



The applications submitted are to redevelop the former Rainbow Foods site. The vacant 68,000 square foot building will be renovated for a 25,000 square foot Kowalski's Market. The remainder of the building will be used for a bakery/production area that will serve all Kowalski stores. The property consists of 10.64 acres with frontage on Highways 96 and 49. Currently, access is from a signalized intersection on Highway 49 and a restricted right-in-right-out drive off Highway 96.

Zoning of surrounding properties includes O, Office for the Oak Hill Montessori School to the north; and PUD for the funeral home to the west, and R1 for detached residential properties to the west. Scandia Shores is across Highway 96 to the south. To the east is a car wash, gas station and Dairy Queen, as well as commercial businesses across Highway 49 in North Oaks.

The preliminary plat will divide the property into two lots. Lot 1 will consist of 9.2 acres for the existing store, the northern half of the parking lot, and the storm water pond and wetland to the west. Lot 2 will create a new lot of 1.5 acres for future retail development. The drainage easement over the pond as well as other easements will be retained by the City.

The PUD application is an amendment to the existing PUD, which would allow the following:

- A 25,000 square foot grocery store, including a wine shop, coffee shop and culinary kitchen and cookware store.
- The remaining floor area will be used for kitchen and bakery operations; a catering facility; a gift, pricing and distribution facility; a freezer/cooler area; and warehousing.
- Exterior enhancements to the existing building include improvements to the facade with a new entryway, brick, stone and glass.

The parking lot will remain in the current configuration but will be resurfaced and re-stripped. Existing lighting will be replaced with LED downward focused light fixtures. The off-street parking lot provides 350 parking stalls. The City requires 223 parking stalls for the proposed use; 212 will be provided with 46 in the rear for employee parking. Parking ratios at other Kowalski's stores range from 4 to 4.89 stalls per 1000 square feet of retail space. This proposal is 4.7 stalls. Parking will be further reviewed when a development plan is presented for Lot 2.

Access from Highway 96 will include a new free left-turn lane to serve the property. Ramsey County has approved the left turn access, and the City will construct the improvements.

The landscaping proposal includes replacing the majority of plant materials to enhance the appearance of the property. Screening of the loading dock area is required. The existing wood fence on the western edge of the parking lot will be replaced with a more durable decorative metal fence.

Truck delivery hours restricted under the current PUD do not allow deliveries between the hours of 12:00 a.m. to 6:00 a.m. The bakery operations require flexibility from this requirement. Except on Sunday, bakery products are shipped by truck at 1:00 a.m. and at 4:00 a.m. to the other Kowalski Markets. The property is separated by a wetland area from the residential area to the west. The closest home is 330 feet away from the loading area. As loading docks are oriented and located on the east side of the building away from the residential areas, staff does

not believe this will be a problem. Delivery hours will be stipulated in the Development Agreement.

The Comprehensive Sign Plan includes two new free standing signs and four wall signs for the south and east elevations for The Wine Shop, Starbuck's, and Cooks of Crocus Hill. The wall signs proposed are reasonable and attractive. The proposed size of the wall signs does not overwhelm the building elevation on the east and is consistent with the size on the south elevation. The free standing signs will be in the same location as the existing freestanding signs along Highway 96 and Highway 49. The free standing sign area is 132 square feet, which exceeds City standards by 32 square feet. These freestanding signs may also be used to identify future businesses on Lot 2.

Property owners within 350 feet of the site were notified of the applications. No comments were received. The Lake Johanna Fire Department indicated no issues or concerns. The Rice Creek Watershed District indicated that a watershed permit may be required if over 10,000 square feet is disturbed when Lot 2 is developed. Staff recommends approval of all applications with the conditions listed in the staff report.

#### **Commission Discussion:**

Commissioner Peterson asked how the new site access will impact future development on Lot 2. Ms. Hill explained that the only thing that will change is the added turn lane to be constructed on Highway 96. The actual drive in will not change. There will be easements and shared parking agreements in the future.

Commissioner McCool asked if the amended conditions for truck deliveries include restrictions for idling trucks. Ms. Hill answered that only delivery times are addressed.

Commissioner McCool asked what size structure could be built on Lot 2. Ms. Hills stated that Kowalski's and the City will influence the size structure allowed. That will be addressed when there is an application. Commissioner McCool expressed some concern for new parking that will be needed. Ms. Hill stated that if a restaurant comes in, she would anticipate heavy usage would be during off peak hours for the grocery store.

Chair Solomonson asked about snow removal and if trucks can be parked in front. Ms. Hill answered that the trucks will only be in the rear of the building. There are requirements in the current PUD for snow removal.

Commissioner Ferrington asked if the freestanding signs will be electronic. Ms. Hill responded that the signs are not electronic. There will only be back lighting for the signs.

