



STAFF REPORT

To: Mayor and City Council
Heather Butkowski, City Administrator

Date: May 10, 2019

RE: Application for PUD Development Stage Review – 1795 Eustis Senior Apartment Housing and Public Hearing

CC: Daren Amundson, City Engineer, Stantec
Stacie Kvilvang, Ehlers

From: Jennifer Haskamp
Consulting City Planner

Introduction

Real Estate Equities (“Applicant”), is requesting Development Stage PUD review of the proposed 1795 Eustis Senior Housing project (“Project”) consistent with Chapter 7 Planned Unit Developments (PUD), section 10-7-8 of the City Code. The Development Stage review requires a duly noticed public hearing to be held for consideration of the proposed Project. The public hearing has been noticed for May 14, 2019 at 7:30 PM to allow for public testimony, comments and questions regarding the Project.

Summary of Request

The following summary of the Development Stage PUD is provided for your consideration. Because the application materials are complex, staff has included a summary of the items submitted to aid in your consideration of the request and discussion.

Project Summary

Applicant:	Real Estate Equities Alex Bisanz, Dir. of Acquisitions Patrick Ostrom, Ian Schwickert,	Address/ PIDs:	1795 Eustis Street 172923330001
Applicant’s Representatives:	Dave Morck, AIA, Kaas Wilson Petro Megits, AIA, Kaas Wilson PJ Disch, PE, Loucks	Site Size:	1.68 Acres
		Proposed Project Summary:	114 Senior Living Affordable Apartments Underground & Surface Parking
Owner:	City of Lauderdale	Request:	Development Stage Review of 1795 Eustis Senior development; Project requires re-zoning to PUD, alley
Land Use:	Low Density Residential (2030)		



	High Density Residential (2040; to be adopted)		vacation, development approvals (including CUP), and TIF. This review is for land use approvals only (TIF is separate, but related analysis)
Zoning:	R-1 (Suburban Residential)		

The Applicant is proposing to redevelop the site with an age-restricted (senior) affordable apartment building. The units will be affordable at the aggregate of 65% of Area Median Income (AMI). The Plans are generally consistent with the Concept Plan, with slight modifications. The following summary of the proposed Project, as well as those items that have been updated, modified or added are provided in the following:

- The proposed building ranges between three (3) and four (4) stories. The north elevation (Spring Street) and east elevation (Eustis Street) are predominantly four stories, with a step-down to three stories at the corners to provide visual interest. The west elevation (Malvern Street) is three stories. There is a proposed roof-top deck/community space on the northwest corner which is accessed from the fourth story.
- The Unit Mix includes 89 one (1) bedroom/one (1) bathroom and 25 two (2) bedroom/two (2) bathroom units. Based on this unit mix, approximately 78% of the units are one-bedroom, and 22% are two bedrooms.
- Gross rents range between \$885/unit and \$1,485/unit excluding parking and additional storage rates. Parking stalls can be rented at \$75/stall, and additional storage at \$15/space.
- The unit sizes are between approximately 773 and 1,283-square feet as indicated on sheet SD_000.
- The proposed Project includes indoor community space including a fitness center, club room, hobby and conference rooms all located on the first floor. There are no formal outdoor amenities proposed, except for the roof-top deck on the roof of the third floor.
- A full landscape plan has been submitted and includes proposed fence screening along the southern property lines and monument signage at the entrance from Eustis Street.
- The Parking Schedule on sheet SD_000 indicates a total parking count of 98 underground stalls (94 standard, 4 handicap accessible), and 22 surface lot stalls (20 standard, 2 handicap accessible).

Background

The City acquired the property at 1795 Eustis Street at the end of 2017 with the intent of finding a developer that would be interested in redeveloping the site. After acquisition, the City's financial consultant-initiated contact with developers that construct/build senior housing consistent with the City's 2040 Comprehensive Plan. Objectives in selecting finding a developer



included: 1) that if possible the project would make the City ‘whole’ and that a financial loss would not be incurred; 2) if market conditions were favorable that the developer would build a senior project or there would be a senior component included in the redevelopment; 3) that the Project would maintain a level of affordability in the community; and 4) that the developer would be responsible for acquiring the necessary permit approvals and entitlements for the Project.

The process for this Project is more complex than a traditional application process because the City is the landowner, and Real Estate Equities is proposing to purchase the property and to redevelop the site with a specific development plan. As the owner of the property the City’s role is more involved than a typical review process because the City will be a project partner, primarily from a financial perspective, if the proposed Project is ultimately approved and accepted.

