



5th & Washington Downtown Redevelopment

September 10th Council Work Session

EDA Charge

5th & Washington

- Northfield Liquor Store
- Parking
- Contemplate other uses
5th & Water Street
- Explore options for site

EDA Role

- Policy guidance
- Collaboration with staff, consultants,
advisory boards & commissions



Staff & Consulting Team

Ben Martig, City Administrator

Jake Reilly, Community Development Director

Nate Carlson, Economic Development Coordinator

Mikayla Schmidt, City Planner

Melissa Hanson, Housing Coordinator

Brenda Angelstad, Finance Director

Brian Whitt, Liquor Store Manager

David Bennett, Public Works Director/City Engineer

Risi Karim, Assistant to the City Administrator

Bruce Jacobson, Landscape Architect

Teresa Jensen, Special Advisor to City Administrator

Von Peterson, Principal/Architect TSP, Inc.

Greg Schoer, Architect TSP, Inc.

William Jacobson, Visualization

Nick Anhut, Senior Municipal Advisor, Ehlers & Associates

Chris Hood, Flaherty & Hood

Jenny Boulton, Kennedy & Graven



Project Timeline



June EDA
Overview

**August Advisory
Board Input**

Site & Building
Program
PC, HRA, HPC

**September
City Council
Work session**
Project Update
EDA & PC
Recommendations

July EDA

Site & Building
Program 5th &
Washington

August EDA

Financial Analysis
Updated Site &
Building
Council Preparation

September EDA

*Review request for
qualifications
(tentative)*

EDA Board Actions

5th & Washington Project



- **Review financial feasibility analysis by component**
 - Liquor Store
 - Parking
 - Commercial
 - Residential
- **EDA Finance Subcommittee:**
 - EDA President Randy Yoder, Members Enoch Blazis and Andy Beaham, and Community Member Rick Estenson

5th and Washington EDA Recommendations



- **EDA Resolution 2024-005 findings:**
 - Liquor Store: financially feasible, including excess debt service
 - Parking: Incremental approach recommended. Further analysis of need, cost, operation model, and public opinion required.
 - Commercial: likely financially feasible
 - Housing: Challenges related to cost to construct and cost of capital
 - Seek assistance from private/not-for-profit development community through a request for qualifications process

Liquor Store



- **12,000 Square Foot Space**
 - 7,200 sq. ft of Sales Floor (currently 2,500)
 - Superior and welcoming shopping experience, attractive merchandising, space for promotional eye-catching displays, wide aisles, shopping carts, easy entrance/exit
 - 34 cooler doors
 - 6x current cooler space/storage
 - Interior loading from Washington St. side
 - Large windows offering natural light

Liquor Store



- **Dakota Worldwide Market Study**
 - Projected first-year sales of \$5.01 million
- **Key Drivers of Study Results:**
 - Greater sales floor area + product variety + market leader
 - Superior shopping experience
 - Accessible and sufficient parking (current site too constrained)
 - Capture more of the market “float” (*portion of potential sales not currently captured*)

Liquor Store



- **Dakota Worldwide Market Study**

- Shelf Space – currently 896 linear feet (Liquor/Wine/THC)
 - New Store – 2,880 linear feet (max)
- Cooler Space – 18 additional doors
 - Potential for 300 -450 additional cold products
- Large space for promotional displays & tasting area
- Welcoming environment for ALL shoppers, ADA compliant, family friendly

GROUND FLOOR LAYOUT

DRAFT CONCEPT DESIGN

5th



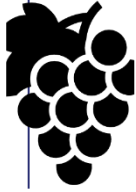
Washington

First Floor – at grade

Parking Concept



- **136 Public parking spaces**
 - One level under ground (~70 spaces)
 - Full head height second floor (~70 spaces)
 - Short-term on-street parking (5th St, Washington St, & Grastvedt Lane)



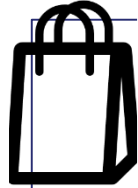
The City is considering relocating the store to accommodate more room for parking and operations.



