



**Community Development**

**Annual Report**

**2024**

**Respectfully Submitted by:**

**Jessica Rieland**

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January 21, 2025

Mayor and City Council:

The Community Development Department has experienced significant transitions in 2024 with the onboarding of a new Community Development Director. Various staff have had to fill in gaps with staff shortages and onboarding new roles. Through this, the Community Development Department continued to support its mission of promoting and growing economic and housing development through building, marketing, and community engagement.

The core functions of Community Development include Building Code and Inspections, Planning and Zoning, Economic Development, Communications, Code Enforcement, and Rental and Vacant Housing programs. Although these functions are related, they each have a separate responsibility for the city as a whole. The department has four positions that administer and complete the responsibilities of all programs and work closely together to keep St. Francis competitive and successful in its development needs. The department also relies on the support and efforts of the City's consultants, including planning, engineering, and legal.

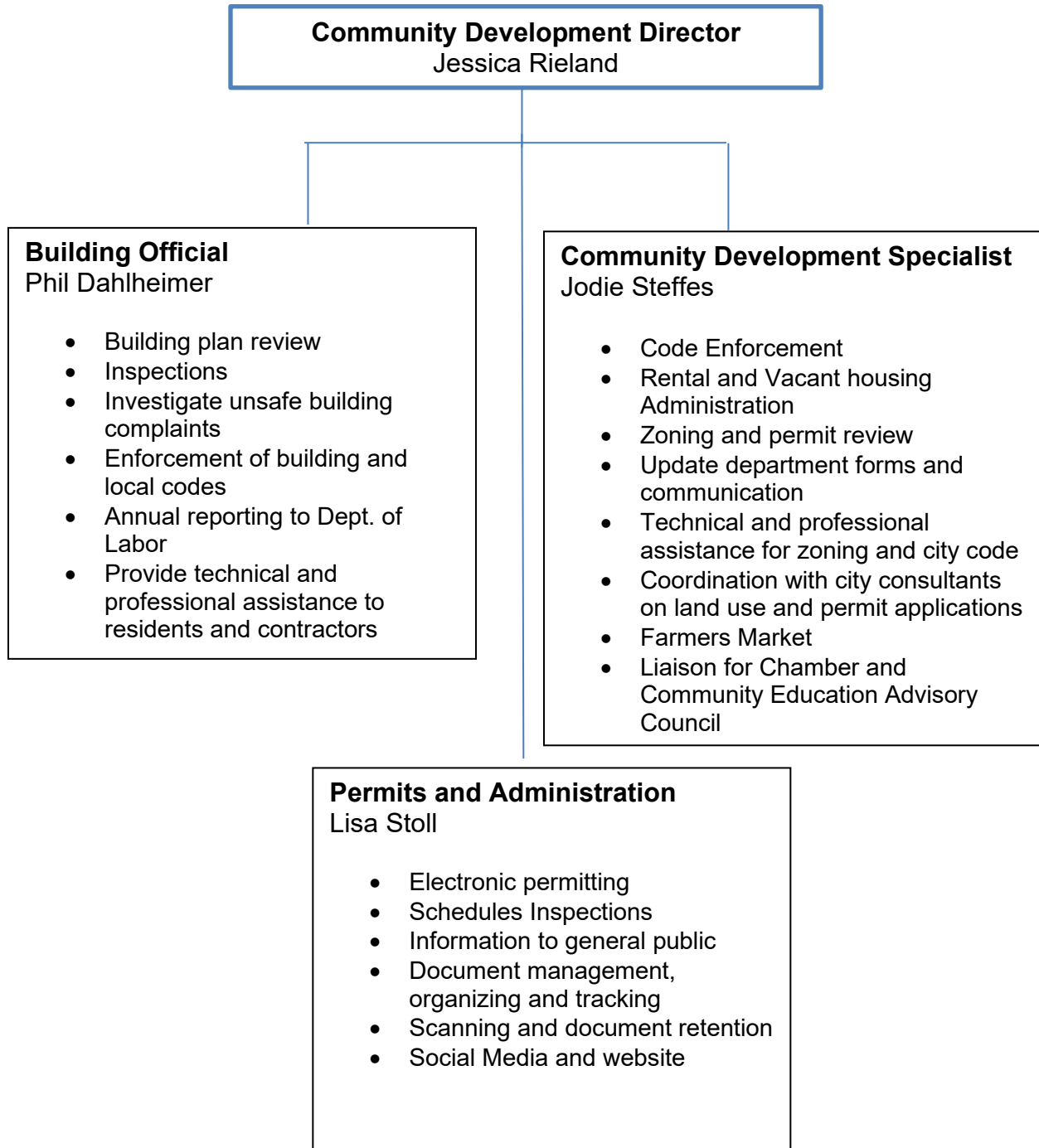
Many accomplishments were achieved and work continues on redevelopment to encourage activity and growth that aligns with the City's goals and vision.

