



## Meeting Minutes

August 24, 2017

Newport City Hall

4:30 p.m.

Commission Members	Agency	Present
Marion Greene	Hennepin County RRA	
Janice Rettman	Ramsey County RRA	X
Jim McDonough	Ramsey County RRA	
Karla Bigham	Washington County RRA	X
Mike Slavik	Dakota County RRA	X
La Rae Mills	City of Cottage Grove	X
Myron Bailey	City of Cottage Grove	
John Kummer	Denmark Township	
Mark Vaughn	City of Hastings	X
Cam Gordon	City of Minneapolis	
Tracy Rahm	City of Newport	
Jane Prince	City of St. Paul	
Sandi Dingle	City of St. Paul Park	X

Ex-Officio Members	Agency	
Ron Allen	Goodhue County	
Jess Greenwood	Goodhue County	
Judy Mitchell	Canadian Pacific Railway	
Marc Mogan	Prairie Island Indian Community	

<b>Staff</b>	<b>Agency</b>	<b>Present</b>
Jan Lucke	Washington County RRA	X
Lyssa Leitner	Washington County RRA	
Hally Turner	Washington County RRA	X
Emily Jorgensen	Washington County RRA	
Kevin Roggenbuck	Ramsey County RRA	X
Matt Parent	Dakota County RRA	
Joe Scala	Hennepin County	X

<b>Others</b>	<b>Agency</b>	
Chelsey Hendrickson	Kimley Horn	X
Lindsey Wollschlager	Richardson, Richter & Associates	X

**Agenda Item #1: Introductions**

Chair Bigham called the meeting to order at 4:30 p.m. Introductions were not made.

**Agenda Item #2: Approval of Agenda**

Motion made by Councilmember Mills to approve the agenda. The motion was seconded by Commissioner Rettman. All were in favor, **Approved**. Motion Carried.

**Agenda Item #3: Consent Items**

Motion was made by Commissioner Slavik to approve the check and claims, and the minutes from the May 25, 2017 commission meeting. The motion was seconded by Councilmember Mills. All were in favor, **Approved**. Motion Carried.

**Agenda Item #4: Insurance**

Hally Turner, Washington County staff, stated that insurance is something the commission approves on an annual basis. The Commission holds insurance in the event that something happens even though the commission does not have many activities that require coverage. There was mistake in the draft, the premium was previously stated as estimated to be less than \$925 as it has been in the past. This \$925 figure is a minimum though the League of Minnesota Cities sometimes offers a discount when the league has dividends paid out. Funds for insurance have been budgeted for 2017. Each year the commission determines if they would like the statutory tort liability waived. In the past the Commission has not waived the limits. Ms. Turner stated that the action before the Commission is to continue insurance coverage and a determination on the statutory tort liability.

Commissioner Slavik asked why this was being presented at the August meeting instead of the May meeting.

Ms. Turner stated that this process is done in advance of the next year and the League of Minnesota Cities is the driving force. Staff are beholden to the league's timeline.

Motion was made by Commissioner Rettman to continue insurance coverage, reflect the correct figure language in the narrative and not waive the statutory tort liability. The motion was seconded by Mayor Dingle. All were in favor, **Approved.** Motion Carried.

#### **Agenda Item #6: Small Area Plans Market Analysis**

Ms. Turner introduced Chelsey Hendrickson with Kimley Horn, the consultant who is leading the Cottage Grove and St. Paul Park Small Area Plans process and Jay Demma with Perkins and Will who is a sub-consultant on this process.

Ms. Hendrickson began with an overview of the presentation. The goals of the small area plans are to support the comprehensive plan process, support the character and vision of the communities, stimulate economic development and redevelopment, improve connections through the communities and identify transit-supportive strategies to build potential ridership. Ms. Hendrickson went over the project schedule and stated that the team is currently wrapping up the market analysis portion and is beginning to draft development scenarios for each small area. After the development scenarios are created the team will workshop implementation strategies and final document.

Mr. Demma gave an overview of some of the driving factors that influence the market in each of the small areas. Beginning with an analysis of demographics, the Metropolitan Council has forecasted that Cottage Grove and St. Paul Park will add roughly 4,500-5,000 new residents each decade through 2040. These population increases will be the demand drivers for future transit, housing and jobs in the corridor. Mr. Demma showed the current populations living within walking distance of the proposed Red Rock bus rapid transit (BRT) station for each of the small area plans. The 80<sup>th</sup> Street and Jamaica small areas have a very young profile and are getting younger despite aging trends. St. Paul Park is also getting younger but has an older median age. Each of the three small areas has experienced a sharp increase in the number of households with children. Overall the metro area and St. Paul Park have a lower proportion of households with children. Cottage Grove and Washington County overall have a higher proportion of households with children.

