



## Community Development

### Quarterly Report of January - March 2025

#### Economic Development

##### **Bridge Street Corridor:**

- 3731 Bridge Street – The EDA accepted a purchase agreement from North Shore Development Partners in February. Staff also received an application for Tax Increment Financing (TIF) which will be necessary for the developers to move forward with the project. Both applications will be reviewed by the City Council in May. North Shore is proposing to build a 120-unit apartment building.
- 3765 and 3757 Bridge Street will gain access off a new city street with the Woodbine N extension. This will make the properties more marketable for future development and reduce the number of access points off Bridge Street.
- 3645 and 3631 Bridge Street, also known as the St. Francis Hardware Store and Rum River Inn were listed for sale in March for 1.6M. The owners are hoping to sell all parcels together.
- 3503 Bridge Street was purchased in 2024 and the new owners are preparing for phase one of the development which is a three-tenant commercial building.

##### **Hwy 47 Corridor:**

- Vista Prairie is currently on schedule to open this fall and exciting progress has been made on-site. The roofing on the third floor of the independent living apartments is complete and the windows have been installed in all assisted living, memory care, and care suite apartments.
- The First Baptist Church of St. Francis has been working on obtaining their MnDOT permits so they can begin construction on the expansion project. They are planning to build a new church auditorium that will be tied into their existing facility. The new addition will be approximately 6,400 square feet. The project includes a new free-standing sign that will be replacing the existing one and also includes an expansion of the parking lot to provide 66 new stalls.

##### **Farmers Market**

- Staff is preparing for its third annual Farmers Market season. This year, the vendors will be moved out of the parking lot and into Community Park to allow for continued growth. The food trucks will remain in the Community Park parking lot. The city and community tables will be located in the park pavilion and Staff has planned a special event for each month.

## Chamber of Commerce

- Staff have remained active in the Chamber with Jodie Steffes serving as the primary City liaison.
- Ms. Steffes volunteered at the St. Francis Area Chamber of Commerce Annual Dinner on Friday, January 31. The event was sold out this year with record attendance.
- Ms. Steffes also volunteers for the Pioneer Days parade and where ever help is needed.

## Economic Development Authority (EDA)

The EDA held a meeting on February 19, 2025. At the meeting, there was a public hearing for the land sale of 3731 Bridge Street NW. This property was acquired by the EDA in 2019 to address blight and to create a housing redevelopment site. Since that time staff has worked with developers on concepts related to townhomes and multi-unit buildings. This site has proven to be a challenge for townhomes due to the cost of the infrastructure but it has shown to have adequate space for a multi-family building.

Over the last 24 months, the EDA has entered into a letter of intent with North Shore Development Partners as they worked through site information, surveys, and financing discussions. This project is ready to move forward with a land use application and therefor entered into a purchase agreement with the EDA.

## 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 44 lots remaining with water and sewer connections and 34 lots remaining that would be on private well and septic.

After taking a closer look at the existing use of these vacant parcels and their surrounding characteristics, staff would further describe the lots as shown in the table below.

	Buildable	Owned by neighbor	Requires Subdivision	Owned by a Builder	Other	Total
<b>Sewer and Water</b>						
Commercial	5					5
Residential	39	1		31	7	39
<b>Well and Septic</b>						
Residential	34	7		1	7	32
<b>Total</b>	<b>78</b>	<b>8</b>		<b>32</b>	<b>14</b>	<b>76</b>

## Residential Development

The following developments or construction projects are currently under review:

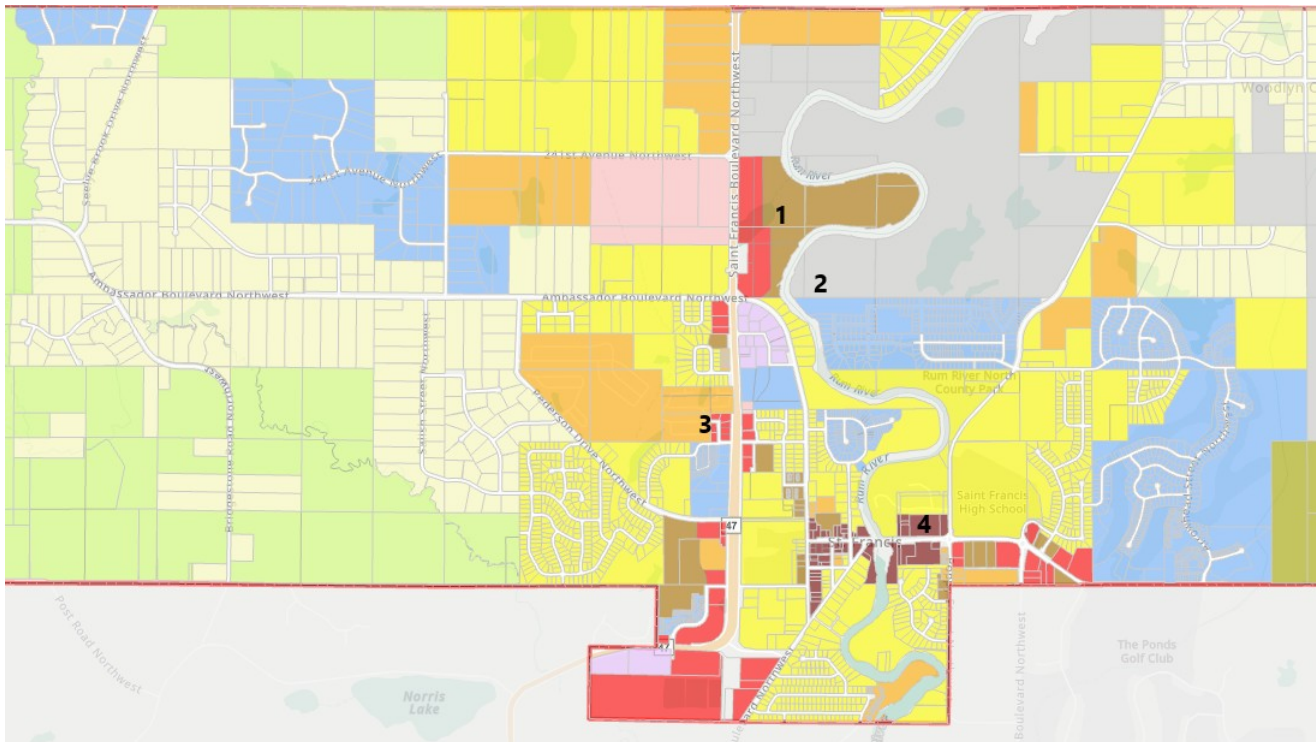
1. **The Bluffs of Rum River** - The Preliminary Plat, Comprehensive Plan Amendment, and rezoning for “The Bluffs” was completed in 2022. This development will provide 302 additional housing units including single family, villas, townhomes and an apartment building. This development is located at the NE intersection of Hwy 47 and Ambassador Blvd and extends to the Rum River and 241<sup>st</sup> Ave NW. Staff reopened conversations with a new developer during the first quarter of 2025, and they are preparing to submit a final plat application.
2. **Rivers Edge Development** – The final plat application for the 8<sup>th</sup> (and final) Addition has been received. This addition will provide 29 lots in the water and sewer district.

## Commercial Development

The following developments or construction projects are currently under review:

3. **23340 Cree Street** – The old City Hall building was listed for sale in March and received two offers.
4. **3503 Bridge Street** – The Rum River Preserve of St. Francis PUD is preparing to break ground on phase one of the development, which is a three-tenant commercial space.

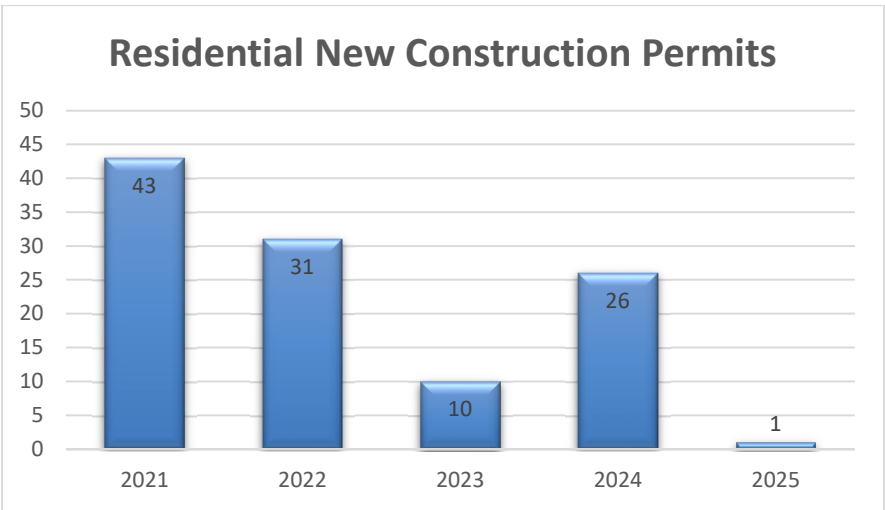
### Zoning Map with Projects Labelled by Number