I am pleased to provide this report to you about the activities performed in the Community Development Department in 2024.

Regards,

Jessica Rieland

# COMMUNITY DEVELOPMENT ORGANIZATIONAL CHART



## **Economic Development**

The department continues to work with project concepts and property sales for economic growth and opportunities. Here is an update on the status of the following projects:

### **Downtown Redevelopment - Bridge Street**

- 3750 Bridge St – The City Hall/Fire Station completed construction in 2024 and Staff moved into the new building in December. This building will hopefully serve as a catalyst for development on the corridor.
- 3731 Bridge Street – This property is still under review of the legal team to finalize the property boundaries. The property cannot be sold until this is complete. In 2024, the EDA accepted a Letter of Intent (LOI) for Purchase of Property from North Shore Development Partners. They plan to build a 120-unit apartment building at 3731 Bridge Street. An apartment building would provide much needed high-quality rental housing to the city, and an influx of residents to support the Bridge Street commercial district.



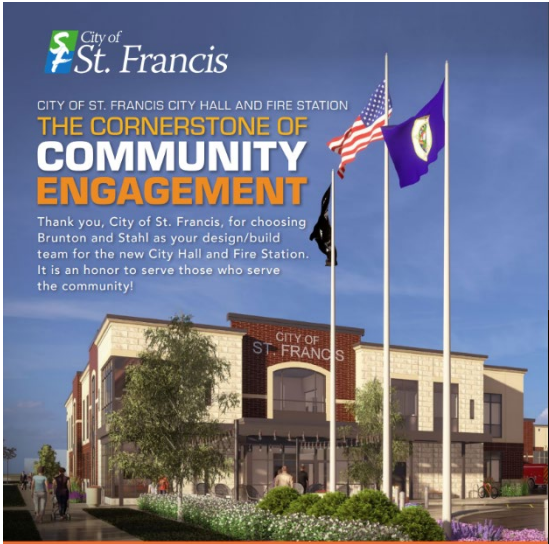
- 3631 Bridge Street – The Rum River Inn was purchased in 2024 and the new owners are in search of a development partner. Staff has created a guide to help navigate the layers of city and state code that regulate the site. The property is listed on the National Registry of Historic places and an Environmental Assessment Worksheet needs to be completed before they can move forward with a site plan.
- 3518 Bridge Street – Property is listed for sale and is a premier opportunity for commercial development that has views of the Rum River.
- 3503 Bridge St – This is a privately owned parcel that sold in 2024. The existing buildings were demolished in December and the new owner/developer plans to break ground in the spring of 2025. It is a Planned Unit Development (PUD) that will be developed in four phases that include two commercial buildings and two apartment buildings.



