



**HOUSING AND REDEVELOPMENT AUTHORITY
WORK SESSION
Tuesday, November 5, 2014
6:15p.m.
Coon Rapids City Center
Conference Room 1**

Call to Order

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. Discuss Proposed Plan for Developing Port Riverwalk.

Other Business

Adjourn



HRA Work Session

1.

Meeting Date: 11/05/2014
Subject: Port Riverwalk Marketing
From: Matt Brown, Interim Community
Development Director

INTRODUCTION

Staff seeks input from the HRA on seeking developers for the Port Riverwalk property along Coon Rapids Boulevard generally between Avocet Street and Egret Boulevard.

DISCUSSION

On September 16, the HRA terminated a Memorandum of Understanding executed in 2008 with Shamrock Development to develop the property at Port Riverwalk. At that time, the HRA directed Staff to continue working with Shamrock on a development proposal for the property. Staff met with Shamrock on September 25 to discuss various development options. On October 21, Shamrock submitted a letter to the HRA indicating that they will decline to submit a development proposal for Port Riverwalk.

Since Shamrock is no longer interested in the property, Staff intends to immediately begin seeking developers for Port Riverwalk. While Staff feels that market conditions are favorable for development at Port Riverwalk, it is important to be deliberate and strategic when seeking development proposals. Staff has met with representatives from Ehlers, the City's financial advisor, about recommendations on a process. Several years ago, the HRA had issued a Request for Proposals (RFP) for development at Port Riverwalk, which resulted in selection of a townhouse project that never materialized. Overall, Staff feels that a new RFP process would not be productive, since many developers do not respond to RFPs. It is also highly unlikely that a single developer would be interested in the entire 30+ acre site, given estimated absorption rates for new housing. Instead, Staff recommends the following less formal process:

- 1. Conduct Market Study.** A preliminary market study for the Coon Rapids Boulevard corridor was completed as part of the Port Riverwalk and Port Campus Square Master Plans using the City's brownfields grant in 2012. However, this market study covered a larger geographic area for the purpose of land use planning, rather than evaluating a specific site. In addition, the shelf life of a market study is limited and market conditions have changed since 2012. Completing a new market study would help identify the types of housing developers to approach and inform expectations on price point, owner versus renter occupancy, density, and annual absorption rates.
- 2. Meet with Potential Developers.** Based on the outcomes of the market study, Staff, in consultation with Ehlers, would identify four or five developers who would likely have an interest in large parts of the site. Staff and Ehlers representatives would meet with the developers individually to gauge interest and get an initial sense of the types of development they would propose. Based on these meetings, the HRA could decide to work with one or more developers. These discussions will also help determine whether infrastructure should be installed incrementally or what role the City and HRA might play in developing infrastructure.
- 3. Seek Special Legislation for Port Riverwalk TIF District.** The Port Riverwalk TIF District was originally established in 2006. It is intended that incremental revenues would be used to repay the City for a portion of the acquisition costs for Port Riverwalk. Special legislation to allow changes the base value could increase revenue to

the City.

Jason Aarsvold from Ehlers will be present at Tuesday's work session to provide additional background on these items.

RECOMMENDATION

Staff seeks input from the HRA on the proposed plan for developing Port Riverwalk. Staff intends to begin implementing these steps immediately.
