Planning Commission Agenda

February 16, 2017  6:30 P.M.

City Council Chambers  Minnetonka Community Center

1. Call to Order

2. Roll Call

3. Approval of Agenda

4. Approval of Minutes  February 2, 2017

5. Report from Staff

6. Report from Planning Commission Members

7. Public Hearings  Consent Agenda

No Items

8. Public Hearings  Non-Consent Agenda Items

A. Conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height, and a variance to add a second curb cut, at 4124 Avondale Street.

   Recommendation: Recommend the council approve the request (4 votes)

   • Recommendation to City Council (Tentative Date: March 6, 2017)
   • Project Planner: Drew Ingvalson
9. Other Business

A. Concept plan review for Newport Midwest at 10400, 10500 and 10550 Bren Road East.

Recommendation: Discussion only. No formal action required.

• Recommendation to City Council (Tentative Date: March 6, 2017)
• Project Planner: Loren Gordon

B. Concept plan review for the Shady Oak Redevelopment located at 4312 Shady Oak Road.

Recommendation: Discussion only. No formal action required.

• Recommendation to City Council (Tentative Date: March 6, 2017)
• Project Planner: Loren Gordon

10. Adjournment
Notices

1. Please call the planning division at (952) 939-8274 to confirm meeting dates as they are tentative and subject to change.

2. Applications and items scheduled for the March 2, 2017 Planning Commission meeting:

   Project Description: The applicant is proposing to divide the two existing lots at 1911 and 1935 Linner Road into a total of four lots, meeting all minimum R-1 standards. The proposal requires approval of preliminary and final plats.
   Project No.: 16030.17a
   Staff: Susan Thomas
   Ward/Council Member: 3—Brad Wiersum
   Section: 04

   Project Description: The property owner is requesting site and building plan approval to construct a 6,000 square foot addition onto the south side of the existing building. To accommodate the building expansion, the applicant is proposing formalized parking and stormwater management onsite.
   Project No.: 89061.17a
   Staff: Ashley Cauley
   Ward/Council Member: 1—Bob Ellingson
   Section: 26

   Project Description: The applicant is proposing a significant interior and exterior remodel of the existing home at 3250 Fairchild Avenue. As part of the remodel, a front porch and second story, generally located over the existing garage, would be added to the home. The proposed additions require front yard, side yard, and shoreland setback variances.
   Project No.: 17003.17a
   Staff: Susan Thomas
   Ward/Council Member: 3—Brad Wiersum
   Section: 17

   Project Description: The applicant is requesting an expansion permit for a front yard setback to construct a new single-family home.
   Project No.: 17002.17a
   Staff: Drew Ingvalson
   Ward/Council Member: 3—Brad Wiersum
   Section: 20
WELCOME TO THE MINNETONKA PLANNING COMMISSION MEETING

This outline has been prepared to help you understand the public meeting process. The review of an item usually takes the following form:

1. The chairperson of the meeting will announce the item to be reviewed and ask for the staff report on the subject.

2. Staff presents their report on the item.

3. The Commission will then ask City staff questions about the proposal.

4. The chairperson will then ask if the applicant wishes to comment.

5. The chairperson will open the public hearing to give an opportunity to anyone present to comment on the proposal.

6. This is the time for the public to make comments or ask questions about the proposal. Please step up to the podium, speak clearly, first giving your name (spelling your last name) and address and then your comments.

7. At larger public hearings, the chair will encourage speakers, including the applicant, to limit their time at the podium to about 8 minutes so everyone has time to speak at least once. Neighborhood representatives will be given more time. Once everyone has spoken, the chair may allow speakers to return for additional comments.

8. After everyone in the audience wishing to speak has given his or her comments, the chairperson will close the public hearing portion of the meeting.

9. The Commission will then discuss the proposal. No further public comments are allowed.

10. The Commission will then make its recommendation or decision.

11. Final decisions by the Planning Commission may be appealed to the City Council. Appeals must be written and filed with the Planning Department within 10 days of the Planning Commission meeting.

It is possible that a quorum of members of the City Council may be present. However, no meeting of the City Council will be convened and no action will be taken by the City Council.
1. **Call to Order**

Chair Kirk called the meeting to order at 6:30 p.m.

2. **Roll Call**

Commissioners Powers, Calvert, Knight, O'Connell, and Kirk were present.

Staff members present: City Planner Loren Gordon, Assistant City Planner Susan Thomas, Planner Drew Ingvalson, and Water Resources Technician Tom Dietrich.

3. **Approval of Agenda** The agenda was approved as submitted.

4. **Approval of Minutes**: January 19, 2017

   *Knight moved, second by Calvert, to approve the January 19, 2017 meeting minutes as submitted.*

   *Powers, Calvert, Knight, O’Connell, and Kirk voted yes. Motion carried.*

5. **Report from Staff**

Gordon briefed the commission on land use applications considered by the city council at its meeting of January 23, 2017:

   - Adopted a resolution approving preliminary and final plats for a subdivision on Sandra Lane.
   - Tabled action on items for The Enclave at Regal Oak on Shady Oak Road.
   - Adopted a resolution approving a one-year extension for approvals for the Music Barn site.

The State of the City Address will be given February 8, 2017 with refreshments available at 7:30 a.m. and the address at 8 a.m.

The next planning commission will be February 16, 2017.

6. **Report from Planning Commission Members**
Chair Kirk stated that construction for the SWLRT is scheduled for 2017 to 2020 and operation to begin in 2021.

7. Public Hearings  Consent Agenda: None

8. Public Hearings

A. Preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.

Chair Kirk introduced the proposal and called for the staff report.

Thomas reported. She recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

Nick Shermeta, applicant, was available for questions. He thanked staff for being easy to work with.

The public hearing was opened.

Keith Christensen, 3916 Cottage Lane, was not opposed to the houses. He asked if the two houses would be identical and was concerned that construction traffic would block the road.

Regina Reed, 3931 and 3923 Cottage Lane, stated that she is scared because she does not know Shadow Investments. She asked for the price of the lot, the sale price of the houses, and the square footage of the properties.

No additional testimony was submitted and the hearing was closed.

Thomas explained that the existing site is 1.1 acres in size. The city’s minimum lot size for a new R-1 lot is 22,000 square feet. Proposed Lot 1 would be 22,040 square feet and Lot 2 would be 26,000 square feet. Both lots would exceed minimum lot area requirements. One of the conditions of approval would require a construction management plan in conjunction with the building permit review process. Contact information for a specific, on-site supervisor would be required as well as a plan to designate where construction workers would park. The city’s website will have a copy of the construction management plan. If there is an access issue causing a public safety hazard, then residents are encouraged to call city hall or the police immediately.
Mr. Christensen explained that the houses would be different. The houses would be between 3,000 and 4,500 square feet in size including the garage. A house across the street is 7,000 square feet in size. Traffic congestion issues would be addressed. Shadow Investments is a family owned and operated company.

Powers invited residents to call the city or police if there is an issue. The plan looks good.

Chair Kirk noted that the subdivision meets all ordinance requirements. He was comfortable moving forward.

**Powers moved, second by Calvert, to recommend that the city council adopt the resolution approving the preliminary and final plats for a two-lot subdivision at 3900 Cottage Lane.**

**Powers, Calvert, Knight, O’Connell, and Kirk voted yes. Motion carried.**

The city council is tentatively scheduled to review this item March 6, 2017.

**B. Conditional use permit for a medical clinic at 10653 Wayzata Boulevard.**

Chair Kirk introduced the proposal and called for the staff report.

Ingvalson reported. He recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

O’Connell asked if there would be a need to increase the amount of handicap parking. Ingvalson said that additional parking and handicap parking stalls could be added if needed and handicap parking requirements would be enforced during the building permit process. Gordon added that since the building size would stay the same, the amount of handicap parking would also stay the same.

