



CITY COUNCIL MEETING MINUTES

Richfield, Minnesota

Concurrent City Council, HRA, and Planning Commission Work Session

September 16, 2019

CALL TO ORDER

The meeting was called to order by Housing and Redevelopment Authority Chair Supple at 5:45 p.m.

Council Members Present: Maria Regan Gonzalez, Mayor; Mary Supple; Edwina Garcia; Ben Whalen; and Simon Trautmann.

HRA Members Present: Mary Supple, Chair; Maria Regan Gonzalez; Pat Elliott; Erin Vrieze Daniels; and Sue Sandahl.

Planning Commission Members Present: Allysen Hoberg, Chair; Susan Rosenberg; Bryan Pynn; Sean Hayford Oleary; Jim Rudolph; and Peter Lavin.

Planning Commission Members Absent: Kathryn Quam

Staff Present: John Stark, Community Development Director/HRA Executive Director; Katie Rodriguez, City Manager; Melissa Poehlman, Assistant Community Development Director; and Julie Urban, Housing Manager.

ITEM #1	CONSIDERATION OF TWO POTENTIAL DEVELOPMENT PROPOSALS FOR 6501 PENN AVENUE
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Housing and Redevelopment Authority (HRA) Executive Director Stark and Housing Manager Urban presented the staff report, explaining that the HRA had purchased the site earlier this year and that staff have been meeting with two development teams interested in developing the site. Housing Manager Urban introduced Erik Weingarden and Dave Lundy from the development team of Broadway Investors.

Mr. Lundy explained that they were proposing to combine property to the south and east along with the HRA property to construct 150 units of multi-family housing in a four-story building, with rooftop amenities, ~~and first floor commercial space with uses not available in the area such as a gym or co-working space.~~

Commissioner Hoberg asked for a clarification regarding the commercial space and what they would do about commercial turnover. Mr. Lundy explained that they were looking to provide first floor commercial uses not available in the area such as a gym or co-working space.

Commissioners Vrieze Daniels and Sandahl asked questions clarifying the height given the grade difference. Mr. Lundy explained that the height is four stories from Penn Avenue.

In response to a question from Commissioner Pynn, Mr. Lundy explained that they could do a smaller project if they were unable to purchase neighboring properties, but they didn't think that was the best option for the City.

Councilmember Trautmann stated that access onto Oliver Avenue would have a big impact on the residential neighborhood.

In response to questions from Councilmember Whalen, Mr. Weingarden explained that the parking was all underground and that preliminary conversations with adjacent owners indicated they were open to discussions.

In response to a question from Commissioner Vrieze Daniels, Mr. Lundy explained that they were considering 40% of the units to be affordable at 60% of the Area Median Income, per the Housing TIF district requirements. In response to questions from Commissioners Whalen and Chair Supple, Mr. Lundy confirmed that they would be open to discussing deeper affordability and that they would be willing to provide fully-accessible units.

A discussion followed regarding the status of the team's NOVO project and the status of acquisitions.

Wynne Yelland and Adam Jonas from Locus Architects, along with Adam Seraphine from NHH Properties, presented a project with 40 multi-family units and approximately 6,000 square feet of leasable commercial space on the first floor. A second phase on the property to the south with an additional commercial space and 20 units of housing could be added if that owner were interested in selling. The project would have a value of approximately \$10 million, would be financed locally and would use tax increment and grant funds to achieve affordability in the housing.

Commissioner Hoberg supported the idea of local businesses in the commercial space, questioned whether VASH vouchers could be attached to units, and encouraged the developer to figure out the affordable component soon.

Councilmember Trautmann asked for examples of what a successful commercial node looks like.

Mayor Regan Gonzalez encouraged them to provide more details on how the project would meet City goals and asked if they had ideas and experience providing affordable commercial space. She questioned if it was realistic to expect to connect redevelopment with economic development.

Mr. Seraphine explained that they're looking at different options for affordable commercial space including reducing costs, finding funds to finance build-outs, and offering incubator space with shared costs. Executive Director Stark confirmed that using public subsidies to finance businesses would be new for the City.

In response to a question from Mayor Regan Gonzalez, Mr. Seraphine explained that they would try to move forward with both sites but could go forward with just the one. She questioned what teeth could be put behind achieving economic development goals and wanted to know what it looked like to meet the City's goals with this project.

In response to a question from Commissioner Pynn, Mr. Seraphine explained that the two options for the property to the east would be to construct row homes or to build a bigger building, although explained that the bigger building was not their preferred option.

Councilmember Trautmann asked whether accessible units could be included and what experience the developer had with incubator and co-working spaces. Mr. Seraphine explained that they could make some units more accessible and that he had been involved in developing but not managing four co-working spaces.

Council member Whalen asked for clarification on the mix of affordability, green space, and access on Penn Avenue. Mr. Seraphine explained that it's too early to commit to specific affordability but that they are committed to including it, green space depends on the parking ratio, and that the results of the Penn Avenue study will help determine access.

Commissioner Rudolph asked about the status of the RF64 project.

Executive Director Stark explained that the City/County study of Penn Avenue will begin soon.

In response to a question from Chair Supple, Broadway Investors stated that if they couldn't purchase the property to the south, they would still move forward.

Commissioner Hayford Oleary stated that he had more concerns about the second proposal and didn't like to see surface parking. He prefers the larger number of units the first proposal provides.

Commissioner Vrieze Daniels stated that she preferred the economic development potential of the second proposal and believes that multiple, smaller buildings fit better on Penn Avenue.

Commissioner Elliot and Councilmember Trautmann suggested having the developers come back with more information.

Commissioner Sandahl expressed the desire to some green space.

In response to a question from Councilmember Whalen, Executive Director Stark clarified that there were some additional details that could be provided without a significant investment by the development teams but items like detailed financial and engineering work wouldn't happen until one team was selected.

Commissioner Rudolph agreed that more information was needed. He also wanted to consider both developers' track records with previous developments.

Councilmember Whalen asked to see what the Broadway Investors proposal would look like without the adjacent properties and wanted more information from Locus/NHH on the affordable housing numbers.

Councilmember Trautmann introduced the community leaders from the Penn Central group and suggested the development teams may want to connect with them as they move forward.

ADJOURNMENT

The meeting was adjourned by unanimous consent at 6:48 p.m.

Date Approved: September 24, 2019

Maria Regan Gonzalez
Mayor

Julie Urban
Housing Manager

Katie Rodriguez
City Manager