

Business Item

Community Development Committee



Committee Meeting Date: October 16, 2023

For the Metropolitan Council: NA*

*Per Livable Communities Act Grant Amendment Process (Business Item [2012-296](#) and [2014-182](#)), the Community Development Committee is the final authority on this item.

Business Item: 2023-252

Extend Term & Amend Project summary of Rogers Main Street LCDA Development Grant (SG-12582)

District(s), Member(s):	District 1, Judy Johnson
Policy/Legal Reference:	Minn. Stat. § 473.253
Staff Presented:	Samuel Johnson, Principal Grants Administrator, 651-602-1757
Division/Department:	Community Development / MTS Finance and Admin/Livable Communities

Proposed Action

That the Community Development Committee:

1. Approve amending the Main Street Rogers Downtown Redevelopment LCDA Development grant (SG-12582) project summary as detailed in Attachment B, and
2. Extend the grant agreement by one year.

Background

The Metropolitan Council awarded the City of Rogers a \$942,500 Livable Communities Demonstration Account Development grant in December of 2019 for the Main Street Rogers Downtown Redevelopment project (Business Item [2019-334](#)). The project is a mixed-use, mixed-income development involving retail, affordable senior housing, and included workforce housing. The grant funds the project's site acquisition, site preparation, stormwater management, placemaking (public plaza and public art), and architecture/engineering fees.

On August 22, 2023, the City of Rogers requested to amend the project summary details and expiration date of the grant (Attachment A). The project was delayed due to financing and market instability related to the pandemic. The project is now moving forward, and the City anticipates completing grant-eligible activities named in the budget within the next year. However, while they are still building a mixed-use, mixed-income development including retail and affordable senior housing, they are yet unable to acquire a parcel of land that would allow them to construct the workforce housing building.

The City requested we amend the grant: updating the project summary details (Table 1) to show that only affordable senior housing and retail is being built, resulting in less affordable housing units, a smaller increase in net tax capacity, and less public and private funding for the project. They also requested to extend the expiration of the grant from December 31, 2023, to December 31, 2024, to complete grant-funded activities.

Table 1. Project Summary

Project Details	Original	Updated
Net Tax Capacity Increase	\$165,410	\$35,804
Total Housing Units	104	40
Affordable Units	12 @ < 30% AMI 20 @ 31-50% AMI 50 @ 51-60% AMI	10 @ <30% AMI 30 @ 31-50% AMI
Anticipated # of Bedrooms	38 Studio/1 Bedroom 44 2BR 22 3+ BR	3 Studio 27 1BR 10 2BR
Estimated total development cost	\$30,019,000	\$15,601,274
Estimated private funds leveraged	\$19,775,500	\$7,566,274
Estimated other public funds	\$9,266,000	\$7,901,882

Rationale

The large reduction of housing units – particularly affordable housing – constitutes a significant change to the project. When scoring the project as it now exists, staff determined the project would still have scored high enough to be recommended for funding at the level it was awarded. The project updates meet the criteria for funding in 2019 and would have scored above competing project applications.

Therefore, Council staff recommend the Committee approve amending the project summary as shown in Attachment B and extending the grant by one year to December 31, 2024.

Thrive Lens Analysis

Projects that demonstrate efficient and effective use of public financial resources further the Thrive Stewardship Outcome.

Projects that redevelop and increase density further the Thrive Prosperity outcome of “encouraging redevelopment and infill development across the region.”

Projects that provide a mix of housing affordability levels further the Thrive Equity outcome of “creating real choices in where we live, how we travel, and where we recreate for all residents, across race, ethnicity, economic means, and ability.”

Projects that introduce more housing types and affordability levels in existing neighborhoods further the Thrive Livability outcome of “providing housing and transportation choices for a range of demographic characteristics and economic means.”

Funding

Funds are available in the Livable Communities authorized 2019 budget and Livable Communities reserve accounts to award these grants. Reserves may need to be amended into a future annual budget to meet cashflow needs on Livable Communities multi-year grants.

Attachments

Attachment A. Grant Amendment Request

Attachment B. Revised Project Summary





City of Rogers
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Rogers, MN 55374
Phone: (763)428-2253
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August 22, 2023

Samuel Johnson
Metropolitan Council
390 Robert Street N
St. Paul, MN 55101

Re: SG-12582 Main Street Rogers Redevelopment- Extension Request

Dear Mr. Johnson,

On behalf of the City of Rogers and Duffy Development, we respectfully request an extension to the LCDA grant awarded by the Metropolitan Council to the City of Rogers for the Main Street Rogers Downtown Redevelopment (SG-12582). This grant was originally awarded in 2019 for a total award amount of \$942,500. A first extension was granted in December 2022.

