

EXHIBIT A

EXHIBIT A

EVOLUTION OF THE VILLAGE, LLC REDEVELOPMENT

After signing a letter of intent to purchase the 2501 Lowry Avenue property and to further explore development options, The Village met with City staff to understand what limits it should consider for redevelopment. At the initial meeting, The Village discussed with staff that it had an LOI to purchase 2501 Lowry Avenue and that it was considering redeveloping the property under a planned unit development or "PUD."

The Village specifically asked what limits applied to the design of the PUD. The staff's instruction was that they did not want to constrain the design and were not imposing any limits. Rather, the staff requested that The Village determine the maximum number of units that could work on the site and the City would determine whether the infrastructure could handle that level of units or whether infrastructure improvements would be required. Provided that infrastructure needs were met, the City informed The Village that the number of units would not be an issue.

It was that direction that led The Village to provide its initial maximum density design of nearly 1,000 units. To be clear, The Village never submitted a formal application for approval of a redevelopment including approximately 1,000 units, but it did discuss the design so that staff could analyze whether the existing infrastructure could service 1,000 units. Building on those initial meetings and the preliminary maximum design, staff outlined its intended approach in an April 26, 2017 e-mail. In early May 2016, City staff provided The Village with its preliminary analysis of the maximum build scenario. A copy of that memorandum is attached hereto as Exhibit A1.

Next, since nearly any level of high density residential on the 15.4 acres, would exceed the threshold for a mandatory EAW, The Village prepared a sketch plan submittal that included preliminary information necessary for the EAW process. A copy of that memorandum is attached hereto as Exhibit B. This preliminary plan showed 5 buildings on the 15.4 acres that would contain 300 senior living units and 500 apartments along with 37 two-story, for sale townhomes. At the time, The Village was proposing approximately 90 of the units would meet the federal affordable housing standard.

A hearing on the sketch plan was held before the Planning Commission on October 24, 2016. The Planning Commission did not offer any comments on the sketch plan and most specifically did not suggest that the development must be no more than 40 units/acre.

Based on the sketch plan submittal, the City prepared an EAW to understand the risk of significant environmental impacts of 837 units of residential housing added to the area. In the EAW and its Record of Decision on the EAW (ROD), the City repeatedly emphasized the proposed project's consistency with the City's Comprehensive Plan and compatibility with the surrounding neighborhoods. The EAW form specifically requests that the City "Discuss the project's compatibility with nearby land uses, zoning, and plans..." The City responded:

The site plan proposes townhomes along the west and north edges of the Project area that are adjacent to single family residential areas. It also indicates the multi-family housing adjacent to the existing high density residential areas.

The project area is zoned as single family and would need to be rezoned as Planned Unit development/Multi-Family Residential. ***The planned development does fit with the general vision outlined for the property in the Comprehensive Plan and includes units of affordable housing.***

Conspicuously absent in the EAW is so much as a hint that the proposed 837 units (54 units/acre) was not consistent with “orderly development” or that that the Comp Plan mandated that the project be limited to 40 units/acre. To the contrary, the Record of Decision (ROD) adopted by the City discusses four factors relating to potential environmental effects. With respect to environmental effects and mitigation measures related to zoning and land use, the ROD notes that “the project fits within the spirit of high density residential zoning” and the “land use is compatible with the Comprehensive Plan” but the density proposed is greater than the Comprehensive Plan’s description of High Density Residential. The mitigation measure proposed was not to limit density but rather to address the discrepancy in the 2040 Update to the Comprehensive Plan. The City concludes with respect to this factor that “the extent and reversibility of environmental impacts for the proposed project are consistent with those of a typical residential development project.”

With respect to the second factor, the City notes there are no potential cumulative impacts. With respect to the third factor relating to the extent that impacts are subject to mitigation, the City concluded that “the potential impacts...are minimal...” With respect to the fourth factor, regarding whether potential effects can be anticipated as a result of other environmental studies, the City concludes that “the proposed project is reasonably similar to other development and redevelopment projects in the area.” The ROD concludes that “the proposed project does not have the potential for significant environmental effects.”

Further, the City’s express responses to the Metropolitan Council’s questions on the EAW relating to the proposed density repeatedly emphasize that the City’s response will be to change the language of the updated Comprehensive Plan to make the plan consistent with the proposed project:

Comment 3 (Metropolitan Council):

The staff review finds that the EAW is complete and accurate with respect to regional concerns and does not raise major issues of consistency with Metropolitan Council policies. An EIS is not necessary for regional purposes.

City Response to Comment 3: Thank you for reviewing the EAW.