**Initiatives and Marketing:**

Staff continues to work with various partners to enhance economic development in the city. Efforts include:

- Work with the Anoka County Regional Economic Development (ACRED) partnership including Connexus Energy, Metro North Chamber and cities participating to improve economic development as a region.
- Hosting an ACRED meeting in November where partners got a sneak peak of the new City Hall, followed by a round of golf on the golf simulator at The Ponds.
- Partnering with the St. Francis Chamber of Commerce by providing logistical, strategic, and practical support for their efforts.
- A feature in Business View Magazine and in the Anoka Area Chamber Resource Guide.



### **Broadband and Internet:**

In 2024, Midco had two projects that expanded fiber optic cable in the St. Francis area.

Project 1: 239th, 242nd, 243rd Ave NW, 244th Ct NW, Xavis, Martin, Jay, Hummingbird Streets

Project 2: 241st Ave NW, 241st Ct NW, Dysprosium, Erkiem, Cobalt, Yakima, Roanoke Streets

### **Utility and Street Expansions for Growth:**

During the past year, Public Works completed the following maintenance projects:

- Paved a cul-de-sac on Quicksilver St NW.
- Replaced four valves on a water main and two fire hydrants along Ambassador Blvd.

### **St. Francis Economic Development Authority**

The EDA held one meeting in October of 2024. City Administrator Thunstrom reviewed the Letter of Intent (LOI) agreement with North Shore Development and the Annual Report for 2023.

The EDA also hosted a Lunch and Learn event in December. The guest speaker was Shane Bader, VP of Marketing and Sales for Iceberg Web Design. He taught local business owners how to set up their digital presence for success. The event was open to all businesses in the community, and it received very positive feedback.



### **Farmers Market**

- The Farmers Market finished out its second season with record setting attendance. During the season we saw 300-400 visitors each week. In total, 33 vendors registered with an average of 15 vendors being present each week. Of the 33 registered vendors, 7 of them live in St. Francis, and this market is the first place they've sold their products. There were also 7 community groups that took advantage of being able to connect with the market visitors. From turf grass questions to Early Childhood Education questions, the community stopped to learn more about them. In addition, there were 10 food trucks who registered and served their street food to all who stopped on one of the 16 market days this season.





## Land Use Development

The city continued to utilize HKGi for planning services in 2024 to support land use development working primarily with Beth Richmond. This partnership has worked well, and staff are happy with their consultation services. Jodie Steffes continued to learn more about this process and helped to walk through the process with applicants, especially in the early stages. She also provided coverage while the department onboarded a new Community Development Director.

## Residential Development

According to the St. Paul Area Association of Realtors, housing inventory remains constrained in most segments of the market. The median sales prices in St. Francis increased by 5.0% over the past year to a sales price of \$358,000. This is a larger increase than was seen in between 2022 and 2023. The surrounding communities saw increases as well, with the exception of Bethel and Isanti.

### City of St. Francis Median Home Price Since 2020

2020	2021	2022	2023	2024	YOY	Since 2020
\$255,000	\$301,000	\$330,000	\$340,000	\$358,000	+ 5.4%	+ 40.4%

### Surrounding Communities

#### YOY Change in Median Home Price

Community	Change From 2023 in Median Home Price
Bethel	-28.8%
East Bethel	+9.7%
Ham Lake	+13.3%
Isanti	0.0%
Nowthen	+13.5%
Oak Grove	+6.3%
Ramsey	+2.6%

Staff continues to provide technical assistance to housing developers. The following projects were continued or reviewed in 2024.

- **Bluffs of Rum River** – A one-year extension was requested for the final plat submittal deadline for the Bluffs of Rum River project. The owners are negotiating with new financial backers that would like to review current market demands against the product mix in the present plan.
- **Eagle Point/Vista Prairie - Senior Living Project** – Vista Prairie broke ground in 2024. They had a ribbon cutting ceremony in September followed by an open house at the School District Building. They are currently pre-qualifying tenants for lease agreements.

