

Community Development

Quarterly Report of July - September 2023

Economic Development

Bridge Street Corridor:

- The City Hall/Fire Station had its groundbreaking ceremony! This building will hopefully serve as a catalyst for development on the corridor.
- Staff met with entrepreneurs interested in the East Shop Site and started some preliminary conversations around a concept.
- The outdoor storage on the corner of Bridge Street and Butterfield was cleaned up for use of the lot as parking for the dental office. The parking was approved as an interim use with the goal that one day the entire site will be built with the buildings along the street. The removal of the outdoor storage has already been a large improvement for the corridor.
- Staff discussed the development potential of the Rum River Inn with a number of interested parties. All are concerned about the condition of the property for the purchase price. Staff assembled a property guide to help interested investors understand the development and funding options between preserving or demolishing the building.
- The EDA entered into a Memorandum of Understanding with a developer exploring the potential of an 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.



Hwy 47 Corridor:

- Vista Prairie Senior Living project continues to pursue construction for the senior housing. The building permit was approved in the third quarter, and they are ready to start construction once they have financing secured.
- For the Patriot Parkway project, staff continue to work with the interested developers to

assemble a plan for the road construction. Given the current stage of planning of the developers, the timeline required for public bids and overall cost of the road, the project will be pushed into future years.

- Autozone was approved to build a new store on HW-47 just north of the St. Francis Bottle Shop. This will help fill out the commercial district on HW-47.

Farmers Market

- The Farmers Market finished out its inaugural season! The market had great attendance by community members during the season with around 150 - 200 visitors coming each week. The attendance did start to reduce as the school year started and families became too busy to come to the market.
- The vendors all had good feedback on the market and expressed interest in coming back next season.
- In total, 19 vendors are registered with about 8 – 9 vendors being present each week. Additionally, most weeks a community partner was also present including, but not limited to, the St. Francis Area Chamber, Early Childhood education, and UMN Turf Grass Institute.



- This project supports local entrepreneurs who are starting to create and sell goods. Of the 19 registered vendors, 6 of the vendors live in St. Francis, and this market is their first place selling their products. This was one of the key goals of the market as an economic development tool.

Chamber of Commerce

- Staff have remained active in the Chamber with Jodie Steffes serving as the primary City liaison including attending meeting, partnering on business visits, and volunteering at events.

Events

- Staff attended an event with the Minnesota Real Estate Journal on North and West Suburban Development. Staff met a few developers who may be interested in projects in St. Francis

and learned about current trends in the market area. In general, access financing was the largest concern in the development field. Many cities shared that they are looking into ways to offer creative subsidy or financing options to try to help with this trend. The housing market is still considered strong with high demand with shrinking household size and high quantities of people being “over housed” due to lack housing choice and variety.

ST. Francis Economic Development Authority

The SFEDA held one meeting in the third quarter to discuss and approve entering into a Memorandum of Understanding (MOU) with an apartment developer for the 3731 Bridge Street property. The MOU gave exclusive negotiation rights to Northshore Development Partners to discuss the property with the City for 180 days. In that time, the development group would put together financial analysis for the site and complete preliminary site testing. Northshore has assembled a proforma for the project, and there is a sizable gap between revenue and expenditures. They are looking for ways to fill this gap with alternative sources.

Land Use Development

Staff maintain an ongoing list of all of the platted vacant lots in the City to identify potential future growth and help direct interested builders to areas of the City. To date, there are an estimated 53 lots remaining with water and sewer connections and 31 lots remaining that would be on private well and septic.

