



MEMORANDUM

To: St. Anthony Village Planning Commission

From: Breanne Rothstein, AICP, City Planner

Date: Planning Commission meeting on October 24, 2016

WSB Project No. 02170-300

Request: Planned Unit Development Sketch Plan Request for Village, LLC located at 2501 Lowry Avenue

REQUESTED ACTION

According to Section 152.209 of city code, the sketch plan for a Planned Unit Development is not considered a formal application, but an informal opportunity for the developer to show their “basic intent and general nature of development”. This is the Planning Commission’s and the public’s opportunity to hear the developer’s initial presentation of the plans for the redevelopment of 2501 Lowry Avenue. No action is recommended or needed at this time.

GENERAL INFORMATION

Applicant: The Village, LLC

Owners: The Village, LLC

Location: 2051 Lowry Avenue

Existing Land Use / Zoning: Manufactured Home Community/Single-Family Residential (approximately 98 home sites and 95 RV sites)

Surrounding Land Use / Zoning: North: Low Density Residential / Zoned R-1 - Single Family Residential
East: High Density Residential/Planned Unit Development
South: High Density Residential and Commercial/Planned Unit Development
West: Single-Family Residential and Commercial in Minneapolis

BACKGROUND

The applicant for the proposal, The Village, LLC, with lead developer Continental Property Group, purchased the Lowry Grove Manufactured Home Community on June 13, 2016. On June 15, the City received official correspondence from the owner regarding their intent to close Lowry Grove. This closure notice triggered a series of statutory requirements of both the landowner and the city.

On October 11, 2016, the required public hearing was held, and the following actions were taken:

- 1) Hold a public hearing regarding the closure notice
- 2) Review and evaluate the impacts of the closure on residents
- 3) Inform residents of their rights to access the Manufactured Home Park Trust Fund
- 4) Appoint a neutral third party

On August 26, 2016, The Village, LLC submitted an application for a Planned Unit Development sketch plan review of a re-development plan for 2501 Lowry Avenue.

To date, 10 homes have been purchased and demolished within the park. Another 8 have been moved from the location to another park.

The developer has conducted a neighborhood meeting on October 18 and has invited residents from the surrounding areas.

DESCRIPTION OF THE REQUEST

The site under re-development consideration is approximately 15 acres located on the very southwestern edge of the city of St. Anthony at 2501 Lowry Avenue (see enclosed site location map). Bremer Bank (2 stories) is located on the southwestern-most corner of the property and currently is not part of the re-development plan. Kensington Condos (ownership condos for seniors) are located immediately to the east (5 stories, plus at grade garage). To the south is The Legacy that is 4 stories (rental, assisted living for seniors), Walker Senior Housing that is 3 stories (rental, assisted living for seniors) and Autumn Woods that is 3 stories (general occupancy rental units).

The PUD sketch plan submittal is attached for your review, as well as a narrative outlining the request. The total density proposed for the site is 52 units per acre, and height is proposed as 5 stories (2 buildings), 4 stories (1 building), and 3 stories (2 buildings).

The PUD sketch plan proposes several housing types, unit sizes, styles and ownership models. For sale townhome units (37) are proposed on the northern and western edges of the property. 5 buildings of multi-family housing are shown. The sketch plan outlines a total of 837 housing units. Ownership options include townhomes (37) and senior co-op (100). The plan shows 700 rental units, including senior assisted living (100), age-restricted rental (100), general occupancy apartments (340), affordable rental apartments (60), and general occupancy micro apartment units (100). A total of 60 units are included of below market-rate rental apartments.

OTHER REQUIREMENTS

In addition to city code requirements for the review and consideration of a Planned Unit Development preliminary development plan, re-zoning and subdivision application, this re-development is subject to many other jurisdictional requirements including the following:

State Rules Governing Completion of an Environmental Assessment Worksheet (EAW). Due to its size (over 375 attached units), State Rule 4410 requires preparation of an EAW to evaluate and identify existing environmental conditions and identifies the impacts of this proposed development with regard to land use, soils, fish/wildlife, historical property, water resources, sewer, water, and transportation infrastructure and any potential noise, odor, light, or visual impacts. As part of this document, a full traffic study is being prepared that evaluates 10 intersections and associated roadways. Completion of this document is led by the city, and the recommendations from it will be critical to informing the design and preliminary plat and PUD preliminary development plan.

Minnesota Pollution Control Agency. Upon analysis of the property through the purchase, a Phase I and Phase II Environment Assessment were completed and identified several sources of contamination on the property, which will need to be properly handled and remediated through the process established by the Minnesota Pollution Control Agency.

Hennepin County Transportation. Kenzie Terrace is a County Road and coordination with their plans and needs regarding changes or upgrades to Kenzie Terrace is required.

Minneapolis Park and Recreation Board. The land under which Stinson Parkway is built is considered MPRB parkland, not right-of-way. Therefore, special review and provision must be made for any upgrades or impacts to Stinson Parkway, given its designation as parkland and the MPRB jurisdiction.

Mississippi Watershed Management Organization. This development will be subjected to the rules of the MWMO and the city regarding pollutant loading reduction, discharge rates and volumes, and flood elevations.

