

AGENDA
MAPLEWOOD CITY COUNCIL
MANAGER WORKSHOP
5:15 P.M. Monday, September 24, 2012
Council Chambers, City Hall

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA

D. UNFINISHED BUSINESS

1. Gladstone and Economic Development Initiatives Review
2. Declaration of Intent to Close Meeting
 - a. Discussion on Labor Negotiations

E. NEW BUSINESS

F. ADJOURNMENT

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MEMORANDUM

TO: James Antonen, Authority Director
FROM: Michael Martin, AICP, Planner
Charles Ahl, Assistant City Manager
SUBJECT: **Gladstone Neighborhood and Economic Development Efforts**
DATE: September 24, 2012

INTRODUCTION

At the September 24, 2012 city council workshop, staff will be giving the council an update on the current projects and progress being made within the Gladstone neighborhood in terms of redevelopment and what steps may need to be taken to continue the steps forward. In addition, staff will present an overview of a work plan the city's business and economic development commission (BEDC) has developed. Finally, staff would like to gauge council's reaction on potential uses for parcels of property the city owns and is looking to sell.

Members of the BEDC, community design review board, housing and redevelopment authority and planning commission have been invited to attend the workshop.

DISCUSSION

Gladstone Neighborhood Redevelopment

Over the past few months staff has been meeting regularly with builders, developers and investors within the Twin Cities development community. The point of these meetings is to give staff an opportunity to tell Gladstone's story and what the city's vision is for redevelopment, while also highlighting potential opportunities within the neighborhood these various entities may be interested in. These meetings have also afforded staff the chance to receive feedback from these development professionals on what may or may not be realistic in terms of redeveloping the Gladstone neighborhood.

At the September 24th workshop, staff will show a similar presentation that has been given during these meetings. The presentation highlights what the opportunities and constraints are within the neighborhood and also current public and private development projects. As part of this presentation, staff will also share some of the feedback it has heard during these meetings. Staff will communicate what it sees as potential next steps and would like council to provide guidance as to what it would like to see.

BEDC Work Plan

Earlier this year the city contracted with Janna King, an economic development specialist and consultant who has worked in many communities in Minnesota. The purpose of working with Ms. King was to give staff and the BEDC an opportunity to develop guiding principles behind economic redevelopment projects and the development of a business retention program. Redevelopment and business retention are seen as key initiatives in achieving the city council's goal of prioritizing economic development.

Ms. King worked with the BEDC and staff through this summer and the culmination of that work is the "Maplewood Business and Economic Development Commission's Economic Development

Priorities, Implementation Activities and Timeline.” This document, which is attached to this report, is intended to guide the BEDC’s work into 2014. The BEDC and staff would like the city council, which also serves as the city’s economic development authority, to review this plan and provide any feedback. The plan will go back to the BEDC for final review at its regular October meeting.

Potential Uses For City-Owned Parcels

Staff has put up for sale signs on two pieces of property the city owns in order to gauge interest for potential purchasers. City staff is also having appraisals done in order to determine fair purchase prices for these pieces of property. In the interim staff would like to gauge council's interest in what land uses would be acceptable on these properties.

The first property is at the intersection of Hazelwood Street and County Road D East. The city owns this property as a result of a condemnation case. The property is currently zoned light manufacturing (M1) which is one of the more inclusive zoning designations the city has but because of the proximity to residential requires a conditional use permit (CUP) for any use. One alternative staff has considered is rezoning the property to business commercial (BC) which would eliminate some of the uses that are not desirable near residential and would not require a CUP for permitted uses. For example, a BC designation would make this site one step closer to being shovel-ready for an office or medical building. Please see the attached map.

The next property is a site north of the city hall campus at the intersection of the Castle Avenue and Van Dyke Street roundabout. This site is currently zoned single family dwelling (R1) – the site to the south, which the city does not own, is also for sale and zoned R1. Staff has had several inquiries on redeveloping the city-owned site, perhaps in tandem with the site to the south, but almost all of these inquiries have been commercial in nature. The site neighbors single family homes to the south and east, a multi-family building to the northeast and commercial properties to the west. The city-owned site is in a highly visible location near Highway 36 and less than block off White Bear Avenue. Staff is interested in the council’s thoughts about a commercial designation for the property it owns as well as the site to the south. Please see the attached map.