Comment 4 (Metropolitan Council):

The scale of development proposed in the EAW accommodates a greater number of households than what is currently forecasted for growth in the City of Saint Anthony Village. A forecast increase is needed and the City of

Saint Anthony Village should request a forecast increase as part of a comprehensive plan amendment or part of the comprehensive plan update due in 2018. Metropolitan Council staff would recommend the additional of 700 households and 1,800 population to the Transportation Analysis Zone (TAZ) #1263. The City of Saint Anthony Village can consult with Michael Larson, their Sector Representative.

City Response to Comment 4: The City will include the updated forecasts, as outlined in the 2040 Update to the Comprehensive Plan.

Comment 5 (Metropolitan Council):

The EAW is correct that the site is guided for High Density Residential but the EAW doesn't address the development density, which is addressed in the City of Saint Anthony Village's comprehensive plan. The residential density of the proposed development is greater (54 dwelling units per acres (du/acre)) than the residential density stated in Table 2-6 of the City of Saint Anthony Village's comprehensive plan (8 and 40 du/acre) for the High Density Residential. A review of the EAW by MCES indicates that there is adequate capacity of wastewater flow at this site for the anticipated residential density. The City of Saint Anthony Village should adjust its development density assumptions through a comprehensive plan amendment.

City Response to Comment 5: The City of Saint Anthony Village will include the updated land use descriptions and tables regarding density in the 2040 Update to the Comprehensive Plan.

Comment 6 (Metropolitan Council):

The proposed development fits with the description of High Density Residential in Table 2-4 of the City of Saint Anthony Village's Comprehensive Plan which includes descriptions of land use categories. Table 2-4 does not include assumptions about a density range for High Density Residential but does include assumptions about a density range for other land uses. Table 2-4 should be amended to include density ranges for all land use categories that allow residential development, consistent with Table 2-6.

City Response to Comment 6: The City of Saint Anthony Village will include the updated land use descriptions and tables regarding density in the 2040 Update to the Comprehensive Plan.

The EAW was presented to the City Council on February 14, 2017, for a determination of whether an environmental impact statement was necessary. The City Council voted for a negative declaration on the need for an EIS. In discussing comments on density, Mayor Faust noted, "The density for this proposal will be similar to Silver Lake, which is still not completed as there are still a few lots yet to be developed."

In February 2017, the City staff flagged stormwater management as an area of concern. The Village and its technical team met with the staff to understand the stormwater concerns and system limitations. At no point during the discussions did staff identify any further issues or suggest that the project was not consistent with “orderly development” or was incompatible with surrounding uses or otherwise take issue with the plan that had 54 units/acre.

To address the stormwater limitations of the City’s systems, which only permitted an outflow of 6.1 cubic feet per second of rainwater, The Village determined that it needed to revise its development. Ultimately, it determined that the only way to address the stormwater management issues was to reconfigure the project. Revised layouts were discussed with City staff on March 20, 2017. Again, City staff made no suggestion that the proposed density was inconsistent with “orderly development” or incompatible with surrounding uses. Staff did not raise any issues with the plan that had 54 units/acre. The revised layouts now included the central park concept that is present in the current application, but the inclusion of the park mandated significantly greater height. The Village held one of several community meetings to receive feedback on the updated proposal.

When the staff made clear that the greater height was unacceptable (with no discussion of a 40 units/acre limit) and the community provided significant push back on height, The Village determined that it needed to acquire the Bremer site in order for the project to be viable. In mid-April The Village advised the City that it was exploring the acquisition of the Bremer site. More meetings followed to discuss the procedural specifics of the expected applications.

On May 2, 2017, the City Planner provided written notification of what would be needed in the applications, a copy of which is attached as Exhibit A2. This letter is the first time that City staff suggested a Comp Plan amendment was necessary if the development had more than 40 units/acre rather than addressing the density in the 2040 Comp Plan as stated in the ROD.

In the meantime, The Village was in discussions with Bremer to purchase 2401 Lowry Avenue to include it in the development and had engaged with Aeon and the Lowry Grove Residents Association in the court required mediation.

After the Village entered into a purchase agreement for the Bremer property, it revised the project again to respond to community comments and concerns raised by staff. It submitted development applications on July 18, 2017 and staff deemed the applications complete. After submitting the applications, Aeon, LGRA, The Village, and other related parties entered into the Settlement Agreement that required amendments because Aeon would now develop the affordable housing component.

EXHIBIT A-1



Building a legacy – your legacy.

