



## MEMORANDUM

To: Mayor Stille and St. Anthony Village City Council  
Charlie Yunker, City Manager

From: Stephen Grittman, City Planner

Date: City Council Meeting – October 26, 2021

NAC Project No. 323.01 – 21.07

Request: Request for a Final Plan Planned Unit Development for a new Bank building, 76-unit multi-family housing, and land transfer

Property Address: 2401 Lowry Avenue NE; 2654 Kenzie Terrance; 2534 Kenzie Terrace

Property PID: 0702923230002; 0702923240020, 0702923240021; 0702923230015

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## PROJECT DESCRIPTION

The Applicants are Interstate Development, with Bremer Bank, and co-applicant City of St. Anthony Village. The project involves applying a PUD zoning district over the 3 subject parcels, two of which are owned by Bremer Bank, and one of which is owned by the City. Interstate proposes to construct a new bank facility for Bremer on the City's "old bowling alley" site. Once that construction is completed, Bremer would relocate from its existing building to the new site. At that point, Interstate would undertake demolition of the old Bremer building and construct a new 76-unit multi-family structure on the property. As a part of the three-way transaction, the City would take control of the small triangle at 2534 Kenzie, currently vacant. Final action on the land transfers would occur as a condition of Final PUD approval. The City has discussed, in concept, ideas relating to City entrance monumentation on that site. Future development opportunities are not clear.

The project received Preliminary Plan PUD approval at the City Council meeting on September 14 of this year. A series of conditions were included in the Council's Preliminary Plan approval, and are reviewed as a part of the Final Plan PUD submission.

## STAFF RECOMMENDATION

Staff has reviewed the project for land use compliance with the intent and policies of the City's Comprehensive Plan, and for zoning consistency with the C, Commercial and R-4, Multiple Family Residential Districts as baselines. In summary, the Comprehensive Plan promotes use of the subject properties that reflect the proposed uses of commercial and high density multiple family residential uses of up to 40 units per acre.

Staff believes that the flexibility requested under the PUD is appropriate, given the objectives of the Comprehensive Plan and the related improvements and amenities proposed as part of the project. Staff is recommending approval of the Final Plan stage of the PUD for Bremer Bank at 2654 Kenzie Terrace and Interstate Development at 2410 Lowry Avenue NE, incorporating the transfer of 2534 Kenzie Terrace to the City.