The proposed extension request will allow for additional time to finalize outstanding pre-construction documents (i.e. easements, senior center lease, TIF plan, etc.) which are nearing completion. Based upon the new development schedule, it is anticipated that initial site work could begin as soon as fall 2023.

Additionally, there have been project changes related to this grant compared to what was originally submitted in the application. At the time of submission, the grant application included a proposed development of two buildings (one workforce and one senior) totaling 104 units. Due to the inability to achieve site control on one of the parcels previously, phase I of this development will now feature the 40-unit senior affordable development with an attached new senior center and an additional 3,000 square foot commercial space. The additional workforce development building is still a desired phase II dependent on the ability to obtain site control on one additional parcel.

Although the project has changed compared to the original submission, this development still carries extreme significance for the City of Rogers for numerous reasons, including:

- Catalyst for additional investment in the area – this proposed development has generated a renewed sense of interest in the Main Street district which has been identified as a priority to revitalize for the city.
- Creation of new affordable housing – Rogers has historically had slightly limited amount of affordable housing within the community. The inclusion of 40-units of affordable senior will provide additional options for those to continue to thrive within the community through all stages of life.



- Creation of a new Senior Center – the current senior center within the city is not in a sustainable position to remain in place into the future. The creation of the new senior center will not only have a direct benefit for the entire community but also serve as a benefit to the residents of the new building.
- Enhanced public parking – as a part of the initial development phase, a new paved parking lot will be included which will feature spaces for the general public in an area that is currently gravel. This new parking lot will be extremely beneficial for the entire Main Street district and is key to creating accessible parking spaces.
- Enhanced landscaping and public spaces – the phase I plans include boulevard plantings and a plaza as proposed. Combined, these elements will create a more inviting and safer atmosphere boosting the walkability for the district. These elements are aligned with the vision of the City's Main Street Streetscaping Plan.

Attached to this letter includes the site plan for the development as well as an architectural rendering for review.

The LCDA funding is very important for this development to move forward and we request that funding from this grant be maintained at \$942,500. Per the initial funding request items listed, the only item which is not currently applicable is the purchase of the phase II land. The city and Duffy continue to maintain contact with the phase II property owner but to this point, the asking price is unrealistic. The proposed development does include acquisition costs related to the purchase of property from the city.

We have greatly valued the partnership with the Metropolitan Council on this (and other) projects and believe this will be a great development for the outer-ring of the metropolitan area. If you have any questions or would like any additional information, please feel free to contact me directly at (763)428-0915 or bangell@rogersmn.gov.

Sincerely,



Brett Angell
Community Development Director
City of Rogers

CC: Steve Stahmer, City Administrator
Jeff Von Feldt, Duffy Development

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Livable Communities Project Summary

Grant # SG-12582
Type: LCDA Development
Applicant: City of Rogers
Project Name: Main Street Rogers Downtown Redevelopment
Project Location: Main Street and John Deere Lane
Council District: 1 – Judy Johnson

Project Detail	
Project Overview	This is a mixed-use, mixed-income development bringing retail and affordable senior housing to Rogers. The existing senior center in the city will relocate to be within the senior housing building. In addition to the housing development and retail space, the project includes two public plaza gathering spaces.
Jobs	11 total FTE; 5 living wage
Net tax capacity increase	\$35,804
Total housing units	40
Affordable units	10 @ <30% AMI rents; 30 @ 31-50% AMI rents;
Anticipated # bedrooms	3 Studio, 27 1BR; 10 2BR
Est. total development cost	\$15,601,156
Est. private funds leveraged	\$7,566,274
Est. other public funds	\$7,901,882
Comments/ Demonstration value	<ul style="list-style-type: none"> The project has significant catalytic potential and is bringing increased density and housing units to downtown The design creates a more active area of downtown and is oriented toward the community There is demonstration value in bringing increased density and affordable housing in a mixed-use development to the downtown of a suburban community
Funding Request	
\$942,500	TOTAL
\$600,000	Site Acquisition After the Date of Award
\$50,000	Site Preparation: Demolition
\$45,000	Stormwater Management: Infiltration/Storage Swales or Tanks
\$225,000	Placemaking: Landscaping; Public Art
\$22,500	Architecture/Engineering Fees: Placemaking