**Ms. Kris Kowalski Christiansen**, Applicant, stated that Kowalski's is a local, family owned grocery with 10 locations in the metro area. The stores are upscale with high quality and health oriented products.

Chair Solomonson asked about adequacy of parking. **Mr. Mike Oase, VP of Operations**, stated that a lot of analysis has been done on parking. Peak parking is at 11:00 a.m. to 1:00 p.m. Monday through Saturday. The end of a shift for certain employees is at 3:00 p.m., when approximately 40 parking spaces become available for the peak shopping period between 4:00 p.m. to 6:00 p.m. There is no concern on the part of Kowalski's regarding parking. Lot 2 can handle up to an 8,000 square foot building and still have 64 parking stalls available in addition to the Kowalski Market parking. The 166 stalls shown in front of the store is a conservative estimate. Trucks are turned off for loading purposes and do not sit idling. As soon as loading is complete, the trucks leave.

City Attorney Kelly stated that proper notice has been given for the public hearing.

Chair Solomonson opened the public hearing. There were no comments or questions from the public.

MOTION: by Commissioner Ferrington, seconded by Commissioner Peterson to close the public hearing at 7:26 p.m.

VOTE: Ayes - 6 Nays - 0

Commissioner Ferrington stated that there is a lot of excitement about this development and having a quality grocery at this location. The fact that this location will be central to many of the company's operations will give it stability for the future.

Commissioner Peterson stated that he walked the loading dock area, which is located a good distance from residential homes. Screening is recommended and addressed in the staff report.

Chair Solomonson stated that his concerns regarding parking, splitting the property into two lots and loading dock noise have all been addressed. He supports the proposal.

Commissioner McCool agreed that his concerns about parking and nighttime loading have been addressed. He will propose language to specifically require that trucks are not allowed to idle.

Commissioner Thompson stated that she has heard unanimous support for this proposal and is excited to see Kowalski's come to Shoreview.

Commissioner Doan noted that Oak Hill Montessori School to the north is pleased to have a grocer develop the property. His concern is that screening from the highway be adequate. There is an opportunity in dividing the property into two lots to attract more varied commercial business to the community. He supports the application.

MOTION: by Commissioner McCool, seconded by Commissioner Ferrington to recommend the City Council approve the preliminary plat and amendment to the planned unit development stage applications submitted by Sidal Realty and Kowalski Companies, Inc. for 441 Highway 96. Said approval is subject to the following conditions as presented and condition No. 5 under the Planned Unit Development

Amendment to read, “The Development Agreement will amend the conditions regarding truck deliveries to correspond to the proposed uses, which conditions shall prohibit vehicle idling during nighttime deliveries.”

***Preliminary Plat***

1. The applicant shall execute an agreement between the Lots 1 and 2 addressing the shared infrastructure including access, parking, signage, utilities and maintenance. Said agreements shall be submitted to the City Attorney for review and approval prior to the City’s release of the Final Plat.
2. Executed and recorded copies of the required agreements shall be submitted to the City prior to the issuance of a building permit on Lot 2.
3. The Final Plat shall be submitted to the City for approval with the Final Stage PUD application.

***Planned Unit Development – Amendment***

1. This PUD amendment replaces the previous PUD approval from 1995.
2. A Development Agreement shall be executed and shall include applicable provisions from the previous PUD approvals referenced in Condition No. 1 above as well as any requirements associated with this PUD amendment.
3. Future development of Lot 2 shall require Site and Building Plan Review.
4. Kowalski’s agrees to work with the City on refining the landscape plan that addresses better screening for the loading dock area on the northeast side of the property. Said plan shall be submitted with the Final PUD application.
5. The Development Agreement will amend the conditions regarding truck deliveries to correspond to the proposed uses.
6. Prior to submittal of a Final PUD application, Kowalski’s shall verify the number of parking stalls provided on the property including the parking located north of the building. These stalls shall be identified on a site plan.
7. The City’s prefers that the freestanding signs be shared with the future use of Lot 2.

***Comprehensive Sign Plan***

1. The signs on the property shall comply with the plans submitted for the Comprehensive Sign Plan application.
2. Signage shall be maintained in accordance with the City’s Sign Code.
3. The applicant shall obtain a sign permit prior to the installation of the new signs on the property.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the designated commercial land use in the Comprehensive Plan and the previous Planned Unit Development.
2. The proposed subdivision complies with the subdivision standards identified in the City’s Development Code.
3. The redevelopment/re-use of the property for retail is compatible with the adjoining land uses and will not have a significant adverse impact on surrounding properties.