Residential Development

The following developments or construction projects are currently under review:

1. **Bluffs of Rum River** - The Preliminary Plat, Comprehensive Plan Amendment, and rezoning for the Bluffs of Rum River project was completed in 2022. This development will provide 302 additional housing units including single family, villas, townhomes and an apartment building. The property was listed for sale in the third quarter due to lack of financing with the initial development group. The agents have had some promising leads and expect the project will proceed in 2024.
2. **Eagle Point/Vista Prairie - Senior Living Project** – This project completed its final platting and site plan approval process in 2022. Construction was delayed due to lack of access to financing. The building permit was approved in the third quarter, and they are ready to start construction once they have financing secured.
3. **Rivers Edge Development** – Construction of the 6th addition continued in the third quarter, and most new construction in the third quarter was permitted in this area. The approval of the 7th addition preliminary plat was extended until October 3, 2024. The 7th addition is mostly larger lots due to requirements for the Rum River overlay district, and the developer shared that current market demand is for smaller, lower maintenance lots.
4. **Serenity at Seelye Brook** – The Planning Commission and City Council approved a preliminary plat of a four-lot subdivision off of Seelye Brook. The final plat is anticipated in the fourth quarter.

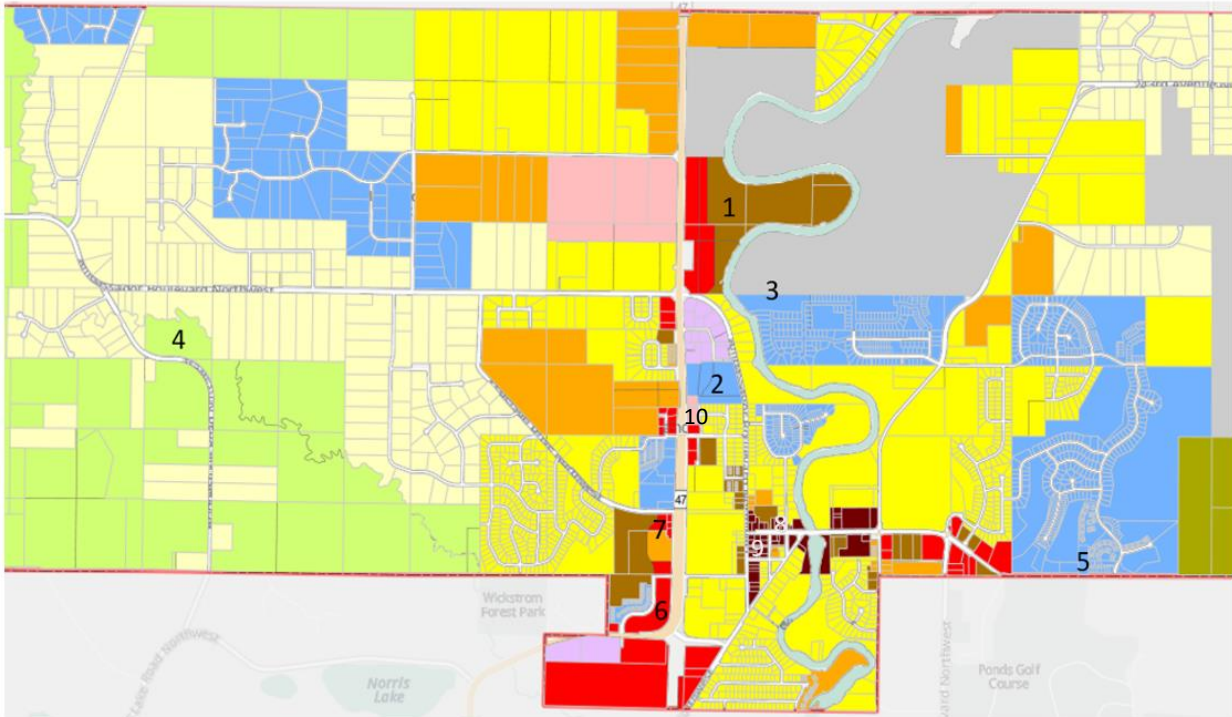
5. **Turtle Ponds 6th Addition** – The City Council approved the subdivision, rezoning, and comprehensive plan amendment a 7-unit subdivision of detached townhomes to serve as a continuation of the Turtles Ponds 4th Addition.