Mayor Dingle asked for clarification on what constitutes a household specifically how it applies to senior living communities. Mr. Demma clarified that the census definition of household was used. This definition is an "occupied housing unit" a senior housing community is considered residential. Not included in this definition are group quarters. Group quarters are dormitories, prisons and skilled nursing facilities. Mayor Dingle asked how these numbers and the proportion of households with children would be skewed given the amount of senior facilities being built. Mr. Demma stated that most seniors relocated within their town and it's a negligible difference. Commissioner Bigham stated that it's important to pay attention to the senior community in the corridor who would benefit from improved transit in the Red Rock Corridor.

Mr. Demma stated that St. Paul Park and Jamaica Avenue small areas have experienced a decline in their median income since 2010. 80<sup>th</sup> Street small area has expected an increase in median income since 2010. Mr. Demma explained that market rate apartment trends show a

rising vacancy rate in St. Paul Park and Cottage Grove. The average rents in St. Paul Park and Cottage Grove are rising but are still below the average rent for the county and the broader metro area.

Commissioner Bigham asked if this information included rental houses as well as apartments. Mr. Demma clarified that this data only included apartments.

Commissioner Rettman asked if this information reflected subsidized housing. Mr. Demma stated that the vacancy rate and average rent only reflect market rate housing.

Mr. Demma went over the apartment development patterns for the last twenty years. 12 general occupancy rental units and 210 senior rental units have been built in Cottage Grove. 0 general occupancy rental units and 0 senior rental units were built in St. Paul Park. 1,710 general occupancy rental units and 721 senior rental units have been built in Woodbury. The information on Woodbury was included as a point of comparison.

Commissioner Bigham stated that Newport has 42 new general occupancy rental units as of August 2017. Commissioner Bigham asked that Newport be included in overall data for the small area planning process. Mr. Demma stated that Newport had been included in many of the data sets as part of South Washington County.

Mr. Demma went over the different land uses. Between St. Paul Park and Cottage Grove there is about 1.5 million square feet of commercial space which is about 13 percent of the South Washington County retail market. The 80<sup>th</sup> Street area has about 540,000 square feet and is anchored by Hy-Vee and Kohl's. This area is still recuperating after the loss of Rainbow and Home Depot. Jamaica Avenue has about 770,000 square feet and is anchored by Target, Cub Foods, Menards, and Walmart. This area has been expanding south along Highway 61 downtown St. Paul Park has less than 60,000 square feet and a curious concentration of bars, pubs, and taverns.

Commissioner Bigham asked if projected developments were taken into consideration. Mr. Demma stated that a more robust report is forthcoming and projected developments were taken into consideration. This presentation focuses on a higher level summary of the trends.

Mr. Demma shared that between St. Paul Park and Cottage Grove there is about 350,000 square feet of office space which is less than 6 percent of the South Washington County office market. The 80<sup>th</sup> Street area has about 130,000 square feet with a focus on financial services and medical professionals. Jamaica Avenue has about 97,000 square feet and is concentrated on the south side of Highway 61 away from retail. Office space among the small areas is dominated by small professional users that cater to local households. There is a limited supply or demand to larger office users.

Mayor Dingle stated that Tesoro, the oil refinery in St. Paul Park, has bought the DMC building with the intention of converting some of the space to office. This would bring about 500 jobs to St. Paul Park.

Councilmember Mills asked if the businesses on the west side of highway 61 were included in the analysis and how they impact ridership. Mr. Demma stated that this analysis isn't specific to creating ridership but more so looks at land use that is suitable for transit riders and how to congregate those uses around the station areas.

Commissioner Bigham asked to speed through the presentation in the interest of time.

Mr. Demma stated that a number of developers were interviewed about the corridor area. Developers felt there is a demand for affordable housing and senior housing. The demand for market rate housing in this corridor has not yet been tested but it is probably strong enough to command new construction rents. The locations under consideration for housing are viable and freeway proximity is not a concern. Developers felt that 80<sup>th</sup> Street and Jamaica have good business anchors but there is a weak mix of business and a lack of amenities. The Jamaica area is far from its population base. Building more housing would help strengthen retail districts. There is no market for offices that only happens in a few places in the metro area. A mixed-use development with a pedestrian oriented retail area might work on a small scale.