John Odom, applicant, stated that he owns Odom Health and Wellness. The proposal is an expansion for the existing clinic located across Interstate 394. The amount of parking would be adequate.

The public hearing was opened. No testimony was submitted and the hearing was closed.

**O’Connell moved, second by Knight, to recommend that the city council adopt the resolution which approves a conditional use permit for a medical clinic at 10653 Wayzata Boulevard.**
Powers, Calvert, Knight, O’Connell, and Kirk voted yes. Motion carried.

The city council is tentatively scheduled to review this item March 6, 2017.

C. Variance to allow two wall signs on a single building elevation at 10653 Wayzata Boulevard.

Chair Kirk introduced the proposal and called for the staff report.

Ingvalson reported. He recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

In response to Chair Kirk’s question, Ingvalson explained that a commercial building with four or more tenants is allowed to have a sign for each tenant. This office building has three tenants and is allowed one sign for each elevation. The clinic would be allowed in an office building with a conditional use permit.

Sean Dahl, applicant, stated that he owns the building and is managing partner. The application is to locate the Odom Health and Wellness sign on the Interstate 394 side of the building to provide more visibility. The tree cover limits the visibility on the other side. He is excited to have the tenant and he agrees to not add another sign on the building.

The public hearing was opened. No testimony was submitted and the hearing was closed.

Chair Kirk felt it would be natural to have two signs facing Interstate 394.

Powers stated that it would be a good business decision. Calvert agreed.

Knight moved, second by Powers, to adopt the resolution approving the variance to allow two wall signs on a single elevation at 10653 Wayzata Boulevard.

Powers, Calvert, Hanson, Knight, O’Connell, Odland, and Kirk voted yes. Motion carried.

Chair Kirk stated that an appeal of the planning commission’s decision must be made in writing to the planning division within 10 days.

9. Adjournment
Knight moved, second by Calvert, to adjourn the meeting at 7:15 p.m. Motion carried unanimously.

By:  ____________________________

Lois T. Mason
Planning Secretary
Minnetonka Planning Commission Meeting
February 16, 2017

Agenda Item 7

Public Hearing  Consent Agenda
(No Items)
Minnetonka Planning Commission Meeting

February 16, 2017

Agenda Item 8

Public Hearing  Non-Consent Agenda
Conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street.

Recommend the city council adopt the resolution approving the request.

The applicants, Chad and Sheryl Vugteveen, are proposing to construct a 1,130 square foot detached garage with a second driveway. As there is already an existing detached garage on the property, the proposed garage will expand the total area of accessory structures on the site to 1,841 square feet. (See attached).

This proposal requires:

- **Conditional Use Permit (CUP):** Accessory structures exceeding 12 feet in height and/or 1,000 square feet of gross floor area are conditionally permitted uses within residential districts.

- **Variance:** A conditional use permit standard for accessory structures exceeding 12 feet in height and/or 1,000 square feet is “no additional curb cuts to be permitted.”

The planning commission makes a recommendation to the city council, which has the final authority to approve or deny the request. (City Code §300.06.4).

There are two separate requests being made with this proposal: (1) a conditional use permit for an oversized accessory structure; and (2) a variance for a second curb cut. These have been separated into two different reviews.

Staff finds that the applicants’ request meets the specific and general conditional use permit standards outlined in city code.
General CUP Standards

The proposed accessory structure would meet the general standards outlined in city code as it would:

- Be consistent with the intent of the ordinance;
- Be consistent with the goals, policies and objectives of the comprehensive plan;
- Not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements; and
- Not have an undue adverse impact on the public health, safety, or welfare of the community.

Specific CUP Standards

The proposed accessory structure would meet all of the specific CUP standards, with the exception of the requirement prohibiting additional curb cuts.

1. Side and rear setbacks equal to height of the structure or 15 feet, whichever is greater.

   **Finding**  The proposed structure would be setback 15 feet from the side property line and nearly 70 feet from the rear property line.

2. No additional curb cuts to be permitted.

   **Finding**  The applicant has proposed an additional curb cut on the property. The applicants have requested a variance for this non-compliance with the specific CUP standards.

3. Not to be used for commercial activities.

   **Finding**  The applicant has stated that the structure and property would not be used for commercial purposes. The applicant has stated that the structure would be used to store personal vehicles including a classic car, daily vehicle, snow blower, lawn mower, pair of snow mobiles, and other miscellaneous personal items.

4. Structure to be architecturally consistent with the principal structure.
Finding  The applicant is proposing that the structure would have architectural features similar to the existing home and detached garage.

5. Landscaping to be required to buffer views when the structure is highly visible from adjoining properties.

Finding  The proposed structure is located over 90 feet from the nearest home. In addition, there is vegetation on the subject property and adjacent properties that will assist in buffering the views to the detached garage.

6. Site and building plan subject to review pursuant to section 300.27 of this ordinance.

Finding  The proposed garage would meet the site and building plan standards as outlined in City Code Section 300.27 Subd. 5.

Variance Standards

Staff finds that the applicant’s request meets the variance standards outlined in city code.

1. The proposal is in harmony with the general purposes and intent of the zoning ordinance:

Finding  The proposal is in harmony with the general purposes and intent of the zoning ordinance.

The intent of the specific conditional use permit standard prohibiting additional curb cuts is to limit the proliferation of driveway accesses on residential lots. City Code Section 1105.060, which is outside of the zoning regulations chapter, addresses multiple driveways on single family lots. This section allows a lot to have a second driveway on the same street when the lot has a street frontage of at least 110 feet. The subject property has over 150 feet of frontage. Per this Section 1105.060, the subject property would be allowed a second curb cut if the property owner was not applying for a conditional use permit for an oversized accessory structure.

The proposal is in harmony with the general purposes and intent of the zoning ordinance as the subject property would be allowed a second curb cut if it weren’t for the conditional use permit request for an oversized accessory structure.
2. The proposal is consistent with the Comprehensive Plan:

Finding The proposed variance is consistent with the comprehensive plan. The guiding principles in the comprehensive guide plan provide for maintaining, preserving and enhancing existing single-family neighborhoods. The requested variance would preserve the residential character of the neighborhood and would provide investment into a property to enhance its use.

3. Practical Difficulties: There are practical difficulties in complying with the ordinance.

a) Reasonableness and Circumstance Unique to the Property:

Finding Staff has found that the request for a variance to allow an additional curb cuts is reasonable. The subject property has 154 feet of street frontage. Per city code, properties are permitted to add a second curb cut as long as the property has at least 110 feet of street frontage. The subject property meets this requirement and would be permitted a second curb cut if the property owner was not requesting a conditional use permit for an accessory structure.

Further, the subject property is nearly 45,000 square feet in area. The large area of the property and the large amount of frontage creates an acceptable situation for a second curb cut and driveway.

b) Neighborhood Character:

Finding The subject area is not characterized by properties with two curb cuts. However, the addition of a second driveway on the subject property would not alter the essential character of the neighborhood. The subject neighborhood is largely characterized by the large lots, the majority are over 30,000 square feet, many of which have adequate frontage for a second driveway. Seven of the nine properties with frontage on Avondale Street, including the subject property, would be allowed a second driveway. Without construction of accessory structure over 1,000 square feet or 12 feet in height, such driveway could be administratively reviewed and approved. (See attached).
Staff Recommendation

Recommend that the city council adopt the attached resolution. This resolution approves a conditional use permit for 1,841 square feet of accessory structures that exceed 12 feet in height and a variance to add a second curb cut at 4142 Avondale Street.