Commercial Development

The following developments or construction projects are currently under review:

6. **Dollar General** – Construction started on the Dollar General on HW-47, and it is expected to be complete by the end of November. The rest of the corner is still for sale.
7. **Patriot Parkway** – In 2022, staff executed a contract with First Baptist Church to develop a new road, create 3 to 4 commercial lots, and create a new lot for high density residential. Staff continued conversations with the church and interested developers through the third quarter. Given the current stage of planning of the developers, the timeline required for public bids and overall cost of the road, the project will be pushed into future years.
8. **Dental Office** – St. Francis Dental decided to delay the expansion of their office and instead expand their parking area first. The construction started, and the outdoor storage on the lot has been removed.
9. **City Hall/Fire Station** – The City Hall held its groundbreaking ceremony. This site is the first, new construction to project to use the design standards for Bridge Street.
10. **Autozone** – Autozone received land use approval in the third quarter to building a new store at PID:32-34-24-23-0039 north of the Bottle Shop. The access to the store will be off of Aztec, and the access to HW-47 will be closed. The project quickly submitted for a building permit, and they are expecting to start construction in 2024.

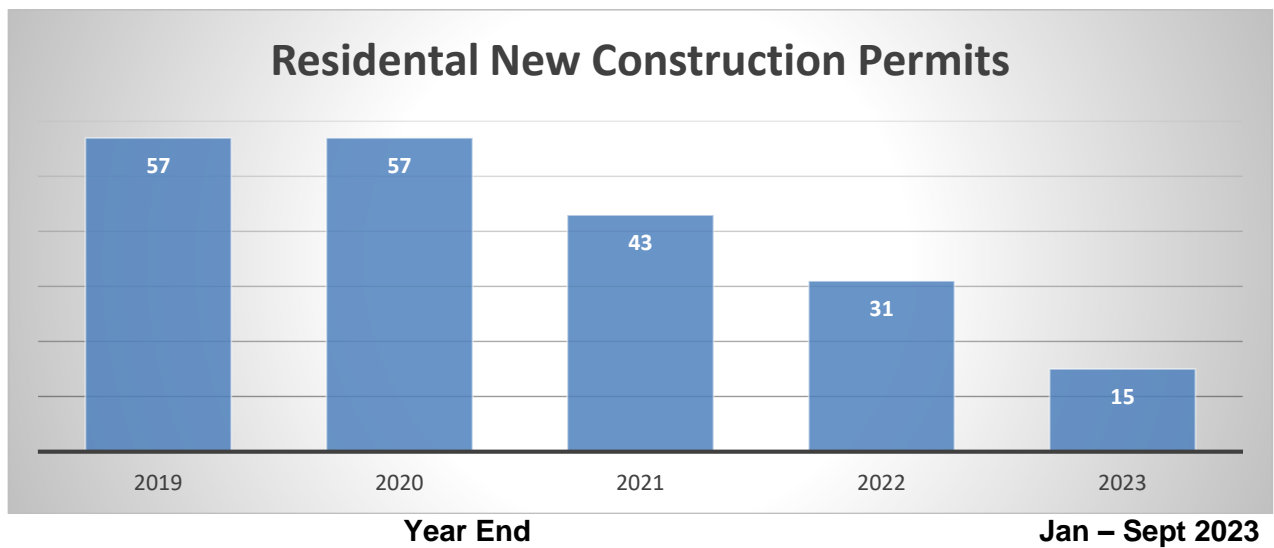
Zoning Map with Projects Labelled by Number