The property is located in Policy Development Area (PDA) #18, known as Rice Street Crossings. This property is also a Targeted Redevelopment Area (TRA #2). This means there are certain policies that address the redevelopment of this area. The City's Highway Corridors Transition Study called for this property to expand potential uses to include high density residential and mixed use. The City's Economic Development Authority (EDA) has targeted this site in its 2015/2016 Work Plan for redevelopment. The Shoreview Housing Action Plan calls for new rental opportunities through redevelopment and an increase in housing opportunities for young households. A market study was also done by the developer, which shows a need for apartments in this area.

### **Rezoning**

Rezoning the property from C2 and R1 to PUD would be consistent with the City's Comprehensive Plan. Rezoning would not significantly impact planned use of surrounding property, transportation, municipal utilities, or storm water management. Any impacts to adjacent residential land uses can be mitigated through the site and building design. Mixed Use would be considered a transition from the arterial road network and commercial land uses to the low density single family residential. The relocation of the mixed use structure to the southeast corner of the site increases separation from nearby residential properties and provides sufficient area for buffering and screening.

### **Preliminary Plat**

The site consists of four parcels. Currently, three are single-family residential and one is commercial. The property is proposed to be platted into two parcels. Lot 1 would be the proposed townhomes. Lot 2 would be the mixed use building. The plat is consistent with subdivision standards. Drainage and utility easements will be required along parcel lines and over storm water infrastructure.

### **Planned Unit Development**

A Planned Unit Development (PUD) allows design flexibility, creativity and innovation. This application seeks flexibility from City requirements regarding structure setbacks, building height and parking. The mixed use structure has been shifted to the southeast, which increases the separation from adjacent single-family homes and enhances visibility of the commercial component from the intersection. The townhomes on the western portion of the site provide a transition from high density to low density residential. The green space along the northern boundary serves as a buffer to the single-family homes to the north.

The proposed 5-story building has a height of 55 feet. The maximum 35-foot height allowed can be exceeded if approved by the Lake Johanna Fire Department. No concerns have been identified by the Fire Department. When height exceeds 35 feet, an additional foot of setback must be provided for each additional foot of height over the 35 feet. The deviation from setbacks are proposed as:

- 41-foot setback from front property line on Rice Street - Code requires 60 feet
- 32-foot setback from side property line on County Road E - Code requires 50 feet
- 14 -foot setback from the rear property line to the west - Code requires 50 feet

The height of the townhomes is proposed to be 31 feet, which complies with Code. A setback deviation is required from Rustic Place. Code requires 30 feet; 25.3 feet are proposed. Code requires a 10-foot setback from the east property line; 23 inches is proposed. The proposed setback from County Road E is 32.4 feet which exceeds the required 30 feet. The proposed rear setback is 54.3 feet. Two-car tuckunder garages with parking available in driveway approaches are provided with the townhomes.

Impact to the adjacent residential area is mitigated with placement of the mixed use structure in the southeast corner, the use of a flat roof design, and the green space along the northern boundary adjacent to the single-family homes. A shadow study was completed. The study shows that there will be some shadow cast impact to residential properties to the north during December.

### **Density**

Mixed Use allows up to 45 units per acre; 33.6 units are proposed. The intensity of this development is addressed with the building placement, below grade parking, increased green space and provision of amenities with walking paths, pool and patio areas.

### **Traffic**

The traffic study completed shows that this proposal will have negligible impact on the road network. Traffic will not be diverted to Rustic Place. Existing traffic congestion is caused by the deficiencies of the I-694/Rice Street interchange. Ramsey County, Shoreview, Little Canada, Vadnais Heights have funded preliminary design work for the interchange and seek funding to complete the work in 2018. The traffic study for this project was reviewed and accepted by Ramsey County, Minnesota DOT and the City.

### **Parking**

On Lot 2, off-street parking provides 235 parking stalls on-site. Underground parking provides 168 stalls. The Development Code requires 365 stalls. The proposal provides 1.7 stalls per unit; the City requires 2.5 stalls per unit. There is no opportunity for shared parking and not enough room to show proof of parking. There may be some flexibility, but this issue needs to be addressed further.

### **Grading**

The grade will be raised approximately 1 foot for the mixed use building. Garage structures for the townhomes will be near the current elevation. The main floor elevation is 932 feet. There is some concern about the visual impact from the adjoining homes to the north and west. Homes on Rustic Place are at an elevation of approximately 923.

### **Storm Water Management**

The property is located in the Ramsey Washington Metro Watershed; a permit is required. Underground infiltration chambers are proposed to manage runoff before it overflows into the City storm sewer system. The site is also located in the St. Paul Water Utility Drinking Water Supply Management Area and may be subject to additional restrictions.

## **Landscaping**

Existing homes have a significant number of trees. The proposal would remove 52 landmark trees and preserve 7. This would require 317 replacement trees; 116 replacement trees are proposed. A cash deposit will be made to the City's Forestry Fund. Additional plantings are proposed along the north property line and along County Road E and Rustic Place.

