

**THE COR MARKET PANEL
CITY OF RAMSEY
ANOKA COUNTY
STATE OF MINNESOTA**

The COR Market Panel, a Moderated Session, was conducted on Thursday, October 27, 2016, at the Ramsey Municipal Center, 7550 Sunwood Drive NW, Ramsey, Minnesota.

Members Present: Mayor Pro Tem John LeTourneau
Councilmember Jill Johns
Councilmember Mark Kuzma
Councilmember Chris Riley
Councilmember Melody Shryock
Councilmember Kristine Williams

Member Absent: Mayor Sarah Strommen

Staff Present: City Administrator Kurtis Ulrich
Community Development Director Timothy Gladhill
Parks and Assistant Public Works Superintendent Mark Riverblood

Consultants Present: James McComb, McComb Group
Brian Pankratz, Vice President of Land Services with CBRE
Craig Waldron, Hamline University, former Oakdale City Administrator
Stacie Kvilvang, Ehlers & Associates
Jim Lasher, LSA Design/SRF Consulting
Lance Bernard, LSA Design/SRF Consulting

1. WELCOME

Mayor Pro Tem LeTourneau welcomed the audience, stating he hoped tonight's moderated session will help show perspectives from many areas and engage community members to participate. He said the City's mission is to grow a responsible community while providing cost effective services, stating The COR Plan is a strategic planning document and this process will help provide feedback and revisit some interests in place. Mayor Pro Tem LeTourneau said they hope the panelists will help the City think critically and not just validate the Plan. He said they will use this time to review The COR and get multiple perspectives which will serve as an important foundation on how we move forward with high level policy, adding there will be other opportunities for more focused groups in the future as well.

Community Development Director Gladhill said the City hopes to have a library of information moving forward based on input already provided by all boards and commissions in addition to the invited stakeholders, developers, and real estate agents which will help us learn and create a specific vision. He said Parks and Assistant Public Works Superintendent Riverblood will be a key component as the City's historian as we move forward into Phase III of The COR.

2. INTRODUCTION

Parks and Assistant Public Works Superintendent Riverblood provided a brief history of the Ramsey Town Center and The COR planning process. He said the community was committed to craft and confirm The COR Plan, which emerged as part of the 1998 Comprehensive Plan process. He stated a downtown area was embraced by a cross section of the community and commented how the first planning meeting was huge. Parks and Assistant Public Works Superintendent Riverblood said the City sought input from the community by conducting planning charrettes, stating while staff observed residents fit items on a land map and created eight possible town squares plans. He said all proposals contained strong retail with a downtown element and a connected system of parks, trails and roads. Parks and Assistant Public Works Superintendent Riverblood said the process led to a ballot question in 2001 to see if the voters wanted a town center in Ramsey and the 5,000 voters said keep working on a plan. He stated the citizen-led process was refined and a master plan was adopted by the City after which developers platted sites and a groundbreaking was held. He said the master plan served well for the past 10 years with revisions including a greenway in the center and is a symbol of prudent planning and citizen-involvement. He stated today The COR is half built out according to plan and that the City is seeking input on next steps.

3. PANEL DISCUSSION

Community Development Director Gladhill introduced the panel and provided their background:

James McComb, McComb Group
Brian Pankratz, CBRE
Stacie Kvilvang, Ehlers & Associates
Jim Lasher, LSA Design/SRF Consulting
Lance Bernard, LSA Design/SRF Consulting
Craig Waldron, Hamline University, former Oakdale City Administrator

3.01: Overall Vision – is the current vision a market reality?

Community Development Director Gladhill asked the first questions of panelist James McComb of the McComb Group: *What stood out to you in your station area market study? What do you feel is the most promising component? What do you feel will be the most challenging component?*

James McComb, McComb Group, shared his background which involved retail shopping centers for close to 45 years, adding he has ridden 15 of the light rail systems in the country and has worked on station area development, planning and design in both the metro area and in the nation. He outlined estimated retail demand created by the Northstar corridor, explaining customers are present during two periods each day for up to three hours while the 200-300 riders get on and off the train. Mr. McComb said the study estimated a Northstar business would receive only 1% of its sales from ridership and serve only as a bonus to what they generate from the trade area. He said he did not see designs that made sense from a retail point of view where a

store would want to be in the station area and that the City should rethink what how retail locations will play out in future.

3.02: Retail – why aren't we getting more shops and restaurants?