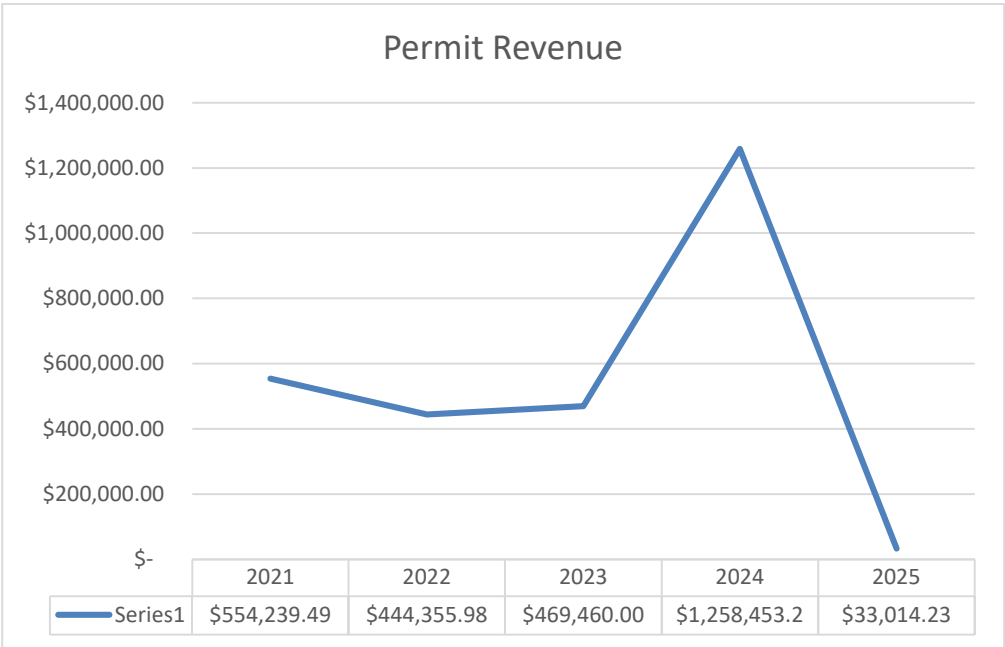
**Building Department**

The City issued 1 new construction permit in quarter 1 of 2025. This is ahead of the Q1 total in 2024 which was 0. Staff believes these numbers reflect both the increase in interest rates and construction cost.

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



The city has processed 103 permits to date, with 34 of the permits being over-the-counter permits with a flat fee. 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 Inspection Services.



## **Code Enforcement**

Staff continues to respond to code enforcement complaints with 11 properties being in active code enforcement in Q1. The most common violations are for parking in the yard, and junk and debris.

## **Rental and Vacant Program**

All rental licenses for addresses ending in odd numbers were up for renewal this year. Most properties have required multiple corrections, and the licenses are taking longer to process this year due to the State requiring tax IDs or social security numbers from landlords/homeowners. The rental program is primarily coordinated by Jodie Steffes with inspections being conducted by Phil Dahlheimer.

The city has six reported vacant buildings and they are all single-family residences.

## **Planning Commission**

The Planning Commission met once in the first quarter, in January. At that meeting, the planning commission reviewed a code revision for Solar Energy Systems and recommended approval of the changes.

The Planning Commission currently has one vacancy and Staff recently received two applications. An interview will be scheduled for both applicants.