## **Agency Review**

The proposal was reviewed by Ramsey County Public Works, Mn/DOT, Lake Johanna Fire Department and the City Engineer. Ramsey County concurred with the traffic study and prohibited any access off Rice Street.

Notice of the public hearing was published in the City's legal newspaper, and notices were sent to residents in the Rustic Place neighborhood and Vadnais Heights. Concerns expressed are in regard to land use compatibility, density, public safety, traffic, visual impact, market, architectural design and scale, and environmental impacts.

Staff supports the proposal and recommends the Planning Commission hold the public hearing and forward the project application to the City Council for approval.

## **Commission Discussion**

Commissioner Ferrington noted there is no parking on Rice Street, County Road E and Rustic Place. Her concern is if the Planning Commission passes the proposal on, specific issues such as parking may not be fully addressed. Ms. Castle explained that the no parking prohibition on Rice Street, County Road E and Rustic Place is during construction. All construction traffic must have parking accommodation on-site. In condition No. 9 under the PUD Development Stage, the applicant is required to provide additional information pertaining to parking needs prior to the City Council's consideration of the PUD Development Stage. It is the Commission's decision if enough information is presented to move the application forward.

Commissioner Ferrington asked if there is land that could be developed as a park. Ms. Castle stated that there is a public use dedication fee that the developer has to pay that could be used for park improvements. The City does not own any land for a park in this neighborhood. Commissioner Ferrington added that connection to the Shoreview trail system would also be a benefit. Otherwise, this development is quite isolated and there is no way to safely access the Shoreview trails.

Commissioner McCool asked the number of parking stalls allocated to commercial. Ms. Castle stated that 29 stalls are allocated to commercial. Commissioner McCool asked where overflow parking would be available for the townhouses. Ms. Castle stated that 2.5 stalls provided--two in the garage and one on the driveway--meets Code standards.

Commissioner McCool asked the composition of units and number of bedrooms. Ms. Castle stated that there are 9 studio apartments; 62 units with one bedroom; 14 units with one bedroom and a den; 38 units with 2 bedrooms; 8 units with 2 bedrooms and a den; and 3 units with 3 bedrooms.

Commissioner Thompson expressed concern about safety for pedestrian travel from this neighborhood. Ms. Castle stated that there will be an internal sidewalk network for residents. There is a trail along Rice Street that will be maintained. There are no plans at this time to establish a trail on Rice Street north or south. That will be considered with the bridge redesign.

Commissioner Doan asked if the townhomes will be owned or rental and if there is any consideration for affordable units. Ms. Castle answered that all units will be rental. No affordable units are planned. Commissioner Doan asked about closing Rustic Place for cut-through traffic if needed. Ms. Castle responded that the traffic study shows that there will not be cut-through traffic.

Commissioner Peterson noted the 25.3 feet setback from Rustic Place. He asked the setback of the homes on Rustic Place. Ms. Castle stated that the nearest house to the north is set back approximately 52 feet.

Chair Solomonson noted that the intent of the reduced setback is to increase the distance from the single family residential. He asked if a future trail is planned on Rice Street. Ms. Castle stated that at this time County plans are for mill and overlay work that does not include a trail.

Commissioner Ferrington stated that she would like to see a breakdown of needed parking for the apartment building and retail component.

### **Public Hearing**

City Attorney Kelly stated that proper notice has been given for the public hearing.

Chair Solomonson opened the public hearing.

**Mr. Mike Mergens**, Elevage Development Group, introduced **Aaron Rostadt**, ESG Architects; **Lucas Vadsesteen**; Civil Engineer Todd Erickson; **Vern Swing** of Westwood who performed the traffic study. He commended the staff presentation and stated that the conditions of approval are reasonable and do not present a problem.

**Mr. Rostadt** stated that rent by choice is a growing phenomenon across the country. Demographics that influence this type of housing are kid-less by choice, couples focused on career; single divorcees who are very concerned about schools; affluent empty nesters who wish to stay in Shoreview but do not want to keep a house; power singles who are educated people with higher income and fast track careers who live an upscale life in an urban setting. Rents are projected are from \$1100 for a studio apartment to \$2400 for a townhome. There are 38 million renters across the country at this time and 20 million apartment buildings. In the last five years renters have increased by 1.6 million. Walking to restaurants, stores and other amenities is becoming more desired. Concierge and technology services are also part of this type of living. Everything is connected by mobile device.