Community Development Director Gladhill transitioned into market demand created by transit and other retail planning and inquired about market outlook for traditional retail, short and near term and goals what the market will bear. He asked the next question of Brian Pankratz, CBRE: *One of the primary questions our policy makers receive is 'where are all the shops we were promised?'*

Brian Pankratz, CBRE, stated most retail development that has occurred in the metro area over the past 5-6 years includes corner gas stations and small restaurants such as Chipotles or Subways and that a new retail center has not been built except for expansions or Hy-Vees so Ramsey is in good position going forward. He said there are two local epicenters, Coon Rapids and Elk River, and within The COR Coborns exists but otherwise most are going into second and third generation space or OEA where certain uses are restricted. Mr. Pankratz said while the Armstrong interchange is nice and the Ramsey Boulevard interchange will help traffic visibility from Highway 10 is huge and a good signage plan needs to be ready along with flexible zoning in order to attract more shops and restaurants.

Mr. McComb agreed, stating while the interchange is nice driving to it offers no visibility from the highway into The COR and retailers need their signs and locations seen.

Community Development Director Gladhill shared some specific data such as number of households and vehicle trips that drive retail markets.

Mr. Pankratz said traffic counts from Highway 10 meet or exceed what is needed for retailers but the question remains if the area can be seen as direct access. He said from an economic standpoint the median income is good at \$85,000 within a five-mile radius which exceeds what retailers need but from a growth perspective the density within a one to five-mile radius is less as the north is built out and south has the river. He said an Eagan or Roseville has the density for mall areas but not Ramsey.

Community Development Director Gladhill asked: *What the density of households and trade area numbers are needed?*

Mr. McComb said the market area is where customers would like to be and the primary and secondary trade area is east of the Rum River, which is small with three river crossings as a constraint. He said another factor is Ramsey's average household income of \$94,500 and the trade area of the mid-\$80,000s; he said retailers look at the trade area and the area east of the Rum River is more like Ramsey in terms of income so there is a disparate income with the primary trade area being convenience, grocery-anchored trades. Mr. McComb said unless you create a sense of destination the area will likely populate as a convenience/shopping area.

Craig Waldron, Hamline University and former Oakdale City Administrator, said he was impressed with what the City did with the early project and effort to control the destiny and

vision. He said while working in both Oakdale and Roseville he learned to have a clear vision of what you want and the necessity to have agreement with the Planning Commissions and Councils as well as patience to get the development you want. He said they were aggressive in design standards so developers knew what the vision was and shared the importance of being ready with zoning etc. because to developer's time is money. Mr. Waldron stated the Hy-Vee sites we went farther with having preliminary materials ready such as market studies, soil studies, etc. to help facilitate development and that they relied on past relationships with developers and the real estate community. He also encouraged a single point of contact to facilitate information better and added their Mayor worked directly with developers too which was an asset. He suggested being aggressive and moving quickly while being on same page as important aspects going forward.

Stacie Kvilvang, Ehlers & Associates, said the existing retail needs visibility and with the loss of visibility may need help to entice them to stay and thrive. She said while fees are needed and necessary high intense users such as restaurants may need help too and suggested establishing loan programs for items such as WAC/SAC credits.

Community Development Director Gladhill offered the audience the opportunity to ask questions via the comment cards or the online poll which will be answered during the last half hour of the session or during the one-on-one portion at the end.

3.03: Residential – why all the apartments?

Community Development Director Gladhill said The COR was planned as a transit-oriented development, which traditionally needs high density residential. He said as this vision for housing continues to receive much attention the question is: *Are we saturated for multi-family?*

Ms. Kvilvang said while it is still a few years out we may have reach a bubble for apartments in downtown Minneapolis but not first and second ring suburbs anytime soon. She said there has not been a lot of new apartments constructed in 25 years and Ramsey being 'next door' and offering more of a visionary product resulted in seeing more high end market rate apartments with amenities such as theaters, pools, and outdoor areas. She suggested the City may wish to pause and look at how many more units would make sense and how they will succeed with retail, adding you do not want one concentrated type of housing but a variety.

Mr. McComb said he was impressed with the amount of housing already developed in The COR and filling up the center will help. He said the global trends of millennials show they will not be as affluent as generations of the past and have more a "gig" economy which results in inconsistent flow of income because of the recession. He said this trend results in increasing demand for affordable housing and homebuilders cannot build affordable single family homes at \$250,000-\$260,000 so rental will be important, which will be positive for The COR as people will take advantage of the pricing in Ramsey. He shared about a trend where Hy-Vee is building in half-trade areas such as Farmington and Lakeville which offers residential plus farming as another alternative.