- **3731 Bridge Street** – This is an EDA owned infill housing site that is being considered for an apartment building by North Shore Development Partners. The city accepted a LOI in 2024 and the legal department is currently finalizing the property boundaries so that the city can move forward with a purchase agreement.
- **Rivers Edge Development** – In 2024, an amendment was made to the Rivers Edge PUD to expand the boundary to incorporate 2.5 acres along Rum River Blvd NW and to reduce side yard setbacks for villa lots. A drainage and utility easement was vacated and the 7<sup>th</sup> Addition Final Plat was approved. The final plat includes 23 villa lots on the east end of the development and an extension of Lily St.
- **Turtle Ponds** – In 2023, the City Council approved the preliminary plat, rezoning, and comprehensive plan amendment for Turtle Ponds 6<sup>th</sup> that will create a 7-unit subdivision of detached townhomes to serve as a continuation of the Turtles Ponds 4<sup>th</sup> Addition. However, in 2024 the applicant/developer withdrew the Final Plat application.
- **Serenity at Seelye Brook** – The final plat was approved for a four-lot subdivision between Bridgestone Rd NW and Seelye Brook. The lots are staked and ready to be sold.

## Commercial Development

Commercial development is a critical component of a healthy community and local economy. Commercial development creates local job opportunities and allows for residents to meet the needs of their daily life within the city.

- **Autozone** – Autozone completed construction in 2024 and opened for business in August.
- **City Hall/Fire Station** – Construction of the City Hall/Fire Station was completed and Staff moved in the first week of December. This site is the first, new construction project to use the design standards for Bridge Street.
- **Select Urgent Care** – Select Urgent Care celebrated their ribbon cutting ceremony and opened their doors to the public in July of 2024.
- **Opp Medical Building Expansion** – Opp Family Chiropractic expanded their medical building and are in the process of completing construction and relocating their practice to the lower level of the building.

## Planning Commission

The Planning Commission met 6 times in 2024 working its way through roughly 11 code updates and developments. Many items required a public hearing which they are responsible for in the land use process.

The Planning Commission had one vacancy in 2024 due to the sudden passing of Commissioner Daniel White in August. The vacant seat has not been filled yet.

During the year they collected input from the public and made recommendations to Council on the following items:

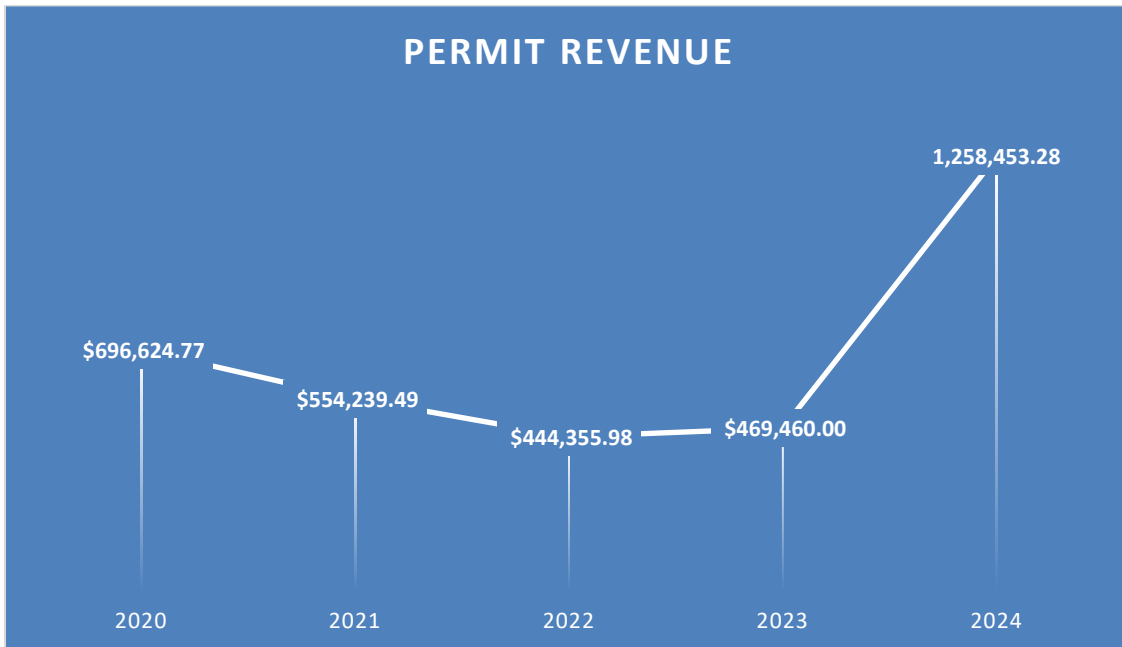
- Developments: Patriot Parkway Preliminary Plat, Rivers Edge PUD, and Rum River Preserve of St. Francis PUD
- Site Plan: First Baptist Church Expansion
- CUP/IUP: Northrup Grumman Grading IUP amendment
- Ordinance Amendments: Housekeeping updates, amendment to allow solar farms in the I-2 District, amendment to allow clinics in the I-1 District, and an amendment to the cannabis zoning code



