could be some sort of owner-occupied type of building because it feels to her that when people are invested, when there is ownership involved, they tend to take better care. They have that pride of ownership. She thanked them for the clarification about the workforce housing as that has been a hot topic in the Friendly Fridley Facebook group. She thanks them also for letting them know these are market rate apartments.

Ms. Zemke stated she encouraged them to not recommend this to the City Council at this time.

Sue, 67th and Jefferson, stated she is not for building this and part of it is for the traffic reason. Another part is they are a throwaway society, and she thought better of Fridley. Why would they do these surveys and people say they want the malls redone, it is an eyesore, and it looked bad. She did not think the citizens knew at that point, that there was talk of tearing it down to build a huge complex. She is all for building something there that looks beautiful. She loves the idea of building a complex that is smaller. The complex will have a park and a dog park and whatever else it gives for their residents, but how does that help other residents? Can they go and use their park or dog park? No, because they are not paying that.

Sue stated there were a lot of businesses in the Holly Center that were given such short notice to leave. You want to do this in such a short amount of time. Let's tear it down and build up this beautiful complex that who knows if it is going to be 100 percent occupancy. Who knows if the road can handle it, it's your opinion there is less traffic now. But they are not looking for opinions, we need facts. They need to know that when the City says this is what is going to be built, and this is what they want there, that this is what is going to happen. Not, okay, we are going to change our mind because that plan did not work out so let's just scratch it, tear up this parking lot, and do something else. They must know as residents they can trust their officials. Everyone in Fridley must have a voice and part of that is, this is a very small space for a very large amount of people. But for COVID it would be very crowded in the chambers. Maybe what they need to do is have a little outside meeting in the parking lot and let the residents of Fridley drive up, give their opinion, then drive off. That way everyone can feel like they are being heard. She is not for it. Please say, no.

Mark Gus, will be in the Locke Park area, stated he has lived in the area over by Totino-Grace High School. He likes the fact they are thinking of places there that will look nice. However, they are talking about rezoning from Business to Residential. They need some places to go shop or eat. Some places for the community so you do not have to hop on 694 and drive 8 1/2 miles down to Lexington Parkway to get to Trader Joes or Five Guys. He was talking to Trader Joes today who said the residents asked them to come to that neighborhood, and that is why they came there. They are one of the most profitable stores in the area. He's like to see some places where you can hang out nearby rather than having to leave Fridley and spend your money in another community. Whether it is schools or the tax base or the quality of living and having places to go. He has a 9-year old daughter and is thinking safety, too, but he knows there are a lot of different interests to consider. Also, he likes the quality of the apartments which might look nice at first but then when it is not owner-occupied, things tend to kind of deteriorate over the decades.

Linda Newprinter lives in the Bonnie Neighborhood, 5700 Block, stated the reason she knows about this meeting is because it was on the neighborhood website. It was not advertised. One person mentioned it; 23 comments later, that is why there are people here. As to this building on the Northstar Train Station, she asked if that was full? Is that area occupied or is that just a wish?

Chairperson Kondrick asked whether she meant Cielo on 61st and University?

Ms. Newprinter replied, no, where the City took away her State Fair parking.

Co-Chairperson Hansen stated the Sherman development.

Chairperson Kondrick replied, the information he can give is these things are going like hot cakes.

Ms. Newprinter asked what is the average cost per unit?

Chairperson Kondrick replied, he does not know that. They had this same thing with Cielo. They said that all the units are going to be too expensive. People are not going to want to go in there. It was all sold out within a year. In any event she is asking questions about the 61st and Main Street.

Ms. Newprinter replied, correct.

Co-Chairperson Hansen stated they are still under construction.

Chairperson Kondrick stated he knows there is a lot of interest in renting there. Both in terms of seniors as well as the lower market development.

Ms. Newprinter stated she just wanted to know whether that building was full, why are they building more, when they haven't even finished one that was already started. Why are they building in the hopes of what is going to happen? She used to love University, now she thinks it's horrible. She is late coming here because she was up in Anoka at the Riverfront Regional Park because it is beautiful. The place was packed, they blocked off the streets because they made it a place to come to.

Ms. Newprinter stated the property taxes are so high here because Fridley is, and she works for the school district, and they are famous for taking in more people. They will take anybody if you want in the district because half of the students in Fridley do not live here. She is not against it, but they do not need more. They need to bring people here to have

a business, to stay here. She left town to find something to do because there is nothing to do here. They need something to attract people like a park or something like an amusement thing that is going to bring tourism here or something that says, hey, here is Fridley, here is what we are famous for. Now when you think of Fridley what do you think about? Another ugly building?

Terri, lives on Christenson Court, asked how many on the Commissioners live next to a 261-unit multi-family dwelling? None of them? That is good to know. She asked if they knew the percentage of residents in Fridley who are renters vs. homeowners?

Ms. Stromberg replied, yes, they do.

Terri stated affordable housing on-line says that 38.41 percent of the residents in this City are renters. Is that what they are aspiring to? Or is that part of the grand scheme of where Fridley is going to be? Bring in as many renters as it possibly can? Those are her questions. None of them live next to a 261-unit multi-family dwelling and they do not know the percentage of residents in the City of Fridley who are renters vs. homeowners? How can they make a decision on a building like this if they do not know that detail? It just seems like they do not have all the facts or maybe do not look at the facts because they are not going to live next to a 261-unit building.

Commissioner Heintz stated he does live next to a three-building apartment complex, he does not know how many units are there. It is not his responsibility to know that.

Terri asked how many renters are there? In Commissioner Heintz's community that he is representing on this Commission when he is proposing a multi-family dwelling, it is not important to him to know?

Commissioner Heintz replied, how many rental units are there? No, it is not important for him to know that.

Terri stated, no, not the number of units. The number of renters in the whole community. The percentage of renters in the community.

Commissioner McClellan stated he guessed he is missing Terri's point because he has a rough idea of something like that. A one-third, two-thirds but what is her point?

Terri asked if there was a plan, a directive, to talk about things for 2030, 2040 to tell them at what point they should limit additional multi-family dwellings? Or do they just keep approving them as they come across? Those are questions, not her comment, and nobody has an answer?

Mr. Hickok stated he presumed that they would like staff to go ahead and answer some questions after people have all had a chance to speak. They have this in their packet of information, but they would be glad to help answer some of those questions.

Ms. Stromberg stated up on their screen is an ownership vs. rental in Fridley. As of their most current Comp Plan update the 2016 numbers are the most accurate; and the 2020 and 2021 numbers are based on building permits they have issued over the last four, five years. They can see back to 1970 the City was at 74% ownership to 26% rental, in the 1980's it went to 67% to 33%, and then it just kind of stayed fairly level at 67% in 1990, 66% in 1998, 65% in 2006, 64% in 2016. With Cielo, the senior and market rate facility at the train station, and the senior building at City Hall which has not even started construction yet, the percentages would be 61 ownership to 38 rental. Then at 2021, if she figured in the Holly Center project, and this also includes the units that Pulte built and Lennar constructed here on the Civic Campus, we are at 60/40. She presented a slide that compared rental and ownership numbers with Fridley and other first ring suburbs.

Commissioner McClellan asked Ms. Stromberg whether that is information that can be posted on the City website for educational purposes?

Ms. Stromberg replied, sure. It is in the Comp Plan right now that is on the website. However, we could put it in another location if you'd like.

Mr. Hickok stated, to another point about occupancy. Vacancy is very low in Fridley. One point that is too important to miss here is the fact that the market for this housing is very, very strong. Also, one of the things that the City lacked, and the Comprehensive Plans have talked about, is a mix of types of housing they have in the community. Looking back historically the City had a surge of multi-family complexes that were built in the 60's and 70's, and there was a surge of very nice single-family development that really spread throughout the City in the 50's and 60's and really defined the City's housing type.

Mr. Hickok stated looking back at the City's comprehensive plans they have sought to find different types of housing for folks. For example, people whose children grew up here, love their community, love their churches and schools, neighborhoods and stores do not have a place to live oftentimes. Ramblers did make it very nice for people to age in place, but there is not an opportunity for that person who goes away, who loves Fridley, who would love to come back, who now has a nice salary, and would love to find a place. Part of what they have tried to do in the City of Fridley is to find a diversity of housing so there is opportunity for folks. It is telling that the existing multi-family they have that is rental is nearly completely occupied and that is ongoing. Historically there have been very few occupancies here available for folks.

