

CITY OF NORTHFIELD, MINNESOTA  
CITY COUNCIL RESOLUTION 2023-072

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF  
NORTHFIELD, MINNESOTA REGARDING PRELIMINARY AUTHORIZATION FOR A  
DOWNTOWN REDEVELOPMENT PROJECT

WHEREAS, the City Council of the City Northfield, Minnesota (“City”) desires to facilitate a mixed use, multi-phase downtown redevelopment project, containing certain public improvements included as part of the construction of such project; and

WHEREAS, on March 22, 2022, in pursuit of the foregoing objective, the City Council approved the acquisition of properties located at 411 Water Street and 115 5th Street West in downtown Northfield; and

WHEREAS, the City has since closed on and has fee title to both 411 Water Street and 115 5th Street West and is holding the same currently for purposes of subsequent use and/or conveyance of the same for a downtown redevelopment project; and

WHEREAS, the existing Northfield Liquor Store located at 116 5<sup>th</sup> Street West is obsolete and the City Council has been pursuing a new construction or re-construction of a new store that will be profitable, will pay its own way to be built, and will achieve the following previous Council stated goals for the Liquor Store:

1. Control the sale of alcohol; and
2. Provide revenue to supplement traditional tax and fee revenues; and
3. Provide an economic stimulus to the Central Business District; and
4. Provide a convenient location for residents to purchase alcohol; and

WHEREAS, 411 Water Street and 115 5th Street West are currently underutilized properties in the downtown area and could be redeveloped to meet the above-mentioned need as well as provide additional residential housing, additional commercial space and parking to support existing and new businesses and residents in downtown Northfield; and

WHEREAS, redevelopment in the downtown area has been limited by the need for a more comprehensive mixed use redevelopment project containing significant opportunities for private housing and commercial redevelopment as well as opportunities for public uses such as a new municipal liquor store and parking facilities; and

WHEREAS, on July 12, 2022, the City Council approved and advertised a request for qualifications from experienced and qualified developers entitled “Request for Qualifications for the Downtown Northfield Redevelopment Project” (the “RFQ”)

for purposes of designing and constructing a downtown redevelopment project that would include a mixed-use building and a new Northfield Liquor Store; and

WHEREAS, the RFQ established a competitive selection process, including interviews with interested developers, from which to select an experienced and qualified developer to design and construct a downtown redevelopment project; and

WHEREAS, in response to the RFQ, the City received two proposals, which following interviews held on August 23, 2022 by the Downtown Redevelopment Project Review Committee (made up of City Council, Economic Development Authority, Housing and Redevelopment Authority, Heritage Preservation Commission, and Planning Commission members along with City staff), were analyzed and evaluated by the Downtown Redevelopment Project Review Committee, who recommended approval by the City Council of the proposal submitted by Lander Group; and

WHEREAS, on September 6, 2022, in response to the RFQ and recommendation of the Downtown Redevelopment Project Review Committee, the City Council approved the selection of Lander Group (the “Developer”) as the developer for a downtown redevelopment project to design and construct a mixed-use redevelopment project on the properties located at 411 Water Street and 116 5th Street West; and

WHEREAS, the Developer has been working with City staff and City Council since September 2022 on defining the downtown redevelopment project scope, location, and designs that include the properties located at 411 Water Street and 116 5th Street West, in addition to potential other sites to meet City Council goals; and

WHEREAS, the Developer, City staff and City Council, based upon due diligence, evaluation, analysis, and preliminary design work, is proposing the following improvements as part of the Downtown Redevelopment Project, which will include the following private and public improvements:

1. a privately-owned approximately sixty (60) room hotel and approximately 9,000 square feet of ground floor food/beverage and retail space, to be located at 5th Street West and Water Street South with the potential expansion to willing private adjacent property owners to be determined; provided, that if the Developer after a good faith effort determines that a hotel is not feasible, Developer will instead construct a mixed-use building containing approximately 40 apartments (and Developer will analyze the potential for a mixed-income apartment project) and approximately 5,000 square feet of ground floor retail/commercial space; and
2. a privately owned, mixed use apartment/condominium building containing approximately fifteen (15) private residential units and retail spaces, as well as public improvements, including public parking facility, Northfield Liquor Store, and U.S. Post Office, that will be subsequently sold as condominiums

to the City following completion, all to be located at 5th Street East and Washington Street South (collectively the “Project”).