Financial Considerations for Economic Development

A staff concern is that we do not have funding available in the next 1-3 years to invest in Gladstone without potentially impacting the city’s bond rating by adding significantly to our debt load. The council should discuss that our direction in Gladstone needs to be to regroup for the next 1-3 years, re-brand the area, and apply for some grants that will help us fund future projects. The city’s economic development financial priorities for the next 1-3 years will be marketing the vacant parcels, as well as working on the various TIF/Abatement Districts at Connemarra and 3M that will help us build fire stations, as well as a district along Beam Avenue that will help us attract medical office facilities. In addition, it is anticipated that the city will need tax abatement at the Highway 36 – English intersection area. With those economic development priorities, added to the priority to expand the police department and build a southern Maplewood Fire Station, the city’s entire bonding capacity will likely be maximized before considering any major expenditures in Gladstone. Each of these projects could be considered higher priorities than Gladstone and will take extensive amounts of city capital funding. We do not have many funds left over after those projects to invest in Gladstone for a few years.

RECOMMENDATION

No action required.

Attachments

1. Economic Development Priorities, Implementation Activities and Timeline
2. Map of Hazelwood Street and County Road D East Property
3. Map of Castle Avenue and Van Dyke Street Property

Maplewood Economic Development Commission Economic Development Priorities, Implementation Activities and Timeline

Economic Development Priorities

Redevelopment

The Maplewood Business and Economic Development Commission recommends actively exploring opportunities for redevelopment in three potential areas in 2013. Redevelopment is a multi-year process; the BEDC would lay the foundation by exploring market opportunities, building familiarity with business and property owners in the target areas, and determining the level of city support needed to stimulate new investment.

- **St. John's Hospital Area:** Growth is anticipated in the health care sector. The reuse of Gander Mountain by HealthEast reflects market interest in a location close to St. John's. Ancillary medical office buildings have the potential to generate significant property tax revenue as well as quality employment opportunities. The long term plans of St. John's and market potential for additional health care related development/businesses should be explored.
- **Gladstone (Frost Avenue and English Street):** Historically, this area of the community served as a key commercial node in the community and is considered the original settlement site of Maplewood. However shopping, traffic patterns, retail formats and typical retail parcel sizes have changed, and market forces alone may not be sufficient to stimulate reinvestment.
- **Highway 36 and English Street:** Change is underway in this area with the major reconstruction of Highways 36 and 61 in 2013. This can serve as a stimulus for redevelopment within these key transportation corridors. Underutilized buildings, vacant parcels and redevelopment opportunities exist within this area.

Business Retention

The BEDC recommends that it undertake a business retention effort, with an emphasis on relationship building. Starting in 2013, the focus of retention efforts will be primarily on businesses in potential redevelopment areas. There are approximately 300 businesses in the three potential redevelopment areas, distributed as follows.

- St. John's Hospital Area
- Gladstone
- Highway 36 and English Street Corridor

Ideally, visits to redevelopment area businesses will involve one staff member and one volunteer. City staff would be responsible for scheduling and maintaining pertinent information; volunteers can bring a business perspective to the visit and send a strong message that the city cares. A simple interview guide should be developed to make sure that key information is gathered while creating an opportunity to listen to the business and build a relationship. It is estimated that staff capacity allows for approximately 3 visits each month.

In addition, the BEDC recommends that the Mayor or City Manager notify GREATER MSP and Ramsey County that the city would like to be informed of visits in the community, so that it might send a representative of the city as part of delegation on visits to major employers.

Implementation Activities and Timeline

The following implementation strategies and timeline are suggested.