**Mr. Mergens** stated that the completed apartments done by ESG are amenity rich and community focused. Research shows that more and more people want housing close to work. As headquarters move from downtown areas to the suburbs, workers want the same apartment

amenities in the suburbs that they had downtown. At this time Shoreview does not have this type of living choice. The Comprehensive Plan recognizes this trend and need. The Comprehensive Plan sets a limit of 45 units per acre for Mixed Use. This project is at 33 units per acre. Research shows that the best use for this property is Mixed Use. Following the Concept Plan presentation to the Commission and City Council, it was clear that the design needed to be better. ESG was brought on board. The resulting project is in response to feedback from the neighborhood, City and County. Businesses in the community have indicated that this type of housing is needed for employees.

**Mr. Rostadt** showed a number of completed projects by his company as examples of the amenities that will be included in this project. As a result of neighborhood meetings, the height was reduced by taking off one floor. The second floor units above the retail space were taken out to create an open atrium like retail space. The ground floor units have sidewalks that connect to the street. Park benches are spaced along the sidewalks. Outdoor amenities also include a small fenced dog park, a pool and patio areas. Increasing the number of trees will be considered. It is important to have a strong buffer between the project and the residential neighborhood.

Chair Solomonson opened the discussion to public comments.

**Ms. Hilary Fox**, 181 St. Marie Street, stated that integrity, respect, and responsibility are core values of the company she works for in addition to profit. Elevage previously said that commercial space on the first floor does not work. Today they are asking for that approval. Elevage has not taken neighborhood concerns into consideration. The project is too big. The shadow study is unconscionable. It is unacceptable for properties to lose sun exposure. It is not right to put houses in darkness that have been in existence for 15 years. Elevage is pushing the City and not waiting to see how the Rice Street bridge will impact this property. Three major concerns include safety, quality of residents' life and genuine need. Without enough parking, people will park on Rustic Place. This will create a safety issue for children and special needs people who live on Rustic Place, which is a close knit neighborhood. To add so many units and so many people will make Rustic Place accident prone, with more cars. Quality of life is huge. The project is too big, too tall, too dense. There is no benefit to the neighborhood. There are questions about snow removal and garbage removal. It does not fit because it is too crowded. The homes on Rustic Place are 1/2 to 3/4 acre yards with homes set back into the lots. The parking provided is 64% of what is required by the City. Setbacks are not met. Residents do not get exceptions to City standards when a deck or garage is added. There are no amenities in this area to walk to. Who will want to look at the freeway and railroad tracks? The example shown that was done in Illinois was three stories. The previous owner of her property wanted to subdivide to build a small home. The City did not allow it and said that profit does not trump the integrity and history and security of the neighborhood. That is what the neighborhood wants to preserve. The neighborhood is not opposed to development, but she urged the Commission to table this application to require it be smaller and less dense.

**Mr. Howard Statz**, 3520 Rustic Place, stated that he directly borders the proposed development. His concern is property value. His property is large with open air and large trees like living in the country. He is concerned about the grade differences between the shopping center and townhomes and his property. The shade will impact his lawn. Privacy is definitely a concern.

He is hopeful that he will not have to worry about people cutting through his yard or younger people playing in his yard. He is concerned about noise from the swimming pool. A number of neighbors have fire rings to burn branches and brush. He is hopeful there will be no complaints about smoke. He can envision overflow parking on Rustic Place which has no sidewalks. The street is used for walking and biking as well as for vehicles. He anticipates an increase in vandalism with so many people coming in.

**Mr. Curt Leavitt, 3636 Rustic Place**, stated that the mixed use building height blocks sun to homes to the north. He is a surveyor and has done an initial shadow study that disagrees with Elevage's statements. The distance of one home is 160 feet from the apartment building. In that 160 feet the sun had risen 30 feet within that 160 feet still below the building and casting a shadow that morning at 8:50 a.m. At 9:50 a.m., the sun had risen 48 feet, still below the 55-foot building, and this is a month after December. His shadow study this morning disagrees considerably with what is claimed by Elevage. An independent third-party study is needed.

Chair Solomonson called a 10-minute break and then reconvened the meeting.

**Mr. Tom Johnson, 3527 Rice Street**, stated that he thoroughly disagrees with staff that there will not be significant impact to the neighborhood. His bedroom is 90 feet from the apartment building. He commended the architect, but the walking paths are 30 feet from his bedroom window. He has lived in his house 25 years. There are many garden plantings which is great enjoyment. His yard has been transformed with 25 years of work. The developers have offered to buy them out. If this project goes through, that may be his only option. It would be devastating because after 25 years the house has become a home. He understands that the individual suffers for the greater good, but to say there is no significant impact is ludicrous.