Originator: Drew Ingvalson, Planner
Through: Loren Gordon, AICP, City Planner
Supporting Information

Project No. 17001.17a

Property 4142 Avondale Street

Applicants Chad and Sheryl Vugteveen

Surrounding Land Uses All surrounding properties are improved with single family residential homes, zoned R-1 and guided for low density residential.

Planning Guide Plan designation: Low density residential Zoning: R-1

Site features The subject property is just over one acre in size. The property is improved with a split level single-family home with a detached garage. The detached garage has a gross floor area of 711 square feet. The detached garage has non-conforming front and side yard property line setbacks.

The subject home was built in 1957. The majority of the homes on Avondale Street were built during the 1970s.

Proposal The proposed detached garage would be 1,130 square feet in size and would be used to store a classic car, daily use car, snowmobiles, snow blower, lawn mower, and other miscellaneous personal items.

As proposed, the building height is 12 feet 6 inches. The building height was found by measuring from the highest grade to the midpoint of the highest roof peak.

Commercial Business The property owners have confirmed that they own and run a contracting business. Staff was initially concerned about this business, as contracting businesses – beyond office activities associated with such, are prohibited on residential property. Moreover, accessory structures receiving a conditional use permit for area or height are strictly prohibited from being used for commercial uses.

Mr. Vugteveen has stated that any equipment or items used by his contracting business are stored in a storage building in the City of Plymouth and that no equipment will be stored in the proposed garage or home. (See attached letter dated 1/31/17). The only business conducted at Mr. Vugteveen’s home is office
work, such as general paper work and construction design. The applicant has informed staff that the proposed garage would store a:

- classic car;
- daily driver car;
- snow blower;
- lawn mower;
- pair of snowmobiles; and
- other miscellaneous personal items.

**Natural Resources**

A proposed grading and tree preservation plan must be provided prior to issuance of the permit and must clearly indicate proposed trees to be removed to determine tree mitigation requirements. Any tree mitigation will need to be installed prior to final inspection.

**Motion Options**

The planning commission has the following motion options:

1. Concur with staff’s recommendation. In this case, a motion should be made recommending the city council approve the proposal based on the findings outlined in the staff-drafted resolution.

2. Disagree with staff’s recommendation. In this case, a motion should be made recommending the city council deny the request. The motion should include findings for denial.

3. Table the request. In this case, a motion should be made to table the item. The motion should include a statement as to why the request is being tabled with direction to staff, the applicant or both.

**Pyramid of Discretion**
Voting Requirement

The planning commission will make a recommendation to the city council on the applicant’s proposal. A recommendation for approval requires an affirmative vote of four members.

The city council’s final approval requires affirmative votes of five councilmembers, due to the variance request.

Neighborhood Comments

The city sent notices to 47 area property owners and received no comments to date.

 Deadline for Decision

March 14, 2017
LEGAL DESCRIPTION:
Lot 11, 12 and the North half of Lot 13, Block 2, WOODSTOCK, Hennepin County, Minnesota.

SCOPE OF WORK & LIMITATIONS:
1. Showing the length and direction of boundary lines of the legal description listed above. The scope of our services does not include determining what you own, which is a legal matter. Please check the legal description with your records or consult with competent legal counsel, if necessary, to make sure that it is correct and that any matters of record, such as easements, that you wish to be included on the survey have been shown.
2. Showing the location of observed existing improvements we deem necessary for the survey.
3. Setting survey markers or verifying existing survey markers to establish the corners of the property.
4. Showing elevations on the site at selected locations to give some indication of the topography of the site. The elevations shown relate only to the benchmark provided on this survey. Use that benchmark and check at least one other feature shown on the survey when determining other elevations for use on this site or before beginning construction.
5. While we show a proposed location for this home or addition, we are not as familiar with your proposed plans as you, your architect, or the builder are. Review our proposal of the improvements and proposed yard grades carefully to verify that they match your plans before construction begins. Also, we are not as familiar with local codes and minimum requirements as the local building and zoning officials in this community are. Be sure to show this survey to said officials, or any other officials that may have jurisdiction over the proposed improvements and obtain their approvals before beginning construction or planning improvements to the property.
6. Note that all building dimensions and building tie dimensions to the property lines, are taken from the siding and or stucco of the building.

STANDARD SYMBOLS & CONVENTIONS:
** Denotes iron survey marker, set, unless otherwise noted.

** Legend:**

- Building
- Fence
- Pole
- Utility pole
- Iron survey marker
- Newly Proposed Structure
- Existing Structure
- Waterline
- Sewer line
- Gas line
- Camera line
- Complete Surface

* * Information supplied to us from our client. We make no representation that this information will work with the site. We were asked to add this information by our client.
January 13, 2017

RE: 4142 Avondale St. Conditional use Permit Application.

Owners Statement:

We are applying for a conditional use permit in order to construct an additional detached garage on our 1 acre site at 4142 Avondale St. The existing garage on our site is detached and would remain on site. Our existing detached garage is 22x32 or 704 sq. ft. The additional garage we propose to construct is 1,130 sq. ft. With the new proposed additional garage our total detached garage space would be 1,834 sq. ft. on our 1 acre site.

We are applying for the conditional use permit for the 834 sq. ft. of garage area above the 1,000 sq. ft. of accessory building area currently allowed. We are also applying to install a second driveway and entrance from the street to the new garage location. This is noted on the included survey/site plan.

Regards,

Chad and Sheryl Vugteveen

Home Owners
Mr. Ingvalson,

The purpose of this letter is to answer questions raised in your letter to me dated January 31, 2017 regarding how the proposed garage structure would be used. There were also questions raised in your letter as to if I would use the proposed garage structure in my contracting business.

The proposed building would be used to store personal vehicles including a classic car and a daily driver. Miscellaneous other items include a snowblower, lawn mower, and a pair of snowmobiles.

I don’t have many items to store for my small contracting business. However any items I need to store for my business are stored in a storage building in Plymouth, MN which I own. No business equipment will be stored in the proposed garage building. I do not have any business equipment or items stored at my home currently.

I do use a home office to design projects and for general paperwork needs for my business. No business meetings are held in my home office. For the foreseeable future my business will remain the same size with all meetings off-site at customers’ homes. I have no plans to change or expand my contracting business.

Feel free to contact me for any additional information you might find useful to your review.

Regards,

Chad Vugteveen

Chad Vugteveen
Resolution No. 2017

Resolution approving a conditional use permit for accessory structures exceeding 1,000 square feet in area and 12 feet in height, and a variance to add a second curb cut, at 4142 Avondale Street

Be it resolved by the City Council of the City of Minnetonka, Minnesota, as follows:

Section 1. Background.

1.01 The applicants, Chad and Sheryl Vugteveen, are proposing to construct a 1,130 square foot detached garage with a second driveway accessing the garage. The proposed garage will expand the total area of accessory structures on the site to 1,841 square feet.

1.02 The property is located at 4142 Avondale Street. It is legally described as:

BLOCK 2, Lots 11, 12, AND OF NORTH ½ OF LOT 13 INCLUDING ADJACENT ½ OF VACANT ALLEY.

1.03 On February 16, 2017, the planning commission held a hearing on the proposal. The applicant was provided the opportunity to present information to the planning commission. The planning commission considered all of the comments received and the staff report, which are incorporated by reference into this resolution. The commission recommended that the city council approve the permit.

Section 2. General Standards.

2.01 City Code §300.16 Subd. 2 outlines the following general standards that must be met for granting a conditional use permit:

1. The use is consistent with the intent of this ordinance;

2. The use is consistent with the goals, policies and objectives of the comprehensive plan;
3. The use does not have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements; and

4. The use does not have an undue adverse impact on the public health, safety or welfare.

Section 3. Specific Standards.