701 Xenia Avenue South
Suite 300
Minneapolis, MN 55416
Tel: 763-541-4800
Fax: 763-541-1700

Memorandum

To: *Traci Tomas, Continental Property Group*

From: *Breanne Rothstein, Planner & Todd Hubmer, City Engineer
WSB & Associates, Inc.*

Date: *May 11, 2016*

Re: *Infrastructure Needs – Potential Redevelopment*

Project #: *2170-300*

Continental Property Group has requested that the City of St. Anthony complete a preliminary analysis of the infrastructure and planning needs associated with the re-development of the property located at 2501 Lowry Avenue. WSB has convened a group of planning, transportation, sewer, water, and surface water management experts to complete a preliminary and high level analysis of the site and existing infrastructure based on a maximum build-out of 1,000 new housing units of multi-family housing.

Staff has the following recommendations/considerations that should be examined upon moving forward in the development process:

- 1) Completion of an Environmental Assessment Worksheet (EAW). According to Minnesota Rules 4410.4300, subpart 19 (D), an EAW is required for the development of 375 or more attached units in a city within the seven county Twin Cities metro area that has an adopted Comprehensive Plan. This project does not meet the thresholds for a mandatory Environmental Impact System (EIS), which is for re-development over 1,500 attached units. The evaluation completed to compile this memo will be used to frame the development of an EAW, which takes 3 to 4 months to complete once authorized.
- 2) Based on a preliminary review of the sanitary sewer system, it appears as though the regional interceptor can accommodate additional flow from the development. We recommend using Met Council flow data to verify capacity.
- 3) The private lift station on the site has reached its reliable life and will need to be removed and the site will need to be served by gravity sewer connecting into the existing system. Preliminarily, the city will be requesting that the sanitary sewer flows be routed through the City of St. Anthony, south from the property.

- 4) The city is going to be testing hydrant flow starting at the end of May for this site. It is expected that potential development on the site will necessitate 3,500 gallons per minute of fire flow. Hydrant testing will verify current flow.
- 5) A booster station is likely needed to serve this site with adequate water supply. However, an updated water model is highly recommended to verify current water usage and available flow to this site.
- 6) Stormwater run-off will be expected to meet the requirements of a 70% reduction in TSS and a net decrease in volume, due to flooding problems in the area. The exact amount of reduction will be calculated through the EAW process.
- 7) A trail easement will be needed to extend a regional trail along Stinson Parkway. This will need to be coordinated with the Minneapolis Park and Recreation Board. Sidewalk will be requested along the north side of Kenzie Terrace through your project extent.
- 8) It appears that the current capacity of Kenzie Terrace is adequate to accommodate additional traffic produced by this development. However, detailed intersection analysis has not been completed at Stinson and St. Anthony Boulevard. This work should be completed in conjunction with an EAW.
- 9) Preliminarily, access will need to correspond to existing access points, to match with existing 26th Avenue on Stinson Parkway and the existing entrance for Autumn Woods on Kenzie Terrace. However, Stinson Parkway is the jurisdiction of the Minneapolis Park and Recreation Board, and Kenzie Terrace is the responsibility of Hennepin County, and both agencies will require review and permitting through them and review of the EAW document. It is also anticipated that they will require left and right turn lanes into the property at these locations.
- 10) Tree preservation is strongly encouraged along the perimeter of the property.
- 11) The city encourages the developer to consider sustainable elements in the project such as solar panels and green infrastructure such as green roofs or stormwater re-use facilities.
- 12) The city encourages the developer to complete a portion of the project with affordable housing, both to replace the housing lost through re-development, but to also provide for additional affordable options in the city. Both green infrastructure and affordable housing increase the likelihood of the project being eligible for public grants and funding.

EXHIBIT A-2

Saint Anthony Village

May 2, 2017

Village, LLC
1907 Wayzata Boulevard, Suite 250
Wayzata, MN 55391
Attention: Traci Tomas

Dear Ms. Tomas;

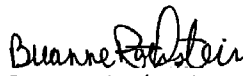
The purpose of this letter is to inform you of the requirements for submission of a preliminary development plan and a preliminary plat under City Code Sections 151.02 (Subdivisions) and 152.209 (Planned Unit Developments), specifically Section 151.02 Subd. B (8) *Additional Information*.

In addition to the submittal requirements found in City Code, based on your representations to-date about your proposed development, the following additional information will be required by the City to consider your application for development complete:

- 1) A comprehensive plan amendment application (*if the development exceeds 40 units per net acre*);
- 2) A plan outlining the specifics of the plan for affordable housing (number of units, level of affordability, location of affordable housing within the site plan, and unit size mix);
- 3) A Tax Increment Finance Application (and supporting required documents).

Please feel free to call me with any questions at (612) 360-1312 if you have any questions.

Sincerely,



Breanne Rothstein
St. Anthony City Planner

CC (via email): Jay Lindgren, City Attorney
Mark Casey, City Manager
Mike Mergens, Developer Attorney

Our Mission is to be a progressive and livable community, a walkable village, which is sustainable, safe and secure.