Ms. Hendrickson summarized the community engagement events. There were two open houses that were publicized using postcards, Facebook ads, flyers and website announcements. Over 20 people attended in Cottage Grove and over 25 people attended in St. Paul Park. The open houses were designed to get feedback from the community. In Cottage Grove, people shared that the things they like such as the current demographics, the quiet area, and many biking and walking trails. The Cottage Grove community members shared they would like to see a centralized community gathering spot supplemented with new retail or commercial options in the future. They would also like to see a variety of housing and commercial options in terms of densities and scales. Within the 80<sup>th</sup> Street station area the community mentioned that the terrain was the hardest mobility challenge. The community mentioned many more mobility challenges in the Jamaica area, the 90<sup>th</sup> street intersection, and navigating through the commercial area as a pedestrian is considered very challenging. The current Metro Transit park-and-ride is on the west side of highway 61. It can be uncomfortable as a pedestrian or cyclist to access that park-and-ride.

In St. Paul Park, the community enjoys the small town feel of the area and housing affordability. The community would like to see centralized community gathering spot supplemented by more walkable destinations and consistent, connected sidewalks. The community would like to see more larger-scale retail and medical clinics. The community stated that crossing the St. Paul Park road is challenging as a cyclist, pedestrian, and driver.

Ms. Hendrickson then went over the next steps for the project. The team will create reports for the existing conditions and market analysis. Development scenarios and implementation strategies will be created and workshopped with the project advisory team. This will all be pulled together into a final report.

Councilmember Vaughn asked if online input was of the engagement process. Ms. Turner stated that comments were only received person.

Commissioner Slavik stated he was impressed with the open house turnout at St. Paul Park. The community was highly engaged and offered some good insight.

Commissioner Bigham stated that there was also a good turnout at the Cottage Grove open house. There were people from the greater Red Rock Corridor in attendance. The comments were supportive and engaged in the conversations about the future of the corridor.

**Agenda Item #5: Joint Powers Agreement Update**

Ms. Turner introduced Lindsey Wollschlager from Richardson, Richter & Associates. Ms. Wollschlager began with an overview of her presentation and stated there are three options for the future of the joint powers agreement (JPA). The strategic planning scope of work have five steps, review the current JPA, review the Red Rock Corridor Implementation Plan, recommend revisions to the JPA based on the Implementation Plan, present revisions to Red Rock Corridor Commission, and then review JPA, including coordination with member legal departments. Ms. Wollschlager said the goal is to identify the preferred option for the commission before the end of the year.

Commissioner Rettman asked if the information presented was available in the context of the JPA document. Ms. Turner stated that the original JPA is not in the packet. Commissioner Rettman asked for a redlined copy. Ms. Turner stated that it was important to have the discussion of the structure of the JPA first before addressing the wording of the document.

Ms. Wollschlager stated that the purpose of the Red Rock Corridor Commission is to jointly exercise the powers grants to the Regional Railroad Authorities under Minnesota Statute 398a. The effect this statute is to allow the Commission to be a project sponsor. For reference 398a outlines the powers of the Regional Railroad Authorities. Ms. Wollschlager highlighted the Commission's power to apply for and accept gifts, grants, loans of money, other property, or assistance from public or private entities. This power is significant to the role of the Commission and allows the Commission to solicit funding from sources and bring in resources to the Commission. Ms. Wollschlager highlight the Commission's power to incur debt, liabilities, or obligations which do not constitute debt of any of the Parties. That power allows the Commission to issue bonds in order to support the funding of the project.

Commissioner Rettman asked if the power to issue bonds was included in the current JPA. Ms. Wollschlager confirmed that it was included. Commissioner Rettman asked if that power had been used. Jan Lucke, Washington County Staff, stated that it had not been used.

Ms. Wollschlager stated that there are currently 11 members in the JPA. The counties of Dakota, Hennepin, Ramsey, and Washington and the cities of Cottage Grove, Denmark Township, Hastings, Minneapolis, Newport, Saint Paul, and St. Paul Park make up the 11 members. All four counties are financial partners and contribute funds to the budget. The current JPA was reviewed along with the newly adopted Implementation Plan. The Implementation Plan preferred alternative shows the service operating in Dakota County, Ramsey County, Washington County, and the cities of Cottage Grove, Hastings, Newport, Saint Paul, and St. Paul Park. This does not include all of the members of the existing JPA. The recommended near term tasks are important coordination work that is necessary to improve the

transit service in the corridor. Not all of these activities require the direct action of the commission itself.

The long term activities recommended in the Implementation Plan focus on Route 363 implementation and could require the Commission to hold a contract.