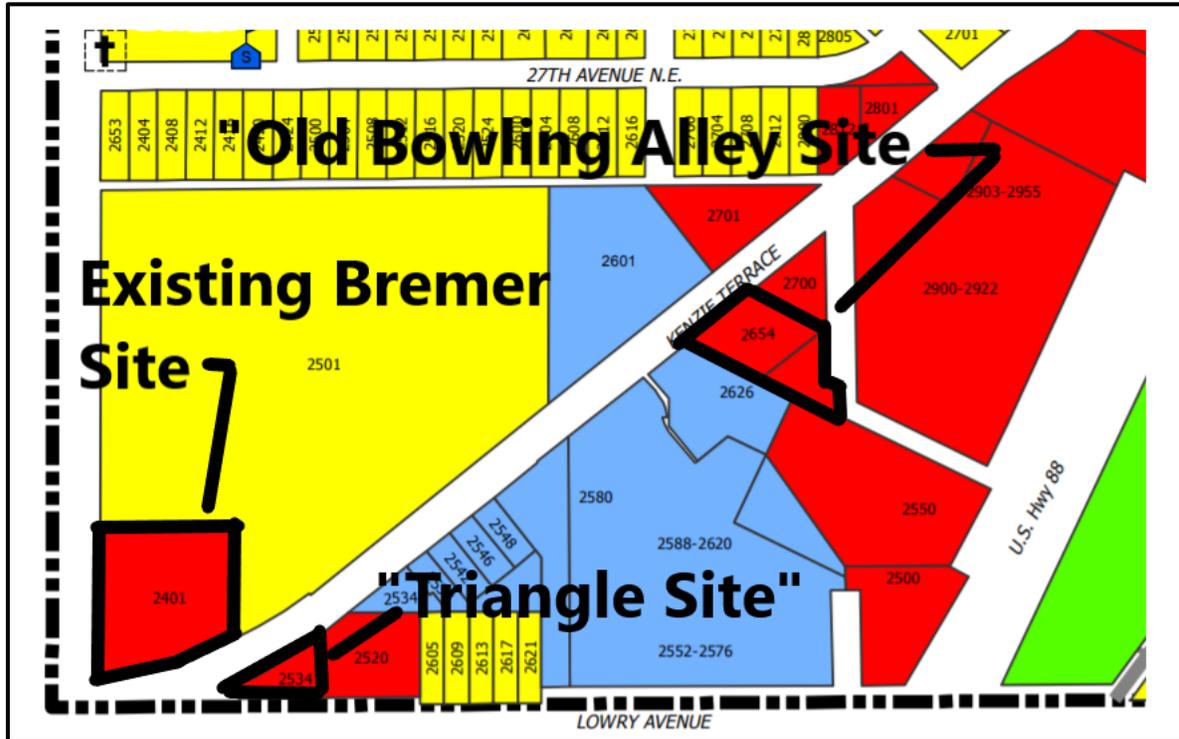
The standard of review for Final Plan PUD is whether the applicant has satisfied the conditions attached to the Preliminary Plan PUD approval. Staff comment is provided for each of the conditions, which are separated by the applicable site, and some of which are listed with both project sites as they apply generally to the PUD.

## GENERAL INFORMATION

Applicant:	Interstate Development, Bremer Bank		
Owner:	Bremer Bank, City of St. Anthony Village		
Location:	2401 Lowry Avenue NE, 2654 and 2534 Kenzie Terrace;		
Existing Land Uses	Commercial (Existing Bank) Vacant (Former Bowling Alley Site) Vacant (Bremer-owned “triangle” property)		
Zoning:	C, Commercial		
Deadline for Agency Action:	Application Complete Date:	October 5 , 2021	
	60 Days:	December 4, 2021	
	Letter Sent:	NA	
	120 Days:	February 2, 2022	

### 1. Background

**Project Description.** The applicants are seeking a 3-parcel PUD proposal that would include two parcels owned by Bremer Bank (the existing bank site and a vacant remnant parcel across Kenzie Terrace from the bank), and the City’s parcel, usually known as the “old bowling alley” site. Interstate proposes a 76-unit multiple-family residential facility on the main Bremer Bank property, a relocation of the Bremer Bank facility to the City parcel, and a grant to the City of the remnant Bremer property for use as (in part) an entrance element for the community. The project is proposed to be developed in two phases. First phase would consist of construction of the new bank facility at 2654 Kenzie. The second phase would then be construction of the apartment project at 2401 Lowry, once Bremer has relocated to the new building.



## 2. Analysis

### Planned Unit Development

Purpose. The applicant wishes to establish a PUD, Planned Unit Development zoning district to accommodate the proposed apartment project. For PUD applications, it is important that the purpose of planned unit development be considered and that a determination is made that this purpose will be fulfilled.

Generally speaking, planned unit development is intended to allow a mixture of uses and/or flexibility from the strict terms of the Zoning Ordinance in return for higher site and building design standards than what would otherwise be allowed or required.

