



## MEMORANDUM

To: Mayor and City Council

Date: May 24, 2019

CC: Heather Butkowski, City Administrator

RE: Real Estate Equities Development Stage  
PUD application for a Senior  
Development at 1795 Eustis Street

### Public Hearing Summary

On May 14, 2019 the City Council held a duly noticed public hearing to consider the request of Real Estate Equities to construct and operate a Senior Building on the site located at 1795 Eustis Street. The public hearing was well attended and many residents provided public testimony. The following summary regarding the testimony is provided for reference and discussion and is not meant to be exhaustive of all testimony (the full record can be found in the meeting minutes). Much of the public testimony focused on the following themes:

1. Residents are concerned about the height of the structure and how it will affect the character of the community and immediate neighborhood.
2. Residents are concerned about the density and number of units in the project. This comment is most directly correlated with the massing of the building – that is, how big it will feel on the site.
3. Residents are concerned about the traffic and the parking based on the number of units
4. Residents are concerned about the demolition of the existing school and the potential environmental impacts since the structure contains lead and other penitential hazardous materials.

In addition to the consistent testimony related to the themes identified above, other testimony that requires some discussion includes the following:

5. Impact of the proposed building to the solar panels located on the detached garage on the northwest corner of Spring Street and Eustis Street.
6. Impact of the proposed project on property values if approved as-is.

### Research and Supplemental Information

To assist the City Council with discussion, and potential actions, in response to public testimony Staff has conducted additional research and due diligence regarding the identified concerns.

#### Research/Additional Information #1: Height

- Because the Zoning Ordinance has not been updated for consistency with the new High-Density Residential land use designation there is not an established maximum height for the proposed use (which is most consistent with the City's R-3 zoning district since the proposed building is not a single-family structure). To assist the Council in determining what would be acceptable staff has done some research of similarly situated Cities (first-ring) experiencing infill development of multi-family structures. Cities fitting this



criterion included St. Louis Park, Robbinsdale, Brooklyn Center, Richfield, Mendota Heights, etc. The follow observations regarding codes include the following:

- The cities researched identified a range of maximum permitted heights in zoning districts comparable to Lauderdale’s R-3. The City of St. Louis Park’s R-4 ordinance is an interesting example because it provided a height maximum (40’) when abutting an R-1 or R-2 zoning district. However, permits exceptions if a building is proposed to exceed 40’ then the side-yard setback must be increased for each foot beyond 40’ on the side abutting an R-1 or R-2 zoning district. Other Cities researched provided maximum heights between 40 and 50’, with the only outlier of Mendota Heights that provides no maximum.
- *Staff’s Comments* – The City Council will have to consider ultimately what the City’s R-3 zoning district requires, but that process has not been kicked-off yet. So, at least researching other cities with similar development characteristics provides some guidance as to what is ‘reasonable’ with respect to the requested height. The proposed structure is approximately 47-50’ which is consistent with how similarly situated cities would regulate height of a multi-family building.
- Staff researched other building types, such as townhomes and rowhomes for comparison since the density range permits a minimum of 12 dwelling units per acre. While sitting in a public hearing last Tuesday, Pulte Group proposed a rowhome/townhome type product in the nearby City of New Brighton. (Staff will bring pictures of this product, and other samples to the May 28 meeting). The proposed townhome structures are a maximum of 46-feet, with three stories. This product type would fall at the low-end of the City’s density range, which demonstrates that when the City’s ordinance is updated that the maximum height will likely need to permit heights between 40 and 50 feet to achieve the required density even at the low end of the density range.

#### Research/Additional Information #2: Number of Units/Mass

- Staff offers the same analysis as presented in the Staff Report prepared for the May 14, 2019 meeting. The higher density (number of units) is heavily correlated to the dominance of 1-Bedroom units proposed. If the project were flipped, that is there are 80% 2-bedroom units in the project, the density would be brought down by almost half, but it would have no affect on the ‘massing’ or how it feels to adjacent properties.
  - *Further Consideration: The Applicant has indicated that the financing of the project will not work if the number of units is reduced.*
- As shown in the Pulte Group townhome example, if the site were developed with townhomes, the massing would feel similar and would not significantly change the ‘feel’ of the streetscape or experience of adjacent properties. In some respects, a suburban townhome product could significantly alter the character of the neighborhood. Suburban rowhomes are less consistent with a traditional urban grid pattern than a multi-family building which dot urban neighborhoods throughout the country.



### Research/Additional Information #3: Traffic and Parking

- Staff has requested information/data to support the developer's requested parking arrangement. This information has not been provided by the Applicant, and staff continues to request this information.
- With respect to parking, the City Council could request a condition be included in any approval, and within the Development Agreement that the developer must monitor the parking and if it is not being used/leased that appropriate modifications and adjustments be made to the parking plan acceptable to the City.

### Research/Additional Information #4: Demolition and potential hazardous materials

- Staff would note that all demolition activities will require a demolition permit, and that includes a permit and monitoring by the Minnesota Pollution Control Agency (MPCA) since the building has known hazardous materials. Staff would recommend that it be placed in the conditions of any approval and that the development agreement include language that the permitting process must be followed and adhered to strictly given the known contamination of the existing building.

### Research/Additional Information #5: Impact to Solar Panels

- Staff has researched the State Statutes and resources provided by the League of Minnesota Cities. First, to Staff's knowledge, there are no recorded air/solar easements recorded against the subject property that benefit the adjacent property with the solar panels. In the absence of an easement, there are no formal, clearly articulated, regulations or rules that would prohibit the construction of a building that shades and or/impacts the efficiency of adjacent solar installations.
- While there are no formal requirements, staff does acknowledge and understand that there is a potential impact to the adjacent solar panels. To begin to quantify the potential impact, Staff has requested and obtained the energy output of the system from the resident to aid in determining what, if any, mitigation should be incorporated into any development approvals.
- Staff would suggest some discussion regarding this item with the intent of determining whether a condition is necessary to be included in any development approval.

### Research/Additional Information #6: Impact to Adjacent Property Values

- Generally, the industry has concluded that multi-family buildings and senior buildings do not negatively impact adjacent residential property values if buildings are properly developed (i.e. construction and design standards consistent with neighboring properties).
- Staff would suggest asking the developer if they have any market studies regarding this issue that could be shared to help answer some of the questions posed during the public hearing. (Staff is aware that such studies exist but does not have a current version).



## Discussion

Staff recommends discussion and direction from the City Council regarding the following:

- Is the proposed height acceptable? If yes, are there any other mitigation measures that the Council would request to be incorporated? If no, what is the recommended adjustments/changes?
- Is the number of units/density/massing acceptable? If no, what is acceptable?
- Staff has requested additional information regarding parking, does the City Council want additional information?
- Are there any other considerations that should be discussed from the Public Hearing?
- Should City staff continue to identify potential mitigation for the adjacent solar panel installation?
- Is there any additional direction to the Developers regarding any requested changes/modifications to the building or the site? Is there any additional information requested from the developer?
- Should staff prepare a resolution of approval with conditions or a resolution of denial with findings for the consideration of the City Council to the June 11, 2019 meeting?

## Next Steps

The next step is for the City Staff to prepare a resolution for discussion at a future meeting. If the City Council is generally in agreement that the proposed project should be approved with conditions, staff will prepare draft resolution with conditions for discussion based on the discussion at the May 28, 2019 meeting.