

## BUSINESS

# With rapid bus line on drawing board, developer shifts plans for site in Oakdale

Scannell grabs the only vacant land along rapid bus route planned east of downtown St. Paul.

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With plans advancing for a new bus rapid-transit line from downtown St. Paul to the eastern suburbs, a prominent developer has placed a bet on its potential to attract housing and jobs with a land buy near a future station in Oakdale.



Indianapolis-based Scannell Properties, which in recent years has emerged as one of the most active industrial developers in the Twin Cities, last month purchased nearly 30 vacant acres in the Oaks Business Park, surrounding on three sides the site of the Helmo Avenue Station along Metro Transit's proposed Gold Line bus rapid transit, or BRT, route.

According to real estate records, Scannell paid approximately \$2.9 million for the land to an affiliate of the Carlson Real Estate Co., which has been incrementally building the 55-acre park since 2006 near where Interstate 94 meets the 694/494 loop.

Carlson announced in 2015 it had partnered with the Opus Group on plans for the Helmo Avenue acreage that included 450,000 square feet of new space for offices and other uses. A year later, the spot was finalized as a potential stop along the BRT line after a new bridge over I-94 connecting Oakdale and Woodbury was added as part of the alignment.

Oakdale Community Development Director Bob Streetar said the firm subsequently began working with the city on an altogether different concept for the site, which, with the BRT route now firmly established, has the primary distinction of being the largest undeveloped parcel along the 9-mile route connecting downtown St. Paul's Union Depot with Woodbury.

Ideas for the Helmo site have accordingly evolved from all-office into a transit-oriented, mixed-use development, keying off the workers and residents the Gold Line could provide.

"We see at it as a TOD site, with principles such as pedestrian friendliness and higher-density types of housing," Streetar said. "Basically, what we're looking at is anywhere between 700 and 900 units of multifamily housing, around 150,000 square feet of commercial office and maybe 20,000 to 25,000 square feet of retail in this area.

"This includes not only the property that Scannell bought from Carlson, but also the existing Crossroads office/industrial park on the west side of the bus guideway. It's grounded in what the market is looking for now."

The Metropolitan Council and Metro Transit took over responsibility for advancing the Gold Line from the public/private Gateway Corridor Commission last year and is working with the Federal Transit Administration on a grant that could pay for as much



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METRO TRANSIT

Scannell Properties has shifted from an all-office to a mixed-use development plan, keying off Metro Transit plans for a Gold Line in...

as 50 percent of the project through federal funds. Their figures show a capital cost of \$420 million for the project, which would be the first in Minnesota to provide dedicated bus lanes, with 40-foot vehicles running every 10 minutes during peak times.

Assuming federal funding can be obtained, the plan calls for a 2024 opening. That's a lengthy timeline with no ironclad guarantees, but Scannell Properties Managing Director Tim Elam said the land investment was worthwhile.

"I know it's several years in the future, but [the Gold Line] is going to be a strategic advantage to the site if it happens," he said. "We have several possible concepts for it, but we do think a portion of it will be multifamily, while another portion would be suited for office/warehouse and research-and-development space."

If apartments are ultimately built at the Helmo Station site, it would be a first for Scannell in the Twin Cities market, where it has so far specialized in big bulk distribution centers and office-warehouse facilities such as its new Raceway Business Center in Newport, a 227,000-square-foot, two-building park which opened last year.

"Scannell has a fair bit of multifamily housing under development across country but none in Minnesota so far," Elam said. "For instance, we've got student housing projects at the University of Alabama, the University of Memphis and in Austin at the University of Texas. Multifamily is something we've tried to do in this market, but we haven't found the right play."

Don Jacobson is a freelance writer based in St. Paul. He is the former editor of the Minneapolis-St. Paul Real Estate Journal.

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