In Loving Memory of Daniel White

## **Building Department**

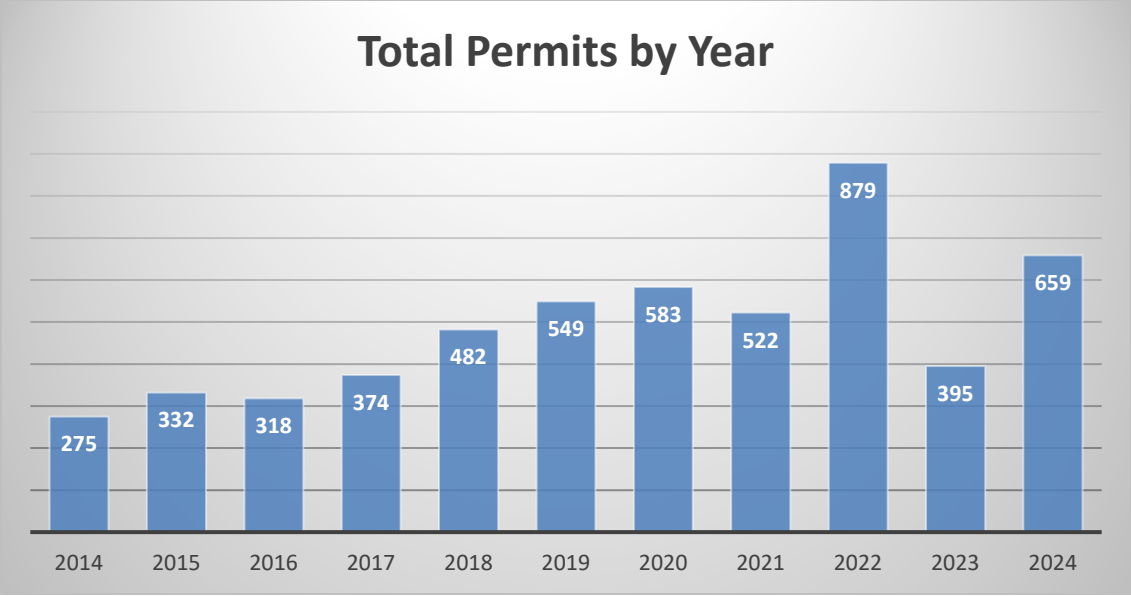
Building permit revenue continues to fluctuate with the city growth and development patterns in new housing units, residential remodeling and commercial construction. Building and zoning fees are set through the Fee Schedule. The graph below shows how permit revenues have changed over the past five years.



Revenue from building permit fees collected support stormwater, planning, and engineering reviews, in addition to inspections. Commercial and septic permits are received and processed through a contract with Metro West Inspection Services in which the City pays a percentage of fees back to their organization. Metro West is also utilized when the city Building Official is out for any extended period of time.