Objective 2: The downtown core is an important aspect of community life.



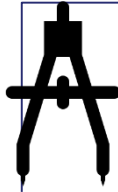
Objective 3: Encourage a compact development pattern, and support infill, redevelopment and land intensification.



Objective 5: Guide new commercial/retail and office developments in a mixed use pattern.



Policy: Locate and retain community facilities within the downtown area where appropriate and possible.



Policy: City-owned facilities will add to the community's sense of place through high-quality architectural design and site orientation that follows the land use principles of Chapter 4.



Policy: The City should assist in providing affordable housing

Policy: Consider shared parking



Policy: Effectively manage the transportation needs of a vibrant, growing town and the surrounding area for residents, businesses and visitors.



Planning Commission concerns

2008 Comp Plan context and policies

Priorities

- Tax base
- Housing supply
- Housing availability
- Reduction in VMT
- Improved non-motorized infrastructure
- Housing downtown
- Mixed-use
- Land use intensity

Concerns

- Shared/managed parking first
- Taxable value of the project
- Concern parking in particular is not a taxable use
- Better transit
- Better rideshare
- What about office and/or incubator space?

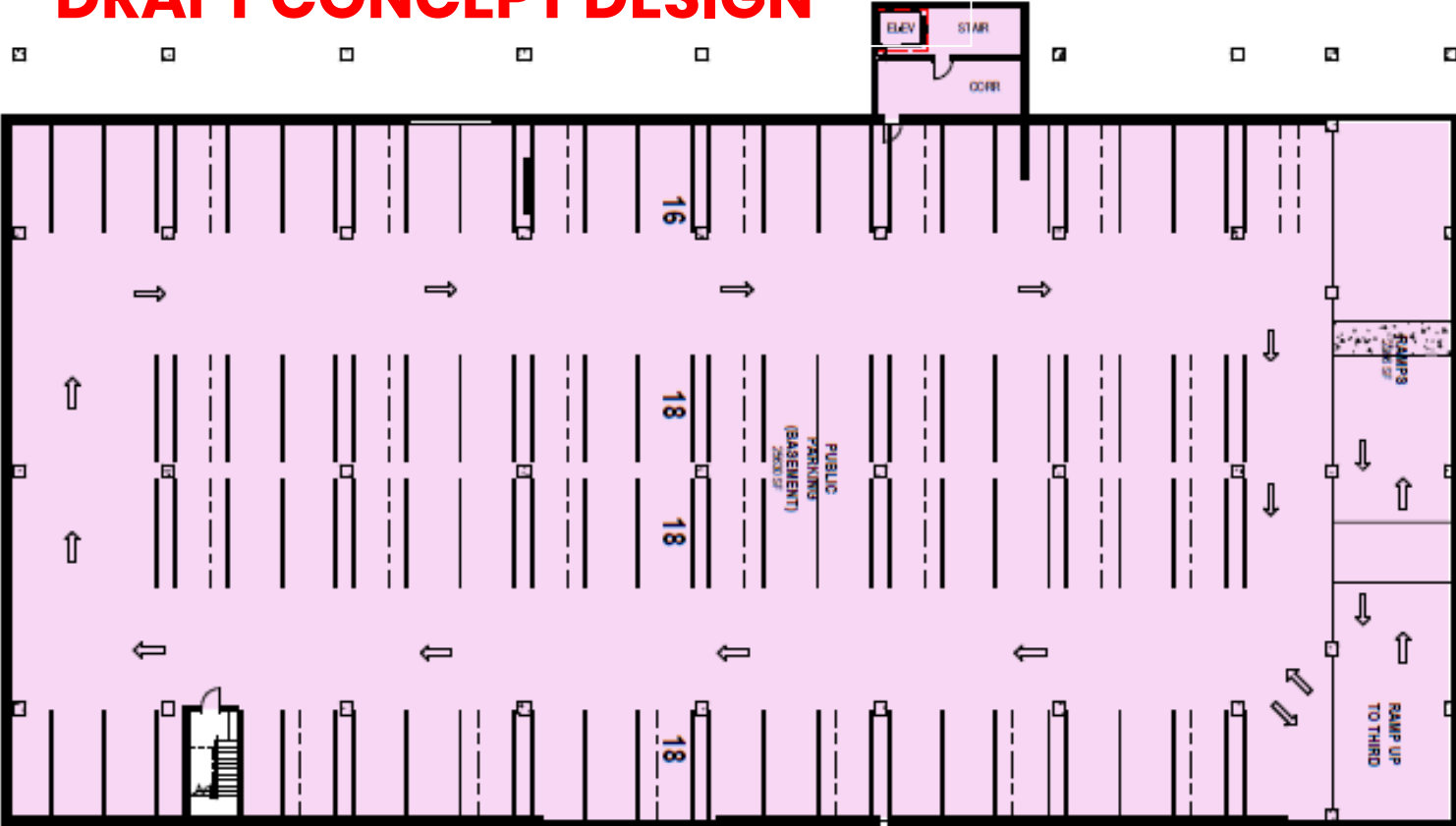


Planning
Commission

Other policy
concerns &
questions

DRAFT CONCEPT DESIGN

5th



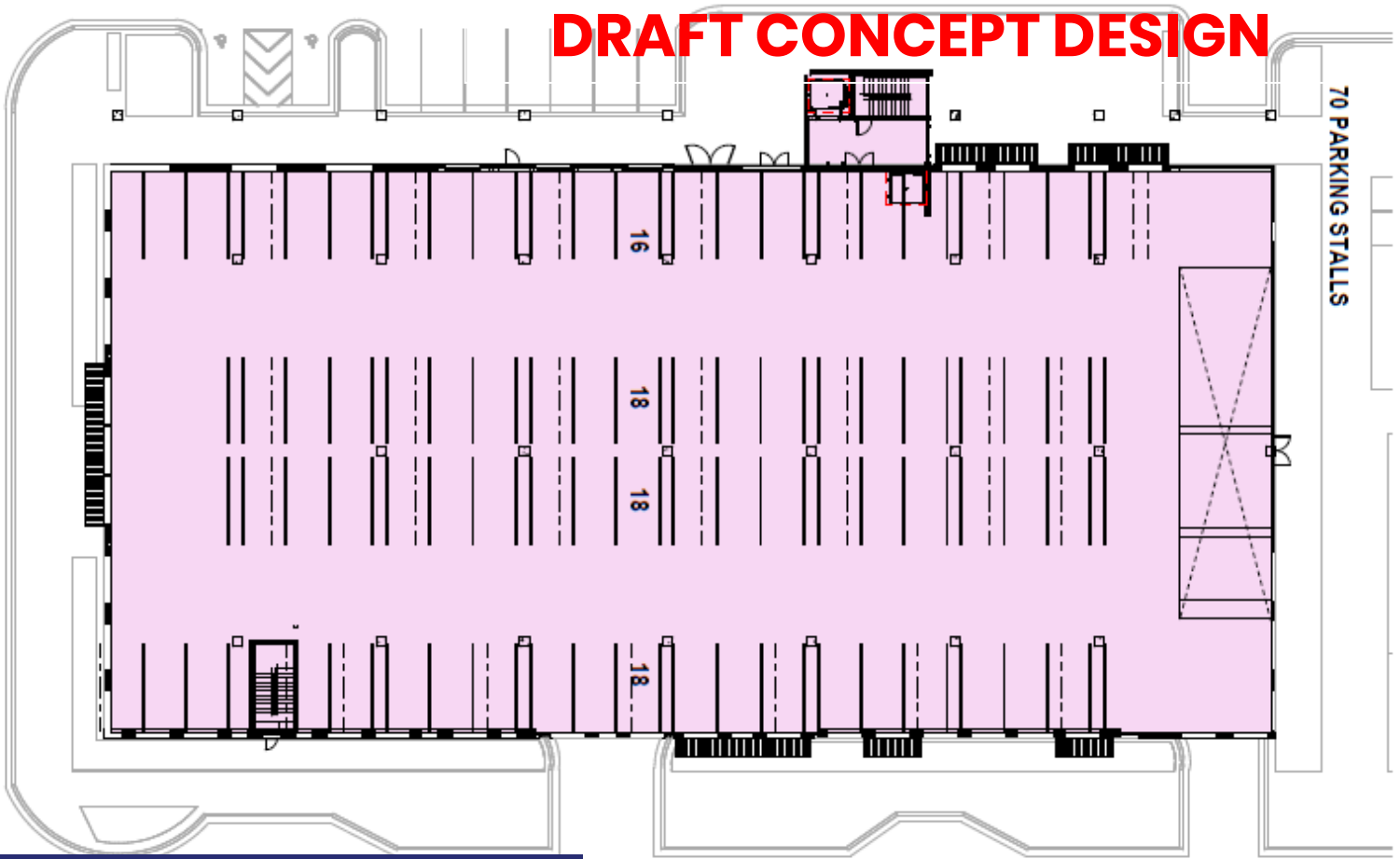
70 PARKING STALLS

Lower Level – below grade

Washington