**Mr. David Gordh, 3646 Rustic Place**, stated that Shoreview is a park system of lakes. Grass Lake that extends into Snail Lake and across to Vadnais Lake. These park and water systems are found all through Shoreview. Wildlife is special in Shoreview because of the lakes. This is a neighborhood that lives within a canopy of trees. The properties are large lots with trees. This project takes away from that environment. There are families that have many generations who have lived here. Residents want to keep it that way. The community is unique. He objects to this project that is too high and too dense. It needs to be moved to another location. That high, colossal building will be seen for a long way on Rice Street and Highway 96. Townhouses would be okay. Neighbors have discussed these issues with the developer, but they would not listen.

**Mr. Nathan Anderson 3565 Rustic Place**, stated that the professional opinions and studies heard are hired by the developer to manufacture results to support their project.

**Mr. Angel Toro, 3830 Rustic Place**, stated that as a young member of the community, he decided to live in Shoreview because of what it looks like. Shoreview is very desirable for new families. This size building does not belong in this part of Shoreview. Families are looking for a quiet place to live with good schools. For these reasons, he is opposed to this level of development.



change in location for some outdoor activities because this is where the land use is most incompatible with the single-family homes to the north.

Commissioner Doan asked if the fenced dog area and potential playground would be open to the community. **Mr. Mergens** answered, yes. Commissioner Doan suggested a document to that effect. **Mr. Mergens** agreed.

Commissioner Doan stated that only 116 trees are being replaced compared to the 300 required. **Mr. Mergens** stated that the tree study presumes all the trees are healthy. Some may be diseased and need to be removed. This property abuts the freeway. There is an effort to put in many trees but keep the property safe. If more trees are required, they will be planted.

Commissioner Doan asked sidewalk lighting. **Mr. Rostadt** stated that it is important to have proper lighting. Groundfloor units will be pet oriented and will be the eyes on the street. Pathways to the north will be lit in a manner that overflow light does not extend to adjacent properties but still will feel safe. Paths will be plowed and shoveled and available all year. **Mr. Mergens** added that all snow will be hauled away.

Commissioner Doan asked if consideration has been given to a tiered building to reduce the shadow effect for neighbors to the north. **Mr. Mergens** stated that the least shadow impact was from six stories with 130-foot setback. Because of the concern for height, the building was lowered. A tiered roof is not being considered because the cut was made by taking off a whole floor. There is no more to cut. **Mr. Rostadt** stated that the Comprehensive Plan supports this amount of density. This will be a great addition to Shoreview. Elevation wants to continue to work to find the right buffer and the right setback to move forward.

Commissioner Doan asked if there is any further mitigation screening that can be done for neighbors to the north. **Mr. Mergens** stated that with the screening, berm and fencing planned, neighbors to the north will not see any more than if there were another home built.

Commissioner Doan asked what can be considered to address the concern for cut-through traffic, whether Rustic Place would be closed off. Also how will overflow traffic on Rustic Place be restricted? **Mr. Vern Swing**, Westwood, stated that the issue of traffic is the am peak time traffic flowing down Rice Street toward I-694. The critical intersection is at Vadnais, County Road E and Rice. The cure is a new bridge that provides an added lane. This development will generate about 80 trips of right turns at a signalized intersection. The evidence does not support cutting through Rustic Place. Speed bumps could be added to Rustic Place to make it less desirable for traffic. **Mr. Mergens** added that a time limit on parking can certainly be considered.

Commissioner Thompson stated that her concerns include the density, adequacy of parking, shadow impact, safety for neighbors and connection to the trail system. **Mr. Mergens** responded stating that the bulk of this property is zoned commercial and is currently falling down. He compared the impact of this project to one that could be built without a PUD. The shopping mall could be taken down and a 4-story building built on that corner. That is what is stipulated in the City's planning documents.

Commissioner Ferrington stated that three issues are not resolved--density, height of the mixed use building and parking. **Mr. Mergens** stated that adequate parking is important. The ratio of 1.7 is adequate. Parking will be further addressed in the Development Agreement. Retail users will have peak hours that are not the same as a restaurant. Elevation will continue to work on this issue.

Chair Solomonson thanked the residents attending for their input. In comparing this plan with the first one, he understands why the building is pushed back to increase the distance from residences. That is why the setbacks are pushed back. The townhomes are a plus. He questions the ratio of parking at 1.7 with no overflow parking for the mixed use building. He would like to have the developer show proof that parking is adequate before this application goes to the City Council. He suggested a tiered roof on the north side to make room for 2 stalls per unit. That would be more acceptable. This project is a good transition that needs a little more work.

Commissioner Peterson stated that if parking is not adequate, residents will not be satisfied. Tiering on both sides would make the building more pleasant and attractive. The townhouse setback of 25 feet, which is half of that of the existing homes. Because of their height, the townhomes will stand out.

Commissioner Ferrington stated that the first plan was 100 units with 4 and 5 stories. At the time, five Commissioners said the height was too tall and it was too dense. This plan is 134 units and five stories. It is a beautiful complex and she commended the architect. What is being said now is the same, but it is more dense.