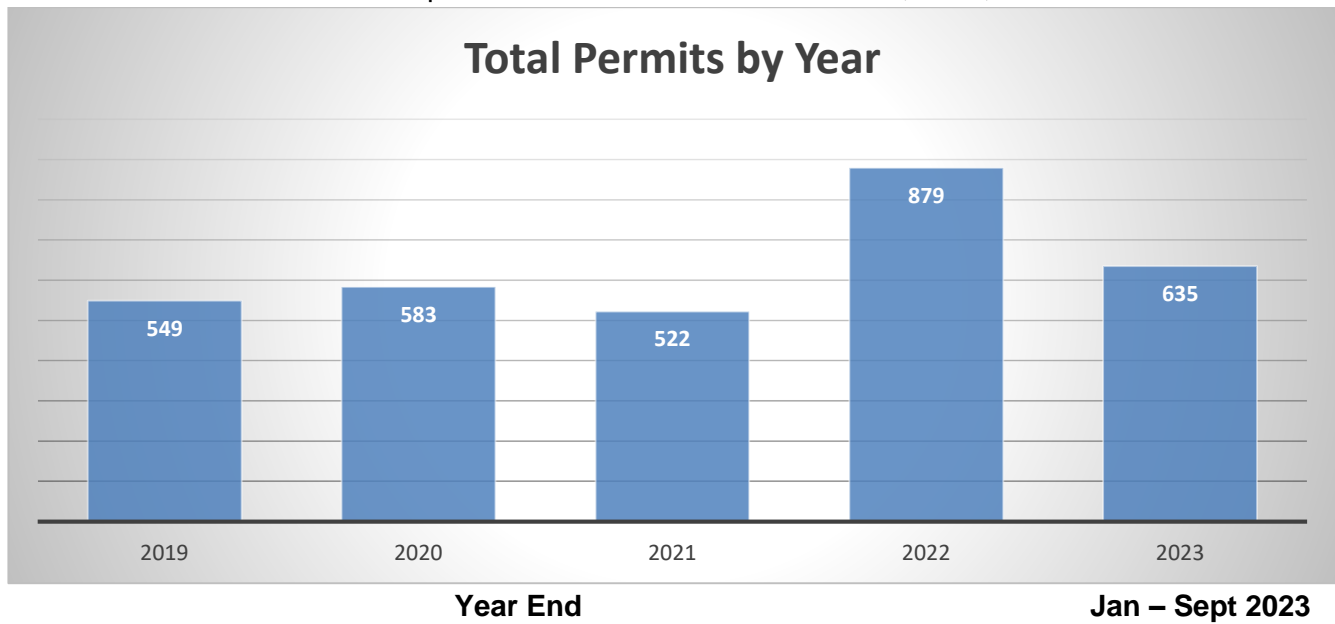
Building Department

The City issued 5 new construction permits in quarter 3 of 2023 with a total of 15 new construction permits being issued so far in 2023. This total is behind the Q3 total in both 2021 and 2022 which were 35 and 28, respectively. Staff believe this reduction is due to both market influence of increased in interest rates and construction cost and the City's lack of buildable lots.

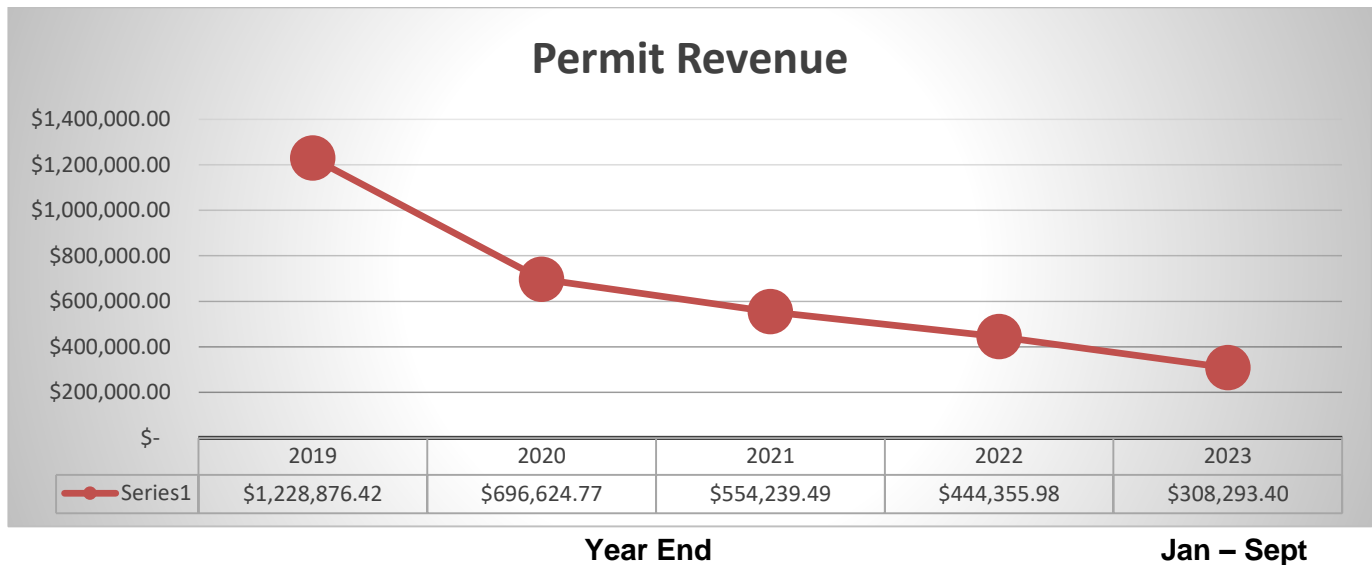
Below identifies the number of new permits for the third quarter compared to year end totals for the previous four years.