Mr. Hickok stated these projects do not happen also without a market. It is important for folks to note that first off, this was a For Sale piece of property for some time and it was for sale to the market. Shopping centers could have purchased this property if they indicated that is what would happen here. They also note from their history of where Cielo is, just as one example, the City through its HRA ended up purchasing 11 blighted commercial buildings that could not make it as commercial buildings. They were in what was a fairly strong market at a time, with the Brookdale pull for a regional shopping center and Northtown pull for a regional shopping center, and a Rosedale pull for a regional shopping center; and there were smaller shopping nodes in Fridley.

Mr. Hickok stated University Avenue harkens back to a time where you could pull off University Avenue into a convenient commercial spot, park in front, grab what you needed, and leave. It is not that convenient anymore. What happens with the inconvenience is the ability to see a sight is only a small part of the equation. If you cannot get in, you cannot get out easy, it does not become attractive from a commercial perspective. It is important to note some of these other factors because it just seems like, well, this is the first thing that came in the door. It seems attractive, why don't we take it. This was a private developer who looked at a piece of a property that had been for sale for a very long time and, in a market that was not bringing a commercial tenant or entity, a series of tenants, with an idea for a multi-family housing.

Peter Borman, 157 River Edge Way, stated he really appreciates and understand the situation the Commission is in. He is not against redevelopment, but he thinks this is just too much density in that one little spot. He understands it was a private sale, but it is just too much in one little spot. He asked what is the actual development Anoka County has in mind for Mississippi Street? He was not involved in some of the open houses that they had. What is the design? Is it the entrance going into this new development? Is that going to be a roundabout?

Mr. Borman stated Mississippi is the only major thoroughfare to get across the railroad tracks with the underpass. Otherwise every other crossing in Fridley has railroad crossings. The traffic is very high going on Mississippi there because he uses it if he is going anywhere on the University Avenue side. He crosses at Mississippi because he does not want to get caught on Osborne or 85th for a train because you never know how long it is going to be. This is too much density in one little spot, and he feels like the traffic there needs to be thought through more.

Kevin Warden asked, what is the level they are thinking for rental property in Fridley? What is the percentage they are going to say, we are not going to do allow anymore. Are they going to be like some of these other communities and be 60 percent transient community or are they going to build their foundation on the people that live here and

have houses. They are the Planning Commission. What is the level they are going to or have they not established that yet? They need to set a limit here. They put up the communities here right next to them, but they did not include New Brighton and some of the other communities that are basically next to Fridley to compare ownership versus rental. They took all the communities that were below Fridley and that are having problems. Let's not go over the 40 percent as rental. That is transient. That is not Fridley and is not what they want to be anymore.

Mitch Nelson, 6551 2nd Street, stated he owns the apartment building at 6551 2nd Street. He is not a Fridley resident, but he was born and raised here. His family has owned this property for many years and they back up to the Holly Center. He came here tonight just to really learn what was going on. He really was not familiar with it, and he heard from his residents that the center was going to be torn down and there was going to be a development. He is thankful to hear some of the targets as far as the mix of rental vs. ownership. He has a long-term investment in the community as well even though he is not a resident, but he does look out for the wellbeing of his residents. Whether it be their rent, etc.

Mr. Nelson stated his greatest concern with this development from a developer's perspective is have they really thought through the details. His building is in a direct path between Jade Park and this building with 400 or 500 residents there. Will they be using the park that is provided by the community or will they use Jay Park. Has that been studied and has that been looked at with the traffic patterns?

Mr. Nelson stated also, they ought to look outside the boundaries of the project, for the sake of the residents and the entire community for pedestrian connections. That is his greatest concern. He has not heard that addressed here tonight, there are a couple of sidewalks in the area, but how is this all going to work together. As far as that goes, even the traffic pattern getting to and from the train station, where will they walk. He walked that direction recently with his son to see how many steps it was to the train station to his apartment building, and you have to cut across tracks. The shortest path anyways. Probably not something he would advise his residents to do, but that is kind of the type of thing that is going to happen for the sake of convenience. Those types of things such as walking bridges and so forth all needs to be considered with the overall development here.

Courtney Rathke, 6270 Jupiter Road, stated she lives in the Sylvan Hills Development. She has a brief question that kind of ties into the diversity of housing they are all looking for in Fridley and kind of also ties into that ownership vs. rental percentages. Is there a reason that this development could not be created as condominiums rather than rental property? If there is a market for families that are just starting out but do not necessarily

want the upkeep and the responsibility and want to be a little bit more mobile. If those buildings were condos where there was ownership, then you are kind of by default getting that sense of community, that sense of involvement, and the investment in the City rather than a more transient by definition renter. She realizes there are long-term renters and there is nothing wrong with that and that is great, but if they are looking for true diversity in housing the only condominium complex that she is aware of in the City of Fridley is in North Innsbruck. If they are looking for that diversity, that needs to be part of the equation as well.

Commissioner Evanson stated to the extent that he is familiar and he is sure the gentleman from Roers could speak to that even better but generally condos aren't going up around the metropolitan area because of the volume of lawsuits that typically get filed against HOA's. As a result, condos generally are not profitable to build. When condos were being built, the HOA's were not managed correctly and lawsuits are obviously incredibly costly to these properties. This is not a Fridley issue; this is across the metro. There is quite a bit of work being done to change the laws to make it frankly harder to sue these HOA's, but it is his understanding that is why you do not see many new condos being built.

Peter Borman asked about the campus just outside of City Hall, he asked what is that considered? Are those townhouses, are those detached single-family homes? Is there an HOA that is involved with that development?

Mr. Hickok replied, there are a couple of HOA's there. There are 26 detached, single-family patio homes that have an HOA. The Lennar development is 72 townhomes that have their own association. Two different style types of units but all owner-occupied.

Mr. Borman asked, so that must have been profitable enough for that to have an HOA in that type of development then, right?

Commissioner Evanson replied, he will let Roers answer that question, but he thinks there is a difference between an HOA that manages single-family homes vs. multi-family style.

Mr. Borman stated he agrees that there are pros and cons here and everything, but they have a development that is part of the civic campus project that has a homeowner's association and it's working, correct?

Commissioner Evanson replied, perhaps the petitioner can speak to that.

Mr. Borman stated, maybe what some of the community is saying it maybe a development such as what they have at the civic campus may fit better in this location than a 261-unit development.

Mr. LaFave stated as to the single-family home thing they have never built single-family homes. That is not something in their business model. He agrees with them completely about if you want to get sued, build a multi-unit condominium especially if it is made of wood. You have a slightly better chance if you make it out of concrete, but then you are going to go up nine stories or more. If there are single-family developers out there that are interested in this property, it has been for sale for about 18 months before they even talked to the owner about it. He does not know if the City wants to see that, but it is not the kind of project Roer's does.

Commissioner Heintz asked Mr. LaFave, why 261? Is that a profitable point?

Mr. LaFave replied, yes. When they go about sizing out a project, they need to make sure the site can work considering the parking requirements within the City, the height and zoning limitations. They consider the amount of amenity space they think is needed to support the residents of a building. And then you end up landing on odd numbers, like 261. It is just a function of making sure they have enough parking that meets the City's requirements, enough greenspace on the sites, and the height of the building is allowable in the City.

Chairperson Kondrick stated to Mr. LaFave when he first spoke with them, he was asked about how much this thing would cost. Did he understand Mr. LaFave when he said, about \$50 million?

Mr. LaFave replied, yes, that is correct.

Commissioner Evanson stated several questions they have heard from the community seem to be addressing the transient nature of apartment rentals, along with how the property is going to be managed. He understands Mr. LaFave said they manage their own properties for the long-term. He is sure Mr. LaFave has data that would say or give insight to the community they manage. How quickly do units turnover, what is the average rent for the properties they develop, are they like other properties throughout the metropolitan area. Does Mr. LaFave have an idea of what the average length of resident staying in the same place is? Also, maybe comment more on how the properties are managed.

