

Ramsey County

Rice Creek Commons Goals and Metrics

June 9, 2015

A. Return on Investment (ROI) Generally

Background and Goal: The County will invest approximately \$60 million in Rice Creek Commons (RCC) from 2013 through 2017. Direct repayment will begin when land sales commence in the next few years. The larger purpose is to enable private sector and other public investment to benefit the County as a whole through increased tax base, jobs, and housing choices, and new road, transit and energy infrastructure.

Metrics:

1. Private sector investment approaching \$1 billion resulting in new tax base 10 times the County's investment (assessor's estimated market value of at least \$600 million).
2. Public investments through financing and grants from other public and philanthropic agencies including the City of Arden Hills, State of Minnesota, Metropolitan Council, foundations and non-profits at least equal to the investment by the County (an additional \$60 million investment from other public/non-profit entities).

How to Get There: Achieve goals listed below relating to development of office, manufacturing and retail space and housing and innovative public/private partnerships including energy resiliency, transit, and housing diversity.

B. New Tax Revenues

Background and Goals: New tax base means new revenues to meet local government needs.

Metrics: Total new tax revenues for the County, City, and School District of at least \$10,000,000 per year at full build-out, net of fiscal disparities contributions and state taxes.

How to get there: Office/manufacturing/retail development of at least 1,700,000 square feet and preferably over 2,000,000 square feet. Housing of approximately 1,600 units.

C. Land Sales/Taxes

Goal and Background: In order to achieve employment, energy sustainability, and housing diversity goals, the County may not recover 100% of its \$60,000,000 investment. In situations where the County reduces land price for a particular development or goal, through annual tax revenue to County achieve a 10% annual return on the amount of investment not repaid (i.e. if \$10 million not repaid in land sales,

achieve at least \$1 million greater annual City, County, and School District tax revenue than would otherwise be paid using the \$10,000,000 annual tax minimum described above).

Metric: 10% return of annual local taxes on net investment

How to get there: The County has invested cash and issue bonds for acquisition and remediation of the site. The loans from various funds, including the payment of debt service from the Solid Waste Fund, need to be repaid. Each land sale needs to be reviewed from the perspective of the project at hand, but also in the context of the larger financial picture for the County.

D. Long-Term Employment: High Wage Jobs

Background and Goal: One of the County Board's four goals is to cultivate economic prosperity (all are found at <http://www.co.ramsey.mn.us/cb/mission.htm>). Approximately 50% of the developable acreage of RCC is designated for office, manufacturing, and retail purposes. A major portion of the land in RCC will produce new, high wage, long-term jobs through attracting new businesses and the expansion of existing businesses. The median household income for the Minneapolis/St. Paul MSA in 2013 is estimated at \$66,900 and the average wage is \$55,221 for the seven county metro area as presented by the Metropolitan Council (<http://stats.metc.state.mn.us/profile/detail.aspx?c=R11000#medianincome>)

Metric: Locate 4,000 high wage jobs in RCC with 50% of the jobs with wages that are higher than the average wage for the seven county metropolitan area as defined by the Metropolitan Council and at least 90% of non-retail jobs are at least living wage jobs as defined at least 130% of federal poverty level for a family of 4 (\$14.91 an hour for 2014), which may be reduced to 110% if sufficient benefits accompany the jobs.

How to get there: Create at least 1,200,000 square feet of office with average employment of at least 3 per 1,000 square feet of building area and office/manufacturing facilities of 500,000 square feet with average employment of at least 1 per 1,000 square feet.

E. Transit and Mobility

Background and Goal: Provide high-frequency bus service from RCC to the rest of Ramsey County and the metropolitan area through a Bus Rapid Transit (BRT) or similar line of service. In addition, RCC is to contain a higher than average number of miles of bike and pedestrian paths and lanes to promote increased mobility for residents and workers to work, shopping and schools. Transit and mobility connectivity will enhance employment opportunities for a new generation of workers and serve as a draw to new residents.

Metric: High frequency bus service (defined as service every 15 minutes) and increase County Road H park and ride service to Minneapolis.

How to get there: Housing density of 10 to 15 units per acre and employment of 4,000 workers.

F. Environmental and Energy Resiliency

Background and Goals: An Energy Integration Resiliency Framework (Framework) was funded by Ramsey County and adopted by City of Arden Hills/Ramsey County Joint Development Authority. This Framework, guided by a local Energy Resiliency Advisory Board, recommended several strategies to make RCC a unique development in the Twin Cities and the nation. Other efforts such as water conservation, composting and other demand side management strategies will also be stressed in evaluation of various development proposals and land use plans for the site.

Metric: RCC will become a Net Zero Energy Community and RCC greenhouse gas emissions (lower CO₂) will be 70% less than traditional developments.

How To Get There: Select residential developers committed to installing heat pump systems for heating and cooling that utilize geothermal heat from the Army's groundwater treatment system (requires establishment of a district heating system). Facilitate development of a utility scale/community solar PV array of 8 to 12 megawatts on the former TCAAP Primer Tracer Area. Give preference to developers who will design and construct commercial buildings based on SB 2030 performance based standards and who emphasize water conservation and composting in their developments.

G. Housing Diversity

Background and goal: RCC should offer a variety of owner-occupied and rental housing choices that meet all levels of affordability as well as life cycle and move up housing for existing residents of the County and surrounding areas.

Metric 10% of all housing units and 20% of owner occupied housing to meet Metropolitan Council affordability levels. The Metropolitan Council currently uses 80% of the Minneapolis/St. Paul MSA median income as the basis for measuring affordability for rental and ownership housing. For 2015 the maximum sales price of a home is \$240,500 and maximum rent for a one bedroom is \$1,299 and \$1,560 for a two bedroom unit.

How to get there: Choose developers that share County and City goals for type, design and price points.