



# City of Blaine Anoka County, Minnesota

Blaine City Hall  
10801 Town Sq Dr NE  
Blaine MN 55449

## Legislation Text

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**WORKSHOP ITEM** *Bryan Schafer, Community Development Director*

### **REDEVELOPMENT OF 102<sup>nd</sup> AVENUE/UNIVERSITY AVENUE OFFICES**

Early last summer a housing provider submitted a concept plan for the redevelopment of the three walk-up office buildings located at University and 102<sup>nd</sup> (see aerial map). At the time the CC consensus was that the apartment building project was too tall (3 stories over parking) and might create a negative impact for the neighborhood to the east. Over the past 10 months a number of inquiries have been made related to possible redevelopment of the site and at this point the owners are anxious to see if redevelopment is possible. All of the interest (3 different development proposals) at this point involves some type of higher density housing to replace the three offices and detached garages. Below is a summary of what is common in all three proposals and what is different about them. Attached are the preliminary site plans and product info from all three proposals.

#### **Common Elements**

- All proposals would replace the offices with higher density housing at between 12-30+ units per acre.
- All proposals would result in a significant gain in taxable value and taxes paid to the City\*\*\* (see EDA assistance discussion below). The current offices have a combined tax value at just over \$1.3M and pay \$43,000 per year in taxes. Blaine generally receives between 13-14% of that amount on commercial taxes or \$6,000 per year. The housing proposals would have a tax value of between \$8M-\$12M and would pay between \$80,000-\$110,000. Blaine receives just over 30% of taxes on residential of \$24,000-33,000 per year.
- All proposals have asked for EDA assistance to reduce the land cost from just over \$1M (up to \$1.350 with demolition costs) down to around \$4 per foot or just over \$500,000.

#### **Different Elements**

**The three proposals include:**

- 32 For Sale Townhomes**
- 60 Market Rate Apartments**
- 118 Unit Senior Building**

- The 32 units of for sale townhomes would be built with values in the \$225,000-\$275,000+ value range. The site would be developed with 4 and 8 unit buildings. Units would be two-story and contain from 1600 to 2200 square feet with two-stall attached garages. The project density would be 10.6 units per acre. EDA request \$850,000. Project could start fall 2017.
- The 60 unit apartment building would be for market rate general occupancy. It is a three story building above one level of parking. The building would contain 1BR and 2 BR apartments that would range in size from 750-1050 square feet. Apartment rents would project to \$1085-\$1200 for the 1-bedroom units and \$1185-\$1500 for the 2-bedroom units. EDA request of \$594,000. Project could start fall 2017.
- The 118 unit senior building would provide affordable senior units with a variety of in-home health/living care options. The building will be a three story building over a level of parking. Unit mix will include studio, 1BR, 1BR+den and 2BR options. The building will be set-up as an independent living model with no commercial kitchen or congregate dining. Meeting and social rooms will be part of the building floor plan. The project is aimed at the moderate income senior who wishes to age in place by utilizing and paying only for those additional health and living services they might need. Rents could start at \$800 for studios, \$1240 for 1-bedrooms and \$1,700 for the larger two-bedrooms. EDA request of \$800,000 to \$950,000 depending on any environmental or soil correction costs. The project would likely start in spring of 2018.

Representatives from all three projects will be present to address the City Council and answer any questions.

Regarding the request for EDA assistance the source of capital would likely be a combination of existing pooled housing TIF and/or possibly a pay-as-you TIF Agreement.

Provide direction to staff and the property owners as to whether any of these redevelopment proposals have merit and should be explored further. Additionally provide direction as to whether the City Council is supportive of developing a financial strategy for the EDA to assist in the redevelopment.

#### Area Map

#### Three (3) Project Narrative/Concept Drawings