State Statute Governing Manufactured Home Park Closure. The closure of manufactured home parks are subject to statute related to the closure and removal of the manufactured homes. A precise procedure must be followed regarding the closure of the park, starting with a nine month notification (commenced on June 15).

COMPREHENSIVE PLAN GUIDANCE

The enclosed exhibit summarizes the land use guidance in the city's Comprehensive Plan for this area. The Comprehensive Plan's Land Use Plan discusses the following items related to the site at 2501 Lowry Avenue:

- It acknowledges Lowry Grove as a source of affordable housing in the community
- It recognizes its age and condition
- It states that any changes in land use would be initiated by the landowner, not proactively by the City.
- It states that any change in land use would require proper notification and provision for re-location under state statute.
- It states the importance of provision of affordable housing in this area to the community.
- It outlines a general vision, should the property re-develop, that includes a mix of multi-family housing ("townhomes and condominium apartments")

- Discusses the need for better pedestrian improvements and streetscape on Kenzie Terrace.

NEXT STEPS

The PUD sketch plan is the first in many steps towards re-development of the property at 2501 Lowry Avenue. There are many agencies, plans, and permits to be reviewed, commented on, and completed over the next several months.

- The Environmental Assessment Worksheet is expected to be complete in November, with an official 30 day agency comment period in December.
- The developer is currently compiling information for submittal of their preliminary plat. The next item the Planning Commission will review will be a request for re-zoning to Planned Unit Development, a PUD preliminary development plan, and a preliminary plat. These applications are considered formal applications.
- A public hearing will be completed at the preliminary plat stage, which is the opportunity for comments, input and decision as part of the public record.
- Final Development Plan, Final Plat, and Development Contract will be the final steps, only after consideration of preliminary plat and development plan and a re-zoning to Planned Unit Development.

RECOMMENDATION

The City Code, Section 152.209 states the following:

The sketch plan [for a Planned Unit Development] provides an opportunity for an applicant to submit an informal plan to the city showing the applicant's basic intent and general nature of the development. The sketch plan is optional and is intended to provide feedback from the Planning Commission before the applicant incurs substantial cost in the preparation of formal plans. The sketch plan shall be considered a partial, incomplete application prior to formal submittal of the complete application and scheduling of hearings.

The sketch plan portion of the Planned Unit Development process is not considered part of the land use application process, but as an introductory opportunity for the planning commission to hear the plans. Staff recommends that the Planning Commission review the materials, listen to the presentation made by the Developer, and take no formal action on the PUD sketch plan presented.

ATTACHMENTS

- 1) Site Location Map
- 2) Land Use Map from the Comprehensive Plan
- 3) Applicant's Submitted Materials

2501 Lowry Avenue



1 in = 400 ft

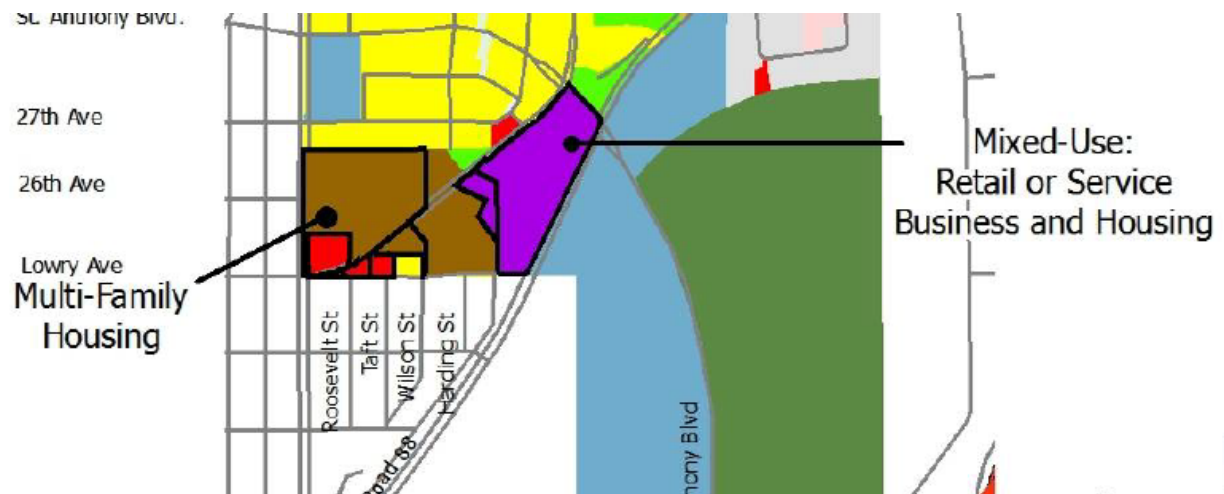


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October 12, 2016
Map provided by Earthlink
from WSB & Associates

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Future Land Use Map for 2501 Lowry Avenue and Surrounding Properties



- Low-Density Residential
- Medium-Density Residential
- High-Density Residential
- Office
- Commercial
- Industrial and Utility
- Mixed Use-Housing and Retail Business
- Institutional
- Park
- Golf Course
- Storm Water Pond
- Water
- Planned Change