Mr. LaFave stated last time he looked that stat up, it is about 2.4 years on average. They are seeing millennials move around a little bit more but to Mr. Hickok's point about diversification in housing, they are seeing less and less millennials and people in that age

group buy homes. They are seeing them rent apartments. With this property it presents the community with this opportunity to capture that age group that then may lead to home ownership after they rent for a period of time. With student loan debt and things these days, it is not very practical to buy a home when coming out of college. However, it is a little more practical to rent something; and those renters are typically looking for something newer, technologically more up to date or savvy, something with community amenities. That is what this type of building is designed to provide, to help capture that type of age group as well. With that many units they can spread it out.

Mr. LaFave stated millennials are not looking for three bedrooms but people with kids are and so they are trying to provide an opportunity to a large demographic with that many units. In terms of managing the property, it is not very profitable for their people to leave every 12 months when they are turning the building and units. They are trying to make their buildings as hospitable as they can to keep the people for the long term. That is why they put in the amenities. That is why they put in the parks because they are trying to encourage people to be there for a longer time than 12 months. If people can connect, meet their neighbors, build a community, all the numbers say they are going to stay a lot longer if they establish those relationships; and the way they build those relationships is by not being in their apartment shut away. It is in those community areas and common areas. Every year that goes by, the percentage of rentable unit per square footage vs. common area amenity square footage keeps creeping more and more towards amenity square footage. People want the amenities.

Commissioner Evanson stated he is familiar with Roers reputation; however, he asked how many properties do they own and how many of those does Roers currently manage?

Mr. LaFave replied, they manage just under 4,000 units across Minnesota, Wisconsin, Iowa, and the Dakotas. That ends up being about 47 properties.

Commissioner McClellan stated this would be a large property for Roers.

Mr. LaFave replied, this would be a large property for them. They have a 220-unit project going up in Woodbury right now. They have a 210-unit being built in Lakeville right now, and they have a 200-unit project in Milwaukee. It is on the larger end of things but not far exceeding other projects they have.

Commissioner Meisner asked Mr. LaFave if they have any current properties that are already constructed and filled that are like this project?

Mr. LaFave replied, not quite of this size. They have others that are in the 130-150-unit range.

Commissioner Meisner asked Mr. LaFave, what about in this price range?

Mr. LaFave replied, yes, they do, but every community has a little bit different rental range. They have multi-family apartments across the spectrum from affordable housing to market rate workforce to 65-plus senior living. There are other properties in their portfolio within this price range, yes.

Commissioner Buyse asked Mr. LaFave so obviously they are going to have some that are lower and some that are maybe a little more expensive.

Mr. LaFave replied, correct.

Commissioner Buyse asked Mr. LaFave, would he say they have seen a lot of crime issues or police activity having to be called to these other facilities that are of a similar price point?

Mr. LaFave replied, no. It comes down to the management of the site. If you have an on-site presence, you are there every day, you are establishing those relationships and the property manager sees what is going on. In certain areas, in certain cases, you hire a security company to make sure there isn't any problems. Any property, no matter what you set the initial rents are, if not watched, have a potential for issues. This is an area with a lot of visibility. There is going to be a lot of staff at the property and a lot of eyes on the ground. It is not somewhere where they are anticipating there to be high crime.

Commissioner Buyse stated and obviously Roers is a for-profit business. It is not in their best interest to not let \$50 million go down the drain.

Mr. LaFave stated, that is correct.

Commissioner Evanson asked Mr. Hickok if he could perhaps speak to should the property be managed not to the expectations of the City; what recourse does the City have to take against Roers' management of the property?

Mr. Hickok replied, the City does have a very strong rental inspection program. Once a building comes on line, we have a very good process to make sure they have good communication with the owners, that they understand what is happening in the building, on the grounds, so we are understanding issues as they come up. The Police Department is very involved with the rental inspection program, so if there is a behavior issue, whether it is tenant or management reoccurring behavior issue, they can address those things. This will be a licensed property that will have inspections on an ongoing regiment, and the City

has very good records and good relationships not only with the landlords but also the tenants who are given fair notice for inspections, and then they go through and make sure the building is maintained property. It is really a benefit to the landlords as well as the tenants. The City wants to make sure it is a good, safe place and good landlords, good management, take care of that and make sure that is happening.

Commissioner Evanson asked Mr. Hickok and what resources could be provided to the neighbors should they see something they do not like about the management of the property or anything that might give them concern and the City does not seem to be catching?

Mr. Hickok replied, the City has always said the best results are when neighbors talk to neighbors. Neighbors going and talking to the office folks or calling them is a good first option. That is part of being integrated into a neighborhood and behaving like a good neighbor. Of course, whether it is a rental inspection issue, a tenant behavior issue, certainly they can involve the City at that point at whatever level is necessary. People should not hesitate to call 911 relative to behavior or crime. The Police Department would much rather have a record on it, even though it turns out to not be an it. Again, they do not see that necessary with good-managed buildings; but it is a very good thing for them to know what the City has and can do as part of this process.

Commissioner Evanson asked Mr. Hickok he feels the City has the capacity to help oversee and take recourse against the property should it not be managed to the expectations of the community; and we have a law enforcement community that is capable of responding to calls should there be issues that need to be addressed.

Mr. Hickok replied, yes, folks would be pleased to know how closely those two entities, the rental inspection folks, and the Police folks work together. It is a wonderful relationship they have and honestly, he thinks will help in the ongoing strength of the community.

Commissioner Buyse asked about the traffic situation that was a question posed by some of the residents, he is looking on his phone at Third Street and Mississippi which would be the entrance/exit of the property. Obviously, it appears on his phone there is no control if you will, no lights, etc. He asked whether they have done studies there to see if the amount of traffic currently in that intersection would qualify for it?

Mr. Hickok replied it is important to know that some of the questions tonight would focus on just this development. It is also important for those folks to know that, as they mentioned, the county highway department is working on their plans for Mississippi and they are doing traffic analysis that focus on traffic movements in and out of places like Third across from whether it is a shopping center or whether it is a multi-family living

development. They heard from a traffic study that pre- and post-development you are seeing a B and C classification, and that is in the peak times. This is an important point to one the speaker's points about 100+ cars, that the traffic study made up that number to make you happy. That is analysis that has been done by a traffic professional during peak times. Understand no one is trying to fool anybody. This is during a peak hour a.m. and p.m.

Mr. Hickok stated as they talk about Third Street and these other things, there will be traffic, but there is no better demonstration with how traffic can work with almost an identical number of units than on Cielo coming out to 61st Avenue. People wanted to believe when that development was going to happen that there is no way in heck that all those people are going to get in and out and 61st isn't going to be a mess. That is functioning well, with very little or no complaints that he's aware of. People do not leave at the same time, life is changing, people are working more from home. There are large organizations that study this traffic demands based on use, and the numbers show that during peak times there will be more people coming and going then exists today, but it's just during that peak time, not all day long and the roadway is able to handle it. The peak is when traffic is moving, and throughout the rest of the day it filters through and does not warrant mentioning.

Motion by Co-Chairperson Hansen to close the public hearing. Seconded by Commissioner Evanson.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE PUBLIC HEARING WAS CLOSED AT 9:15 P.M.

Chairperson Kondrick stated the traffic people are the traffic experts as Mr. Hickok was just saying, they are not wrong. They got this thing down to a science and are worth listening to. There are peak times and down times.

Commissioner Buyse stated the reason for him asking that question was for pacifying some of the concern and, more importantly, this is their opportunity right now to ask things of Mr. LaFave.

Commissioner Evanson stated he is guessing these people were paid and they were paid because they are typically accurate, and if they were inaccurate with great frequency they would not be paid for much longer.

Commissioner Heintz stated he comes home every day on University. He turns left on 61st, and he has been doing that for 12 years. After Cielo was built, he thinks he has two more cars in front of him instead of one. However, he still gets through the lights.

Co-Chairperson Hansen stated he read the traffic study. He is a civil engineer, and he felt that the trip-generation numbers that were represented in there and the report itself was thorough and that it is going to be accurate. The developer is also planning to focus on trying to get people to use transit, which is part of what makes this a good project because transit options are so close. It is what they have talked about in the Comp Plan process where you have the University Avenue bus corridor that runs regularly and then you have the Northstar line.