Concept Plan Process

The first step in the City’s PUD process is for the Applicant to make a formal application for Concept Plan review. Real Estate Equities submitted a full Concept Plan package in January of 2019 which initiated the review process. The City Council considered the proposed Project at its regular City Council meeting on February 26, 2019 and provided feedback regarding the Concept Plan. After the City Council meeting the Applicant held an Open House on March 19, 2019, and the public was invited to attend to review the proposed Project plans, provide feedback and ask questions. Several residents provided comments and questions regarding the proposed Project, and the most frequent questions/concerns expressed included the following:

- Does the Project (building) have to be so dense? Why are there so many units?
- Does the building have to be four stories? Three stories seem more reasonable.
- Is there enough parking? What about traffic on Eustis and the alleyway?

The Development Stage application materials are consistent with the Concept Plan materials with respect to these three issues – density (number of units), height and proposed parking. During a following up City Council meeting in April, the Applicant answered some of these questions. First, the Applicant indicated that they cannot reduce the number of units and make the financials of the project work. The number of units is directly correlated to the unit mix, which is discussed in subsequent sections of this report. To achieve the number of units, at marketable square footages, they need to have a portion of the building at four stories. To help mitigate the height they have proposed a flat roof – further discussion regarding how this architectural design impacts height is provided in subsequent sections of this report. Finally, the Applicant indicated that based on their experience residents will pay for parking, and that there is enough onsite to adequately support the residents. To address traffic, a Memo was prepared by a traffic engineer and it indicates that Eustis is adequate to support the increased traffic volume.

Development Stage PUD Application, Conditional Use Permit and Public Hearing



The Applicant prepared its initial Development Stage PUD Application and submitted it for review on April 12, 2019. City Staff deemed the Application incomplete and prepared a letter consistent with Minnesota Statutes 15.99 to notify the Applicant of the incomplete items. After meeting with the Applicant to discuss the needed items, the Applicant prepared the additional materials and submitted them for the City's review on April 24, 2019, and City Staff determined the materials were complete for review and processing. A duly noticed public hearing was posted in the City's Official Newspaper and letters were mailed to property owners within 300-feet of the proposed Project. Per Section 10-7-8 of the City's Ordinances, the purpose of the Development Stage PUD Approval process is to consider and evaluate the proposed development plans. As such, the City's planning and engineering staff have prepared the following review for the consideration by City Council.

Land Use and Zoning Consistency

Section 10-7-8 of the City Code requires that all development stage PUD's are required to meet the standards as set forth in Section 10-3-5, and also must make the following additional findings:

1. The proposed development stage PUD is in conformance with the comprehensive plan;
2. The uses proposed will not have an undue or adverse impact on the reasonable enjoyment of neighboring property or will not be determinantal to potential surrounding uses;
3. Each phase of the proposed development, as it is proposed to be completed, is of sufficient size, composition, and arrangement that its construction, marketing, and operation are feasible as a complete unit, and that provision and construction of dwelling units and common open space are balanced and coordinate;
4. The PUD will not create an excessive burden on parks, schools, streets, and other public facilities and utilities, which serve or are proposed, to serve the area; and
5. The proposed development is designed in such a manner as to form a desirable and unified environment within its own boundaries.

The following Land Use and Zoning analysis is provided to assist the City Council in its findings of the proposed Project.

Comprehensive Plan Review

Section 10-7-4 of the PUD ordinance states, "1) The planned unit development is consistent with the comprehensive plan of the city; and 2) The planned unit development is an effective and unified treatment of the development possibilities on the project site; 3) The development plan will not have a detrimental effect upon the neighborhood in which it is proposed to be located; 4) The planned unit development provides transitions in land use in keeping with the character of adjacent land uses; 5) The proposal better adapts itself to the physical and aesthetic setting of the site and with the surrounding land uses than could be developed using strict standards and land uses allowed within the underlying zoning district..."



The City's 2040 Comprehensive Plan update has been submitted to the Metropolitan Council for their review and eventual approval. The City has received formal comments from the Metropolitan Council and anticipates the final approval of the Plan within 60-days. Given this timeline, the following review summary assumes that the 2040 Comprehensive Plan will be effective at the time the Final PUD development approvals including rezoning, would be granted for the Project.

