

June 9, 2022

Arden Hills City Council
1245 W Highway 96
Arden Hills, MN 55112

Mayor Grant and Arden Hills City Council Members:

When Ramsey County purchased the former Twin Cities Army Ammunition Plant in 2012, we had a vision to transform the state's largest contaminated site into a climate-conscious community in which all are valued and thrive. So much has happened in our world since we paused our efforts to move Rice Creek Commons forward in November 2018 – the murder of George Floyd, a pandemic that exacerbated economic disparities in our community and a deepening housing crisis. These events have strengthened our region's resolve that we must build economically inclusive communities. As a county we are obligated to ensure that every individual can find an array of quality housing choices and job opportunities. After reviewing the development framework that was the outcome of Arden Hills's recent discussions with Alatus, we strongly believe that any plans for this once-in-a-generation development opportunity must be grounded in the following goals in *partnership* with the local community.

Prioritize equitable development

Ramsey County's present economic development strategy is guided by our Economic Competitiveness & Inclusion Plan, which is centered around equitable growth and strengthening economic competitiveness. This means we require inclusion to the highest degree possible in future investments and other actions related to housing, job creation and workforce development. We have heard loud and clear from our community that the county should invest taxpayer resources in developments that support equity and create economic prosperity.

Address the housing crisis

The COVID-19 pandemic has further exacerbated the housing crisis, resulting in a critical shortage of deeply affordable housing. The "agreement" identifies some affordable housing at 50% AMI (area median income) through securing outside financial tools. However, we need to focus on creating more 30% AMI units, which account for only 5.5% of total housing production. Currently there is a countywide shortfall of more than 15,000 units at these levels. The current development framework calls for affordable housing that is isolated in standalone buildings. These units should be integrated with market-rate housing for an equitable approach to affordable housing. We are encouraged by a commitment to a portion of owner-occupied affordable housing options and hope to partner on accomplishing that goal.

Build an energy-forward community

Climate change is a real and urgent threat that our community is demanding we address. Rice Creek Commons offers an incredible opportunity to build a forward-looking, sustainable community, and the Energy Integration Resiliency Framework sets a vision for creating the largest net-zero energy redevelopment in the state. The City of Arden Hills and the Joint Development Authority adopted this framework in 2015.

We must remain committed to this opportunity to take one of the most polluted sites in the state and create an energy-forward community that prioritizes conservation, geothermal and solar energy sources, composting, and other demand-side management strategies. To do this, we must ensure that other development aspects, such as density, provide the necessary incentives to drive these goals forward.

Respect taxpayer investments

Ramsey County has already invested \$40 million to clean the site to residential standards. Our anticipated additional required investment based on your announced plan is up to \$100 million. Additionally, the plan that was announced would obligate county taxpayer dollars through a redevelopment tax increment financing (TIF) district that supports funding for parking, rather than for affordable housing. This is neither sustainable to the county's fiscal capacity, nor fair to Ramsey County taxpayers, who you are effectively asking to subsidize this development. We recognize that Arden Hills has limited capacity for upfront investment, but if Ramsey County must shoulder the financial burdens of development, Arden Hills must commit to partnering to advance Ramsey County's goals as well as their own.

Increase density to meet taxpayer goals

There is an option within Rice Creek Commons that can deliver greater fiscal efficiency and return on investment (ROI) for both city and county taxpayers. By increasing housing density on the site, we can drive down unit costs for investments in infrastructure and other costs of development, while increasing the overall project ROI. This has been extensively modeled within the Alternative Urban Areawide Review and other analyses. Increasing density would improve the project's financial fundamentals, meet our community's need for market-rate and affordable housing, and help us achieve our goals for environmental stewardship and job creation. Further, the density necessary to meet these goals would not alter the suburban nature of Arden Hills, as demonstrated by similar developments in our region, such as the Amber Fields project in Rosemount.

A regionally significant project requires collaborative decision-making

Ramsey County values collaborative decision-making – both with our municipal partners as well as with the community at large. In the past four years, our community has changed. New families have moved into Arden Hills and the county, and we need to make sure their interests and voices are incorporated into the development.

Mayor Grant called Rice Creek Commons an “asset for the northern metro.” We agree completely – and would add that a regionally significant project like this one must also incorporate regional goals and visions. The framework put forward by the city and Alatus makes only partial progress in reflecting this regional perspective.

Our vision for the site is to create economic prosperity, build an inclusive economy, develop an energy-forward, environmentally sustainable community, provide much-needed housing at a variety of price points, including deeply affordable housing, and create well-paying jobs.

Since 2018, our vision for Rice Creek Commons has been strengthened by new data and experiences. At this time Ramsey County needs to direct our attention toward projects and initiatives that are in alignment with the principles guiding an inclusive economy. We encourage the City of Arden Hills to join us in taking advantage of this transformative opportunity at Rice Creek Commons. We are ready and willing to partner with the city to move this transformative development forward, but only if we have a true partnership aligned on our shared goals. It is only through a bold shared vision that we can create resilient, inclusive communities for current and future generations.

We will continue to meet with the developer moving forward to discuss the items in this letter and would welcome an opportunity to meet with Arden Hills representatives to accomplish the same goals.

Sincerely,



Trista MatasCastillo
Chair



Nicole Frethem
Commissioner



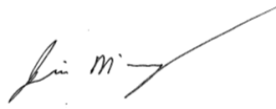
Mary Jo McGuire
Commissioner



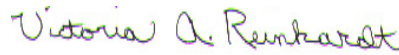
Toni Carter
Commissioner



Rafael Ortega
Commissioner



Jim McDonough
Commissioner



Victoria Reinhardt
Commissioner

cc: Ryan O'Connor, Ramsey County Manager
Bob Lux, Principal, Alatus