WHEREAS, preliminary designs of the above-mentioned two-phase Project are attached hereto as Exhibit A; and

WHEREAS, the public parking facility is integral to the Project proceeding in order to provide needed public parking for businesses in downtown Northfield as well as for the municipal liquor store, U.S. post office, and the new commercial and residential uses created by the Project; and

WHEREAS, as part of the Project, City staff has held discussions with the U.S. Postal Service seeking to potentially swap the existing historic post office building with the City in exchange for the condominium space intended for the U.S. Post Office to be constructed and purchased/leased by the City in the above-mentioned new condominium building, which will allow the City to redevelop the historic post office building while also maintaining a post office location in the City for the convenience and betterment of the community; and

WHEREAS, should the proposed U.S. Postal Service swap not occur, an alternate private or public use will be planned and proposed; and

WHEREAS, the City-owned property located at 115 5<sup>th</sup> Street West is not included in the Project, but will be evaluated separately for interim use for the Northfield Liquor Store during the development as well as potential re-use or redevelopment to meet City goals for specific details yet to be determined; and

WHEREAS, the Project meets a number of strategic priorities of the City’s strategic plan including economic vitality, quality facilities and service excellence, and this includes maximizing redevelopment opportunities in the urban edge that encourages a more integrated relationship between the downtown and the river and is based on the following plans:

1. Riverfront Action Plan: “The urban edge encourages a more integrated relationship between the river and downtown.” “With building uses spilling out onto the water’s edge, the Riverwalk has the potential to become a world class riverfront experience.”
2. Downtown Streetscape Framework Plan: Reinforce a positive, genuine character. Design a hierarchy of streetscape elements. “String of Pearls” concept identifies a series of focal points or pearls in the streetscape. Improve the gateway experience into downtown.
3. Comprehensive Plan: the preference for accommodating infill first then redevelopment.

WHEREAS, the Project is being undertaken to accomplish the following City goals and objectives:

1. Support the ‘greening’ of the riverfront and construction of ‘The Promenade’;
2. Construct a new municipal liquor store.
3. Support existing and new business with new parking inventory and management.
4. Enhance walkability and improve mobility options downtown.
5. Recycle, reuse, and improve infill development in downtown Northfield to enhance tax base.
6. Creation and retention of jobs and local businesses.
7. Add new residential housing in downtown Northfield.
8. Relocate and maintain the U.S. post office in downtown Northfield and allow better future use and redevelopment of the historic post office building.
9. Address the City’s Climate Action Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL THAT:  
The City Council hereby authorizes and directs the following work for subsequent consideration of approval by the City Council:

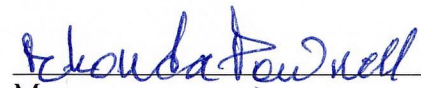
1. Negotiate and draft a development agreement for the construction of the Project; and
2. Negotiate and draft a purchase agreement for the sale of that certain City-owned property to the Developer for the Project, if not part of the above-referenced development agreement; and
3. Analyze and prepare options for financing the public improvements contained in the Project to be purchased by the City; and
4. Analyze and confirm the timeline for the two phases of the Project; and
5. Negotiate and draft such other documentation and agreements as necessary to facilitate the Project.

BE IT FURTHER RESOLVED THAT: The City Council hereby designates Lander Group as construction manager at risk for design and construction of the public improvements that are part of the Project, and the development agreement for the Project shall provide for the same and include a yet to be negotiated guaranteed maximum price that the City will pay for the public improvements to be constructed by the Developer.

PASSED by the City Council of the City of Northfield on this 8<sup>th</sup> day of August, 2023.

ATTEST

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Mayor

VOTE:      Y POWNELL   Y HOLMES   Y NESS   absent PETERSON WHITE  
             Y REISTER   Y SOKUP   Y ZUCCOLOTTO

**EXHIBIT A**  
**PRELIMINARY DESIGNS**



5<sup>th</sup> Street & Washington Street Redevelopment Preliminary Designs









## 5<sup>th</sup> Street & Water Street Redevelopment Preliminary Designs