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August 26, 2016

Mayor Faust and Councilmembers
c/o Mark Casey, City Manager
3301 Silver Lake Road
St. Anthony, MN 55418

Re: Sketch Plan for Redevelopment of 2501 Lowry Avenue, Saint Anthony, Minnesota (the
"Property")

Dear Mayor Faust and Councilmembers:

On behalf of The Village, LLC, ("The Village") I submit this narrative to provide additional detail for the Sketch Plan of the proposed integrated and community-focused redevelopment that is tentatively being called "Southern Gateway." The Sketch Plan has been developed in partnership with many top professionals, including Elness Swenson Graham Architects, Inc. ("ESG"), Marquette Advisors and Landmark Environmental. Collectively, this "Village Team" has worked hard to reach the current design that includes a wide variety of housing options. Still, the Sketch Plan is preliminary and I expect many more hours to reach a final design. I have also included a preliminary breakdown of the number of units in each building. The exact number of units in each building, the mix of those units and the pricing are still a point of analysis that must be completed before a final application is submitted.

Understanding the Impacts, the Property Has Rightfully Been Identified for Redevelopment.

The Property is what the real estate industry calls under-utilized and not currently put to its "highest and best use." It is an approximate 15-acre parcel in an inner-ring suburb that is bordered on two sides by high-density uses. It is close to an interstate and directly abuts two roadways with significant additional capacity. It is also land that suffers from significant obsolescence. It has petroleum contamination from old underground storage tanks and the presence of diesel-range organics likely from old applications to roadbeds. It also has PCE (a commonly used dry cleaner solvent) contamination that has migrated into the soil from the neighboring property. The infrastructure required for the current use has long ago outlasted its useful life, specifically the water and sewer lines are as old as the Park itself. All these factors make the Property particularly appropriate for redevelopment of mid to high-density residential use, which is consistent with the well-established, long-term planning goals set out in the City of St. Anthony Comprehensive Plan 2008 (or "Comp Plan"), which among other things will involve the remediation of the current contamination.¹

¹ The Village has already submitted the Property to the Minnesota Pollution Control Agency's Voluntary Investigation and Clean up (or "VIC") program. As part of the VIC program, The Village and Landmark Environmental will be submitting a voluntary response action program to the MPCA describing the intended remediation work that would occur as part of the redevelopment.

Before moving on, I want to touch on the function of the Comp Plan briefly so that the members of the public do not misunderstand my references to the Comp Plan. As I view the Comp Plan, it is a long range-planning tool that all Metro Area municipalities are required to have. Among other things, the Comp Plan identifies each municipality's goals for how it will meet future housing needs across the Metro Area. The Comp Plan in Metro Area municipalities is approved by the Met Council and, under state law, is the controlling force that must guide land-use decisions. At its core, the controlling nature of a Metro Area Comp Plan and its approval by the Met Council is about the realization that the Metro Area faces a greater housing demand than it can currently meet. Through the Comp Plan each municipality must, among other things, make long-term land-use goals that will allow that municipality to fulfill its share of the obligation to meet the Metro Area housing demand. With this Property, Saint Anthony's 2008 Comp Plan, a publicly available document, guides the Property for a "*planned change*" to "*high density residential*."

Southern Gateway Allows the Property to Provide a Full Range of Housing.

Understanding the history of the Property and the guidance provided in the Comp Plan, we have developed an integrated design that includes affordable housing comparable to the number of manufactured home lots presently on the Property (approximately 90), plus an additional 750 (approximate) units that meet a variety of life cycle needs. The affordable housing is an essential part of Southern Gateway and has been a critical component to me from day one. I made a personal commitment to Phil Johnson, the managing partner of the former owner of Lowry Grove (the "Park"), that I would include affordable housing as a component of the redevelopment. I take that commitment seriously, and the new affordable housing units will be integrated into an amenity rich, community environment.

But Southern Gateway is not solely about affordable housing. In total, Southern Gateway will provide the opportunity to meet the needs of more than 800 families across the spectrum of housing options. The Village Team has put much thought into the layout to match neighboring uses and provide a transition from one use to the next. The design leaves the access to Stinson Parkway intact and vastly improves the access on Kenzie Terrace. Specifically, on Kenzie Terrace, the Village Team understood the importance of creating a more pedestrian-friendly roadway. So the team has pushed hard to find a design that would allow the access point to match the existing access across the street. Doing so was far more difficult than it appears. However, the team thought the benefit of creating a clear and pedestrian-friendly crossing point was worth the design challenges.

Southern Gateway's Integrated and Cohesive Design Addresses Citywide Needs.

Owner-occupied Townhomes.

The type and location of the various housing options is also an important component of the Sketch Plan. To meet the needs of young families, empty nesters, and others that want the benefits of

ownership without the costs or obligations of a single-family home, Southern Gateway will include between 35 to 40, owner-occupied townhomes along the borders that abut single-family residential neighborhoods. Although the team has not yet engaged in any specific townhome designs, there would be a blend of options with a price range from the upper \$200,000s to the low \$400,000s. In addition to filling a need, the townhomes location both maintains the current tree-lined feel along Stinson Parkway and provides a transition from the higher-density uses to the south and east to the single-family neighborhoods to the north and west.