## **Anoka County Regional Economic Development (ACRED)**

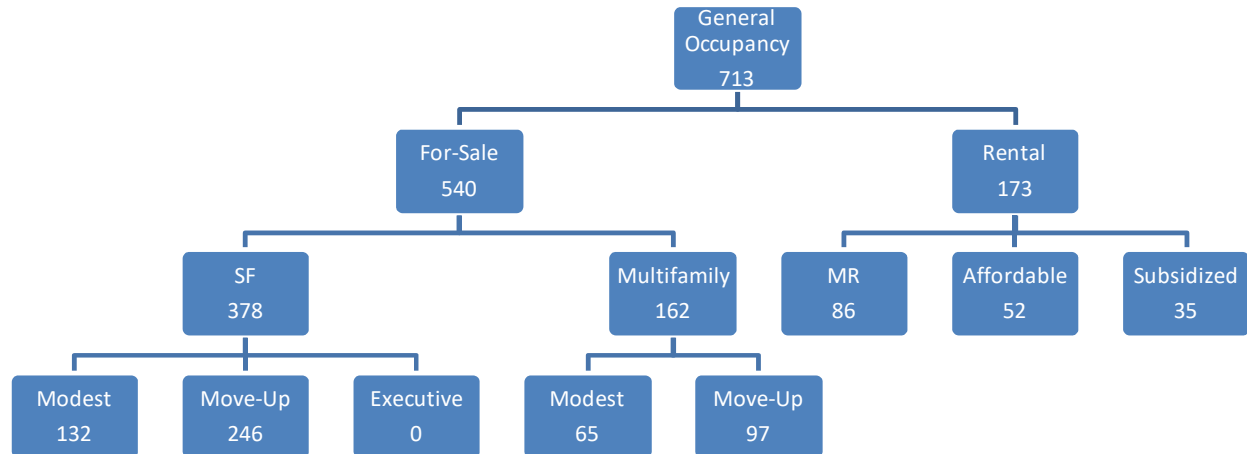
Housing is regional in nature and not restricted to jurisdictional boundaries. Therefore, it is relevant to take into consideration the study Anoka County completed in December, 2023, that illustrates the Comprehensive Housing Needs for Anoka County, Minnesota.

As of publication, the County needed 18,000 more housing units by 2030. They estimate that less than half that amount will be created given current economics. The demand figures in the study are under the presumption that all cities in the county fulfill their respective figure. Under-production in other communities around Anoka County increases availability of tenants in St. Francis. To what extent is unknown, but practical applications of this data would lead us to believe that St. Francis can support more units than what's indicated simply because the county as a whole is not keeping pace.

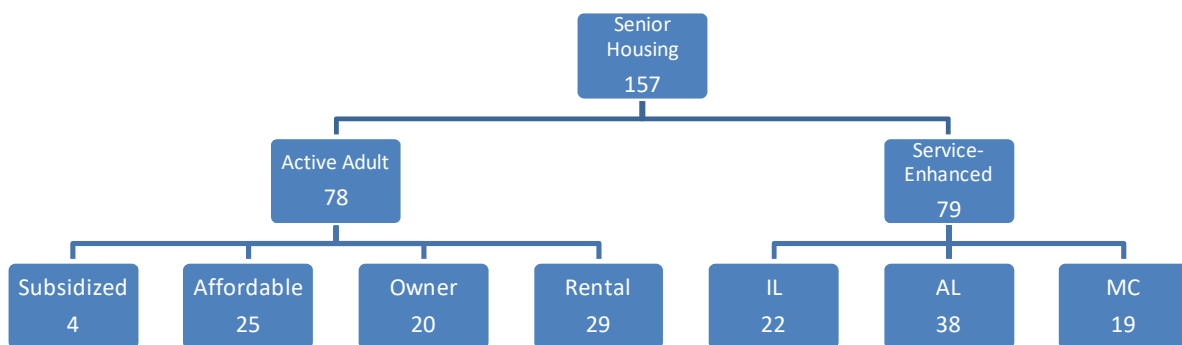
## St. Francis Recommendations

St. Francis is projected to add 623 households between 2023 and 2030 and another 1,000 households between 2030 and 2040. There is strong opportunity to significantly diversify the housing stock in St. Francis to accommodate a wide variety of housing units among various market segments.

### St. Francis Projected General Occupancy Demand, 2023 – 2030



### St. Francis Projected Senior Demand, 2030



Note: Because households are mobile and are willing to seek out various housing products in adjacent communities, these demand figures may experience fluctuations.

**For-Sale Housing:** St. Francis has 67 vacant developed lots and 214 future lots. Demand is identified for 540 single-family and owned multifamily units from 2023 to 2030. Given the current lot supply, additional lots will need to be developed to meet the projected demand over the next six years. We anticipate some slowdown in demand resulting from current high mortgage interest rates. If demand accelerates in the next couple of years, then additional lots may be needed to accommodate demand to maintain a three-year lot supply.

**Rental Housing:** There is demand for 173 rental units from 2023 to 2030 and another 345 rental units from 2030 and 2040. All types of rental units are needed in St. Francis, but rent levels remain low. It will be difficult to development new rental housing without a public-private partnership.

**Senior Housing:** Demand is identified for a limited number of active adult and service-enriched senior housing to 2030. We recommend focusing on products targeted to meet demand for the active adult segment. Service-enriched housing can be considered in smaller freestanding buildings for assisted living and memory care.