

**City of Columbus
Economic Development Authority Meeting
10.09.19**

The 10.09.19 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 Jeff Duraine, Denny Peterson, Shelly Logren, Janet Hegland, and Executive Director Elizabeth Mursko, Attorney Bill Griffith, and Assistant Secretary Jessica Hughes.

Also in Attendance were – City Engineer Dennis Postler, Larry Popplar, Cindy Angel, Richard Haluptzok, Ron Hanegraaf, Joe Pribyl, and Josh Pribyl.

1. CALL TO ORDER – 6:01 p.m.

2. APPROVAL –Agenda

Motion by Peterson to approve the 07.10.19 EDA minutes. Seconded by Hegland. Motion carried unanimously.

Motion by Peterson to approve the 08.14.19 EDA minutes. Seconded by Duraine. Motion carried unanimously.

Motion by Peterson to approve the agenda for the 10.09.19 EDA meeting. Seconded by Hegland. Motion carried unanimously.

3. OPEN BUSINESS

No report.

4. COMMISSION OPEN DISCUSSION

Presentation: JAMP

Mursko reported that the developers of the NE I-35 Quadrant, Phil Hoey and Tom Palmquist, were invited to the EDA meeting to have a discussion about the quad to ensure everyone is on the same page.

The 2040 Comprehensive Plan was approved by the Met Council and is on the City Council Consent Agenda for the 10.23.19 meeting. As the Comprehensive Plan created Mixed-Use districts, there has been an application submitted for a multi-family apartment building in the NE I-35 Quadrant. The next step for the City is to create Mixed-Use ordinances regulating multi-family housing which are compatible with the Comprehensive Plan.

Logren updated the EDA on the Branding Subcommittee's progress. She said that branding efforts are in very beginning stages, but the committee is considering a goal of marketing Columbus as a destination. In order to do this, new destination-type businesses should locate in the Freeway

District.

Palmquist replied that they are working to be as responsive to the EDA's vision as possible. They are hopeful that new users which fit their vision will submit applications. Overall, he and Hoey are happy to work with the City to find users that both fit with their vision and are market driven.

City Attorney Bill Griffith commented that there has been discussion about installing a low monument sign in the NE I-35 Quadrant welcoming people to the area. He said that the window for including this sign as part of the road project (and eventually assessed back to the developer) is closing. The exact date is not certain, but he encouraged the EDA and developers to include this sign as part of their discussion today.

President Preiner asked where the monument sign would be placed on the concept plan? Griffith replied that one idea is to place a curved sign at the edge of the pond to be located on the property but noted that City Engineer Dennis Postler is concerned about the sign's proximity to the pond. However, he noted that the City owns that land and it would be quite visible from the intersection.

Logren asked Griffith why timing is a concern? Griffith replied that there is an opportunity to add the cost to a current infrastructure project. If plans are not added to the project, it will become the City's responsibility to pay for and execute. Postler noted that if the design is not complete until spring, that would not be a problem. However, he said, there should at least be a discussion on the sign's materials before too long.

Griffith said that it is in the City's best interest to take the lead on the design of the monument. Palmquist suggested a ground mounted sign, roughly 6-8' in height. Postler said that he will work on a preliminary design and Mursko said she will ask City Planning Technician Ben Gutknecht to compile examples from other cities for the Council to consider at a future date. Mursko also encouraged EDA members to send Gutknecht examples of monument signs that they like.

Postler said that the monument sign could be approved as a change order on the bridge's design build project. Mursko said that the sign would likely be considered a public improvement, and roughly 12 years ago there was a \$30,000 budget for a monument sign. She added that a decision on this should be made by February 2020.

Mursko continued by encouraging the EDA to give feedback to Hoey and Palmquist about uses that they believe could fit in the NE I-35 Quadrant and be compatible with the apartment building and HyVee Fast and Fresh store.

Logren asked Hoey and Palmquist if they have completed a feasibility study for the area? Hoey replied that they have not but are looking at any uses commonly seen at interstate exits. He added that they are talking to basically everyone who shows interest in the property, and they have a list of restaurants that they are reaching out to. In addition, they have direct relationships with medical office developers.

Logren continued by asking what typical businesses follow a HyVee development? Hoey said that this is a tough question to answer because their proposal for Columbus is a new concept and there is only one other in the state of Minnesota. Situated near that store (located at Cedar Avenue and Dodd

Blvd in Lakeville) are three remaining out lots, one of which will be a two-story medical office. He again emphasized that this location is different from Columbus, partly because Lakeville is a municipal liquor community (so that store does not have a liquor component). Hoey also noted that this location has less traffic and a higher density than Columbus.