Mixed Income Apartments

Another critical component of modern housing demand is the “renter-by-choice,” a group that includes a wide demographic from 30-something single professionals to the 50-something married couple who want the reduced obligations and increased community living of an apartment. Because so-called renters-by-choice have adequate financial resources, they demand and expect quality from their apartment choices. Today’s rental units, including those in our proposed Buildings A and B, are a far cry from the past. The market demands high-end finishes inside the units such as granite countertops and stainless steel appliances. These renters also demand and expect a sense of community and a wide array of amenities. The apartment they live in is not a temporary option out of necessity, but one they chose and treat as their home. They will expect and demand well-appointed gathering areas, services (such as dry cleaning pick up and parcel delivery), security, safety, and outdoor amenities (such as pools, barbeque areas and fire pits). Southern Gateway will provide all of that and more.

While we could have constructed Buildings A and B as fully market rate apartments, they will instead be Mixed Income Apartments providing a range of rent levels. Because the buildings are closer to the massing along Kenzie Terrace and there remains a high demand for both affordable and market rate units, we are proposing that each building would be five stories and contain approximately 200 units (again subject to adjustment as plans develop).

Typically, Mixed Income Apartments include about 10% of affordable units. The final mix for Southern Gateway, as with any project, depends on a number of factors including construction costs, market demand, and financing options. The Village is committed to exceeding the industry norm, but has not yet determined the final ratio mix. At this time, I am expecting 15% of the units to qualify as affordable housing, or approximately 30 units in Building A and approximately 30 units in Building B. Those units will meet the federal affordable housing requirements. As an integrated component of each building, the residents will enjoy the full package of amenities.

Senior Cooperative Housing

Our market analysis also showed a continued very strong demand for senior living. Just like any other demographic, meeting the needs of senior living requires an array of housing options. An emerging segment that is underserved in Saint Anthony Village is the senior cooperative. Recognizing that

Building D is closer to the single-family homes, it would be a three-story senior cooperative with approximately 100 units.

Senior cooperatives are collectively owned and governed by the members. They are not-for-profit organizations established to ensure that the senior housing cooperative is much more than just a place to live. They offer well-designed, socially-supportive living environments that include useful common spaces — like workshops, libraries and community gardens — to enhance the members' lives.

Full Service Senior Living.

In addition to the cooperative, there is also a persistent and strong need for traditional senior living. To fill that need, Building C would be a senior living center providing a full continuum of care options. The building would be four stories with approximately 200 units. Its design is comparable to the density and height to the east and across Kenzie Terrace. It is also a design that allows the access point for the Property to match the opposite access on Kenzie.

Micro Apartments

In determining how best to utilize the remaining land, the team looked at neighboring uses and spent considerable effort to understand the market demand. Another exciting emerging housing trends is the “micro” unit that has been prominently featured in recent articles and even reality TV shows. The demand for these units is clear, but the supply is not. The Sketch Plan calls for a three-story building containing approximately 100 micro units in Building E. Although the exact unit mix will depend on many factors that are not yet finalized, specifically construction costs and funding, I expect 30 of the 100 units to meet the federal standards for affordable housing, without compromising quality.

The Village Remains Committed to Mitigating Impacts.


The redevelopment involves removing an aged use that suffers from significant areas of blight and replacing it with well-designed and integrated housing consistent with modern standards. Redevelopment, especially large redevelopments are never easy. It requires fairly balancing the city-wide benefit that comes from a rejuvenated property, the property owner's rights, and mitigating impacts on those living on or around the property that is being developed. Turning to the emotionally difficult responsibility of mitigating impacts to those directly affected, I remain committed to helping that effort. Even today, I still know residents of the Park from the days I managed it. I do not dispute that having to relocate is difficult for anyone. It is why I have been upfront with the residents about what is going to happen at the Property. The proper respect for the residents is to provide them with the full truth and not offer false hope that puts the residents in a worse position when the Park inevitably closes.

I grew up in this area, and I believe I understand the unique sense of community that flows throughout Saint Anthony Village. That critical “community” element went into the design effort of the Sketch Plan

for Southern Gateway. I understand that development of perhaps the largest redevelopment parcel in Saint Anthony Village is of critical significance. That is why I am requesting an opportunity to get feedback from the Planning Commission *and* the City Council to get the greatest input early in the design phase. The Village will also be holding neighborhood meetings to get input on the design from neighbors. I expect and understand that changes will arise from the comments of the Planning Commission, the City Council and the neighbors. I welcome and look forward to a collaborative effort that will lead to redevelopment that generates benefits throughout the city.

If you have any questions, please do not hesitate to contact me at 952-473-1700. I look forward to future discussions about Southern Gateway.