Mr. Pankratz said the affordable housing conception needs to be defined and that there are many projects for median income at \$50,000-\$60,000 which is good as you cannot just do Class A apartments like in downtown Minneapolis. He said millennials are taking longer to get married but are now starting to have children and will no longer want to be downtown and will start to move.

Community Development Director Gladhill shared affordability housing data, stating apartments do not mean low income and asked: *What strategy Oakdale used to create affordable prices?*

Mr. Waldron said it was not easy and stressed the importance of a unified City Council as well as timing and public education. He said business community support is needed and said they pushed developers to hold work sessions in the community to start talking the projects up to get buy-in and show data on how property taxes will not drop because of apartment projects.

Community Development Director Gladhill asked: *If Ramsey's requirements are too restrictive for the market to bear and how we can get high quality architecture?*

Ms. Kvilvang said she believes Ramsey is not being overly onerous to require brick, glass and metal but said the projects would not have happened but/for having assistance so providing incentives is important to get what you want.

3.04: Parking Districts – what value can shared parking districts add to a development?

Community Development Director Gladhill stated the next question relates to: *Structured parking ramps as the next important talking point and possible financial assistance?*

James Lasher, LSA Design/SRF Consulting, shared how parking ramps are typically empty in the evening because most chose to park on grade because it is quicker and easier. He said ramps have a purpose and shared rising costs from \$11,000/stall in 2004 to \$16,000-\$24,000/now. Mr. Lasher said while ramps are eight times more expensive it would take six acres of asphalt to replace a typical parking ramp and ramps achieve a higher level of tax and structure while preserving land for more buildings. He said parking districts are now being created to share parking and be able to use a stall longer than eight hours per day, such as through partnerships with a movie theater. He said parking structures are very expensive and have an ongoing cost but add value because they build more density and tax base.

Ms. Kvilvang said The COR parking would have been better underground and would have used land more effectivity but with the high-water table in Ramsey the parking structure made sense.

Metro Transit representative Lucy Galbraith said Metro Transit has begun an effort with real estate assets and policy makers on this topic and agreed it may be a logical next step for review. Ms. Galbraith said their website has a video about this exercise which she encouraged people to view.

Community Development Director Gladhill shared a question from the audience about the impact the district has on future development.

Ms. Kvilvang said walkability is important and ramps will work for malls or a fitness center but not for a grocery area.

Community Development Director Gladhill inquired about average contributions, incentives, and financial exposure to the City.

Ms. Kvilvang said if the City wants to be in the parking business then yes and then it should be tied to transit development but said that will lead to increased density. She said the private market will not build parking ramps and the City may have to charge the district to help support a ramp.

Mr. Lasher said the City may need to work on mass transit as part of a parking district to move them that last mile and then capitalize the project because rents will not be able to afford a ramp so he suggested loans to capitalize the project but offload what is being absorbed by the City and place maintenance on the developer.

Community Development Director Gladhill inquired about 2am-6am parking restrictions and overnight street parking and if the City should allow more.

Mr. Lasher said on street parking is for impulse use for adjacent retail operations and a two to three-hour limit is needed to business but said he would be reluctant to have adjacent on street parking.

Mr. Pankratz noted the importance of parking during a snowstorm and how quickly snow is removed.

Mr. Lasher said the component of enforcement is something the City may not want to do and ramps have a big problem with overnight parking for access to the airport and the City may wish to stay away from all-night on street parking.

3.05: Parks, Recreation, and Open Space – what value can gathering spaces add to a development?

Community Development Director Gladhill said a component that has remained steady throughout changes to the plan is the future plans for parks, recreation, and open spaces. He said some of the framework for these spaces is already laid out but now we are reaching a critical threshold of capital improvements. He asked: *What about land use and parks planning integrated with The Draw, amphitheater, and Parkview East and the importance for developers that the City create recreational space in attracting residential?*

Ms. Kvilvang said open space is key as trends show people like to be more active on connected trails for walking and biking. She said parks are value-added in single family but even more important in multi-family because people do not want to be in their units all the time and need easy access to parks and trails.

Mr. Pankratz said a retail setting is helpful as people are looking for an active lifestyle and a park in the middle of a retail center may work, adding the definition of parks is changing.

Mr. McComb said it depends because a tot lot could keep people there longer as it offers a mix and plays well with the public. He said the City needs to think about integrating uses with parks and make them more 12-hour per day activities.

Community Development Director Gladhill referred to Oakdale Nature Center and the combination of open space as an example.

