

Tax Base Revitalization Account

PROJECT PROFILE

Northern Stacks (Phase I and II)

Fridley, Minnesota



Before



After (Phase II)

PROJECT SUMMARY

Completed in spring 2015, the 30-acre industrial site for Phase 1 of a multi-phase development includes the 213,000 SF East Annex Building, the southern surface parking lot, adjacent green space and a storm water pond. Completed in summer 2016, the 40.2-acre commercial site is the second phase of the redevelopment. Both phases are part of the former Naval Industrial Reserve and includes a 135,000 SF office warehouse. Ordinance Plant (NIROP) operated by BAE Systems. Some primary contaminants of concern identified include asbestos within the existing building, asbestos, polycyclic aromatic hydrocarbons (PAHs), metals, volatile organic compounds (VOCs) and petroleum in the soil and chlorinated solvents and petroleum impacts to the ground water, and related soil vapor impacts.

HOW THIS PROJECT SUPPORTS LIVABLE COMMUNITIES

BENEFITS ENVIRONMENT → From recycling materials and collecting storm water through infiltration galleries to green chemistry and native planting, Northern Stacks has transformed the largest brownfield site within the 494/694 loop.

CREATES OPPORTUNITY → 303,200 square feet of new industrial space in two buildings. The redevelopment is expected to create 3,000 new jobs, and Northern Stacks I alone will create over 200 new jobs. There is also outstanding access to I-694 and I-94.

INCREASES TAX BASE → Will add over \$100 million in new property tax base and over \$3 million in new property taxes annually.

TBRA GRANT INFORMATION

Applicant:	City of Fridley
Funding Cycle:	Phase I: 2013 Phase II: 2014
Grant Amount:	Phase I: \$547,000 Phase II: \$600,000
Other LCA Funding:	2015 TBRA (\$902,500) & 2016 TBRA (\$1,023,700) for Phases 3 & 4

Funded Elements:

Phase I & II: Asbestos abatement, soil and ground water remediation, soil vapor mitigation and lining of storm water ponds.

FAST FACTS

Developer: Hyde Development	Estimated Total Development Cost: \$11.3 million
Project Type: Superfund brownfield redevelopment	Construction Costs per GSF: Phase I- 84 Phase II- 27
Acres: 70 of 122 total	Jobs: 1,350 of 3,261 total

RISKS AND OUTCOMES

FROM PROJECT DEVELOPER

Industrial redevelopment always comes with city challenges, market challenges and inevitable environmental challenges. Leasing Stacks I was a slow process due to a compromise on BAE's lease agreement to occupy a smaller square footage of a 2 million SF building. In addition, there was skepticism of the redevelopment as such a large project had never been done before in the area. By Stacks II, however, tenants were fully on board with the project as the site and its unique history gained momentum.

Paul Hyde of Hyde Development argues that greenfield development may pose a bigger real estate risk and less of an environmental risk than brownfield redevelopment, where the opposite is often true. Some of these risks were mitigated through an ability to visualize future development through creative design, as well as faith in public and private partnerships.

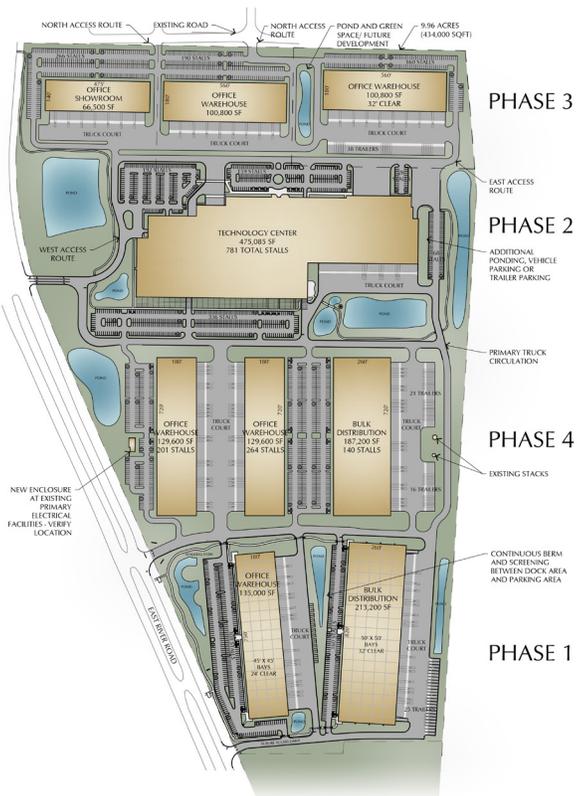
FROM CITY STAFF

Paul Bolin of the City of Fridley agrees that the key to Northern Stacks' success are successful partnerships whose goals align. No one entity can individually carry out a 122 acre project, especially a long-contaminated former weaponry plant. And though the project was expected to take ten years, the 6th and 7th buildings are expected to be complete by 2018. "We cannot build quick enough to fill them," explained Bolin.

The city has helped pay for some of the cleanup with a TIF district, in addition to TBRA funding. And while Fridley is home to five of Minnesota's Superfund hazardous waste sites, the economic revitalization as a result of Northern Stacks has begun attracting new residential and commercial growth to Fridley at large.

"In the suburbs, it's easier to visualize a project because you're surrounded by new development. It's harder to visualize development on an infill site, so you have to think creatively."

Paul Hyde
Hyde Development



Aerial with boundary



ABOUT TBRA

The 1995 Livable Communities Act (LCA) funds community investment that revitalizes economies, creates affordable housing, and links different land uses and transportation. The council awards 4 types of grants to communities. TBRA provides \$5 million annually to investigate and clean up brownfields — contaminated land, ground water, or buildings — for redevelopment. TBRA provides key support for a wide range of projects, from affordable and market rate multi-family housing to commercial and industrial redevelopment.

TBRA Contact: Marcus Martin | marcus.martin@metc.state.mn.us | metro council.org

LEARN MORE

Developer Contact: Paul Hyde
paul@hyde-dev.com

City Contact: Paul Bolin
Paul.Bolin@fridleymn.gov

Website: northernstacksmn.com