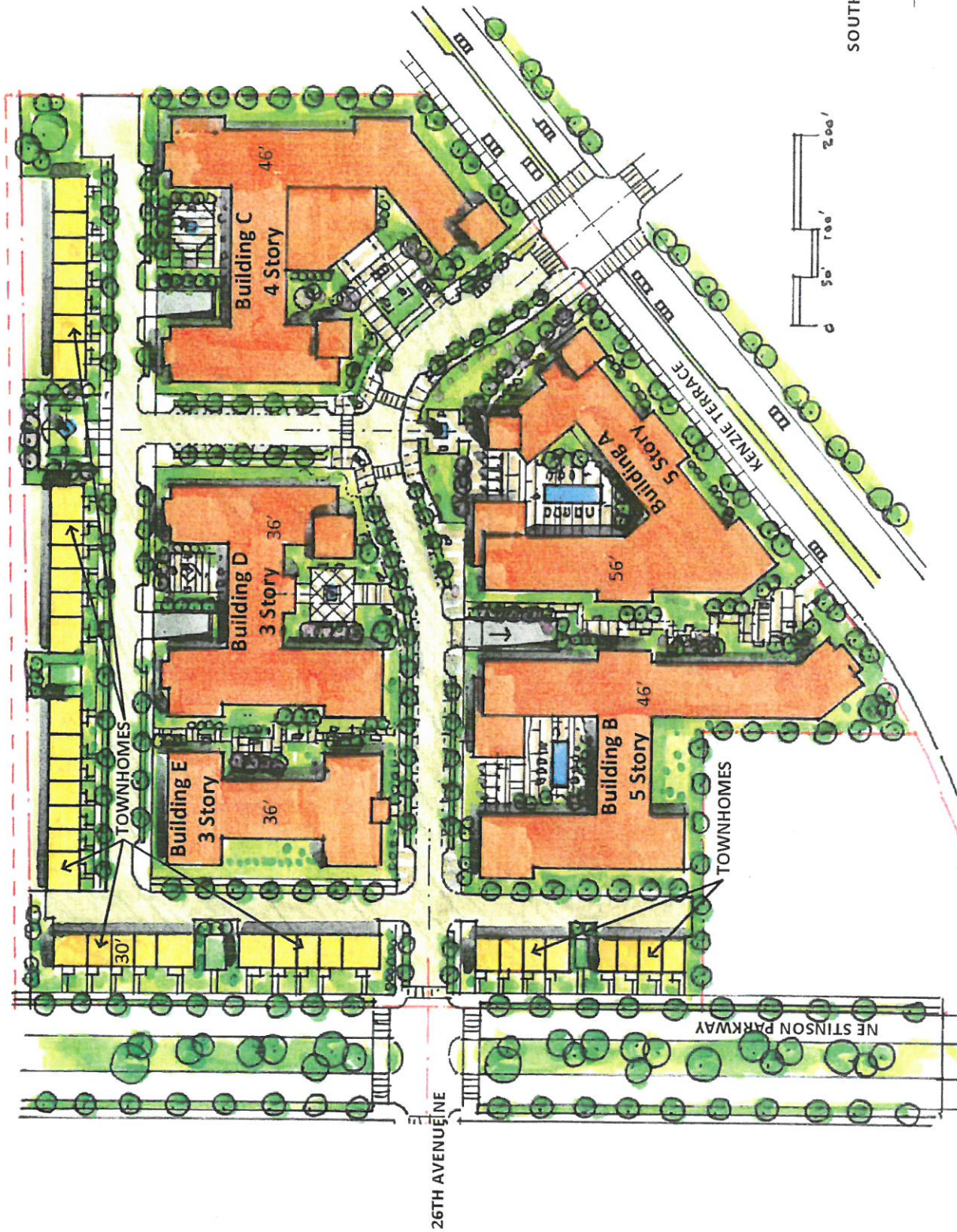
Sincerely,

A handwritten signature in cursive script, appearing to read "Traci Tomas".

Traci Tomas
Vice President
The Village, LLC

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Master Plan

SOUTHERN GATEWAY REDEVELOPMENT

August 25, 2016





Perspective View
Looking Northeast

SOUTHERN GATEWAY REDEVELOPMENT
August 25, 2016



Building A -- Mixed-Income Apartments (rents in 2016 \$'s)

Unit Type -- Mkt Rate	Units	Pct.	Avg. Size	Total SF	Avg. Rent	Rent PSF	Total Rent
Studio-small	20	10.0%	420	8,400	\$985	\$2.35	\$19,700
Studio-standard	20	10.0%	520	10,400	\$1,175	\$2.26	\$23,500
1BR, 1Ba	72	36.0%	720	51,840	\$1,425	\$1.98	\$102,600
2BR, 2Ba	58	29.0%	1,180	68,440	\$1,800	\$1.53	\$104,400
Subtotal	170	85.0%	818	139,080	\$1,472	\$1.80	\$250,200
Add: Affordable Units	30	15.0%					
Total Units	200	100.0%					

Building B -- Mixed-Income Apartments (rents in 2016 \$'s)