3.01 City Code §300.16 Subd. 3(f) outlines the following specific standards that must be met for granting a conditional use permit for detached garages in excess of 1,000 square feet:

1. Side and rear setbacks equal to the height of the structure or 15 feet, whichever is greater;

2. No additional curb cuts to be permitted;

3. Not to be used for commercial activities;

4. Structure to be architecturally consistent with the principal structure;

5. Landscaping to be required to buffer views when the structure is highly visible from adjoining properties;

6. Site and building plan subject to review pursuant to section 300.27 of this ordinance.

Section 4. Variance Standards.

4.01 By City Code §300.07 Subd. 1, a variance may be granted from the requirements of the zoning ordinance when: (1) the variance is in harmony with the general purposes and intent of this ordinance; (2) when the variance is consistent with the comprehensive plan; and (3) when the applicant establishes that there are practical difficulties in complying with the ordinance. Practical difficulties means: (1) The proposed use is reasonable; (2) the need for a variance is caused by circumstances unique to the property, not created by the property owner, and not solely based on economic considerations; and (3) the proposed use would not alter the essential character of the surrounding area.

Section 5. Findings.

5.01 The proposal meets the general conditional use permit standards outlined
in City Code §300.16 Subd. 2.

1. The proposal is consistent with the intent of this ordinance. City ordinance permits accessory structures over 1,000 square feet and 12 feet in height as conditional uses in the R-1 district.

2. The proposal is consistent with the comprehensive plan. The guiding principles in the comprehensive guide plan provide for maintaining, preserving and enhancing existing single-family neighborhoods. The proposal would preserve the residential character of the neighborhood and would provide investment into a property to enhance its use.

3. The proposal has been reviewed by the city’s building, engineering, planning, natural resource, and fire staff. It is not anticipated to have an undue adverse impact on governmental facilities, utilities, services or existing or proposed improvements.

4. The use is not anticipated to have an undue adverse impact on the public health, safety or welfare.

5.02 The proposal meets the specific conditional use permit standards outlined in City Code §300.16 Subd. 3(f).

1. The proposed structure would be setback 15 feet from the side property line and nearly 70 feet from the rear property line.

2. The applicant has proposed an additional curb cut on the property. This variance from the specific CUP standards is discussed further in Section 5.03 of this resolution.

3. The applicants have stated that the structure would be used to store personal vehicles including a classic car, daily vehicle, snow blower, lawn mower, pair of snow mobiles, and other miscellaneous personal items. The applicants have stated that the structure and property would not be used for commercial purposes. This has been included as a condition of this resolution.

4. The applicants are proposing that the structure would have architectural features similar to the existing home and detached garage.

5. The proposed structure would be located over 90 feet from the nearest home. In addition, there is vegetation on the subject property
and adjacent properties that would assist in buffering the views to the detached garage.

6. The proposed garage would meet the site and building plan standards as outlined in City Code Section 300.27 Subd. 5.

5.03 The proposal meets the variance standards outlined in City Code §300.07 Subd. 1.

1. The proposal is in harmony with the general purposes and intent of the zoning ordinance. The intent of the specific conditional use permit standard prohibiting additional curb cuts is to limit the proliferation of driveway accesses on residential lots. City Code Section 1105.060, which is outside of the zoning regulations chapter, addresses multiple driveways on single family lots. This section allows a lot to have a second driveway on the same street when the lot has a street frontage of at least 110 feet. The subject property has over 150 feet of frontage. Per this Section 1105.060, the subject property would be allowed a second curb cut if the property owner was not applying for a conditional use permit for an oversized accessory structure.

The proposal is in harmony with the general purposes and intent of the zoning ordinance as the subject property would be allowed a second curb cut if it weren’t for the conditional use permit request for an oversized accessory structure.

2. The proposed variance is consistent with the comprehensive plan. The guiding principles in the comprehensive guide plan provide for maintaining, preserving and enhancing existing single-family neighborhoods. The requested variance would preserve the residential character of the neighborhood and would provide investment into a property to enhance its use.

3. There are practical difficulties in complying with the ordinance.

a) Reasonableness and Unique Circumstance: The request to allow additional curb cuts is reasonable. The subject property has 154 feet of street frontage. Per city code, properties are permitted to add a second curb cut as long as the property has at least 110 feet of street frontage. The subject property meets this requirement and would be permitted a second curb cut if the property owner was not requesting a conditional use permit for an accessory structure.
Further, the subject property is nearly 45,000 square feet in area. The large area of the property and the large amount of frontage creates an acceptable situation for a second curb cut and driveway.

The request for a variance from the conditional use permit standard prohibiting an additional curb cuts is reasonable.

b) Neighborhood Character: The subject area is not characterized by properties with two curb cuts. However, the addition of a second driveway on the subject property would not alter the essential character of the neighborhood. The subject neighborhood is largely characterized by the large lots, the majority are over 30,000 square feet, many of which have adequate frontage for a second driveway. Seven of the nine properties with frontage on Avondale Street, including the subject property, would be allowed a second driveway. Without construction of accessory structure over 1,000 square feet or 12 feet in height, such driveway could be administratively reviewed and approved.

Section 6. City Council Action.

6.01 The above-described conditional use permit is approved, subject to the following conditions:

1. Subject to staff approval, the property must be developed and maintained in substantial conformance with the following plans:
   - Survey revision dated January 16, 2017
   - Building plan and elevations received January 13, 2017

2. Prior to issuance of a building permit:
   a) This resolution must be recorded with Hennepin County.
   b) A driveway permit must be issued.
   c) Proposed grading and tree preservation plan must be provided prior to issuance of the permit and must clearly indicate proposed trees to be removed.
   d) Cash escrow, in an amount to be determined by city staff, must be submitted. This escrow must be accompanied by a
document prepared by the city attorney and signed by the builder and property owner. Through this document the builder and property owner will acknowledge:

- The property will be brought into compliance within 48 hours of notification of a violation of the construction management plan, other conditions of approval, or city code standards; and

- If compliance is not achieved, the city will use any or all of the escrow dollars to correct any erosion and/or grading problems.

e) Erosion control and tree protection must be installed and inspected prior to final inspection.

3. Any tree mitigation required must be installed prior to final inspection.

4. Drainage moving from south to north (to the catch basin) must not be inhibited by the proposed access. The access must allow overland flow or must include a culvert to allow movement of water to the north.

5. The accessory structure may not be used for commercial purposes.

6. The accessory structure cannot be converted into living space.

7. The city council may reasonably add or revise conditions to address any future unforeseen problems.

Adopted by the City Council of the City of Minnetonka, Minnesota, on March 6, 2017.

______________________________
Terry Schneider, Mayor

Attest:

______________________________
David E. Maeda, City Clerk

Action on this resolution
Resolution No. 2017-

Motion for adoption:
Seconded by:
Voted in favor of:
Voted against:
Abstained:
Absent:
Resolution

I hereby certify that the foregoing is a true and correct copy of a resolution adopted by the City Council of the City of Minnetonka, Minnesota, at a meeting held on March 6, 2017.

__________________________________
David E. Maeda, City Clerk
Minnetonka Planning Commission Meeting

February 16, 2016

Agenda Item 9

Other Business
MINNETONKA PLANNING COMMISSION  
February 16, 2017

**Brief Description**  
Concept plan review for Newport Midwest at 10400, 10500 and 10550 Bren Road East.

**Action Requested**  
Discuss concept plan with the applicant. No formal action required.

---

**Background**

Newport Midwest is proposing to redevelop the existing commercial properties at 10400, 10500 and 10550 Bren Road East. The concept plan contemplates redevelopment of the existing office buildings to construct 240 units of rental housing on the 3.2 acre site. The proposed housing will provide a mix of unit types from studio to 3 bedroom units for a range of income levels. Plans include premium and common-space amenities, outdoor recreational space, underground parking and a small surface parking lot. (See attached plans)

The site is nearly built out with the 3 office buildings and associated surface parking lots. Green space exists adjacent to the buildings and at the periphery of the parking lots. The site is nearly flat with little topographic change and no on-site stormwater treatment facilities in place. An existing trail extends along the northern portion of the site connecting to the broader Opus trail system. Surrounding land uses are primarily office or business warehouse oriented. The site is zoned B-2 limited business district and guided mixed use in the 2030 comprehensive plan.