Logren said that she feels like the Columbus site presents a great opportunity because Exit 129 is on the way north, and access is very convenient. She noted that the Jacquell Hajder, Regional Economic Development Specialist from Anoka County, suggested that an event center could be a positive addition to the area. Hoey said that he sees potential for restaurants or a pharmacy-type retailer but noted that these types of retailers look to density as a top priority, and this area does not have high enough density to hold their interest. He added that many developers of destination type retailers will request incentives from the City to build there. Griffith noted that providing some type of incentive (such as decreasing the cost of land) would be a simple way for the City to incentivize such developers.

Mursko asked the EDA what type of destination uses they are imagining for this area? She noted that the site is limited in terms of acreage and parking spaces, so an event center may not work in the quadrant. Logren said that she believes a possible event center in a different area of the Freeway District could have a symbiotic relationship with whatever businesses locate in the NE I-35 Quadrant. She suggested a microbrewery as such a business.

Hegland asked if she could get a rough timeline for full development of the NE I-35 Quadrant? Palmquist replied that it is likely that the rest of the area will not be completed until 4-5 years after the HyVee and apartment building are constructed. He added that HyVee could potentially be open by fall 2020 or spring 2021, and most businesses have at least a one-year building cycle.

President Preiner asked, looking at the concept plan, what they envision the 18,000 square foot site to be? Palmquist replied that the concept plan is a rough outline to get an idea of possible size, type, and placement of buildings on the site. He said that it is fungible and used as a tool for discussion. This concept plan is based on the maximum density.

Griffith noted that finding the best use for the area may present a challenge for developers because there is a purchase agreement which contains significant milestone performances. He continued by saying that the EDA has to decide how passive they would like to be in this process. It is difficult to ask developers in this situation to bring a perfect user before spring, without allowing subsidies to incentivize.

Hegland asked, since a market analysis was going to be used to determine the number of bedroom units in the multi-family housing project, if there are results from the analysis that can be shared with the EDA? Palmquist replied that the results of that analysis have not been released to them and generally those reports are specific to the type of use being considered (in this case multi-family housing).

Hoey noted in closing that regardless of what happens with timing, they are committed to trying to find good users for the site. Many times, it will take the visual of businesses being constructed for potential users to look at the site seriously.

2020 Goals List

Mursko reported that there are two critical items on the 2020 Goals List that the EDA should look at; legislative initiatives, and possible wildlife management area funds.

Mursko began with legislative initiatives. She said that Anoka County reported there will be \$1-\$1.2 million left over in LRIP funds after projects are completed. Everything that the City wanted to do has been allocated for. The excess money will go back to the LRIP fund for future projects unless the City approaches the legislature to request funding for another purpose. Mursko said that the City could consider going back to the legislature to request additional funding for the construction of the northern portion of W. Freeway Drive. This portion of road was historically planned to be a new frontage road going back to the Lamprey Pass Wildlife Management Area. The City could try to make this project viable by hiring a lobbyist to go back to the legislature and request that money from the excess LRIP funds be allocated toward extending the road.

The second item is that Wildlife Management Areas (WMAs) also have funds that can be put toward a road project if a WMA abuts the road. The concept for the extension of W. Freeway Drive shows the road terminating at the Lamprey Pass Wildlife Management Area, which means the project could be eligible for such funds. An application for this opportunity must be submitted by November 2019. Mursko added that with the completion of this portion of W. Freeway Drive, two parcels of City owned land off that road could be developed.

Griffith noted that if the City would like to go forward with lobbying for additional LRIP money, his law firm would bring a proposal for services back to the next Council meeting. Mayor Preiner asked how much a lobbyist will cost? Griffith replied that for other sessions the cost has been around \$50,000; roughly \$10,000 per month during the session. He added that the City has been successful at lobbying for this money twice before in the past. Mursko said that there will be a lesser cost for trying to secure WMA funds because it is a simple application and City Staff would complete it.

Duraine commented that it seems like \$1 million would not come close to covering the cost of constructing the northern extension of W. Freeway Drive. Griffith said that the cost would be covered by a handful of places; possible assessments, state funding, and local funding. President Preiner asked, if the City was able to use LRIP funds, how long would we have to begin the project? Griffith replied that last time they were given roughly two years to begin the project. Mursko said that the possible \$1.2 million of LRIP money plus roughly \$200,000 - \$500,000 from the WMA fund could add up to a considerable amount to contribute toward the project.

Hegland and Peterson said they were in favor of trying to get funds from both locations, while Logren and the others remained undecided. They agreed to reconsider the topic at the next City Council meeting.

5. EXECUTIVE DIRECTOR'S REPORT

No report.

6. NEXT MEETING DATE

The next EDA meeting date is to be determined.

7. ADJOURNMENT

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

Meeting adjourned at 7:10 p.m.

Respectfully Submitted:

Jessica Hughes, Public Communications Coordinator