Unit Type -- Mkt Rate	Units	Pct.	Avg. Size	Total SF	Avg. Rent	Rent PSF	Total Rent
Studio-small	12	6.0%	420	5,040	\$985	\$2.35	\$11,820
Studio-standard	12	6.0%	520	6,240	\$1,175	\$2.26	\$14,100
1BR, 1Ba	68	34.0%	720	48,960	\$1,425	\$1.98	\$96,900
2BR, 2Ba	78	39.0%	1,180	92,040	\$1,800	\$1.53	\$140,400
Subtotal	170	85.0%	896	152,280	\$1,548	\$1.73	\$263,220
Add: Affordable Units	30	15.0%					
Total Units	200	100.0%					

Building C -- Senior Housing -- Rental -- Continuum of Care Residential Community (CCRC) (rents in 2016 \$'s)

Service Level	Units	Pct.	Avg. Size	Total SF	Avg. Rent	Rent PSF	Total Rent
Independent	100	50.0%	900	90,000	\$2,500	\$2.78	\$250,000
Assisted Living	70	35.0%	600	42,000	\$3,500	\$5.83	\$245,000
Memory Care	30	15.0%	450	13,500	\$5,000	\$11.11	\$150,000
Total	200	100.0%	728	145,500	\$3,225	\$4.43	\$645,000

Building D -- Senior Housing -- Cooperative (pricing in 2016 \$'s)

Unit Type	Units	Pct.	Avg. Size	Total SF	Avg. Price	Price PSF	Total Sell Out \$
1BR+Den	16	16.0%	1,000	16,000	\$215,000	\$215	\$3,440,000
2BR	60	60.0%	1,200	72,000	\$250,000	\$208	\$15,000,000
2BR+Den	24	24.0%	1,600	38,400	\$300,000	\$188	\$7,200,000
Total	100	100.0%	1,264	126,400	\$256,400	\$203	\$25,640,000

Building E -- "Micro" Apartments (rents in 2016 \$'s)

Unit Type	Units	Pct.	Avg. Size	Total SF	Avg. Rent	Rent PSF	Total Rent
Studio-small	30	30.0%	380	11,400	\$895	\$2.36	\$26,850
Studio-standard	30	30.0%	420	12,600	\$985	\$2.35	\$29,550
Studio-large	20	20.0%	460	9,200	\$1,065	\$2.32	\$21,300
1BR, 1Ba	20	20.0%	600	12,000	\$1,250	\$2.08	\$25,000
Total	100	100.0%	452	45,200	\$1,027	\$2.27	\$102,700

F -- For-Sale Townhomes (pricing in 2016 \$'s)

No. of Units	Price Range	Size Range	Price PSF
37	\$280,000 - \$400,000	1,400 - 2,000	\$200