Third Quarter 2012	
	a. Redevelopment areas broadly defined and agreed to by BEDC and EDA.
	b. Funds budgeted for market analysis in early 2013
	c. Business lists developed for redevelopment areas; interview guides developed
Fourth Quarter 2012	
	d. Develop and issue RFQ or RFP for market analysis for the three key market areas with preliminary redevelopment feasibility analysis to help determine the level of city support that may be needed to stimulate investment.
	e. Complete 3 business retention visits; review & refine the process
	f. Send letter to GREATER MSP and Ramsey County requesting that the city be invited to participate in business retention visits to major employers in the community
First Quarter 2013	g. Retain consultant and begin market analysis & preliminary feasibility to determine level of city support needed to stimulate investment
	h. Conduct 9 business retention visits to businesses in the potential redevelopment areas
Second Quarter 2013	i. Consultant completes market analysis and preliminary feasibility; shares results with EDC
	j. Conduct 9 business retention visits to businesses in the potential redevelopment areas
Third Quarter 2013	k. Consider market analysis and preliminary feasibility. Develop a strategy for the potential redevelopment areas. Set priorities and determine the level of city engagement that may be needed to stimulate private investment in revitalization of these areas including the following: <ul style="list-style-type: none"> • Do nothing • ID area only & indicate city is receptive to redevelopment of the area • Create vision or physical concept plan • Conduct environmental review • Purchase property, assemble sites, clean-up sites, provide incentives for redevelopment • Align comp plan, transportation, zoning, design standards, development review process • Create implementation strategy based on market opportunities, catalyst sites, financing tools and funding opportunities • Share with neighbors & partners – e.g. area residents, business owners, Met Council, MnDOT, county, watershed district, others • Market to developers
	l. Review business retention process. Is it meaningful? Does the number of visits per month work well for staff & volunteers? How might it be improved or adjusted? Continue conducting visits based on insights gained from the review process. Develop a communications strategy.

Possible Future Activities

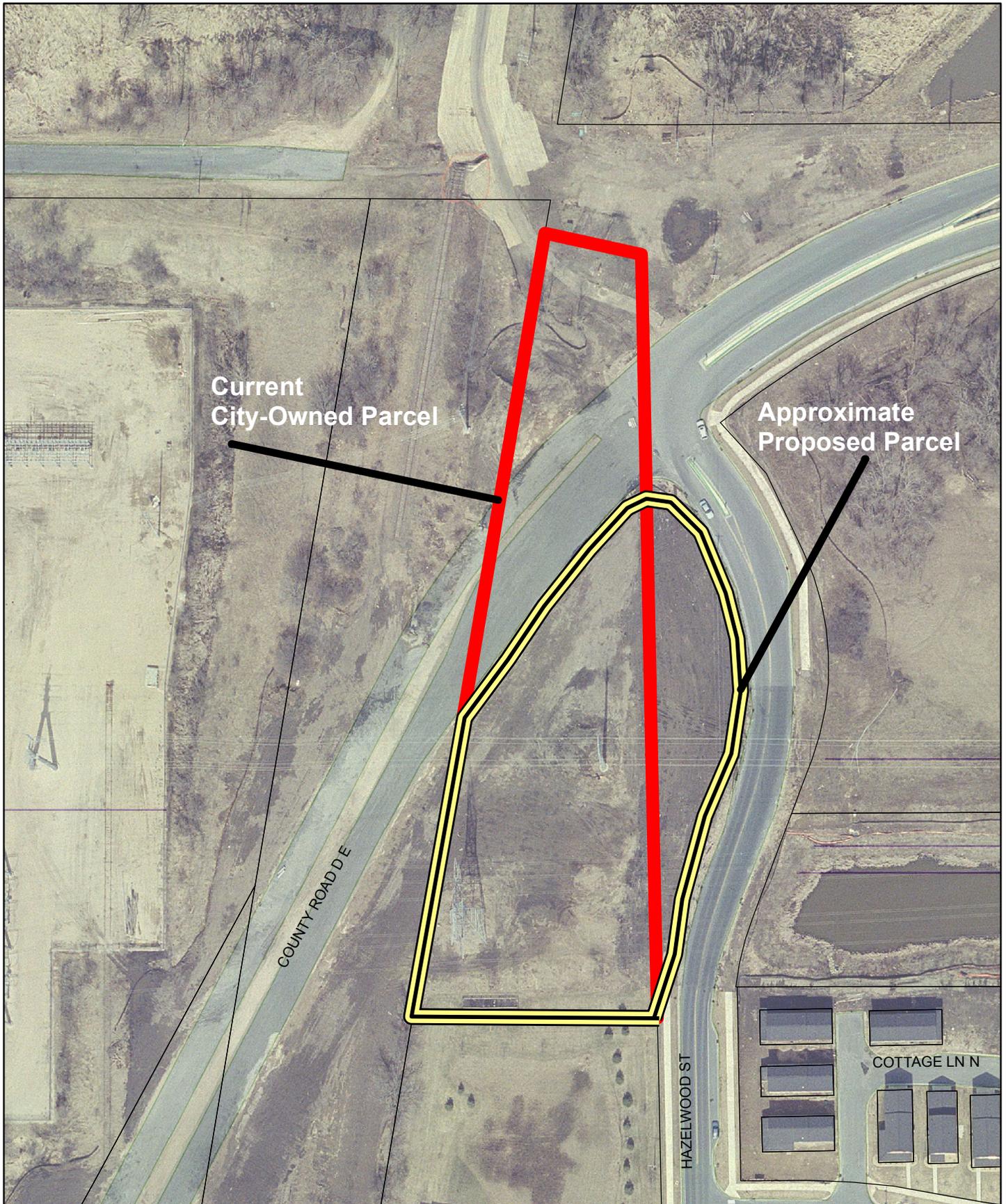
The BEDC also considered **strengthening electronic communication** with businesses. Because the city has a business base of more than 1,000 businesses, personalized outreach to all businesses would require a substantial commitment of resources. Electronic communications would allow the city to reach a broader base of businesses and a visitation approach.