Adjacent to the site is the future Green Line light rail transit extension and Opus Station. The station platform would be a short walk, 700 feet, from the proposed housing. Construction on the rail line will begin this year with operations anticipated to begin in 2021. The Opus Station area plan identifies the site and other adjacent properties in close proximity to the station as candidates for redevelopment as new housing and employment. In planning for the Green Line extension, a housing analysis was performed for each of the 15 stations to project market demand for housing within ½ mile of the stations within the next 15 years. The analysis projected the market would likely demand over 11,000 housing units for the entire line from Eden Prairie to Minneapolis, of which, 600 housing units were projected for the Opus Station. (See SWLRT Housing Gaps Analysis attachments)

**Key Issues**

City staff has identified the following considerations for any development of the subject properties:
• **Change of land use** The Opus business park was originally designed as a large mixed use development providing the opportunity for people to live, work and play. (See attached Opus 2 brochure) change of land use from an employment use to housing is consistent with the vision for Opus and the need for additional housing in close proximity to the Opus Station.

• **Site Plan** The proposed site plan shows two buildings of 5 and 6 stories. Underground parking would connect both buildings with one common access located near the west end of the surface parking lot. Access to the site is located on a common private driveway at the east property line. Discussion about a single access for both surface and underground parking lots is needed.

A play area is provided for residents along the trail. Other greenspace area provides opportunities for resident’s enjoyment. Internal trails and walkways are connected to the Opus trail system in multiple locations. Comments about the size, location and level of amenity of these areas are appropriate discussion items.

• **Building Character** Building elevations have not been provided. Input on building massing and desired character is important. This project could be the first redevelopment project near the Opus Station and will establish a design character for other projects to follow.

**Review Process**

Staff has outlined the following review process for the proposal. At this time, a formal application has not been submitted.

• **Neighborhood Meeting.** The developer held a neighborhood meeting on January 26, 2017. No one attended the meeting.

• **Planning Commission Concept Plan Review.** The planning commission Concept Plan Review is intended as a follow-up to the neighborhood meeting. The objective of this meeting is to identify major issues and challenges in order to inform the subsequent review and discussion. The meeting will include a presentation by the developer of conceptual sketches and ideas, but not detailed engineering or architectural drawings. No staff recommendations are provided, the public is invited to offer comments, and planning commissioners are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

• **City Council Concept Plan Review.** The city council Concept Plan Review is intended as a follow-up to the planning commission meeting and would follow the same format as the planning commission Concept Plan Review. No staff recommendations are provided, the public is invited to offer comments, and council
members are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

Staff Recommendation

Staff recommends the planning commission provide comment and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Originator: Loren Gordon, AICP, City Planner
ADDITIONAL INFORMATION

Next Steps

- **Formal Application.** If the developer chooses to file a formal application, notification of the application would be mailed to area property owners. Property owners are encouraged to view plans and provide feedback via the city’s website. Through recent website updates: (1) staff can provide residents with ongoing project updates, (2) residents can “follow” projects they are particularly interested in by signing up for automatic notification of project updates; (3) residents may provide project feedback on project; and (4) and staff can review resident comments.

- **Neighborhood Meeting.** Prior to the planning commission meeting and official public hearing, an additional public meeting would be held with neighbors to discuss specific engineering, architectural and other details of the project, and to solicit feedback. This extends the timing that has historically been provided in advance of the planning commission review to allow more public consideration of the project specifics.

- **Council Introduction.** The proposal would be introduced at a city council meeting. At that time, the council would be provided another opportunity to review the issues identified during the initial concept plan review meeting, and to provide direction about any refinements or additional issues they wish to be researched, and for which staff recommendations should be prepared.

- **Planning Commission Review.** The planning commission would hold an official public hearing for the development review and would subsequently recommend action to the city council.

- **City Council Action.** Based on input from the planning commission, professional staff and general public, the city council would take final action.

Roles and Responsibilities

- **Applicants.** Applicants are responsible for providing clear, complete and timely information throughout the review process. They are expected to be accessible to both the city and to the public, and to respect the integrity of the public process.

- **Public.** Neighbors and the general public will be encouraged and enabled to participate in the review process to the extent they are interested. However, effective public participation involves shared responsibilities. While the city has an obligation to provide information and feedback opportunities, interested residents are expected to accept the responsibility to educate themselves about the project.
and review process, to provide constructive, timely and germane feedback, and to stay informed and involved throughout the entire process.

- **Planning Commission.** The planning commission hosts the primary forum for public input and provides clear and definitive recommendations to the city council. To serve in that role, the commission identifies and attempts to resolve development issues and concerns prior to the council’s consideration by carefully balancing the interests of applicants, neighbors, and the general public.

- **City Council.** As the ultimate decision maker, the city council must be in a position to equitably and consistently weigh all input from their staff, the general public, planning commissioners, applicants and other advisors. Accordingly, council members traditionally keep an open mind until all the facts are received. The council ensures that residents have an opportunity to effectively participate in the process.

- **City Staff.** City staff is neither an advocate for the public nor the applicant. Rather, staff provides professional advice and recommendations to all interested parties, including the city council, planning commission, applicant and residents. Staff advocates for its professional position, not a project. Staff recommendations consider neighborhood concerns, but necessarily reflect professional standards, legal requirements and broader community interests.
LOCATION MAP

Landon/Domus Group
10400, 10500 and 10550 Bren Road East
ABOUT THIS CHAPTER:
The Transitional Station Area Action Plans are the product of a Hennepin County led effort to help communities along the Southwest LRT corridor prepare for SW LRT’s opening day in 2018 and beyond.

An individualized plan has been created for each of the 17 stations in the Southwest corridor, each plan comprising a chapter in the larger Southwest Corridor Investment Framework. The station area action plans suggest ways to build on local assets, enhance mobility, identify infrastructure needs, and capitalize on promising opportunities for development and redevelopment near each station.

Plan Components:
INTRODUCTION 13-2
A brief overview of the station location and its surroundings

WHERE ARE WE TODAY? 13-4
A description of existing conditions in the station area, including:
» Land Use
» Transit Connections
» Access + Circulation Issues (Bike, Ped, and Auto)
» Infrastructure Needs

WHERE ARE WE GOING? 13-8
This section presents a number of recommendations for the station area in anticipation of opening day needs and the long-term TOD environment. This includes:
» Access + Circulation Plan
» Station Area Site Plan
» Infrastructure Plan
» Development Potential
» Summary of Key Initiatives

OPUS STATION WITHIN THE CORRIDOR:
A prestigious employment area connected to the station via an extensive network of trails and centered upon a walkable mixed-use core.

EMPLOYMENT The Opus station is a major employment center located near Highway 169, Highway 62, and Shady Oak Road (see Place Types discussion beginning on p. 1-19). It is the largest employment center in Minnetonka and home to many high-profile businesses including United Health Group, Comcast, and American Family Insurance. The station will be an important stop for the thousands of employees that commute to the Opus Business Park from surrounding areas.

TRAIL CONNECTIONS The area is characterized by a 6-mile trail network which gives the area a park-like feel, and a distinctive looped roadway network that links employment buildings with hotels, retail establishments, and local residential neighborhoods in the surrounding area. The trail system can be accessed off Smetana Road and Shady Oak Road at Red Circle Drive. Along with providing area employees with a space for passive recreation and exercise, the trails provide important connections to areas throughout the business park and beyond, however, it rarely connects to the front doors of the businesses.

