

City of Columbus
Economic Development Authority Special Meeting
02.27.19

The 02.27.19 meeting of the City of Columbus Economic Development Authority was called to order at 6:01 p.m. by President Jesse Preiner at the City Hall. Present were EDA Commissioners Mark Daly, Jeff Duraine, Denny Peterson, Shelly Logren, Janet Hegland, and Jon Rausch, Executive Director Elizabeth Mursko, Attorney Bill Griffith, and Assistant Secretary Jessica Hughes.

Also in Attendance were – Barb Bobick, Ron Hanegraaf, Kris King, Paul Peskar, Pam Wolowski, and Bill Prinsen.

A. APPROVAL – 02.27.19 EDA Agenda

Motion by Daly to approve the agenda with changes as noted. Seconded by Peterson. Motion carried unanimously.

B. OPEN BUSINESS

No open business.

C. NEW BUSINESS

Columbus 3597 JAMP, LLC

Tom Palmquist from JAMP LLC came forward and gave a PowerPoint presentation to the EDA about the concept for the NE quad. Palmquist started by saying that the NE quad is a prime site for development with high traffic counts, strong demographics, and great access and visibility from I-35.

Palmquist said that they believe the new bridge over I-35 will kickstart significant development in Columbus. The plan for the NE quad accommodates roughly 95,000 square feet of commercial and retail property and they anticipate the site having a variety of uses. Possible services in the quadrant would include a grocery/fuel retailer (Hy-Vee), banking, daycare, retail, hospitality, hotel and apartments. Palmquist noted that the configuration of the quadrant is fluid and changes often.

In terms of the SE quad, Palmquist said that they are still working through wetland issues to determine the number of developable acres. He explained that during initial discussions with Hy-Vee they were more interested in the SE quad location because of the right in and right out option. However, because of the amount of wetland on the site it would be too difficult to build the size of store desired. Palmquist added that despite these concerns they still think the site is good and will lend itself to a destination type business.

Columbus Hy-Vee Fast & Fresh

Phil Hoey continued the presentation by talking specifically about the proposed Hy-Vee Fast & Fresh location in the quadrant. The concept includes a gas station with significant food offerings, a coffee shop, and a liquor store. The proposed size of the store is roughly 10,000 square feet. This size store would not include as many offerings as a full grocery store would, but will offer build your own pizzas, fresh sushi, on the shelf meats, fresh produce, premade on the go meals, and beer crowlers. In addition, customers will have access to Hy-Vee's full grocery store offerings through a service called Aisles Online. Aisles Online allows customers to order items from a full-service grocer and pick up the order from a locker in Fast & Fresh parking lot.

Hoey continued by showing the Council a concept for the quad which includes a 96-unit apartment building over enclosed parking. He said that he is having conversations with developers that are interested in the idea of an apartment building in the NE quad. Hoey encouraged the Council to consider designating the NE quad as Mixed Use to allow for multi-family developments such as apartments.

Phil Hoey noted that in his experience new Hy-Vee stores spark interest in nearby properties and often kickstart development. He is confident that with the new bridge and realigned roadway that corner will see significant traffic.

At this time Hoey and Palmquist asked the EDA for questions.

Griffith added some background on the project. The EDA, City Council, and City staff have been working on it for well over a year, and the timing should be beneficial due to infrastructure improvements occurring around the same time. He spoke with Shafer Contracting who agreed to remove their equipment when necessary to allow for development on the site. The City will be responsible for a certain amount of public improvements on the property, while Hy-Vee and JAMP will pay special assessments toward their share of the infrastructure improvements.

Mayor Preiner asked where the other Hy-Vee Fast & Fresh locations are? Hoey said that they are located in Iowa and are doing well. Hoey said that they are particularly excited about the Columbus location because, unlike the other Fast & Fresh locations, there is a significant amount of vehicle traffic on I-35 each day. Hoey continued to say that other successful Hy-Vee locations are in close proximity to multi family housing and noted that this could be an option for the NE quad as well.

City Attorney Bill Griffith asked where the groceries will be delivered from with the Aisles Online service? Hoey said that they will likely pull the product from a nearby full service Hy-Vee. He added that they are hoping to eventually build a fulfillment center for the service, but until that time the product will come from a full-service store.

Rausch said that he really likes the concept, and followed up by asking if JAMP would sell remaining parcels to a non-competitive third party? Palmquist said that they are committed whatever the market is showing, and they have the ability to sell to a third party. Rausch continued by asking if anything else will be built at the same time as the Hy-Vee? Palmquist said that at this point the only thing on the schedule is the Hy-Vee. Rausch's final question was what kind of

timing they anticipate for the site? Hoey replied that Hy-Vee generally tries to keep the construction timeline flexible. He added that a big consideration for the timeline is when the new bridge over I-35 is completed.

Duraine asked if there is any possibility of an expansion of the Hy-Vee location in the future? Hoey replied that there may be room to expand if some of the parking stalls are removed.

Daly said that he would be interested in knowing what kind of tax base apartment buildings generate versus what a restaurant would generate. He said that the City's original vision of that area did not include apartments and that he would rather see it used for businesses only. Rausch commented that having a grocery store near apartments is desirable. Hoey replied that in a number of Cities they received significant interest from apartment developers once a Hy-Vee was built and agreed with Rausch that the convenience of walking to pick up groceries is desirable.

Griffith took this opportunity to discuss multi-family housing. In general, multi family housing will create decent tax base but will not contribute to fiscal disparities. At the same time, including an apartment building in the NE quad could help address the Met Council's multi family housing requirement.

Mayor Preiner asked why the Metropolitan Council is pushing multi family housing more on the City now than in previous years? Griffith said that the City has been a part of the Metropolitan Council's sewer district for almost 20 years, and they expect minimum densities of at least three units per acre in these districts. He added that in the metro area there is a lot of demand for apartments.

Rausch asked if there is an anticipated timeline for the full buildout of the NE quad? Hoey said there is not at this time, and it will depend on who is showing interest and how the pieces come together. He added that in his experience a Hy-Vee store and an apartment building in close proximity often creates momentum and increases interest in developing related uses.

Griffith noted that the City, as the current owner of the property, must plat the NE quad land to dedicate the right-of-way for Hornsby Street and provide easements for ponding. Because convenience is a permitted use in the City, the Hy-Vee project will essentially only need Site Plan approval. He said that concurrent with the Site Plan applications will be applications for a subdivision.

Griffith finished by asking the EDA members to think about naming suggestions for the development in the NE quad. Palmquist and Hoey said that they would be thinking about naming suggestions as well.

D. COMMISSION OPEN DISCUSSION

Mursko reported that she attended a meeting at Hugo Town Hall discussing the possibility of creating a Tech Corridor along I-35. She explained that there is interest in a unified effort with surrounding communities to promote land for sale along I-35 from Columbus to White Bear Lake as a tech corridor due to large parcels of land available. The idea for the tech corridor came from Anoka County and Connexus Energy who, along with Xcel Energy, have said that there is enough

power to facilitate the idea.

E. EXECUTIVE DIRECTOR'S REPORT

No report.

F. NEXT MEETING DATE

The next EDA meeting is a special meeting held on 04.10.19.

G. ADJOURNMENT

Motion by Daly to adjourn. Seconded by Hegland. Motion carried unanimously.

Meeting adjourned at 7:02 p.m.

Respectfully Submitted:

Jessica Hughes, Public Communications Coordinator