The City has processed 635 permits to date. Approximately 94% of these permits were residential, and 85% were over-the-counter permits with a flat fee such as reside, roofs, etc.



Permit revenue is based on both over-the-counter permits and projects that are based on a valuation schedule. All permit costs are identified in the City fee schedule. Fees are utilized to cover expenses of the permit process such as administration, inspections, engineering and planning if necessary. Additionally, Commercial and Septic permits are under contract with Metro West Inspections.



Code Enforcement

Staff continue to respond to code enforce complaints with 44 properties being in active code

enforcement this year. The most common violation has transitioned to work without a permit, which is a problem for both the City Code and State Building Code enforcement. It is important for work to be done with a permit to ensure it meets building safety standards and the City Code requirements are administered evenly to residents.

Staff have been working on two large code enforcement cases. One is on Partridge Street, and 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 in Q3. To date, the property has met the requirements of each interim checkpoint.

The other large case is on University Ave with violations for parking, junk/debris, rental, home occupation, and unfit living quarters. Despite multiple attempts, staff were not able to contact the property owner in the third quarter.

Rental and Vacant Program

All rental licenses for addresses ending in odd numbers were up for renewal this year. As of the end of the third quarter, 23 rentals were registered. The registration process has taken longer this year than previous years because properties were not inspected during the COVID-19 pandemic, so most properties had multiple corrections to complete. The rental program is primarily coordinated by Jodie Steffes with inspections being conducted by Phil Dahlheimer.

The City has 3 reported vacant buildings, including the Rum River Inn. The property was emergency secured by the City to prevent easy entry to the building in 2023. The property is now listed for sale, and staff have talked to a few interested parties.

Planning Commission

The PC met in August and September in the second quarter. July was cancelled due to not having any applications to review.

In August, the Planning Commission recommended approval of the preliminary plat and lot width variance of the Serenity at Seelye Brook project. The plat presented four single family lots, and no members of the public spoke at the hearing. In this meeting, they also recommended approval of a new Autozone on the vacant lot north of the Bottle Shop (PID: 32-34-24-23-0039). The Autozone required a reguiding and rezoning to General Business from Business Park. The site was originally zoned for Business Park because vehicular access to the site is limited. However, the access is able to accommodate traffic associated with a retail use.

In September, the Planning Commission recommended approval of a CUP amendment for the Minnetonka Game & Fish Club and an ordinance amendment for Gun Club standards. The Club would like to add more shooting bays, redo the driveway, plan to sites for future building, and improve stormwater drainage. No members of the public were spoke at the public hearing, and both applications were recommended unanimously.

Administrative

- **BS&A Transition**

The most significant change in the third quarter has been transitioning to the BS&A software system. 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, payment processing, etc. Overtime, this system will create significant work improvements and more clarity on single property record.

The team has fully embraced this transition and continues to find new ways to use the software every day. A huge thank you to:

- Lisa for quickly becoming the team's "go-to" person for all things permits and scheduling inspections.
- Phil for seamlessly transitioning all inspections to the system and looking for ways to increase efficiencies.
- Jodie for taking on all aspects of the software and being patient when figuring out all of the little quirks in how things are different between code enforcement, rentals, permits, planning, etc.
- Public Works, specifically Jen Gulbrandson, for learning how the system can be used to support the public works permit processing, review, and inspections process.
- City Council for investing in this system to improve work efficiencies and customer service.