Co-Chairperson Hansen stated it is a good development. A lot of people talked about wanting commercial. He grew up in Fridley, his parents' first house was at 220 – 67th Avenue so it would have been right on the border of this site. He is going to be sad to see Holly Center go. However, things change. It has seen better days, and this is a good proposal. He hopes the others on this Commission will support it. The key is the long-term management on the site, and he is confident that Roers will follow through and run it for the long term, and will conduct the background checks on the people who do move in. He hopes it is successful.

Commissioner Evanson stated there is desire for commercial in this community and he understands that. There is a reason though why the current property owner was unable to collect the rents to improve that property. There is a reason why he was unable to sell it prior to be developed by a commercial user. He believes Burnsville Center just went through bankruptcy, the Mall of America is in trouble, Brookdale was bulldozed not too many years ago. Commercial in this area is hard, it is not just a Fridley thing, it is not even just a Twin Cities thing. As someone who works for a bank and looks at deals, commercial is not a good property class to be in right now. He was sitting with a commercial real estate agent yesterday, and there were two things they agreed upon. No one wants to buy or sell commercial. They did mention Roers as they talked about a number of different developers as being good property managers and good developers. If someone were coming in who was inexperienced, he may have a higher level of concern; but they do have a good reputation.

Chairperson Kondrick stated he did the same kind of check to see if they are decent people, and that is what he came up with as well.

Commissioner McClellan stated it does concern him at some level, maybe a third-party traffic study as compared to a traffic study by the developer would appear more

transparent. He is not saying it is not a good traffic study. He does not know the answer because somebody would have to fund it.

Co-Chairperson Hansen stated it would still have to be reviewed by the City.

Mr. LaFave stated he should have clarified this earlier. The study is done completely independent of them. He has no say or involvement in what happens in the traffic study or their results or what they find. He has no involvement, opinion, or input in the data collection or the results. It is simply an independent contractor who does that.

Commissioner McClellan asked Mr. LaFave, but they pay for the study?

Mr. LaFave replied, he does pay for the invoice. He pays for the study to be engaged, but it simply goes right over to the City. He does not get to comment on it.

Commissioner Meisner stated the traffic point was important to him, too, but the traffic study is not a comparison to zero. It is a comparison to a presumed then commercial if they did something different which would include traffic as well. No matter what they do there, if they are going to redevelop the property, the presumption is they are going to add traffic.

Commissioner Heintz stated some people say, it is going to be an ugly building. He does not think they build too many ugly buildings anymore.

Chairperson Kondrick stated not for \$50 million.

Commissioner Heintz stated he would rather look at that than a dilapidated half-filled if lucky shopping center that is attracting more crime possibly.

Mr. Hickok stated Ms. Stromberg's and his one regret is that they did not include some wonderful photos that they will make available on-line and to the Council for their hearing of a project Roers has completed in Burnsville. He and Paul Bolin toured it and took photos. It is a wonderful building and development. He has had an opportunity to go through a lot of multi-family buildings, and this is one that the City would be very proud of.

Chairperson Kondrick stated he is voting yes on this. It is a good project. It is obvious the time is right for this kind of project. People have said, why don't you put a restaurant there, but the market is just not there for that.

Commissioner Buyse stated another point is, going back to what he was saying before about the trees. He would just put himself in the shoes of the people who live on the border of this. His main thing is he is in support of this, but his main concern is the fact that they have the decision and the opportunity to hold the developers to a certain set of rules or stipulations right now. Not later, not after it is built. Not after the tree comes down and nothing gets put back up because they have already gotten the okay. Regarding the trees is there some sort of stipulations they can put in their authorization to move forward that indicates that XYZ has to happen? Something along those lines to protect the neighbors.

Commissioner McClellan stated he would agree. The answers on the fence and the trees were a little too ambiguous. If there was a stipulation that there could be an agreement. Does that mean it may cost more? Maybe. However, that would be a commitment to the neighborhood. The term was, well, we will use the fence and repair where needed. That does not sound firm answer to him. That is a legitimate concern from the neighbor's, and he appreciates that. He is still in favor of the project, but there is probably some more fine tuning that needs to be done on that stipulation.

Commissioner Buyse stated he is not a math major but even if they can do some geometry to figure out what height the fence would have to be for a fourth level. How far away for a fourth level.

Chairperson Kondrick stated it will not be taller than 8 feet. That is the height of the fence. The people on the first floor above the parking ramp are going to be able to look into the backyards of the people to the north. There is no way around out. No matter what was built there.

Commissioner Buyse stated even if you put trees up many of them you are going to be able to see through them in the winter.

Chairperson Kondrick stated to Commissioner Buyse if the consensus is, they want wording that suggests they insist that they plant trees there or put a new fence up.

Commissioner Evanson stated when he went to the site, there are mature trees. They are not going to be able to replace what might need to come down. Even if you put the language in there it is not really going to replace whatever is there. He is not opposed to the idea, but he does not know what the value of frankly that part is.

Mr. Hickok stated it is tough to know if they are talking about cottonwoods or what species they are talking about back there. However, trees can be a very nice divider. They may find when you do a tree inventory, there is not a lot of significant trees in there and

he does not know that without them doing an inventory. If you look at the grading plan, for example, there is a pond on the north edge. That does mean there is some grading that need to happen. He would hate to promise there is going to be trees kept in certain areas and then some of the contours of the land with the ponding won't allow it. If they wanted to make a stipulation more generally, they would take a second look at the landscape plan as it relates to the divide between properties adjacent and this property. Something to that effect so it does not promise them a certain number of trees or tree for tree but instead where they can in the landscape plan make sure they provide trees and also they do not ruin the idea of grading that would have been ponding in a certain area by making sure those trees stay there. He does not want to create any false illusions they can keep those trees when that root ball might be exposed by the grading that happens for a pond.

Commissioner Meisner asked, does anybody know the quality of the fence because that seems to be something they have more control over. The one letter said the fence is low quality. Would that be a stipulation saying, look, let's put in a nice high-quality consistent fence?

Chairperson Kondrick stated the one in the back, he would say it is a little bit shabby. He asked Mr. LaFave if he would agree?

Mr. LaFave replied, yes, he would. His only hesitation is although replacing a fence is a relatively small cost in the greater scheme of this, some of the fence he believes is not on their property. It is a small portion. You get into other people's land rights and doing things on their property and, well, your fence that you just replaced, would negatively impact my existing mature tree. It gets a little hairy sometimes.

Commissioner Meisner asked if they could run the fence on their property for the entire distance? Just maybe move the fence a little bit?

Mr. LaFave replied, potentially. He cannot say he is intimately familiar with how the fence interacts with every tree, but they are not imposed to something like that.

Mr. Hickok stated they may be interested in knowing that one of the calls he received was from an adjacent resident who was very concerned they were going to lose the foot they have on their side of the fence. To that end over time they have had code enforcement action to correct and repair segments of fence. The City has driven it, they have asked them to repair and replace, because neighbors have been very good about telling them where the bad portions are. Here again, without being right in front of the fence tonight and knowing that if you wanted to make a general statement about a review and analysis of that fence and a determination to be made about repair vs. replacement. Enough of

the segments have had to be repaired over time that they are talking about a lot of lineal feet of fence here. He is not looking to necessarily save the developer money on the fence, but they might have a product there that is serviceable and very good. For the neighbor who does not want to lose that foot, he is suspicious if they take that fence down, the most accurate and easiest place to put it is where the property line is staked. You might lose more than you gain by having those fence posts out and lose that foot to the person who for whatever reason, the garden or wall, they want to keep it.

Commissioner McClellan stated the verbiage if there an amendment or an addition would be a review of the fence condition and replacement where required.

Chairperson Kondrick stated regarding the stipulations that were outlined, he asked Mr. LaFave if they agree with them? No problems with them?

Mr. LaFave replied, yes, that is fine.

Commissioner Heintz stated he kind of had reservations at first but Mr. LaFave has answered a lot of questions. He likes where it is headed, and he was able to explain to him and make him aware of things that made sense. He is in favor of this completely now, too.

Commissioner Meisner asked, from the property that is there to a 261-unit apartment, is there any issue with the City's utility services? Water and sewer, etc.