Section 152.202 of the Zoning Ordinance specifically states that planned unit development may allow the following:

- (A) *Variety.* Within a comprehensive site design concept, a mixture of land uses, housing types and densities;
- (B) *Sensitivity.* Through the departure from the strict application of required setbacks, yard areas, lot sizes, minimum house sizes, minimum requirements, and other performance standards associated with traditional zoning, a PUD can maximize the development potential of land while remaining sensitive to its unique and valuable natural characteristics;
- (C) *Efficiency.* The consolidation of areas for recreation and reductions in street lengths and other utility-related expenses;

- (D) *Density transfer. The project density may be clustered, basing density on a number of units per acre in place of specific lot dimensions; and*
- (E) *District integration. The combination of uses which are allowed in separate zoning districts such as:*
- 1. Mixed residential uses to allow both densities and unit types to be varied within the project;*
  - 2. Mixed residential uses with increased density based upon the greater sensitivity of PUD projects to regulation; and*
  - 3. Mixed land uses with the integration of compatible land uses within the project.*

Processing. To accommodate the requested PUD amendment, a two-stage review process is required. The initial application approved in September was the Preliminary PUD Plan stage. Preliminary Plan approval is similar to a rezoning in that it establishes that the proposed use is appropriate for the subject site. Also, as part of Preliminary Plan review, various conditions of approval are typically imposed. The Preliminary Plan was reviewed by the Planning Commission at a public hearing, review and then approved by the City Council.

The second stage, currently before the Council, is the Final PUD Plan which serves to implement the various conditions of Preliminary Plan approval and ensure that such conditions have been satisfied. The Final Plan is reviewed by the City Council for adoption as an ordinance. No public hearing is required for Final Plan.

**Comprehensive Plan.** The Metropolitan Council has classified St. Anthony Village as an “urban community.” “Urban communities” are expected to plan for forecasted population and household growth at average densities of at least 10 units per acre for new development and redevelopment. In addition, “urban communities” are expected to target opportunities for intensive development near regional transit investments.

The City’s 2040 Comprehensive Plan identifies the subject properties as important redevelopment opportunities. Recognizing that the City is expected to accommodate an increase in population and that little to no vacant land presently exists, redevelopment of previously developed sites is considered the primary means of achieving the City’s residential density objectives.

The proposed redevelopment project is considered consistent with the City’s 2040 Comprehensive Plan.

Interstate’s goal is to create workforce attainable housing without the utilization of TIF, grants, tax credits or subsidy from government and nongovernment agencies. Interstate is currently targeting rents ranging from \$1,300 / month for a 1-bedroom unit and \$2,350 for a 3-bedroom unit.

## Preliminary Plan Review Summary

### Proposed Bank Facility – 2654 Kenzie Terrace

The new bank building would be just over 6,000 square feet. The conditions of Preliminary Plan approval for the Bank site are as follows:

1. The applicant participates in a subdivision of the portion of 2654 Kenzie that encroaches into the alley and the City retains ownership of that remnant.  
*Staff comment: That subdivision would be incorporated into the Final Plan approval conditions, which include the land transfer from City HRA to developer.*
2. Access-related issues shall be subject to comment and recommendation by the City Engineer, as well as Hennepin County.  
*Staff comment: Hennepin County has indicated via email that the proposed driveway location is appropriate. Final permitting will require County approval.*
3. The proposed bank site plan is modified to increase drive-through lane stacking space.  
*Staff comment: The applicants had revised the Preliminary Plan submissions, on which this application is based, to demonstrate stacking area suitable for the needs and purpose of the site's circulation.*
4. The applicants modify the landscaping plan for the bank location to retain a portion of the existing evergreen plantings.  
*Staff comment: The final landscape plan shows replacement of the existing vegetation with new landscaping, including 3 Black Hills Spruce in the northeasterly corner of the site. The existing vegetation interferes with site plan development and grading, although the applicant proposes to relocate the healthy specimens to the south side of the site adjacent to the alley. Staff believes the final landscape plan is consistent with the intent and requirements of the City's zoning regulations.*
5. The proposed monument sign on the bank site is placed and designed to meet city ordinances for size and setback. If an electronic display is desired, the applicants will need to apply for a separate Conditional Use Permit under the applicable code.  
*Staff comment: The final signage plans will be subject to permitting review at the time of construction. No electronic signage is proposed, and wall signage is well below the allowable threshold for the site.*
6. The lighting plan for the proposed bank site is modified to show a zero footcandle light intensity at the boundary with the senior residential property to the west.  
*Staff comment: The plans have been modified from the original to show between zero and 0.2 footcandles at the westerly boundary. Staff would continue to advocate for zero footcandles along this residential edge.*
7. Issues related to grading, drainage and utilities shall be subject to comment and recommendation by the City Engineer.  
*Staff comment: The City Engineer will review final construction plans for compliance and adequacy.*
8. The applicant enters into a PUD agreement with the City and post all the necessary securities required by it.