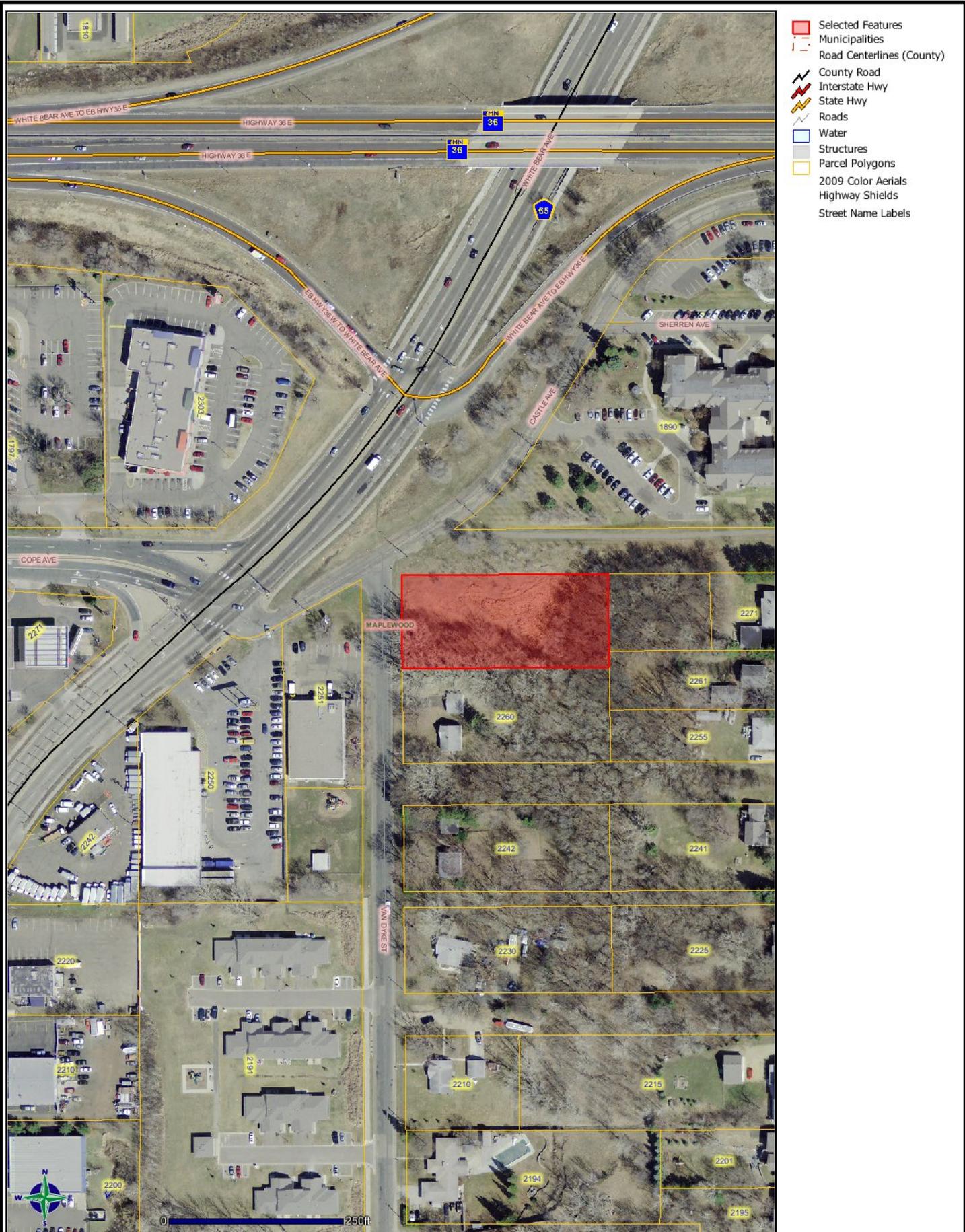
One option is to work with the city communications department to build a database over time of e-mail addresses for businesses and develop a newsletter targeted specifically to businesses. As taxpayers, businesses have different concerns and service needs than residents. It could include positive messages about growing businesses in Maplewood and identify specific ways that businesses might access a variety of city services (e.g. expansion assistance, fire safety, employee participation in park and recreation opportunities, etc.). A business oriented newsletter would ideally be distributed 2-4 times per year.