Mr. Hickok replied, there is an analysis done both by the developer and by the City's public works folks. That is one of the key reasons why Comp Plans came into place to begin with is that we would have service within the Metro region to be able to take care of these things. One of the reasons the City let's Metro Council know about potential redevelopment areas is to make sure they have the sewer capacity and water mains available to withstand the development.

Mr. Hickok stated, yes, staff is quite confident we have both the sewer capacity and water capacity.

Commissioner Meisner stated the Holly Center is a commercial place now with low occupancy. He asked what is the tax impact, if any, to the City or the County, if Mr. Hickok can extrapolate with an apartment complex like this?

Mr. Hickok replied, he can tell him ultimately it is phenomenal by comparison. He has not honestly recently looked at the numbers, but they are hearing about a \$50 million piece of property that will result. They are seeing values from shopping centers that have

seriously diminished over time. They are a small percentage of that right now. Will there potentially be some assistance on this from the HRA that will have some sort of tax impact? Certainly. For the period of the increment. However, in the long run they are talking about a \$50 million development where there would not have been one likely without some sort of assistance. Also, the long-term tax benefit to a community is wonderful.

Mr. Hickok stated he thought it was interesting the comment about the school district because students in a school district are a very important thing. When they did Christenson Crossing in 1995 it was an interesting process and, again, very similar comments. One of the things that happened was there was a determination whether to use 10 acres of land or 14 acres of land and it meant taking down some rather old apartment buildings called the Cherrywood Apartments. Although it was going to be a very exciting day for the City to have this redevelop happen and all the good things that would come with, he will never forget a very uncomfortable meeting over at the school where one of the administrators said, do you know how much that development cost us in terms of student population? Their concern was, he thinks, eventually eliminated by the fact that young families did move into Christenson Crossing and they replaced what they had lost. Initially they were looking at the loss of that student population as being very detrimental. This population, not only from a tax perspective but also a school district population, is a very good thing.

Commissioner Evanson stated if he recalled the levy last year, one of the complaints from the school district was the lack of bodies, lack of tax revenue, etc. Arguably this is a benefit to the school district. It reduces their requirement to increase taxes on all the existing homeowners.

Mr. Hickok stated one of the biggest surprises that came out of the Cielo development was the number of students that resulted. When you have a mix that ranges from studio to three-bedroom, you have ample opportunity to get and really attract families as well as millennials that will love this and hang their bike on the garage wall and never get in their car. That would be part of the population here and another part of the population would be the young family who really wanted a good location, really wanted the good schools, and the stores and churches, etc. It is a good day when you can provide that. Cielo has proven to the school district that was a good thing.

Motion by Commissioner Heintz approving a Rezoning, ZOA #20-01, by Roers Fridley Apartments Owner LLC, to have the property at 6530 University Avenue rezoned from C-3, General Shopping to S-2, Redevelopment District to allow for the construction of a multifamily rental housing building and a stand-alone commercial building. Seconded by Vice Chair Hansen with the following stipulations:

1. The property shall be developed in accordance with the site plan submitted for "Fridley Multi-Family", page #C2-1, by Loucks, dated 08/12/2020.
2. The exterior building elevations shall be developed in accordance with the architectural exterior elevation's sheets submitted by Kaas Wilson Architects.
3. The petitioner shall meet all requirements set forth by:
 - a. The Building Code
 - b. The Fire Code
 - c. The City's Engineering department – related to grading, drainage, storm pond maintenance agreement, utilities, and utility connection fees
 - d. The City's Planning department – related to landscaping, signage, parking, setback, and sidewalk/trail connections.
 - e. The Rice Creek Watershed District
 - f. The Minnesota Department of Transportation
 - g. Anoka County
4. If the square footage of the footprint of any of the buildings proposed changes by more than 10%, a S-2 master plan amendment shall be required.
5. The petitioner shall dedicate a trail easement along the eastern property line that connects the residential neighborhood to the north to the sidewalk on the southeast corner of the site, if it is determined that the trail connection is required to be solely or partially on the subject property.
6. The parking formula for this project requires that the 189 underground parking stalls are assigned to a rental unit through that unit's lease to assure adequate parking overall on this development site.
7. A shared parking and access easement shall be filed with Anoka County on Lot 1 and Lot 2.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY.

Motion by Commissioner Heintz approving Consideration a Plat, PS #20-03, by Roers Fridley Apartments Owner LLC, to replat the property at 6530 University Avenue to create (2) new lots to allow for the redevelopment of the property with the following stipulation:

1. Right-of-Way dedication or easement dedication for utilities, sidewalk and lighting shall occur with final plat approval.

Seconded by Commissioner Hansen.

Commissioner McClellan asked to add the verbiage about the fence.

Mr. Hickok replied he believed staff understood the essence of what the Commission was asking and they will take care of it.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY.

Commissioner McClellan asked if the agenda of the City Council meeting will have the information for anybody who is interested.

Ms. Stromberg replied, it is on the website. It is in the paper, and it gets mailed to residents within 350 feet of the property.

Commissioner McClellan asked when staff said they sent out a letter to the residents, when did that letter go out?

Mr. Hickok replied that letter needs to be out a full 10 days before the hearing, and they also broadcast citywide also as a public hearing notice in the official newspaper.

ACCEPTANCE OF MINUTES FROM OTHER COMMISSIONS – THROUGH ONE MOTION:

Motion to accept the minutes from the following Commission meetings:

1. June 9, 2020, Environment Quality & Energy Commission
2. June 1, 2020, Parks & Recreation Commission
3. June 4, 2020, Housing & Redevelopment Authority Commission

Motion by Co-Chairperson Hansen to accept the minutes. Seconded by Commissioner Evanson.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY.

OTHER BUSINESS:

Ms. Stromberg stated the plat that was before the Commission in July, for Java Properties, for the Caribou by Moore Lake was approved by the Council and the final plat is going before the Council on Monday. They have submitted their building permit application already.

ADJOURN:

Motion by Co-Chairperson Hansen to adjourn the meeting. Seconded by Commissioner Evanson.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON KONDRICK DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 9:40 P.M.

Respectfully submitted,

Denise M. Johnson
Recording Secretary

City of Fridley Land Use Application

PS #20-02 and VAR #20-02

September 16, 2020

GENERAL INFORMATION

SPECIAL INFORMATION

Applicant:

Harry S. Jonson Co., Inc., Charlie Traynor
9063 Lyndale Ave South
Bloomington MN 55420

Requested Action:

Plat and Variance

Purpose:

To create a new lot and increase the size of a free-standing sign

Location:

8490 University Avenue

Existing Zoning:

C-2, General Business

Size:

182,235 sq. ft. 4.18 acres

Existing Land Use:

Slumberland

Surrounding Land Use & Zoning:

N: 85th Ave & Coon Rapids
E: University Ave & Blaine
S: Walmart & C-2
W: Walmart (storm pond) & C-2

Comprehensive Plan Conformance:

Consistent with the Plan

Zoning Ordinance Conformance:

Section 205.14.3.A requires a minimum lot area of 20,000 sq. ft.

Building and Zoning History:

1992 – Lot platted
1994 – Existing building constructed

Legal Description of Property:

See attached preliminary plat

Public Utilities:

Utilities are available in the street, and new lot will need to be connected

Transportation:

The University Service Drive provides vehicle access to the property
A multi-use trail on the eastern side provides pedestrian and bicycle access

Physical Characteristics:

Slumberland building, parking lot and green space

Summary of Request:

The petitioner, Charlie Traynor with Harry S. Johnson Co., Inc. on behalf of the owners of the Slumberland property is requesting to replat the property at 8490 University Avenue, to create a new commercial lot on the south side of the property.

The petitioner is also requesting a variance to increase the size of the free-standing sign from 80 sq. ft. to 130 sq. ft., to add a second sign panel to the existing Slumberland sign.

Staff Recommendation:

City Staff recommends approval of plat request.

- There is adequate land area to create a new commercial lot.

City Staff recommends approval of the variance request.