*Staff comment: This requirement will remain an aspect of the final land transfers and recorded concurrently with the final conditions.*

9. The applicant executes the required land transfers suitable to the City Council.

*Staff comment: This will occur as a part of final signatures and recording.*

10. Consideration of comments of other City Staff.

### **Multi Family Apartment Building – 2401 Lowry Ave NE**

The building is proposed to be a four-story facility. The first level would be a parking level at grade and the upper three floors a mix of one bedroom (30), one bedroom/alcove (17), two bedroom (26), and three bedroom (3) units. The conditions of Preliminary Plan approval for the Apartment site are as follows:

1. Access-related issues shall be subject to comment and recommendation by the City Engineer, as well as Hennepin County and Minneapolis Park Board.

*Staff comment: Hennepin County has indicated via email that the proposed driveway location is appropriate. The County also required a potential connection to the property to the east, upon a future realignment of access points along Kenzie Terrace. The applicant has provided a plan with that option, although any requirement for construction is a future consideration only. Final permitting will require County approval.*

2. The applicant adds foundation plantings along the Stinson and Kenzie frontages of the residential building.

*Staff comment: The Final PUD landscape plans include this condition, and respond to other Preliminary Plan PUD comments.*

3. The City finds that the proposed parking supply is adequate to serve the residential facility.

*Staff comment: The City Council approved the parking arrangements proposed by the developer as an aspect of the Preliminary Plan PUD approval.*

4. Final PUD Plans demonstrate compliance with ADA parking supply requirements (for disabled persons).

*Staff comment: The applicant has provided adequate accessible parking, per state requirements.*

5. As part of the Final PUD Plan submission, a final signage plan be submitted for review which demonstrates compliance with City requirements.

*Staff comment: Signage will require final permitting prior to construction. No flexibility from zoning standards is being requested.*

6. Issues related to grading, drainage and utilities shall be subject to comment and recommendation by the City Engineer.

*Staff comment: The City Engineer will review final construction plans for compliance and adequacy.*

7. The applicant enters into a PUD agreement with the City and post all the necessary securities required by it.

*Staff comment: This requirement will remain an aspect of the final land transfers and recorded concurrently with the final conditions.*

8. The applicant executes the required land transfers suitable to the City Council.  
*Staff comment: This will occur as a part of final signatures and recording.*
9. Consideration of comments of other City Staff.

**3. Criteria for and Consistency with Criteria for PUD Approval.** Title XV Land Usage, Chapter 152 Zoning Code, Section §152.209.

## **SUMMARY AND STAFF RECOMMENDATION**

***Final Plan PUD*** – Staff recommends approval with the following conditions:

1. Final Staff reviews for Engineering, Public Safety, Public Works, and Building Departments.
2. Final Approvals from Hennepin County as required.
3. Subdivision, Easement Dedications/Vacations, and Land Transfers as required.
4. Execution of Final PUD Agreement and other agreements as necessary.

This recommendation is based on a finding that the proposal, with final review of construction plans by appropriate staff, will comply with the conditions cited in the Preliminary Plan PUD approval, and is consistent with the long-term objectives of the recommendations and policies of the St. Anthony Comprehensive Plan.

## **ATTACHMENTS**

- Exhibit A: Location map  
Exhibit B: Application and Supporting Material  
Exhibit C: Resolution