NEIGHBORHOODS Residential areas are located within the business park in the north and east areas, including a mix of apartments, condominiums, and townhomes. Additional residential density will occur in the area over time and will generate transit ridership. While these areas are not transit-supportive in nature, they are all linked to the station via the extensive trail network.
Station Location

The Opus station is located in the center of the Opus Business Park, a major employment center with a mix of light industrial, office, housing, hotel accommodations, retail, and restaurants in the station area.

The area is characterized by its campus-like setting, circuitous one-way road network, and off-street trail system. The Opus station is anticipated to serve local businesses and residents in the area. This station has strong potential to be a transit stop for reverse commuters.

OPUS STATION AREA TODAY:

West entrance on Shady Oak Road

Existing office

Local wetland

Existing trail underpass

NOTE: 10-minute watershed approximates the area accessible within a 10-minute walk from the station platform using only the existing sidewalk/trail network. See Glossary for walkshed assumptions and methodology.
**Where Are We Today?**

The following section describes the station area’s EXISTING CONDITIONS, including the local context, land uses, transit and transportation systems, pedestrian and bicycle facilities, assets, destinations, and barriers to accessing the station. This analysis of current conditions presents key issues and opportunities in the station area and informs the recommendations for future station area improvements.

**NOTE:** Existing conditions maps are based on data provided by Hennepin County and local municipalities. The data used to create each map is collected to varying degrees of accuracy and represents infrastructure and conditions at varying points in time. Actual conditions may vary slightly from what is shown.

---

**Land Use**

The Opus station area is an important employment center with a mix of industrial, light industrial, and office uses. These are the predominant uses in the area, however, there are other uses that will potentially benefit from LRT transit, including nearby residential, hotel, and retail/commercial uses located near Shady Oak Road and Highways 62 and 169. There is also a fair amount of park and open space located to the north of the Opus station.

**FIGURE 13-2. EXISTING LAND USE**

Data Source: Metropolitan Council
Roadway Network

The roadway network near the Opus station is a circuitous, one-way road network. It presents challenges to uninitiated motorists, pedestrians, and bicyclists. Roadways are limited and block sizes are large. Major roadways in the area include Shady Oak Road, located about a half-mile to the west of the station, Highway 62, located about a half-mile to the south of the station, and Highway 169, located about a half-mile to the east of the station.

Transit

Existing bus service near the Opus station includes bus route #12, which runs along Bren Road West, with bus stops on Bren Road West and Bren Road East near the proposed station platform. In addition to public bus transit, some local businesses offer a circulator bus shuttle service.
Sidewalk, Trails and Bikeways

The sidewalk system in the Opus station area is extremely limited. The off-street multi-use trail system that runs throughout the Opus campus offers connections to most areas and businesses. While trail access is generally good, many businesses lack trail connections to building entries. The existing trail network in the area offers grade separation from roadways, reducing conflicts between trail users and motorists.

Existing Sanitary Sewer

Sanitary sewer infrastructure consists of a collection of gravity flow sewer mains, lift stations, and pressurized forcemains that transport sewage to a wastewater treatment plant (WWTP). An efficient collection system has the capacity to accommodate all of the existing land uses within its particular sewershed. Beyond capacity, the material and age of pipes within a system can also impact a system’s effectiveness.

Sanitary sewer infrastructure within the project area is typically maintained by either the City of Minnetonka or by the Metropolitan Council Environmental Services (MCES) Division. MCES maintains a series of interceptor trunk sewers which collect sewage at key locations and convey sewage across community boundaries to regional WWTPs. Wastewater from the station area is treated by the MCES Blue Lake WWTP located in Shakopee.
Existing Water Main

Water main distribution systems serve to supply potable water to individual properties and to support fire suppression throughout the community. A well-designed system can maintain adequate pressure to support demand of individual properties and provide high flow rates to fire hydrants/fire suppression systems in emergency situations. Because of the complexity of water distribution networks and the importance of pressure, flow, and water quality, City water system models are used to evaluate a system’s adequacy. The material and age of the system’s water mains can also be factors in system breaks, leaks, and pressure and flow degradations. Water pressure and flow rates can be influenced by: the size of water main serving an area, proximity and elevation relative to a water tower, proximity to a trunk water main with high flow capacity, if the main creates a loop, the demand of adjacent land uses, and the condition of the main.

Stormwater

Opus station is located in Nine Mile Creek Watershed District. A significant portion of the drainage is directed north into wetlands and then into Nine Mile Creek. The creek is impaired by chloride and fish biology. In addition, there are numerous wetlands throughout the area, many of which receive piped stormwater. The 100-year floodplain from the creek extends into the north portion of the walk zone. Discharging within one mile of impaired water may trigger additional National Pollution Discharge Elimination System measures which require additional stormwater management. For impaired waters with a Total Maximum Daily Load, the requirements may increase further. Zoning requirements for areas within the 100-year floodplain may limit development/ redevelopment potential. Any development/redevelopment is anticipated to improve existing drainage as a result of enforcing City and Watershed requirements.
Where Are We Going?

The plans and diagrams on the following pages illustrate a range of recommendations for infrastructure improvements, station amenities, and potential redevelopment opportunities within the station area.

The ACCESS AND CIRCULATION PLAN shown in Figure 13-9 provides a high level view of how future transit, automobile, bike, and pedestrian systems will connect to the station area and its surroundings.

Figure 13-10 illustrates the STATION AREA IMPROVEMENTS that will facilitate access to and from the station and catalyze redevelopment in the station area. This includes opening day and long-term station area improvements.

Figure 13-11 focuses on OPENING DAY STATION AREA IMPROVEMENTS only. These recommendations represent the improvements necessary to enhance the efficient function of the transit station, roadways, pedestrian and bicycle connections, and transit connections on opening day in 2018.

Station Area Improvements

The discussion below outlines a range of future station area improvements. While some of the identified improvements may be constructed as part of the LRT project itself, other improvements must be funded, designed and constructed by other entities and will require coordination between the City, County, and Metro Transit as well as local stakeholder and community groups.

ROADWAYS

Opening Day Improvements:

» Rely primarily on the existing street and block network to support pedestrians and cyclists. No new roadways are anticipated for opening day.

» Select roadway changes near the LRT station (noted below as long-term improvements) could be constructed by opening day to provide better traffic flow into and out of the area. Such improvements include the reversal of traffic flow on Red Circle Drive and/or Green Oak Drive. As of December 2013, these improvements are not part of the SW LRT anticipated base project scope and are not slated for opening day implementation (subject to change).

Long-Term Improvements:

» Over time, introduce new roads near the station platform. These new roads should be organized to create smaller blocks for future development and intensification near the transit station as well as enhance connections to the stations. Consider two-way movement near the station on these new roads to calm traffic near the station.

» Other future roadway changes near the LRT station include minor realignment and routing changes to Opus Parkway, Yellow Circle Drive, Blue Circle Drive, Green Oak Drive, Red Circle Drive, Bren Road East and Bren Road West, based upon a recent Opus Area Traffic Study prepared for the City of Minnetonka by WSB & Associates.

PEDESTRIAN CONNECTIONS

Opening Day Improvements:

» Extend the path connections from bus stops, Park and Ride, and Kiss and Ride locations to the proposed LRT station platform.

» Develop a new grade-separated crossing of Bren Road East leading to and from the north end of the station platform.

» Locate wayfinding signage at the station and key decision making points along the path network away from the station to direct people to area businesses, homes, and other destinations.

» Initiate path improvements throughout the network (as shown in Figure 13-9) including pedestrian-oriented lighting and underpass improvements.
TRANSIT CONNECTIONS

*Opening Day Improvements:*

» Provide new bus facilities near the station platform for connecting bus routes.