The 2040 Comprehensive Plan guides the subject site as High Density Residential (HDR) which permits 12.01 – 30 Dwelling Units Per Acre. The Project proposes 114 Units on 1.68 Acres which is approximately 67.8 Dwelling Units Per Acre. This exceeds the City's HDR land use designation when considering the land use designation on an individual site; however, the increased density can be accommodated within the overall land use designation if considered as a whole. Although the proposed density is higher than the guided designation, staff provides the following considerations and clarifications:

- The City's Comprehensive Plan, and the process, regularly discussed and addressed the issue of senior housing and the desire to provide more options for not only the region, but the City's aging population. The proposed use is consistent with the City's stated policies and objectives.
- Affordability within the housing stock, and particularly with respect to senior housing, was discussed as a priority and is identified in the Housing Chapter and the Land Use chapter.
- The Project is a Senior building, which means the square-footage of individual units is smaller than if the building was not age-restricted. For example, if units were marketed to families, there would be a higher proportion of 2- and 3-bedroom units which would bring the overall unit count within the density range contemplated by the City. Staff performed some research of similarly sized market rate apartments and found comparable multi-family buildings with 50-60 units, consistent with the HDR density range. Most of the increased density can be attributed to the Senior use, which is consistent with the City's stated objectives, but requires flexibility from the stated density range.

Zoning Consistency

The site must be re-zoned as stated within Section 10-7-4(A) to accommodate the proposed Project, and the following zoning related applicable standards are identified, “3) The development plan will not have a detrimental effect upon the neighborhood in which it is proposed to be located; 6)The proposal would benefit the area surround the project to a greater degree than development allowed within the underlying zoning district; 7) The proposal would achieve higher quality development than would otherwise occur in the underlying zoning district; and 8) The PUD will not create an excessive burden on parks, schools, streets, or other facilities and utilities that serve or are proposed to serve the PUD.” Final re-zoning will be completed after Development Stage approval concurrent with Conditional Use and Final PUD approval.

Staff offers the following considerations regarding zoning:



- The site is currently zoned R-1 Suburban Residential. The zoning permits Planned Unit Developments as a Conditional Use. The proposed re-zoning to PUD is consistent with the ordinance requirements. It should also be noted that once the 2040 Comprehensive Plan is adopted, that the R-1 zoning district will not longer be consistent with the land use designation and that the standards of the R-1 would likely no longer be applicable.
- This Application includes Development Stage review and a public hearing to consider the Project. Final PUD approval will include a public hearing for vacation of the alleyway, and public hearing for the conditional use related to rezoning for PUD.
- Although it is understood that flexibility from the strict requirements of the R-1 zoning district is requested for this Project, it is important to evaluate the extent to which the requested Project is inconsistent with the R-1 zoning dimensional requirements. The following Table Identifies the R-1 Lot and Yard Requirements compared to the proposed Project:

Dimensional Requirement	R-1 Zoning (or MF use)	Proposed Project
Lot Area (all other uses)	10,000 SF	73,180 SF (1.68 AC)
Lot Width (ft)	80	238.5 (Eustis) 265.0 (Spring)
Front-Yard Setback	25	10.9 (Eustis)
Rear-Yard Setback	20	10.0 (Malvern)
Side-Yard Setback	5	11.8 (Spring)
Maximum Coverage	NA (28% if MF)	55,5313 SF (75.8%)*
Maximum Height	25' or 2 stories	53'1" (est.)
Maximum Fence Height	8'	3'6" and 6'
Parking Requirements	1.5 Parking Spaces/dwelling unit	1.1 Parking space/dwelling unit
Signage	FY Setback 1', 8 SF (16 SF Total)	5'6" x 10' monument sign; internally lit

**Sheet C2-1 provides Impervious Calculation, which includes the parking areas and drive aisles. A separate Coverage calculation was not provided; but would be less than what is noted.*

- Nearly 80% of the units are 1-bedroom. This results in more units, but the number of people/cars/etc., is less than if the building included a higher mix of 2- and 3-bedroom units. Therefore, the increased density will not negatively impact the character of the surrounding neighborhood.
- The scale of the building, and height of the building exceeds the standards of the R-1, and likely exceeds the standards that will eventually be updated and created to support the HDR. Through the Concept Plan review City Staff and City Council requested that architectural considerations be included to mitigate the scale and height of those portions of the building exceeding three stories. Mitigation included step-back of the



fourth story, additional vegetation, color pattern, and parapet details. Solar/shade study was also prepared to address how the proposed building will impact adjacent properties.

- The proposed Project will require flexibility from parking and signage requirements. Staff would recommend placing conditions on any approvals regarding these two items include: 1) that if it is found after leasing that residents are not using the underground parking and that instead residents are overwhelmingly using the local streets that the parking plan be reevaluated and such plans coordinated with the City; and 2) that the monument signage shall be permitted back-lit lighting, but may not include internal lighting and any external light shall be down-cast and/or directed at monument signage.