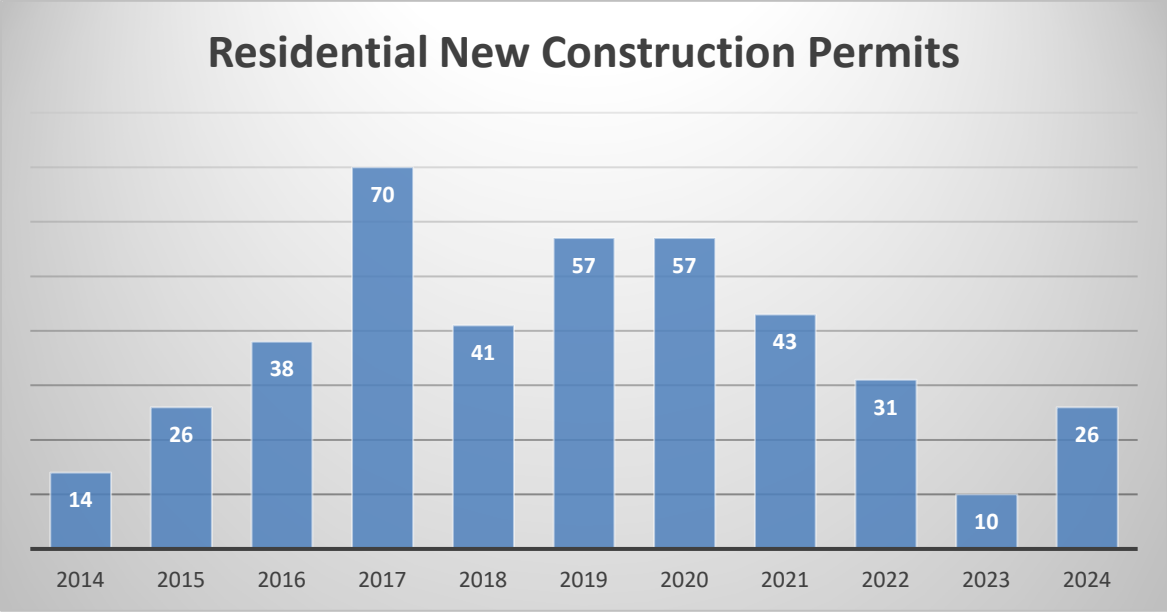
However, permit revenue does not necessarily correlate with the number of permits and workload required by staff. In 2024, 85% of the City's permits were flat fee permits, which typically do not require a review and only require one inspection. These permits require almost as much administrative time, primarily completed by Lisa Stoll, to process as permits that require a valuation.

In 2024, the City had its second largest year for number of permits issued with a total of 659 permits. Most notably, Vista Prairie began construction on a \$29,000,000 building which brought in \$779,848.47 in permit revenue.