Another option is to conduct annual or semi-annual **business events**, sponsored by the city, to which businesses are invited. Approaches such as a Mayor's Breakfast, luncheon speakers or events that feature city facilities such as parks or the community center provide an opportunity for relationship building with businesses.

In addition, it would be beneficial for the city to meet with major businesses in the city to understand their visions for their companies and the city. This should be done in coordination with city staff, the BEDC and city council/EDA.

Hazelwood Street Vacation of Excess Right-of-Way





- Selected Features
- Municipalities
- Road Centerlines (County)
- County Road
- Interstate Hwy
- State Hwy
- Roads
- Water
- Structures
- Parcel Polygons
- 2009 Color Aerials
- Highway Shields
- Street Name Labels

DISCLAIMER: This map is neither a legally recorded map nor a survey and is not intended to be used as one. This map is a compilation of records, information and data located in various city, county, state and federal offices and other sources regarding the area shown, and is to be used for reference purposes only.
 SOURCES: Ramsey County (September 30, 2011), The Lawrence Group; September 30, 2011 for County parcel and property records data; September 2011 for

AGENDA REPORT

TO: City Council
FROM: Charles Ahl, Assistant City Manager
SUBJECT: **Discussion on Labor Negotiations Strategy**
 ■ Declaration of Intent to Close Meeting
DATE: **September 18, 2012**

INTRODUCTION

The City Council will continue to discuss strategy for bargaining with the seven bargaining groups regarding contracts for 2013. All employee contracts expire at the end of 2012, so the Council will discuss parameters and strategy for the employee contracts. The seven groups are AFSCME, Police Officers, Police Sergeants, Fire Fighters, Fire Fighter Officers, Metro Supervisory Association; Metro Supervisory and Maplewood Supervisory and Confidential Association.

Because of the confidential nature of these negotiations, the staff and Labor Attorney will be recommending that the City Council close this session as allowed by state statute.

Recommended Action

The City Council should discuss the negotiations. No action is recommended.