Commissioner Bigham stated that the phased implementation for the Red Rock Corridor and the implementation of Route 363 was unanimously approved by Red Rock Corridor stakeholders. The funding of Route 363 could come from the Regional Solicitation or the funds that were formerly funding CTIB. Commissioner Rettman stated that Ramsey County funds have been earmarked for Ramsey County led projects. Commissioner Bigham clarified that she was discussing the funding of Route 363 for demonstration service and that would require funding from Washington County, Ramsey County, and potentially Dakota County as they are the last phase of BRT. Commissioner Rettman stated that the vote to approve the Route 363 demonstration service was a vote to get the service funded by the Metropolitan Council. Commissioner Bigham stated that the legislative ask last year for the two year demonstration route was 5.6 million dollars. Commissioner Bigham stated that the Regional Solicitation and the legislature are options and agrees that there will need to be a different discussion if other funding options are to be considered. Commissioner Rettman stated that Ramsey and Washington are the only funding partners and that has significant impact on the funding picture. Ms. Turner clarified that the JPA does not obligate the funding partners to pay for the actual project and those obligations will be fleshed out separately. Commissioner Bigham stated that METRO Gold Line is a Ramsey and Washington County partnership and this will be similar. Commissioner Slavik asked to hear the options for the JPA.

Ms. Wollschlager stated that after reviewing the current JPA and the Implementation Plan there are three options available. The existing purpose and powers of the JPA allows the Commission to accomplish the Red Rock Corridor Implementation Plan. The Implementation Plan is not dependent on the full set of Commission Powers. The Implementation Plan could be achieved through alternative forms of cooperation. There are three options for the commission moving forward. The first option is to amend the current joint powers agreement. The second is the selective withdrawal of members. The third is to consider alternative forms of cooperation. The first option to amend the joint powers agreement would include updating the membership to reflect the preferred alternative in the Implementation Plan and update the financial partner's contributions based on the updated membership. The amendment to the JPA requires board approval from all Commission members.

Commissioner Slavik asked if Hennepin County has formally given notice to leave the Commission. Ms. Turner stated that it has only been discussed at this point and it was decided to wait until the end of the Implementation Plan but there has been no formal notice as of yet. Ms. Turner stated that Denmark Township also has previously stated they would like to leave the commission but no formal notice has been given as of yet.

The second option would be the selective withdrawal of some members from the existing JPA. This is an alternative approach to update Commission membership. The financial partners' contributions will be proportionately reallocated if a financial partner withdraws. Withdrawal is effective upon 90-days written notice, including Commission member resolution.

The third option would be to consider alternative form of cooperation. The Commission could reorganize as a corridor coalition. This would allow public and private entities to join together on the coalition. The revenue sources for corridor coalition can be discussed later and would provide options for flexibility. The other option is cooperative funding agreements among the current commission members. This allows for the pooling of resources for a joint goal or contract.

Commissioner Bigham stated that Ramsey County needed to be at the table for this discussion. Commissioner Bigham thinks it makes sense that the membership for the JPA should be updated as it makes sense the Hennepin County and Denmark Township are no longer part of the Commission. Commissioner Bigham believes that keeping a JPA is the best decision for the future of the Red Rock Corridor.

Commissioner Slavik stated that there have been some Red Rock conversations. Dakota County did not approve, though it did acknowledge, the Implementation Plan as it did not include any near term transit investments. Dakota County has begun to look at eastern Dakota County transit routes. As a funding partner it no longer makes sense for Dakota County. But Dakota County will continue to be at the table and have staff present to take part in the discussions. Dakota County will be making a request to participate as an ex-officio member in the future.

Commissioner Bigham stated that this is a phased approach and there will always be opportunity for Dakota County and Hastings to join in different capacities in the future.

Councilmember Vaughn stated that he has the honor to represent Washington and Dakota Counties as a councilmember of Hastings. Hastings sees the value of being a Red Rock Corridor member.

Commissioner Slavik stated that there might be a need for another discussion and a meeting before the November 30<sup>th</sup> meeting.

Commissioner Bigham agreed and stated that there is a need to have another discussion in September or October.

Ms. Turner stated that staff will follow up on this request and work with the Commission.

#### **Agenda Item #7: Communications Update**

Commissioner Bigham stated that the communications update is included in the packet.

#### **Agenda Item #8: Other**

##### **A. Commissioner Reports**

None.

##### **B. Next Meeting**

Next meeting will be held on November 30<sup>th</sup> at 4:30 pm in Newport City Hall.



**Agenda Item #9: Adjourn**

Chair Bigham called the meeting adjourned.