Commissioner McCool stated that he agrees with amending the Comprehensive Plan for this use. Mixed use is appropriate and a good transition. He is not supportive of this project. He commends ESG, but he is concerned about parking. At a ratio of 1.7 spaces for the apartments, there will only be 17 spaces for 7,000 square feet of commercial. The height is less troubling, but the shadow impact is difficult. He also questions the market for this type of building. He would like to see everything possible done for mitigation to the nearest neighbors. His preference would be to table this matter to the next meeting.

City Attorney Kelly stated that reasons for tabling need to be identified, and he would recommend extending the review period to 120 days.

Commissioner McCool stated the Commission is asking them to come back with parking analysis or make some changes.

Chair Solomonson called a 10-minute break in order to change the tape, and then reconvened the meeting.

Commissioner Doan stated that this is about a vision for the community and choices for the next generation. The vision of the developer is different from the neighborhood. The choice is to find the middle ground that will be attractive for his children to stay in the community. This is a prime piece of property. The project presented now is a great improvement from what was

presented last summer but it could be further improved. He does not want to turn away \$31 million of investment, but he would like to see the project tabled to bring more information about the shadowing/height, parking, and density.

**MOTION:** by Commissioner McCool, seconded by Commissioner Ferrington to table this application to the next scheduled Planning Commission meeting and that a letter be sent to the developer from staff extending the review period of the application another 60 days in order to provide the Planning Commission the opportunity to further review parking, building height, density and overall site design as discussed at this meeting.

Discussion:

Commissioner Peterson stated that the issues are clearly more than just parking and covered well in the motion.

**VOTE:** Ayes - 6 Nays - 0

**PLANNED UNIT DEVELOPMENT-CONCEPT REVIEW**

**FILE NO. 2604-16-03**  
**APPLICANT: RYAN COMPANIES**  
**LOCATION: LOT 1 / BLOCK 1 RICE CREEK PARKWAY**

**Presentation by Senior Planner Rob Warwick**

The Concept Plan presented is to amend the land use of the approved PUD for Rice Creek Corporate Park specifically for an 18.5 acre parcel designated for office use. Business park use is proposed to allow multiple tenants. The property owner would construct a shell building that tenants would finish to suit business and operation needs.

Rice Creek Business Park has boundaries with County Road J to the north, County Road I to the south and I-35W to the west. To the east is Rice Creek Park. The developer states that there is little demand for office space in the north metro, but there is a strong demand for office/flex space. The site lacks access to transit and nearby amenities for walking, both of which are desired by office developments.

The proposal is for two single-story buildings that would total approximately 210,000 square feet of floor area. Parking surrounds both buildings and shows a total of 460 stalls. Driveway access is off Rice Creek Parkway. As this is a Concept Plan, dimension details are not provided. The parcel is narrow and tapers to the south. Flexibility may be needed under the PUD. This parcel is the largest single vacant parcel in the City.

The applicant seeks feedback from the City and residents so that any issues can be addressed at the PUD Development Stage Review. Deviations are allowed in a PUD when the development provides a benefit to the City. This proposal is subject to the restrictive covenants of the original

Rice Creek Park development by Wispark. The main policy issue is whether this proposal is appropriate for the largest remaining vacant parcel in the community.

New office/flex spaces are generally lacking in the City. The Economic Development Authority (EDA) and Economic Development Commission (EDC) have noted that office/warehouse inventory in the City is older and lacks ceiling height, open bays, special power and flooring design to meet tenant needs.

There are a mix of existing uses in the corporate park. Any Business Park use must complement existing development with quality materials and site plans with no impact to the residential uses to the east. Business Park use requires a minimum 75-foot street setback from Rice Creek Parkway and I-35W. Heavy landscaping must be provided to screen the residential area to the east. The side lot lines on the north and south have 30-foot setbacks.

There is a master drainage plan for the corporate park. However, regulations have changed and a permit would be required from the Rice Creek Watershed District. City Code limits impervious surface to 70% of the lot area. This can be increased to 75% with the implementation of Best Management Practices (BMPs). Deviation for impervious surface is not permitted in the PUD process. Any deviation for impervious surface would require a variance.

Access is shown from four driveways off Rice Creek Parkway, which must align with existing drives and streets. The 460 parking stalls is a ratio of 2.2 stalls per 1,000 square feet of floor area. The developer will need to show sufficient parking with landscaping and screening. Business Park use parking requirements is based on the floor area of the tenant finish. Other development in the Rice Creek Corporate Park has about 3.2 stalls per 1000 square feet of gross floor area.

Truck facilities are required to be located on the side or rear yard, as they are prohibited from facing street frontage. If there is a deviation to locate trucking on the side facing I-35W, adequate landscaping will be needed.