DRAFT CONCEPT DESIGN

5th



70 PARKING STALLS

Second Floor

Washington

Commercial Concept



- 4 commercial spaces
 - Why commercial space?
 - People-first reimagining of Grastvedt Lane

Public spaces for people



Grastvedt

Lane

looking north



GROUND FLOOR LAYOUT

DRAFT CONCEPT DESIGN

5th



Washington

First Floor – at grade

Housing Concept



- **50+ Housing Units – Market Rate**
 - Why housing?
 - Why market rate?
 - Subsidized housing extends timeline 24+ months; competitive funding sources
 - Partner(s) required
 - Examine options to increase success/reduce gap
 - If not housing, then what?

DRAFT CONCEPT DESIGN

5th



Washington

Third Floor

DRAFT CONCEPT DESIGN

23 UNITS



5th

Washington

Fourth Floor

DRAFT CONCEPT DESIGN



View Grastvedt Lane from 5th
Street looking North

5th and Washington EDA Recommendations



- **EDA Resolution 2024-005; approved**
 - Liquor Store: feasible, including excess debt service
 - Parking: public support required. Incremental approach recommended. Further analysis of need, costs and operation model required.
 - Commercial: likely financially sound
 - Housing: Challenges related to construction costs and cost of borrowing money
 - Need assistance from development community to analyze private feasibility (RFQ process endorsed)

Planning Commission Resolution



- **PC recommendations:**

- Mixed-use development must further City's policy goals
- Pursue project that meets multiple goals
- Pursue low or no cost solutions to perceived parking problems first
- Allocate resources for staff to ensure:
 - Project is fiscally responsible and sustainable
 - Related infrastructure projects are included in CIP
 - Pursue relevant external financial resources

5th & Washington Next Steps



- **Staff and EDA recommendations:**
 - Issue Request for Qualifications (RFQ) to explore potential & viability for a development partner for housing component
 - Pending updated housing study will determine focus of RFQ market conditions
 - Endorse that the liquor store component is financially viable
 - Support initial concept site and layout design as presented (recognizing this will change it is just conceptual at this point)
 - Support short- and long-term approaches to parking solutions, including feasibility of structured parking
 - Public engagement event – September 21 (Washington Lot)

Discussion



- **Items to consider for Council discussion**
 - Council confirmation on EDA recommendations or other direction on input
 - Timeline for review by EDA
 - Specifically broader context for city-controlled downtown sites
 - Project Scope
 - Pursuit of additional financial resources possible? Required if subsidized affordable housing is a priority
 - Project Timeline
 - Including subsidized housing extends timeline at least 24 months and the housing study would determine market or not for this
 - No timelines specifically but intend that next update would be following RFQ process and interest is determined
 - Anticipate an updated for Council at the second meeting in November tentatively