Subject Property

CITY COUNCIL ACTION/60 DAY ACTION DATE

City Council – October 12, 2020

60 Day Date – October 12, 2020

Staff Report Prepared by Stacy Stromberg

Land Use Applications

Plat, PS #20-02 and Variance, VAR #20-02

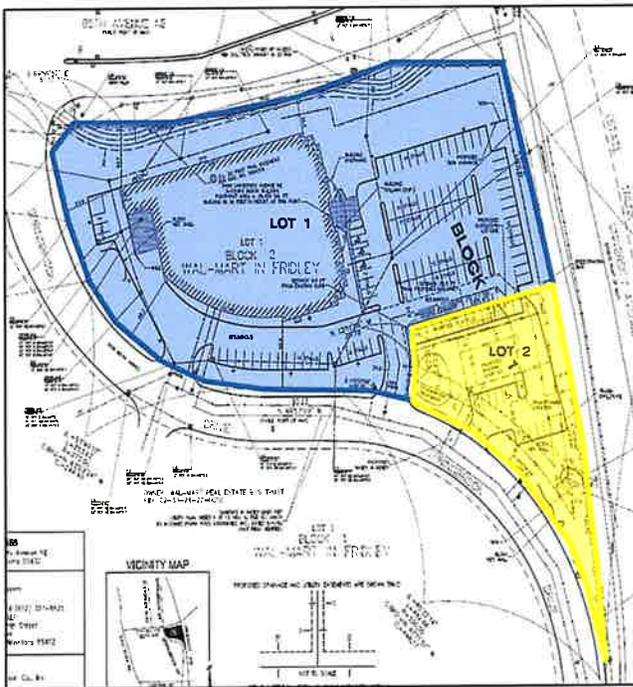
The Request

The petitioner, Charlie Traynor with Harry S. Johnson Co., Inc. on behalf of the owners of the Slumberland property is requesting to replat the property at 8490 University Avenue, to create a new commercial lot on the south side of the property.

The petitioner is also requesting a variance to increase the size of the free-standing sign from 80 sq. ft. to 130 sq. ft., to add a second sign panel to the existing Slumberland sign.

Plat Analysis

The property is zoned C-2, General Business and was developed in 1994 with the construction of the existing Slumberland building. The C-2 zoning district requires a minimum lot size of 20,000 sq. ft. The petitioner is proposing to create a new lot on the south side of the existing property to allow for future commercial development.



After the replat, Lot 1 (blue) will be 148,989 sq. ft. (3.42 acres) in size and Lot 2 (yellow) will be 33,246 sq. ft. (.76 acres) in size, both meeting the minimum square footage required by code.

There will be a shared parking and access agreement that will be filed at Anoka County between Lot 1 and 2. The site plan for the development of Lot 2 anticipates an additional access point off the University Avenue Service Drive. The 2 developments will however share parking and circulation will happen between the 2 lots.

In 2003, the City's parking requirements were modified specifically related to furniture uses. That modification changed the parking ratio from 1 stall for every 250 sq. ft. of retail space to 1 stall for every 400 sq. ft. of furniture sales space. That modification reduced the amount of parking stalls required for furniture stores. As a result, the Slumberland use went from requiring 140 parking stalls to 88 parking stalls. Even with the replat, Slumberland will still have 95 stalls. The new retail building is required to have 14 parking stalls, and the site plan shows 21 stalls. Instead of constructing more parking stalls than is required by code, staff recommends that the new project have the amount of parking code requires and then use the shared parking available on the Slumberland parcel.

Through the building permit process, staff will require that the developer of Lot 2 to connect the use to the existing multi-use trail on the east side of the property, as encouraged through the City's Active Transportation Plan.

Variance Analysis

Variations may be granted if practical difficulties exist on the property. Practical difficulties are met based on the following findings of fact:

Is the variance in harmony with the purpose and intent of the ordinance?

- The code allows an 80 sq. ft. free-standing sign per parcel of land. The petitioner is proposing to forfeit the 80 sq. ft. free-standing sign allowance on Lot 2, and instead add a 50 sq. ft. sign panel to the existing 80 sq. ft. sign on Lot 1. This will reduce the amount of free-standing signage on this corridor of University Avenue from 160 sq. ft. to 130 sq. ft.

Is the variance consistent with the Comprehensive Plan?

- The 2030 and 2040 Draft Comprehensive Plan guide this property as commercial; signage use is consistent with what would be allowed the Plan.

Does the proposal put the property to use in a reasonable manner?

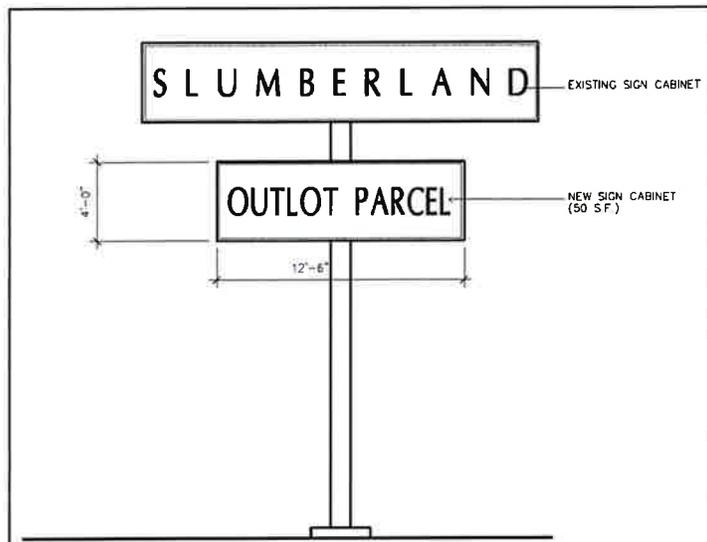
- Adding a sign panel to an existing sign and removing the option for a separate free-standing on Lot 2 is considered a reasonable use.

Are there unique circumstances to the property, not created by the landowner?

- There aren't any unique circumstances related to the property. Allowing 1 free-standing sign for 2 parcels is efficient and reduces visual clutter along the University Avenue corridor.

Will the variance, if granted, alter the essential character of the locality?

- The character of the location will not be impacted as a result of an additional sign panel on an existing sign pole.



Staff Recommendation

City Staff recommends approval of plat request.

- There is adequate land area to create a new commercial lot

City Staff recommends approval of the variance request.

- The request won't alter the character of the locality

Stipulations

Staff recommends the following stipulation if VAR, #20-02 is granted:

1. A separate free-standing sign shall not be allowed on Lot 2 of the Slumberland Addition.

Existing Property Description:

Lot 1, Block 2, Wal-Mart in Fridley, Anoka County, Minnesota, except that part lying northwesterly of the following described line:

Commencing at the Northwest corner of said Lot 1; thence North 89 degrees 58 minutes 55 seconds East, bearing assumed, along the North line of said Lot 1, a distance of 26.22 feet to the point of beginning of the line to be described; thence South 42 degrees 14 minutes 47 seconds West 36.85 feet to the West line of said Lot 1 and said line there terminating.

(Abstract Property)

To be platted as:

Lots 1 and 2, Block 1, SLUMBERLAND ADDITION, Anoka County, Minnesota.

(Abstract Property)



EXISTING SIGN CABINET

80 #

NEW SIGN CABINET
(50 S.F.)

Total =
130 #

PROJECT NAME:

FRIDLEY BANK
FRIDLEY, MINNESOTA
PYLON SIGNAGE

LAMPERT ARCHITECTS

420 Summit Avenue, St. Paul, MN 55102 Phone: 763.755.1211 Fax: 763.757.2849

DATE:
4/27/20





Community Development Department
 7071 University Avenue NE
 Fridley MN 55432
 763-572-3592
 Fax: 763-571-1287
www.fridleymn.gov

SUBDIVISION APPLICATION FOR:
Plat: SLUMBERLAND ADDITION

Property Information

Address: ⁸⁴⁸⁰ University Avenue, Fridley, Minnesota 55432
 Anoka County Property Identification Number (PIN #): 02-30-24-22-0013
 Legal Description: Part of Lot 1, Block 2, Wal-Mart in Fridley, Anoka County, Minnesota...
 Current Zoning: C-2 (General Business District) Square footage of Parcel: 182,235 square feet

Reason for Subdivision

To sell a portion of its interest in Lot 2, Block 1, Slumberland Addition for development of another retail use.