» Develop a place for an employer-operated shuttle pick-up and drop-off.

BIKE CONNECTIONS

*Opening Day Improvements:*

» Provide bike parking to the east of the northern entrance to the platform where it is easily accessible to trail users and is highly visible.

» Explore the potential for bike share facilities at the station and key destinations away from the station to support riding to work from the station.

KISS AND RIDE

*Opening Day Improvements:*

» Develop a Kiss and Ride / Shuttle loop near the station platform.

PARK AND RIDE

*Opening Day Improvements:*

» Develop a small temporary Park and Ride facility to the northeast of the station with the intent of redeveloping the site over time.

STATION AMENITIES (*Beyond SW LRT Base Project Scope*)

*Opening Day Improvements:*

» Wayfinding – include signage and wayfinding near the station area platform, the Park and Ride/Kiss and Ride facility, and along trails near the station.

» Seating – provide comfortable and durable seating near the station platform and at the Park and Ride facility.

» Lighting – provide adequate lighting for the safety of pedestrians, bicyclists, and motorists near the station platform, at the Park and Ride facility, and near the Kiss and Ride/shuttle drop-off.

» Plaza – provide a public plaza area near the station platform to provide transit users with a paved queue area to wait for LRT trains, gather, and move about the station area.

» Bike Facilities – provide bicycle parking, lockers, and bike share facilities in a highly visible area near the station platform.

» Public Art – provide public art in the station area.

POTENTIAL DEVELOPMENT

*Long-Term Improvements:*

» See the “Development Potential” discussion on page 13-16 for more on long-term development opportunities.

UTILITIES

» See the “Station Area Utility Plan” beginning on page 13-18 for all utility recommendations.
WHERE ARE WE GOING?

This illustration includes both existing and proposed facilities to show the full network of future bike, pedestrian, automobile, and transit connections.

NOTE: Existing walkshed approximates the area accessible within a 10-minute walk from the station platform using only the existing sidewalk/trail network. Future walkshed incorporates all proposed improvements to the sidewalk/trail network. Walksheds are based on GIS modeling and available sidewalk/trail information- and may not reflect exact on-the-ground conditions. See Glossary for detailed explanation of walkshed assumptions and methodology.
Figure 13.10. Station Area Improvements

Where Are We Going?

Potential Redevelopment Site (2.19 Acres)
Potential Redevelopment Site (2.93 Acres)
Potential Redevelopment Site (2.64 Acres)
Potential Redevelopment Site (2.14 Acres)
Potential Redevelopment Site (0.86 Acres)
Potential Redevelopment Site (0.90 Acres)

LRT Platform
Freight Line
Bus Stop
Bus Shelter
New Sidewalk / Sidewalk Improvement
New Roadway
New Sidewalk / Sidewalk Improvement
New Roadway
New Crossing / Crossing Improvement
New Signalized Intersection
Bike Parking
Wayfinding
Public Art Opportunity
Potential Development Site
Plaza Space / Building Setback Area

Faded symbology indicates existing facilities and infrastructure.
WHERE ARE WE GOING?

FIGURE 13-11. OPENING DAY STATION AREA IMPROVEMENTS

- LRT PLATFORM
- FREIGHT LINE
- BUS STOP
- BUS SHELTER
- NEW SIDEWALK / SIDEWALK IMPROVEMENT
- ON STREET BIKE INFRASTRUCTURE
- MULTI-USE PATH
- NEW CROSSING / CROSSING IMPROVEMENT
- NEW ROADWAY
- BIKE PARKING
- WAYFINDING
- PARK AND RIDE
- PUBLIC ART OPPORTUNITY
- POTENTIAL DEVELOPMENT SITE
- PLAZA SPACE / BUILDING SETBACK AREA

MINNEAPOLIS • ST. LOUIS PARK • HOPKINS • MINNETONKA • EDEN PRAIRIE
Opening Day Improvements

The following tables and diagrams outline the proposed improvements to be implemented in advance of SW LRT’s opening day in 2018. Table 13-1 and Figure 13-12 show opening day improvements that are part of the SW LRT anticipated base project scope; these improvements will be part of the overall project cost for construction of the LRT line. Table 13-2 and Figure 13-13 include opening day improvements that are recommended as part of the Southwest Corridor Investment Framework and are beyond SW LRT’s anticipated base project scope.

TABLE 13-1. SOUTHWEST LRT ANTICIPATED BASE PROJECT SCOPE - OPENING DAY STATION AREA IMPROVEMENTS

<table>
<thead>
<tr>
<th>PLAN KEY</th>
<th>IMPROVEMENT</th>
<th>PROJECT LOCATION</th>
<th>PROJECT NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>LRT Platform</td>
<td>Along the east side of Bren Rd. E.</td>
<td>Includes related LRT infrastructure</td>
</tr>
<tr>
<td>B</td>
<td>Park and Ride</td>
<td>Northeast of station platform</td>
<td>Approx. 90 stall surface lot, leased (includes private shuttle stop/turnaround)</td>
</tr>
<tr>
<td>C</td>
<td>Kiss and Ride</td>
<td>Northeast of station platform</td>
<td>Dropoff area and turnaround within Park and Ride lot</td>
</tr>
<tr>
<td>D</td>
<td>Bus Facilities</td>
<td>Bren Rd. W., north of park and ride</td>
<td>New bus bay on Bren Rd W. for 2 bus routes</td>
</tr>
<tr>
<td>E</td>
<td>Roadways</td>
<td>Intersection of Bren Rd. E and Bren Rd. W.</td>
<td>Realigned left turn lane from Bren Rd. W. to Bren Rd. E.</td>
</tr>
<tr>
<td>F</td>
<td>Sidewalk/Trail</td>
<td>Bren Rd. E., west of LRT station platform</td>
<td>Grade separated trail crossing</td>
</tr>
<tr>
<td>G</td>
<td>Sidewalk/Trail</td>
<td>Bren Rd. W., north of park and ride</td>
<td>ADA access ramp to existing grade separated trail crossing of Bren Rd. W.</td>
</tr>
<tr>
<td>H</td>
<td>Bike Facilities</td>
<td>Near station platform</td>
<td>Allowance for bike storage</td>
</tr>
<tr>
<td>I</td>
<td>Wayfinding</td>
<td>Near station platform</td>
<td>Allowance</td>
</tr>
<tr>
<td>J</td>
<td>Landscaping</td>
<td>Near station platform</td>
<td>Allowance</td>
</tr>
<tr>
<td>K</td>
<td>Water*</td>
<td>Varies</td>
<td>New water service and fire hydrant to station</td>
</tr>
<tr>
<td>L</td>
<td>Utilities*</td>
<td>Varies</td>
<td>Adjustment of existing utilities w/in project area</td>
</tr>
<tr>
<td>M</td>
<td>Stormwater</td>
<td>Varies</td>
<td>Allowance</td>
</tr>
</tbody>
</table>

Note: Anticipated Southwest LRT Base Project Scope as of December 2013 (subject to change)
* Improvement not symbolized on opening day figures (exact location to be determined as part of the base project scope)

