

Background and Timeline for 2025

January to March

City staff issued a Letter of Interest Request for redevelopment teams interested in the city-owned parking lot site at 5th and Washington. Streetfront Development and its development partner Good Neighbor Homes submitted a letter of interest focused on the municipal liquor store, street-level parking, a retail promenade, and for-sale housing. In March, the city selected Streetfront to advance into a due diligence and predesign phase.

April to June

the development team underwent a tariff analysis to determine the impact new and volatile tariffs would have on the cost of construction. This was a relatively new analysis for developers, general contractors, sub-contractors, suppliers and manufacturers so it took several months to land on a reasonable estimate of cost risk. In the end, the analysis showed that the percentage of construction costs that come from imported building goods from 'high tariff risk' countries was very low and was likely to be contained to a 1-2% price fluctuation over the entire construction budget.

July to October

After several meetings, presentations and conversations with City Staff and EDA members we narrowed down three main options for the redevelopment plan. These routes all included the assumption that a new Municipal Liquor store would be on the ground floor of the building and that there would be publicly available parking on-site. Below are the three options we collectively landed on:

1. Mixed-use building with Condominiums above & Retail at the ground level
2. Mixed-use building with a Senior Cooperative above & Retail at the ground level
3. A commercial-only building with Office above and Retail at the ground level

During this phase of the pre-development work, the cost for new speculative office (#3) and condominiums (#1) proved too expensive for the local market to support without extraordinary subsidy. The cost of construction for a building like this, coupled with the expense to borrow the money and the end market price for the space did not match up. The only option that passed these financial metrics was #2, A Senior Cooperative. This is so because the market for housing seniors with a mid-market product is robust and the financing available for a Senior-restricted Coop comes from HUD, which providers a very favorable term and rate on the loan.

Also, during this period the City Administrator, in consultation with other City staff and the development team, concluded that the Northfield Liquor Store should migrate away from this site and toward alternative sites in the Central Business District. There were a number of considerations for this change including: site challenges at 5th & Washington, changes in alternative preferred-site ownership interest, and opportunity to achieve more community goals.

November to December

We presented our recommendation for a Senior Coop with public parking to the EDA in November. They unanimously passed a motion of support for the project including a list of priorities for the site. In January, we would like to share more about the project with the City Council.