Property owners within 350 feet were notified of the proposal. One response expressed concerns about the impact to nearby residences. A second response requested information on the proposed use, possible traffic volume and noise impacts. The Department of Public Works has indicated sewer and water services are stubbed to the property. A traffic study will be required. The Environmental Impact Statement (EIS) that was done when Rice Creek Corporate Park was initially developed included a traffic study and may meet that requirement.

The EDA reviewed this Concept Plan at their December 2015 and January 2016 meetings. Comments focused on a master plan for the property; a plan for specific uses, not spec buildings; a strong tax base and employment opportunity which favors office/corporate use rather than warehouse uses. The applicant believes that the spec buildings can be marketed, but the land use needs to be revised.

No formal action is required but to identify issues for review at the Development Stage.

## Commission Discussion

Commissioner Ferrington noted that if the original traffic study was done in the late 1990s, it may be out of date. Mr. Warwick stated that staff will review those traffic projections carefully.

**Mr. Casey Hankinson**, Vice President Ryan, stated that the project description was well done. He introduced Steve Brown from Children's Hospital, the owner of this land. Mostly Ryan is looking for information about what the City wants to see on this property. There has been great success at Rice Creek Corporate Park. Ryan has been able to bring successful 24-foot clear buildings that would be an appropriate use. The industrial office flex vacancy is approximately 8.2 percent. Office vacancy is 18 percent and is trending toward downtown. General office users look for walkable amenities, which are not available with this site.

Commissioner McCool asked about compliance with the covenants. Business Park could be 100% warehouse. **Mr. Hankinson** stated he does not envision total warehouse. There will be office and production components. He would not be opposed to a condition of development to that effect. Commissioner McCool asked about truck loading visibility. **Mr. Hankinson** agreed that truck loading will be a tough issue. If loading docks face I-35W, it will be a tough challenge. Commissioner McCool asked about adequate parking. **Mr. Hankinson** agreed that the parking may be short and would have to be addressed.

Commissioner Ferrington asked about locating truck loading at the north and south ends of the building. **Mr. Hankinson** stated that would not be possible.

Commissioner Doan stated he would like the front of the building would be toward Rice Creek Parkway. People on I-35W will be driving 70 miles per hour. **Mr. Hankinson** stated that one sign is allowed for each company. That would not be his preference, but is willing to look at it. Then companies would want two signs each.

**Mr. Hankinson** asked if the Planning Commission's support for speculative development. There are many businesses who need 20,000 to 30,000 square feet and are underserved in this area. There is a market for a quality spec building. There is no tenant. When the space is leased, Ryan would complete.

Chair Solomonson stated that he would not want to see a warehouse building on that property. The flex/office construction makes sense. If the building is high quality, he would support it. Considering the noise and lights of the freeway, he does not see a big issue with the location of the loading docks. **Mr. Hankinson** stated that the preference would be for the front of the building to be on the I-35W side with visible signage and docks on the east side.

Commissioner McCool stated that he is not concerned about speculative building. The biggest issue here is parking because the site is tight and the tenant will be unknown. He would support additional signage if the loading docks were on the side of I-35W. If the loading docks are on the east side, berms and landscaping will be critical to make it a nonissue for the townhomes to the east.

Commissioner Ferrington verified that Ryan would purchase the entire property and fill one building before building the second building. She would not want to see loading on the residential side. It is important to protect the neighborhood.

Commissioner Peterson stated that there is less space for adequate screening and berm for the residential area to the east. He would like to see the loading docks on the I-35W side.

Commissioner Doan emphasized his preference for the front of the building to face the community, not a freeway of cars going 70 miles per hour. He would be supportive to consider additional signage for the loading docks to be on the I-35W side.

Commissioners agreed that they had consensus that the proposed use is appropriate for the site.

**MISCELLANEOUS**

Commissioners McCool and Doan will respectively attend the City Council meetings on February 1, 2016 and February 16, 2016.

Chair Solomonson noted that in 2016 Commissioner Doan will serve as Chair, and Commissioner McCool will serve as Vice Chair. Abraham Wolfe will begin as a new Commissioner at the next meeting. This was Commissioner Pat Schumer's last meeting and Chair Solomonson thanked him for his years of service.

A Planning Commission workshop scheduled at 6:00 p.m. immediately preceding the next regular Planning Commission meeting was postponed to the March 22, 2016 meeting.

Commissioner McCool thanked Chair Solomonson for his years of service as Chair.

**ADJOURNMENT**

MOTION: by Commissioner McCool, seconded by Commissioner Ferrington to adjourn the meeting at 12:09 a.m.

VOTE: Ayes - 6 Nays - 0

ATTEST:

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Kathleen Castle  
City Planner