Source: Marquette Advisors



Context Map

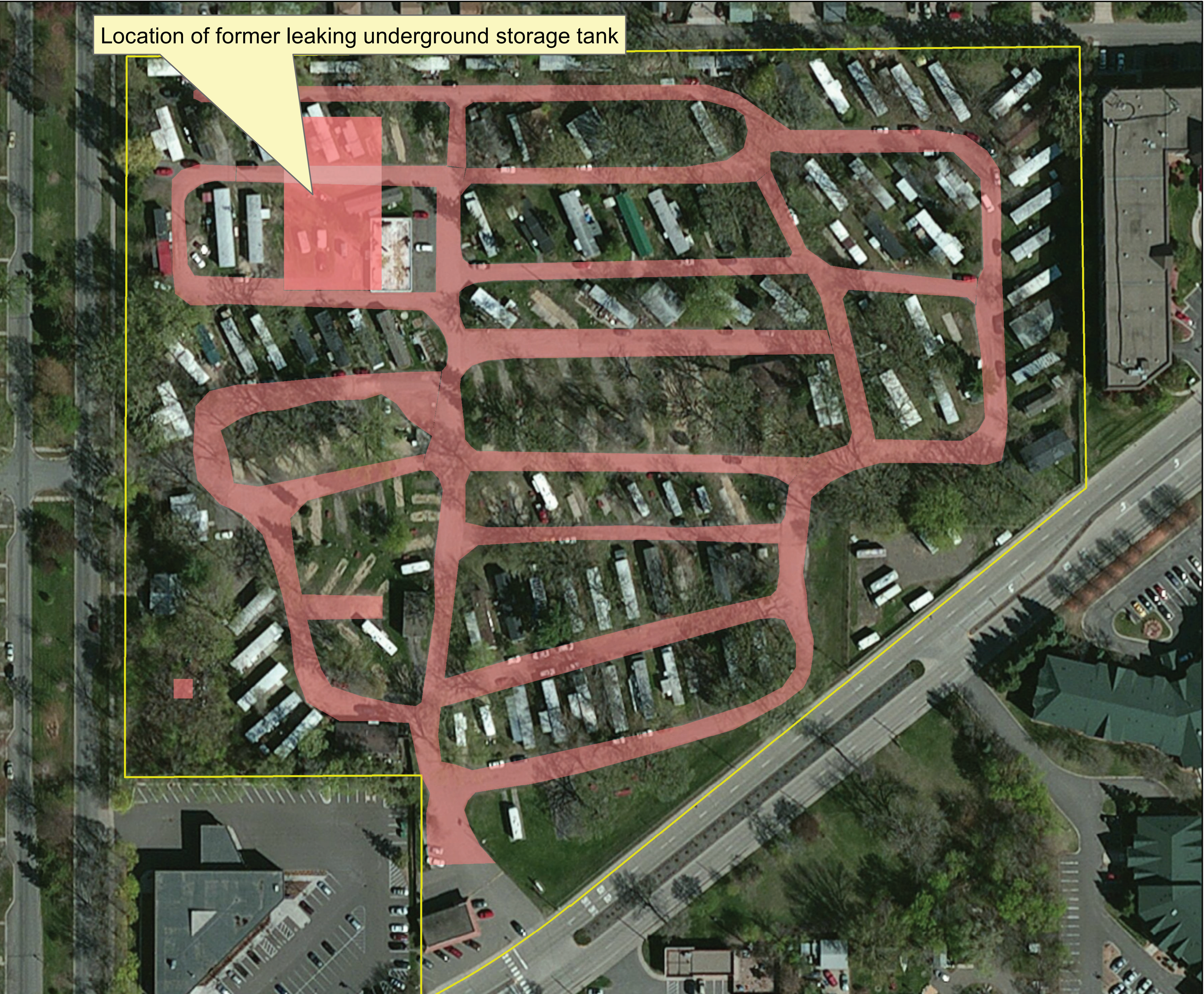


Existing Conditions



Existing Conditions

SOUTHERN GATEWAY REDEVELOPMENT
October 18, 2016

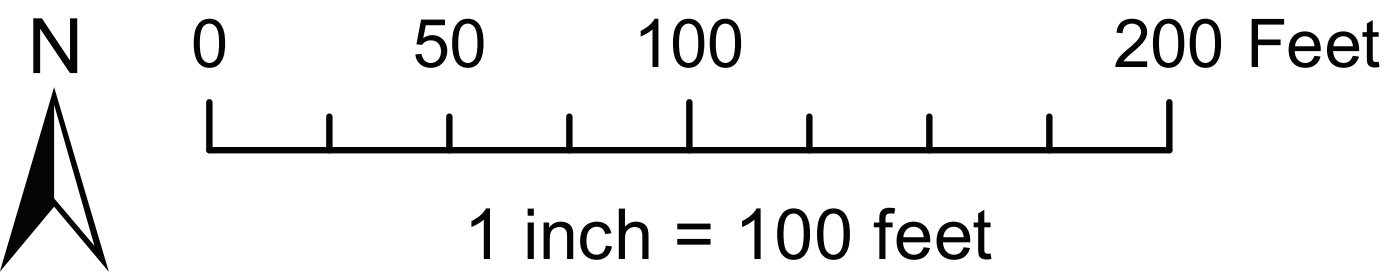


Location of former leaking underground storage tank

LOCATION OF
CONTAMINTED SOIL
TO BE REMOVED

Legend

- Property Boundary
- Contaminated Soil





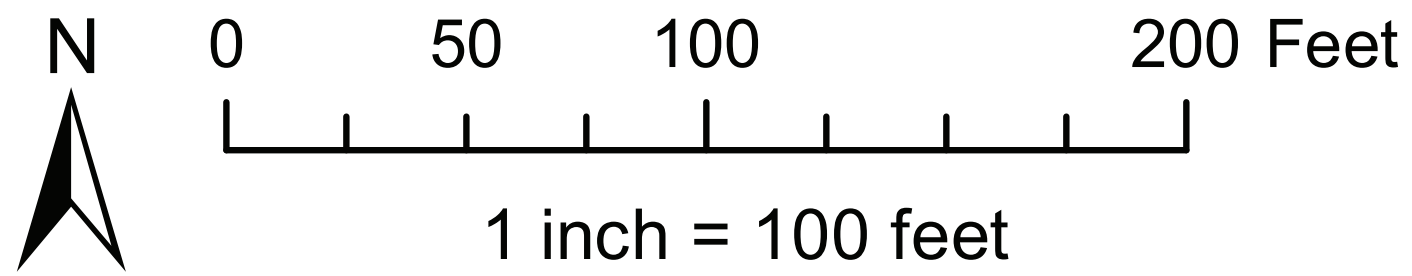
LOCATION OF
FUTURE VENTING
SYSTEM TO MITIGATE
SOIL VAPORS

Legend

- Property Boundary
- Approximate Proposed Building Locations

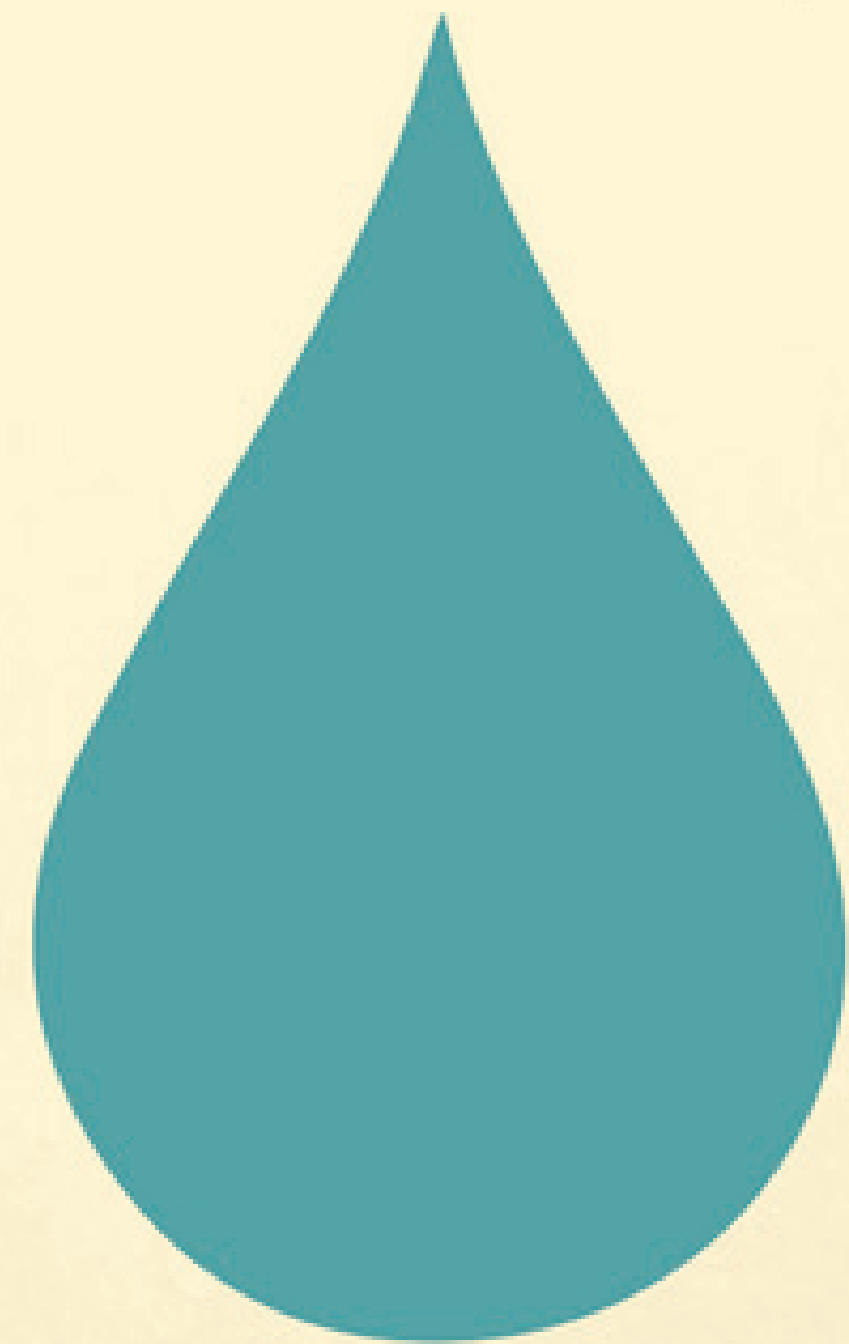
Approximate Venting System
Perforated Pipe

- Active System
- Passive System



ENVIRONMENTAL CONDITIONS

AT LOWRY GROVE



GROUNDWATER

Contaminants in groundwater exceed Department of Health drinking water criteria in a limited area



SOIL VAPOR

Contaminants in soil vapor exceed Pollution Control Agency criteria for safe air



SOIL

Contaminants in soil exceed Pollution Control Agency criteria in several locations

ENVIRONMENTAL SOLUTIONS

AT LOWRY GROVE



GROUNDWATER

Recent tests show that no groundwater remediation is necessary



SOIL VAPOR

New residential buildings will have venting systems to route harmful vapors away from indoor spaces



SOIL

All contaminated soil will be removed





Birds Eye View - Looking Northeast



Perspective View - From Stinson Boulevard, Looking Northeast



Perspective View - From Internal Driveway











NOTICE OF RECEIPT OF SKETCH PLAN APPLICATION AND PLANNING COMMISSION MEETING

The City of St. Anthony Village received an application for sketch plan review from The Village, LLC regarding the redevelopment of the property located at 2501 Lowry Ave ("Lowry Grove Manufactured Home Park"). Notice is hereby given that the Planning Commission will hear details regarding the developer's sketch plan proposal at the regularly scheduled Planning Commission meeting on October 24, 2016 at 7:00 p.m. in the City Council chambers located at City Hall at 3301 Silver Lake Road.

Under Section 152.209 of the City Code, a sketch plan is not considered a formal redevelopment application. Instead, a sketch plan is an informal opportunity for a developer to show the "basic intent and general nature" of a proposed redevelopment. Accordingly, the Planning Commission meeting noticed above will not be a formal public hearing and no action will be taken at the meeting. Rather, the meeting will be an opportunity for the public to hear the developer's initial presentation of its redevelopment plans for the Lowry Grove Manufactured Home Park.

If you have any questions, please contact Breanne Rothstein, City Planner, at (763) 231-4863.