Site Plan and Dimensional Standards Review

The proposed building is located on the north edge of the site and is a U-shape configuration. Generally, the orientation of the building is logical given the location of the existing road-network including the alleyways. As proposed, the main access into the site is from Eustis Street on the south end of the site. The secondary access is by the existing alley that runs between and parallel to Eustis Street and Malvern Street. Currently this alley includes an east-west alley connection to Malvern Street on the southwest edge of the site that will be closed and will be vacated as part of this Project. Most traffic is projected to exit the site at the main entrance onto Eustis Street rather than using the alleyway. The Project includes 122-parking stalls provided in a combination of underground and surface parking lot areas. The trash and recycling areas are located in the underground parking lot area and are currently located near the elevators that will connect residents to the main lobby area, and ultimately the individual units.

The height of the proposed structure alternates between 3 and 4 stories. The western façade is 3 stories (Malvern), the north and east facades are 4 stories, with the northeast corner stepped down to 3-stories. The maximum height of the structure on the 4-story façade is approximately 47' ³/₄" from average grade to the edge of the parapet.

The following comments and considerations regarding the site plan and dimensional requirements are provided for your review:

Access Comments & Considerations

- Staff requested the Applicant prepare a vehicle-turning analysis to demonstrate that garbage trucks and other large vehicles could safely turn and access the underground parking area. While a vehicle turning analysis was submitted, it does not reflect the requested verification. Staff would recommend that a condition an updated graphic must be submitted for review by the City Staff.
- The main entrance onto Eustis Street includes the main drive aisles as well as an 11-stall parking bay that appears tight. Staff requested an analysis be prepared to demonstrate the parking area does not conflict with the drive aisle. While a Vehicle Turning analysis graphic was submitted it does not provide adequate analysis regarding this area. This area should be modeled to demonstrate that there is adequate space for both the entrance drive aisle and the parking stalls. For example, if there is any stacking of



vehicles leaving the site that will occur in the southern 'lane' of the exit which may block the vehicles in the parking spaces. This graphic should be submitted for review and analysis by the City Staff.

- If the access/driveway locations are approved in the current configuration, the alley on the south edge of the site must be vacated as part of the PUD Final Stage approval process. A separate application to vacate the alley must be submitted with Final PUD application, and a public hearing to consider the vacation must be held.
- The City Engineer has also reviewed the Site Plan, and their comments are provided as Attached.

Parking Comments & Considerations

Several parking related items remain outstanding. Staff requests that the Applicant submit additional information for consideration, and they be prepared to address the following items during their presentation at the May 14th meeting.

- The Applicant should provide supporting data regarding how the parking ratio of 1.1 parking stalls per unit was derived. The City's ordinance requires 1.5 parking stalls per unit, which would result in an additional 47 parking stalls being needed. Staff is not suggesting that this is a requirement of the Project, but we do need additional information to ensure that there is adequate parking on-site.
- The Overview states that parking stalls will be available for an additional monthly rent. Staff requests additional information regarding how many residents (units) are anticipated to rent stalls, and how many are projected to have cars and not rent stalls.
- Snow removal should be described. Based on the surface parking areas, and general site plan, there is little to no space internal to the site for snow removal and storage.
- The 11-stall parking bay near the main entrance drive should be verified for accessibility as described in previous sections. Additionally, since this edge shares a property line with a single-family structure directly south of the parking stalls fencing detail must be provided to demonstrate how issues such as headlights will be mitigated on this edge. This is also referenced in the landscape section notes.

Height Comments & Considerations

During the Comprehensive Plan process there was significant discussion regarding appropriate height of a structure on the subject site. Generally, the neighborhood and policy-makers concluded that 3-stories would be acceptable and compatible to adjacent single-family users which is consistent with the re-guiding of the property to HDR in the 2040 Plan. The current zoning is R-1 which limits the maximum height of a building to 25-feet; however, that zoning is inconsistent with the new HDR designation so additional consideration should be given. The following considerations are provided regarding height:

- Sheet SD_160 provides a section demonstrating the difference of the proposed structure compared to the existing school building on the site. As shown, the maximum difference is approximately 24-feet on the elevation with the four (4) stories. However, as previously noted, to help mitigate this difference, the Applicant has proposed to step-back the fourth story to reduce the scale and massing of the building at the street level.



- Since the Comprehensive Plan process indicated a 3-story building would be acceptable, the Applicant has prepared a height comparison of a three-story building versus a four-story building. Sheet SD_161 demonstrates that a 3-story multi-family building with a pitched/sloped roof is of comparable height to a 4-story multi-family building with a flat roof. Interestingly on the Eustis side, the 3 story with a pitched roof (to the peak) is taller than the 4-story flat roof by a little more than 2-feet.
- Both structures would ‘feel’ similar in scale and bulk, provided architectural considerations and details are included (see subsequent sections of this report).
- The Spring Street elevation (north) has the greatest height and will ‘feel’ approximately 53-feet high at Spring Street due to the sloping topography.