Fee/Property Owner Information

Name: Larson Enterprises, a Minnesota general partnership. Kenneth R. Larson, Partner.
 Mailing address: 3505 High Point Drive North, Building 2, Oakdale, MN, 55128
 In care of: John Fitzgerald, Attorney at Law, Lathrop GPM LLP
 Mailing address: 80 South Eighth Street, 500 IDS Center, Minneapolis, Minnesota 55402
 Daytime Phone: (612) 632-3064 Fax Number: (612) 632-4064
 E-mail address: john.fitzgerald@lathropgpm.com

Signature/Date: _____

John Fitzgerald August 10, 2020

Petitioner Information

Company Name: Harry S. Johnson Co., Inc.
 Contact Person's Name: Charlie Traynor
 Mailing address: 9063 Lyndale Avenue South, Bloomington, MN 55420
 Daytime Phone: 952-884-5341 Fax Number: 952-884-5344
 E-mail address: charlie@hsjsurveyors.com

Signature/Date: _____

Charlie Traynor 8-10-2020

FOR OFFICE USE ONLY

Fees

Plat: \$1,500 for 20 Lots, \$15.00 for each additional lot X

Lot Split: \$1,250 _____

Application Number: PS 20-02 Receipt #: _____ Received By: _____

Application Date: 8-14-20

15 Day Application Complete Notification Date: 8-28-20

Scheduled Planning Commission Date: 9-16-20

Scheduled City Council Date: 10-12-20

60 Day Date: 10-19-20

60 Day Extension Date: 12-10-20



Community Development Department
 7071 University Avenue NE
 Fridley MN 55432
 763-572-3592
 Fax: 763-571-1287
www.fridleymn.gov

VARIANCE APPLICATION FOR:

Commercial X Signs X

Property Information

Address: ~~520~~ ⁵¹⁰ University Avenue, Fridley, Minnesota 55432
 Anoka County Property Identification Number (PIN #): 02-30-24-22-0013
 Legal Description: Part of Lot 1, Block 2, Wal-Mart in Fridley, Anoka County, Minnesota...
 Current Zoning: C-2 (General Business District) Square footage of Parcel: 182,235 square feet
Reason for Variance (one sentence summary, please attached full description)
 To add new sign cabinet to existing sign for new retail business.

Fee/Property Owner Information

Name: Larson Enterprises, a Minnesota general partnership. Kenneth R. Larson, Partner.
 Mailing address: 3505 High Point Drive North, Building 2, Oakdale, MN, 55128
 In care of: John Fitzgerald, Attorney at Law, Lathrop GPM LLP
 Mailing address: 80 South Eighth Street, 500 IDS Center, Minneapolis, Minnesota 55402
 Daytime Phone: (612) 632-3064 Fax Number: (612) 632-4064
 E-mail address: john.fitzgerald@lathropgpm.com

Signature/Date:  August 10, 2020

Petitioner Information

Company Name (please print): Harry S. Johnson Co., Inc.
 Contact Person's Name: Charlie Traynor
 Mailing address: 9063 Lyndale Avenue South, Bloomington, MN 55420
 Daytime Phone: 952-884-5341 Fax Number: 952-884-5344
 E-mail address: charlie@hsjsurveyors.com

Signature/Date:  8-10-2020

| FOR OFFICE USE ONLY | |
|--|---|
| Fees | |
| \$500 – R-1, Single Family Residential | <u> </u> |
| \$1,400 – Commercial/Industrial/Multi-Family Residential/Signs | <u> X </u> |
| Application Number: <u>VAR-20-02</u> | Receipt #: <u> </u> Received By: <u> </u> |
| Application Date: <u>8-14-20</u> | |
| 15 Day Application Complete Notification Date: <u>8-28-20</u> | |
| Scheduled Planning Commission Date: <u>9-16-20</u> | |
| Scheduled City Council Date: <u>10-12-20</u> | |
| 60 Day Date: <u>10-12-20</u> | |
| 60 Day Extension Date: <u>12-10-20</u> | |

PUBLIC HEARING
BEFORE THE
PLANNING COMMISSION

Notice is hereby given that there will be a public hearing of the Fridley Planning Commission at the Fridley Civic Campus, 7071 University Avenue N.E. on **Wednesday, September 16, 2020, at 7:00 p.m.**

For the purpose of:

Consideration of a Plat, PS #20-02, by Harry S. Johnson Co. Inc., to subdivide the Slumberland parcel at 8490 University Avenue to create a new commercial lot on the south side of the existing property, the legal description is on file and available at Fridley Civic Campus.

Any and all persons desiring to be heard shall be given an opportunity at the above stated time and place. Any questions related to this item may be referred to Stacy Stromberg, Planner, at 763-572-3595.

Hearing impaired persons planning to attend who need an interpreter or other persons with disabilities who require auxiliary aids should contact Roberta Collins at 763-572-3500 no later than **September 9, 2020**. The TDD number is 763-572-3534.

The City Council meeting for this item will be on **October 12, 2020**.

DAN TIENTER,
CITY CLERK
CITY OF FRIDLEY

Publish: September 4, 2020

**CITY OF FRIDLEY
PUBLIC HEARING NOTICE
BEFORE THE PLANNING COMMISSION**

| | |
|--|--|
| TO: | All property owners/residents within 350 feet of the property generally located at 8490 University Avenue |
| CASE NUMBER: | Plat 20-02 |
| APPLICANT: | Harry S. Johnson Co. Inc. Petitioner or representative must attend the Planning Commission meeting and City Council meeting. |
| PURPOSE: | To subdivide the Slumberland parcel at 8490 University Avenue to create a new commercial lot on the south side of the existing property. |
| LOCATION OF PROPERTY AND LEGAL DESCRIPTION: | 8490 University Avenue The legal description is on file and available at Fridley Civic Campus |
| DATE AND TIME OF HEARING: | Planning Commission Meeting: Wednesday, September 16, 2020, 7:00 p.m. The Planning Commission Meetings are televised live the night of the meeting on Channel 17. |
| PLACE OF HEARING: | Fridley Civic Campus, City Council Chambers 7071 University Avenue N.E., Fridley, MN. |
| HOW TO PARTICIPATE: | 1. You may attend hearings and testify. 2. You may send a letter before the hearing to Stacy Stromberg, Planner, at 7071 University Avenue N.E., Fridley, MN 55432 or FAX at 763-571-1287. |
| SPECIAL ACCOMODATIONS: | Hearing impaired persons planning to attend who need an Interpreter or other persons with disabilities who require auxiliary aids should contact Roberta Collins at 763-572-3500 no later than September 9, 2020. The TDD # is 763-572-3534. |
| CITY COUNCIL MEETING: | The City Council meeting for this item will be on October 12, 2020 |
| ANY QUESTIONS: | Contact Stacy Stromberg, Planner, at 763-572-3595. |

Publish: September 4, 2020

**CITY OF FRIDLEY
PUBLIC HEARING NOTICE
BEFORE THE PLANNING COMMISSION**

| | |
|--|--|
| TO: | All property owners/residents within 350 feet of the property generally located at 8490 University Ave. |
| CASE NUMBER: | Variance 20-02 |
| APPLICANT: | Harry S. Johnson Co. Inc. Petitioner or representative must attend the Planning Commission meeting and City Council meeting. |
| PURPOSE: | To increase the size of the existing free-standing sign on the Slumberland property from 80 sq. ft. to 130 sq. ft. |
| LOCATION OF PROPERTY AND LEGAL DESCRIPTION: | 8490 University Ave. The legal description is on file and available at the Fridley Civic Campus. |
| DATE AND TIME OF HEARING: | Planning Commission Meeting: Wednesday, September 16, 2020, 7:00 p.m. The Planning Commission Meetings are televised live the night of the meeting on Channel 17. |
| PLACE OF HEARING: | Fridley Civic Campus, City Council Chambers 7071 University Avenue N.E., Fridley, MN. |
| HOW TO PARTICIPATE: | 1. You may attend hearings and testify. 2. You may send a letter before the hearing to Stacy Stromberg, Planner, at 7071 University Avenue N.E., Fridley, MN 55432 or FAX at 763-571-1287. |
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| CITY COUNCIL MEETING: | The City Council meeting for this item will be on October 12, 2020 . |
| ANY QUESTIONS: | Contact Stacy Stromberg, Planner, at 763-572-3595. |

Publish: September 4, 2020



Community Development Department Public Hearing Notice



SOURCES

Fridley Engineering
Fridley GIS
Anoka County GIS

Map Date: August 25, 2020

Plat Request, PS #20-02 and Variance Request, VAR #20-02
Address: 8490 University Avenue NE
Petitioner: Harry S. Jonson Co., Inc.