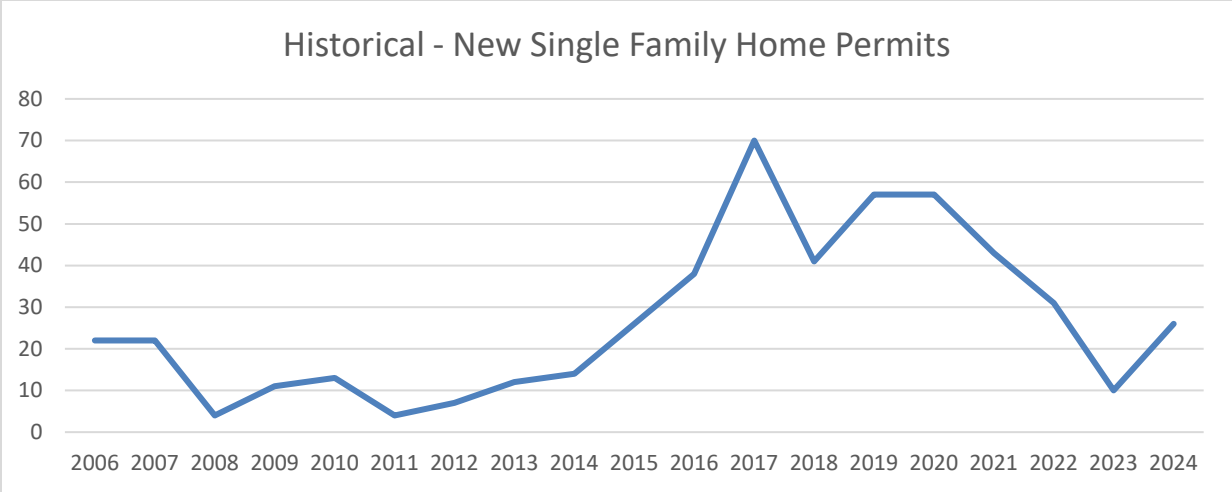


**Growth**

The leading indicator of growth in a city is new construction permits. In 2024, the city had 26 new homes built in the form of single units. Builders expressed additional caution due to increased interest rates.

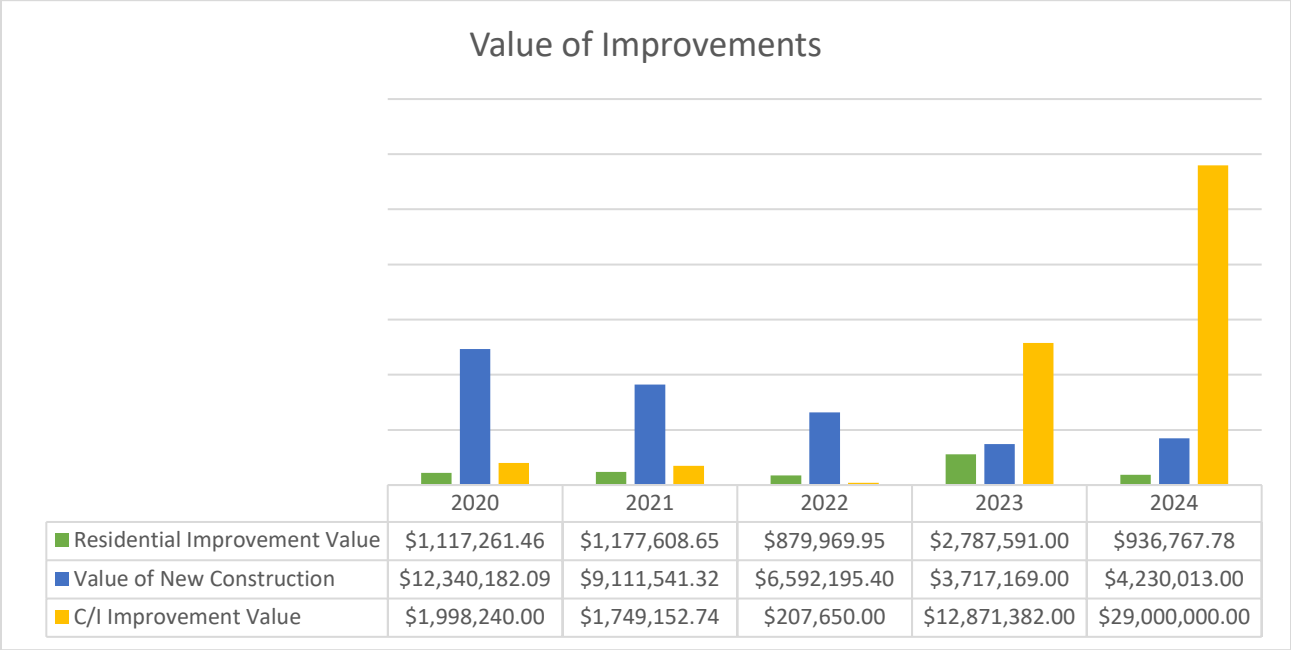


Below is the historical data of all new single-family construction permits. The highest year of tracked new construction permits was in 2017 with a total of 70 new homes in a single year from a low of four new homes in 2008 and 2011. The last large growth of subdivisions in the city was between 1998 through 2005. Manufactured Homes are not included.