Because of the height, particularly along Spring Street, Staff requested a shade study be completed so that the impact of the Project could be demonstrated on adjacent parcels (Sheet SD_105). Staff provides the following comments regarding the shade study:

- The winter solstice demonstrates a large/extreme shade over the properties directly north of the site through the duration of the day. Staff is concerned about this impact, particularly because the property on the northwest corner of Spring Street and Eustis Street has a solar panel installation on the detached garage. However, moving to a 3-story on the north elevation does not accomplish much improvement. To determine actual loss of productivity of the solar panels, a full analysis would need to be completed.
- Staff does acknowledge that the Applicant responded to our request to address the north and eastern facades, and that has attempted to mitigate the scale on Spring Street and Eustis Street by stepping down the ‘bump’ out areas to 3-stories which gives the appearance of the fourth story stepping back. While this architectural change does improve the massing and scale, it does not improve the impact of the building on the adjacent northerly parcels.

Landscape Plan

A full landscape plan has been provided and is shown on sheet L1-1. The Plan is a significant improvement from the Concept Plan stage and more detail is provided. The following comments and updates are summarized in the following:

- Edge treatment at southern property line includes a proposed 6-foot vinyl privacy fence and vegetative screen. While this accomplishes the objective of screening, staff questions the usage of vinyl and would look for input from adjacent property owners regarding the material choice. During the meeting with adjacent neighbors, staff believes there was discussion regarding a natural material such as cedar fencing.
- Landscape treatment wrapping the northeast corner of the building has been identified and is shown in the perspective drawing. An appropriate landscape guarantee should be included as a condition of approval and addressed within the Development Agreement.



- Maintenance of all on-site hardscape improvements including the fence, retaining walls, and paths should be the responsibility of the owner/operator and will be included in the Development Agreement.
- While the retaining wall is denoted, staff would request detail be provided regarding proposed materials, colors, etc., and that all hardscape details be provided (walkways, etc.)

Architectural Plan

The architectural plans have been updated, and

- The added balconies on the north, east and west elevations help add dimension and texture to the façade. The balcony pattern on the west elevation has been updated to reflect City Staff's recommendations.
- Parapet details have been addressed, including the reduction of parapet heights on the north and east elevations.
- The differentiation in material is nice and adds visual interest. The exterior materials proposed are now accurately reflected on the plans. Staff would request the Applicant bring a material sample board to the public hearing denoting the proposed materials.
- The color pattern is improved, and staff appreciates the attention to a more horizontal color pattern to help reduce the scale.
- A photometric plan addressing exterior parking lot lighting was provided and demonstrates compliance with the City's ordinances.
 - Light fixture detail on the building were not identified but should be incorporated at the entrance. Fixtures should be down-lit and fixture type verified as part of the full construction plans. This condition should be incorporated into the Development Agreement.
- Monument Sign: Details regarding the sign structure were provided, but materials for the sign-type area were not included. The size and scale exceed the permitted standards in the R-1 zoning district and require flexibility from the City's ordinance. Staff would provide the following additional considerations regarding potential conditions:
 - The "sign" portion, or that which lettering would be affixed, should not be fully illuminated. Back-lit letters, or direct ground lighting may be acceptable.
 - The materials of the base on the monument should be consistent with the retaining wall materials, or other stone details present on the site.

Engineering Review

The City Engineer has completed a review of the Development Stage application materials and has provided a memo which is provided in Attachment X. Staff would recommend including a condition of approval that the Final Development plans should incorporate and address all of the City Engineer's recommendations. This should also be incorporated in the Development Agreement.

Requested Additional Information for Consideration



In addition to any items requested by the City Council at the May 14th meeting, and in response to the public hearing, staff has identified the following additional information necessary to complete the review:

- Parking Details as denoted, including turning movement verification
- Additional detail addressing parking stall anticipated usage
- Plan for snow removal
- Hardscape details, including retaining walls
- Clarity regarding proposed sign area and lettering/lighting treatment

Action requested

Staff is not requesting formal action on May 14, 2019 but is requesting direction to:

- Prepare a resolution of Development Stage PUD approval with appropriate conditions provided supplemental materials have been submitted for review.
- Prepare a resolution of Development Stage PUD denial, to be brought forward at the next meeting, with appropriate findings.

Attachments

Applicant's Overview

Site Plan

ALTA Survey

Architectural Plans

Perspective Drawings

Landscape Plan

Traffic Memo

City Engineer's Review