Mr. Waldron said it goes back to quality of life and positive amenities that draws in the creative class which is the type of businesses employee's want to have as it helps economic development. He said parks can have tremendous economic development enhancements through activities.

Community Development Director Gladhill asked: *What about a community center and what value and barriers it could bring?*

Mr. Waldron said community centers add to cities but said to be careful about making sure you have the population to support it so it does not continue to draw public money. He said smaller targets such as a nature center, ice arena, or partnership with a pool could be an option instead of mega facility.

Mr. Pankratz agreed, stating a city may just need more meeting rooms or a water slide instead of a large facility because as a population ages a community center may not work anymore. He said a current ice arena can add rooms, etc. to meet a need and that a city should review its needs versus wants.

Mr. McComb shared how Dickinson North Dakota made their community center work because it focused on a destination for trade area and brought people in for a weekend.

3.06: Closing Question

Community Development Director Gladhill asked: *What piece of advice would the panel leave our policy makers with this evening? What component is the most promising? What component will be the most challenging?*

Mr. Waldron said he was impressed with the City's vision and aggressiveness to control its destiny and said to stay the course as this is not a sprint and to enjoy the significant success.

Mr. Lasher said the City should not build a ramp for a single use but bring in multiple uses so any ramp is smaller but more effective.

Ms. Kvilvang said the City has done a lot already with the civic component of City Hall, transit, The Draw, and a grocer but said the plan is over 10 years old and needs to be reviewed as it may not work today.

Mr. Pankratz said the feedback has been positive on the City's timely response to questions and it is meeting and exceeding peer cities on providing developers what they need. He stressed the importance of zoning and creating flexibility.

Mr. McComb said mixed uses with retail/office above are difficult to pull off because the primary use is the most important and that the City should think through the concept first. He said the demographic change is that millennials are increasing their presence and boomers are diminishing and it will be important for Ramsey to think about appealing to this segment to have them want to live here.

4. QUESTION & ANSWER

Community Development Director Gladhill offered the floor for questions from the audience.

Bill Kingston, audience member, said he was confused about retail and Highway 10 visibility and how the overpass is a bad thing but was needed to attract retail.

Mr. McComb said the interchange was needed for access but visibility is important because 45% of interchanges do not allow visibility of pylon signs or stores in time for travelers to exit a freeway or highway ramp.

Mr. Pankratz asked about US Bank and other sign variances.

Community Development Director Gladhill said the overlay district had a signage base height of 25 feet but is now 75 feet.

Mr. Pankratz complimented the City on having a plan ready but cautioned against not having 40-50 signs but instead having an anchor tenant with combined pylon signs.

Ms. Kvilvang said there are unintended consequences as the ramp was absolutely necessary for traffic flow but is a little too tall and suggested retail signage earlier on Highway 10 west retail signage.

Councilmember Riley asked about mixed use over retail use.

Ms. Kvilvang said vertical mixed use does not work because retail and ceiling heights change and create obsolete markets. She said if it was so great it would be everywhere but it is not. She suggested activity on first floor space like a gym or community rooms instead could work.

Community Development Director Gladhill referred future challenges of mixed use now to residential use and converted to ground floor retail.

Mr. Pankratz said financing is a challenge as well as parking issues at either street, below or at grade. He said the City reaches out to big box retailers on a quarterly basis and while you do not want to cannibalize stores Ramsey is on the radar with several retailers so they know you are here.

Mr. McComb said Target and Wal-Mart are not opening stores like they used to as retail has changed and instead stores are being constructed closer together for more convenience which has helped maintain market share.

Mr. Waldron said Oakdale was not afraid to prime the pump as long as agreement was a priority.

Planning Commissioner Gary Van Skoy commented that fiber optic attracts new businesses and this feature should be marketed more as a good resource.

Vicky Adams, audience member, asked if we really want a big box store in Ramsey.

Mr. McComb said this use would work on the west side but the challenge is finding a store that would benefit from the trade area by matching who you are with their retail needs.

5. CASUAL TOPIC BASED DISCUSSION

Mayor Pro Tem LeTourneau and Community Development Director Gladhill thanked everyone for their participation in this meeting and invited audience members to stay and ask questions of the panelists if they wished.

6. ADJOURNMENT

Mayor Pro Tem LeTourneau declared The COR Market Panel session adjourned at 7:45 p.m.

Respectfully submitted,

Kurtis G. Ulrich
City Administrator

ATTEST:

Jo Ann M. Thieling
City Clerk

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