**Investment**

Investment in our building stock comes from new construction and building improvements. Every permit brings a value to the community through improvement supporting sustainability and the ongoing value of the improved structure. In 2024, the value of improvements increased significantly for commercial construction. The valuation includes Vista Prairie, which is valued at \$29 million. Residential improvement value saw a decrease of 66% year-over-year and the value of new construction increased by 14% since 2023.



## Code Enforcement

Enforcement is an ongoing function of staff, and it is primarily managed by Jodie Steffes with inspection support from Phil Dahlheimer. Most of the code enforcement is administered on a community complaint basis with some staff-initiated outreach and corrections. After a complaint is received, staff sends an Administrative Notice to the property owner to inform them of the violation. Most issues are resolved with this notice. Typically, the property owner creates a resolution plan with Jodie, and then she schedules a follow-up inspection.

During 2024, staff worked with over 72 properties to address complaints that required an Administrative Notice be sent. Of the notices issued, 15 properties received citations. The top three complaints were vehicle parking issues, tall grass, and work without a permit.

Properties contacted with Code enforcement concerns:

Year	Number of Notices:	Number of Citations:
2017	49	16
2018	58	22
2019	57	16
2020	120	10
2021	165	12
2022	88	10
2023	66	7
2024	72	15

There were two large code enforcement cases that required City Council review in 2024.

- **Partridge Street** – The property has significant City Code violations regarding outdoor storage and junk/debris. This property owner worked with staff to create a clean-up plan and received an extension from City Council. To date, the property has met the requirements of each interim checkpoint and is considered a code enforcement success.
- **23462 University Ave** – In 2023, the property was cited for violations for parking, junk/debris, rental, home occupation, and unfit living quarters. The violations were not resolved and the fines were not paid, which lead to a special assessment. The full assessment amount was \$9,000 or a total of \$1,800 per violation listed in the citations. A clean-up plan was established and the special assessment was reduced to \$3,900. The property was granted an extension through June 2024 with photos required for compliance in the interim. As of November 2024, the property had not been brought into compliance and received another special assessment in the amount of \$6,600. Staff continues to work with the property owner on a clean-up plan.

## Administrative Projects:

- **BS&A Transition** – Staff transitioned to the BS&A software system in 2023. Nearly all aspects of the Community Development teams’ work changed dramatically with the new system. The BS&A software now manages permits, inspections, plan review, code enforcement, rental/vacant registration, land use applications, and payment processing. In 2024, Staff continued to work on implementing the online permitting system and the city will have all building permits available on the online portal by the end of Q1 2025.
- **Rental Housing Licensing** – The rental license program helps to ensure that all residents are living in safe and decent housing that is being properly maintained. The properties are inspected every few years to ensure they are safe. There are currently 114 rental properties registered in the City and this is an increase from 2023 when we had 92.
- **Vacant Property Registration** –The vacant registration program helps to ward off blight and uphold quality buildings in the City. In 2023, there were two known vacant properties being tracked – the Rum River Inn and the Hiller property located at 3508 Bridge St NW. In 2024, both properties were purchased and are being redeveloped.

In 2024, there were five new properties registered:

1. 23478 Arrowhead St NW
2. 24133 Verdin St NW
3. 5261 238<sup>th</sup> Ave NW
4. 2790 232<sup>nd</sup> Ln NW
5. 3503 Bridge St NW

- **Website and Department forms/applications** – Keeping the website up-to-date is an on-going activity. Staff values the website being up-to-date for transparency with the public and easy reference for the status of projects. It is also important to ensure that all of our informational handouts and documents are aligned with current codes and procedures. In 2024, the city moved to a new location which required all city forms to be updated with the new address and website information.