

Proposal to HRA for the Property of Vern and Joan Koester

September, 2017

We are looking forward to connecting with you at our upcoming meeting, and are excited about the possibility of partnering regarding the land we hold adjacent to each other. It seems we have shared goals concerning the development of our lands in a thoughtful, timely, and resource-efficient manner. Moreover, we see a strong possibility of a mutually beneficial exchange.

We care deeply about this land, and are hoping we can leave a lasting legacy by meeting Northfield's housing needs, creating a neighborhood with modest homes built to stand the test of time and be aesthetically pleasing. Our roots here go back decades.

In 1939, Vern's parents married and moved to a farm just south of Northfield that had been in the Koester family since 1908. Vern was born and raised there, and farmed it up until 1998. This is where Joan and Vern raised their kids, and we plan to live here for as long as we are able. This former farm provided Northfield with soccer fields and a variety of affordable housing types. It also includes undeveloped HRA land and our undeveloped acreage in the Southbridge Addition.

Recognizing that Northfield was a growing community, we sold this parcel of land in 2003 to Arcon Development. We subsequently got a portion of it back after the housing market collapsed in 2008. For the past 10 years, there was no market potential for selling this land. Now we are making plans to develop it ourselves. We are not professional developers, but we feel confident that we have assembled a great team to guide us through the process - namely, Pete Mergens from Professional Pride Realty and Mike Olson, who has extensive experience in residential land development.

Our vision for this land involves creating a development that contains quality-built starter single family houses and twin homes that are affordable. We have been working with an engineering company to develop a concept plan, and have brought several versions of it to the city staff. Chris Heineman and Scott Temple have been very helpful in guiding us to meet city codes and objectives. It will bring us real satisfaction to wisely re-purpose this land.

Initially we looked only at a concept plan for the land we currently own, including our 10-acre building site. As we proceeded, Janine Atchison asked about a possible need for a future street connection through our property and suggested that some form of land swap might have a mutual benefit. This sparked our team to wonder if we were looking at our development plans too narrowly. We then had our engineers develop a concept plan that included not only our land, but also some of the HRA land to the east of us. We feel this process has identified areas where an exchange of properties would certainly benefit the HRA and our plan.

Janine consistently spoke of HRA's need to have shovel-ready properties rather than bare land that would need to be developed. It occurred to us that we could offer as many as 3 townhome properties that are completely ready to be built on, in exchange for some HRA land that is contiguous with our land. We would be open to a variety of land exchange options. We would like to offer the following proposals for your consideration.

Plan for Development of Southbridge Addition

The Koester land and the HRA land are two relatively small development parcels that once were part of one overall development plan. It makes sense that this area would benefit from moving forward with the two major landowners planning together. Our proposal is based on Vern and Joan Koester taking on the responsibility for completing Ford Street so that it extends from Maple Street on the east to Division Street /Highway 246 on the west.

We propose to swap land with the HRA, trading land they own immediately east of us for the land we own to the south of the HRA property. Doing so would allow us to design a more efficient street system for our property by giving us enough land to put in a north-south street that would have house lots on both sides (double-loaded). This helps us toward our goal of providing more affordable lots for first-time home buyers. This trade benefits HRA because the current HRA land is wide enough for two but not three double-loaded streets, so trading away some of that land eliminates the dilemma of how to work with the amount of land HRA currently owns. In addition, it will make the remaining HRA land more marketable for future development.

HRA gaining the property we own that borders the south edge of the HRA land, gives the HRA property two accesses to Ford Street. One access would facilitate connecting up with Southbridge Drive where the HRA has already built affordable housing. The second access would connect Ford to Aspen Street in a manner that would again provide for a double-loaded street. The swap would also result in adding space for lots to the south edge of HRA land, and provide room for ponding that the entire HRA property will require.

This swap would make the whole area more efficient and more affordable. We truly see this as a win-win for both parties, and enhancing the common good of meeting Northfield's housing needs.

Furthermore, if the HRA is interested in acquiring shovel-ready lots, we can explore trading our townhouse lots for HRA land. This would put some valuable shovel-ready lots in the hands of HRA, in place of land that requires significant development to be buildable.

Thank you for your consideration of these plans. We look forward to going into more detail on them and presenting you with information about our various lot and land values when we meet September 14th.