

Redevelopment Projects Awaiting Funding Across Minnesota

EDAM reached out to its members to highlight examples of the types of redevelopment projects that local communities throughout Minnesota are hoping to advance in the event that the Redevelopment Account receives funding this Session. **During the last round of DEED Redevelopment program grant awards the requests for funds outstripped the available awards by two-to-one.** Here are some examples of the pending projects that could be funded if the Redevelopment Account receives an allocation this year.

Windom

- The City of Windom has applied for the DEED Redevelopment Grant three times for the Cemstone Redevelopment Project
- The Cemstone Redevelopment Area is a top location for housing in Windom
- The property is adjacent to 58 acres of publicly-owned greenspace that includes the Windom Recreation Area, Tegels Park, and the Community Center
- This location offers unique amenities that add to the value of redeveloping the Cemstone Property into a new residential subdivision
- There are additional redevelopment benefits associated with wellhead protection, lake protection, and pedestrian safety
- The topography and preliminary engineering have been completed. The project is ready to move forward, but there is a funding gap associated with demolition
- The estimated demolition costs are \$424,905
- The current taxes on the 34 acre property is \$5,260
- The estimated future annual taxes based on the minimum buildout of \$66,871
- After the entire site is redeveloped the estimated future annual taxes will be \$137,427

Shakopee

- Canterbury barn demolition
- As part of a 150 acre mixed-use redevelopment area, the demolition of the existing horse barns is a critical element to the long term success of creating a walkable neighborhood with apartments, townhomes, employment and new entertainment venues

- The private sector has already invested more than \$100 million in the area
- Canterbury will build new barns on its property but the removal of the existing dilapidated barns is still a hinderance to redevelopment
- The existing TIF District is only being used for public infrastructure including two new roads, highlighting the need for redevelopment funds

Victoria

- The City of Victoria is working with a developer to kick off Phase 1 of the City's "Downtown West" development
- While much of Downtown West is currently bare land (city-owned 13.5 acres), the first phase would include the redevelopment of a 1.17 acre privately owned farm yard property on the outskirts of downtown
- The City's vision for Downtown West is to expand Victoria's downtown urban center and diversify housing options
- The City envisions a mixed use residential/retail environment, with housing options to include market rate rental, senior/affordable rental and owner-occupied townhomes
- Phase 1 is proposed to include a 125-unit market rate apartment, a central green park/plaza, stormwater features, extension of utilities to the parcel, and realignment of Stieger Lake Lane
- The City is currently working with the developer on project financing, and intends to formalize the Phase 1 development later this spring, with potential construction kick-off in late 2021/early 2022
- While the City is currently working to bring this development to fruition without the use of grant funds (exploring TIF and assessment options), any grant funding available would lower the tax burden on residents/businesses
- The first phase apartment complex is estimated to be TMV of \$28,125,000 year of completion
- Public project costs for roadway realignment, utility extension and public park/stormwater features is estimated at just under \$4 million
- The City would likely seek and be appreciative of any grant amount to help pay the \$4 million public cost

Bemidji

- The City of Bemidji has an outstanding Redevelopment project in Bemidji called the Rail River Wellness District
- It involves redevelopment of a brownfield site on a railyard at the entrance to the Mississippi River (first city on the Mississippi River) and is adjacent to downtown Bemidji

- A redevelopment grant would allow the City to develop a new sports and wellness complex, boutique hotel (collectively creating 150+ jobs), and 200+ housing units in the area
- Total development costs are expected in excess of \$50 million
- It would also allow the City to clean up the Mississippi Riverfront and add parks for the public to enjoy and generate significant downtown redevelopment

Saint Paul

- St. Paul Planning and Economic Development are working on preparing a site at 1560-1590 White Bear Ave for redevelopment
- The city block has been vacant for the past 20 years
- Once environmental testing and potential cleanup have been completed, St. Paul will market the site and a future developer would greatly benefit from being able to access DEED Redevelopment funding up to \$1 million
- This project will likely happen in the next couple of years and could generate \$5-10 million in private investment

Mankato

- There are at least five potential redevelopment projects in Mankato in the early stages of discussion, including along Sibley Parkway, downtown, and in the Riverside North area
- Current discussion revolves around how to make the projects work given the hurdles of demolition, soil issues and infrastructure upgrades needed and if the Redevelopment Grant program were reliably available, we would see a need for approximately \$1.25 million to \$2 million in grant requests in the next two years for projects in Mankato
- It is estimated that these projects would result in at least \$30 million in private investment

St. Michael

- The City of St. Michael has a downtown redevelopment site of up to 2.8 acres
- There are existing buildings and older parking and utilities that need to be removed
- Further public investment in new utilities and parking would allow the property to be developed into smaller individual lots for local businesses consistent with the City's vision
- The additional public funds needed are estimated to be \$500,000

Saint Paul Port Authority (SPPA)

- SPPA purchased the 112- acre former Hillcrest Golf Course in June 2019
- The site is widely contaminated with mercury, has no infrastructure, and significant site grading challenges and other barriers to private investment that require solutions

- SPPA believes that reuse of the Hillcrest Site will bring immediate and substantial positive social and economic benefits to the Greater East Side neighborhood, including a job-dense business center with approximately 1,000 living wage jobs with low barriers to entry and 1,000 units of needed workforce housing
- Further, redevelopment of the site will catalyze additional, much needed economic growth in the Greater East Side neighborhood
- This site will need an estimated \$27M in infrastructure investment to create road, sewers, water connections, trails
- Much if not all of these costs will be eligible for DEED's Redevelopment Grant funds
- These new utility connections will improve the efficiency of the existing infrastructure
- Site development will provide the Greater East Side neighborhood with much needed local transit connections
- The new development will link traffic from an area west of the site to a major north south artery east of the site
- This site will need infrastructure investment to create pad ready sites for redevelopment that will place quality job opportunities near the workforce that most needs them

Exciting redevelopment projects like these are waiting for funding all across the state. By funding the Redevelopment Grant program we could provide state support for these economic development professionals as they try to breath life into economically depressed areas of their regions to increase their tax base and provide new jobs. If you have any further questions on redevelopment or need any more information from us, we can be reached at (651) 208-8162 (Kevin's cell) or (218) 301-9758 (Sam's cell) or by e-mail at kwalli@fryberger.com or srichie@fryberger.com.