Northern Natural Gas Co
Property Tax Dept, Po Box 3330
Omaha, Ne 68103

Milewski Patrick
301 Maple St Ne
Spring Lake Park, Mn 55432

Kidane Menbere
300 Maple St Ne
Spring Lake Park, Mn 55432

Palacios Raquel C etal
301 Manor Dr Ne
Spring Lake Park, Mn 55432

Martin Jerry
300 Manor Dr Ne
Spring Lake Park, Mn 55432

8355 University Ave LLC
8870 Rendova St Ne
Circle Pines, Mn 55014

Caspian Ventures LLC
301 Concorde Pl
Burnsville, Mn 55337

Gordon Lee Properties LLC
8421 University Ave Ne
Spring Lake Park, Mn 55432

Fuller Carol
6120 Bur Oaks Ln
Naples, Fl 34119

University Ave Assoc
7841 Wayzata Blvd
Mpls, Mn 55426

Huron LLC
2601 Sunset Blvd #3g
Minneapolis, Mn 55416

Fridley Retail LLC
56 E Broadway Suite 200
Forest Lake, Mn 55025

Wal-mart Real Estate Bus Trust
Po Box 8050
Bentonville, Ar 72712

Larson Enterprises
1 Imation Pl Unit 2
St Paul, Mn 55128

Fridley City of
7071 University Ave Ne
Fridley, Mn 55432

Anoka County
Attn Hwy Dept, 2100 3rd Ave
Anoka, Mn 55303

the Metropolitan Council
560 6th Ave N
Minneapolis, Mn 55411

Sherwin Dorinda Trustee & Sherwin
Richard Trustee
Po Box 360
Cloverdale, Ca 95425

Becker Trustee Jean & Becker Trustee
Sidney
Po Box 6467
Orlando, Fl 32802

Osborne Properties Limited
Partnership
523 S 8th St
Minneapolis, Mn 55404

Northeastequity LLC
675 Stinson Blvd
Minneapolis, Mn 55413

CITY OF FRIDLEY
HOUSING AND REDEVELOPMENT AUTHORITY COMMISSION
August 6, 2020

Chairperson Holm called the Housing and Redevelopment Authority Meeting to order at 8:10 p.m.

MEMBERS PRESENT: William Holm
Gordon Backlund
Kyle Mulrooney
Elizabeth Showalter
Rachel Schwankl

OTHERS PRESENT: Paul Bolin, HRA Assistant Executive Director
Scott Hickok, Community Development Director
Shane LaFave, Roers Companies

ACTION ITEMS

1. Approval of Expenditures

MOTION by Commissioner Showalter to approve the expenses as submitted. Seconded by Commissioner Mulrooney.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIR HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

2. Approval of June 4, 2020 Meeting Minutes

MOTION by Commissioner Showalter to approve the June 4, 2020 minutes as submitted. Seconded by Commissioner Schwankl.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIR HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

3. Amendment to Sherman and Associates Agreement – Main Street NE

Paul Bolin, HRA Assistant Executive Director, stated that after three years and 5-6 application rounds, Sherman and Associates was finally awarded \$10.7M in tax credits to move forward with the third and final building at the rail station sites. All 71 units will be affordable to those making 60% of area median income. The city of Fridley is at 63% of area median income so nearly one half of the households in Fridley would qualify to live in this building. Staff recommends approval of resolution number 2020-07 amending the development agreement, providing Sherman and Associates until December 31 to exercise their option to purchase the parcel.

MOTION by Commissioner Showalter to Amend the Sherman and Associates Agreement. Seconded by Commissioner Schwankl.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIR HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY.

INFORMATIONAL ITEMS

1. Roers/Holly Center Redevelopment Update

Paul Bolin, HRA Assistant Executive Director, stated that the Holly Center is located at Mississippi and University and started construction in 1957 as a strip mall. In 1980's the center lost their luster and the owners sold the property to an investment group. The investment group approached HRA for conduit funding and HRA ended up with ownership of the south end of the site. Roers Companies has an agreement to purchase 6350 University Avenue. The plan is to replace the existing center with 261 housing units and 10,000 square foot daycare center. The site has been a high priority for redevelopment in the last two comprehensive plans. No action is needed tonight, at the next meeting staff will bring forward a request for a TIF district creation and development agreement will be presented for consideration.

Shane LaFave, representative Roers Companies, stated that they are continuing to develop the proposal and investigate and research the site. They are working with designers and architects to develop buildings that are the best use for the site. 261 units of apartment homes in the form of studios and 1-3 bedrooms, one level of underground parking and a fair amount of surface parking. There will be a lot of green space, kids' playground, grilling place, gazebo, dog park and two entrances to underground parking. Multiple outdoor patio spaces plus an amenity on the roof of the building providing many options for people to get out of their apartment and be outside. The commercial building proposal is for a daycare facility but could be a retail space, we are flexible at this time. The building will have a look with a mix of modern and traditional and will serve the middle population workforce housing. We are excited about this potential.

Commissioner Showalter asked what workforce housing is.

Mr. LaFave replied that it is in between affordable and market rate housing. Rent levels would be at 80% of the higher end market rate buildings.

Commissioner Showalter asked if there should be a cap on rent in the development agreement for the first five years to help make sure this is affordable.

Mr. Lafave replied that the term sheet mentions 80% but he is not opposed to have something in the agreement but the more requirements, the more the city has to police it.

Commissioner Schwankl wondered if there was a way to revert ownership if they weren't in compliance with the 80%. Something to consider and discuss in the future.

Mr. Bolin asked if the Authority, as a whole, wanted to start telling private developers what they should strive for as far as income goals. This particular developer isn't pursuing housing tax credits to make this low-income housing, as it takes 3-4 years to get those projects funded.

Commissioner Showalter would like to see some flexibility in the policy. Maybe a portion at 60% or dedicate two units for homeless individuals.

Commissioner Backlund asked if this served our needs or if we needed contractual relations to make sure we meet goals and if that is good long-term planning for us.

Commissioner Showalter thought requirements on a developer may make it less likely for the property to work out. Residents of Fridley are very cost burdened and she is concerned about the quality of lower rent apartments.

Commissioner Schwankl noted that the developer is dealing with blighted property, so it is not only a matter of affordable housing. Her concern is that they develop this building and take the TIF funds and turn around and sell it and the new buyer doesn't have the same intentions as the developer's initial intentions.

Chairperson Holm replied that the new owner of building would have the same desire to provide a reasonable level of occupancy rates to make it profitable for them. Their objective shouldn't be any different than the original owner.

Scott Hickok, Community Development Director, stated that imposing more standards isn't the answer. Apartment buildings cost a certain amount to build each unit. If we impose that 15 units need to be in low income housing, they need to figure out overtime that unit is paid for. A lot goes into a site like this to get ready for development and an incentive is necessary. Each unit cost is \$300,000 to build and they need to rent it out to pay for the unit overtime. This is a unique and fair opportunity to hit a sector of the market that isn't currently available.

Chairperson Holm thought the city is fortunate for a development like Sherman and Associates to get tax credits from the State to offer affordable housing.

2. Housing Program Update

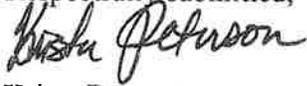
Paul Bolin, HRA Assistant Executive Director, reported this past month one senior loan was issued and another loan through CEE funds making a total of 15 loans year to date which is ahead of last year. Remodel Advisor Visits had three in July making nine year to date. Home Energy Squad Visits had two in July making 29 year to date.

ADJOURNMENT

MOTION by Commissioner Showalter to adjourn. Seconded by Commissioner Schwankl.

UPON A VOICE VOTE, ALL VOTING AYE, CHAIRPERSON HOLM DECLARED THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED AT 8:49 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Krista Peterson".

Krista Peterson

Recording Secretary