TABLE 13-2. SOUTHWEST CORRIDOR INVESTMENT FRAMEWORK (TSAAP) - OPENING DAY STATION AREA IMPROVEMENTS

<table>
<thead>
<tr>
<th>PLAN KEY</th>
<th>IMPROVEMENT</th>
<th>PROJECT LOCATION</th>
<th>PROJECT NOTES</th>
<th>PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Park and Ride</td>
<td>Northeast of station platform</td>
<td>Enhanced planting areas/trees</td>
<td>Secondary</td>
</tr>
<tr>
<td>2</td>
<td>Roadways</td>
<td>Red Circle Drive Reversal</td>
<td>New connections associated with reversing the traffic flow.</td>
<td>Primary</td>
</tr>
<tr>
<td>3</td>
<td>Sidewalk/Trail</td>
<td>Varies</td>
<td>Multi-use trails to complete gaps in trail system w/in 10 min walkshed</td>
<td>Secondary</td>
</tr>
<tr>
<td>4</td>
<td>Intersection Enhancement</td>
<td>Bren Rd. E. and Yellow Circle Dr., southeast of station platform</td>
<td>Grade separated crossings</td>
<td>Secondary</td>
</tr>
<tr>
<td>5</td>
<td>Bike Facilities</td>
<td>Near station platform</td>
<td>Bike parking, lockers, pump station and bike share facilities (beyond SPO improvements)</td>
<td>Primary</td>
</tr>
<tr>
<td>6</td>
<td>Wayfinding</td>
<td>Near station platform and park and ride</td>
<td>Signage and wayfinding (beyond SPO improvements)</td>
<td>Primary</td>
</tr>
<tr>
<td>7</td>
<td>Stormwater management</td>
<td>Near station platform and park and ride</td>
<td>Green infrastructure (beyond SPO improvements)</td>
<td>Primary</td>
</tr>
<tr>
<td>8</td>
<td>Public Art</td>
<td>Near station platform and park and ride</td>
<td>Public art (beyond SPO improvements)</td>
<td>Secondary</td>
</tr>
<tr>
<td>9</td>
<td>Public Plaza</td>
<td>Near station platform</td>
<td>Public plaza with paving, seating, plantings, lighting, and signage (beyond SPO improvements)</td>
<td>Secondary</td>
</tr>
<tr>
<td>10</td>
<td>Sanitary Sewer</td>
<td>Near station platform</td>
<td>Upsize existing 8-inch sanitary sewer to 10-inch minimum in conjunction with LRT rail construction</td>
<td>Primary</td>
</tr>
</tbody>
</table>
Development Potential

OVERVIEW
Key factors at the Opus station that present opportunities for future redevelopment include the presence of older, low-rise, light industrial buildings near the proposed station platform that may be ripe for redevelopment into more intense, mixed-use.

The land uses in the Opus station area include a mix of office, light industrial, commercial/retail, residential, hotel, and park/open space uses. Several underutilized industrial sites present opportunities for future redevelopment in the area. The property directly east of and adjacent to the proposed station platform presents an opportunity for higher density and mixed land uses.

Key challenges that should be addressed to facilitate development potential include land uses, additional roadways and existing roadway improvements, smaller block sizes near the station, trail connectivity in the station area, and wayfinding.

LAND USES
Development potential for the Opus station area could include a mix of office, light industrial, residential, hotel, and retail uses.

PLANNING STRATEGIES
Strategies that should be considered to facilitate future development in the station area include the introduction of a finer grain of streets and block sizes to enhance station mobility and set up a framework for higher density development near the station. Streetscape and trail improvements connecting the station area with potential development sites, local destinations, neighborhoods, and bus transit facilities will enhance development potential in the area.
Key Considerations for Change and Development Over Time

Development within the station area should focus on increasing density and mix of uses and creating a walkable street and block network within the Bren Road loop that can connect pedestrians via paths to more remote offices throughout station area. Key considerations should include:

**BUILT FORM AND LAND USE**

» Introduce higher density office, hotel, and commercial development with active street level uses facing the station and key pedestrian routes leading to and from the station.

» Design new buildings in the Bren Road loop to enhance pedestrian access by orienting them towards the street and locating them as close to the street line as possible.

» In employment buildings with manufacturing uses, locate the office components adjacent to pedestrian paths, streets and/or open spaces where they can contribute to street life and promote more “eyes on the street”.

» Should the Merchandise Mart site be redeveloped, ensure new development establishes a new east-west pedestrian connection linking the southern end of the station platform with areas to the east.

» Design and size the Park and Ride facility so that it has the potential to be redeveloped with higher density uses over time.

» Design parking structures to reflect the characteristics of more active building types by screening diagonal ramps, screening parked cars from view, and when next to a street incorporating active uses at street level.

**PUBLIC REALM**

» Restrict outdoor storage within the station area so that it does not detract from the image of the area or discourage new higher density employment uses.

» Initiate pathway improvements including pedestrian-oriented lighting, underpass enhancements, and wayfinding at key decision-making points along all paths leading to and from the station.

**MOBILITY**

» Develop a new walkable street and block pattern on the lands within the Bren Road loop including a new two-way street system connecting Bren Road East with Bren Road West to create an address for new development.

» Extend the existing multi-use path network into the Bren Road Circle from all sides and connect the path extensions to the LRT platform.

» Minimize the impact of parking and circulation on pedestrians by locating parking in structures or to the rear or side of new buildings, and consolidating access and service drives.

» Parking access, loading, and servicing elements should be shielded and located to the rear of the building.

» Limit vehicular access points along Bren Road.

Office development that fronts the street

Shielded loaded bays to the rear of the building

Pedestrian path through development
Station Area Utility Plan

OVERVIEW
The station area utility plan and strategies recommended below were developed by considering future transit-oriented development within the station area, as depicted by the Station Area Improvements Plan (Figure 13-10). Minnetonka will need to apply these localized recommendations to the city wide system to ensure that the potential development/redevelopment will not be limited by larger system constraints. Existing models or other methods can be used to check for system constraints in the station areas.

Minnetonka should also consider reviewing the condition of their existing utilities in the station development area. The station construction would provide Minnetonka an opportunity to address any utilities needing repairs. Once the larger system has been reviewed for system constraints, Minnetonka will be able to accurately plan for necessary utility improvements in their city Capital Improvement Program (CIP). All utilities located beneath the proposed LRT rail or station platform should be encased prior to the construction of these facilities. The cost associated with encasing these facilities is assumed to be a project cost and is not included in potential improvements identified for the City of Minnetonka CIP.

APPROACH
Utility improvement strategies are outlined in this report for the ultimate station area development (2030), as well as improvements which should be considered prior to opening day anticipated in 2018. Although recommendations are categorized in one of these two timeframes, Minnetonka should weigh the benefits of completing more or less of these improvements as land becomes available for future development. Minnetonka should take the utility analysis a level further and model future utilities in their city utility system models.

The proposed development and redevelopment areas were evaluated based on Metropolitan Commission Sewer Availability Charge (SAC) usage rates and estimated flows. Estimated flows for one possible development scenario in this area indicate that internal to the station area, no more than eight inch pipe are necessary to serve the mix of proposed and existing development. Each utility system should still be reviewed to identify capacity and demand constraints to the larger system associated with increase in flows from the proposed developments and existing developments in the area. Minnetonka should anticipate the construction of new municipal utilities in conjunction with new or realigned roadways.

GENERAL RECOMMENDATIONS - SANITARY SEWER
Sanitary sewer recommendations for station area improvements include opportunities for Minnetonka to improve the existing sanitary sewer network, without necessarily replacing existing sewers. When recommendations for “improving” existing sanitary sewer are noted, Minnetonka should consider the level to which each specific sewer should be improved. Methods of improvement could include: lining the existing sewer, pipe joint repair, sewer manhole repair, relocation, and complete replacement.

The following items should be evaluated prior to opening day of the station, although action may not be required until necessary for development:

» Televising existing sewer mains in the station area and proposed development area to determine the condition of the sewer mains, susceptibility for backups or other issues and evaluate for infiltration and Inflow (I&I).

» Locations of known I&I. If previous sewer televising records, city maintenance records, or an I&I study have shown problems, the city should consider taking measures to address the problem.

» The age and material of existing gravity and/or forcemain sanitary sewer in the identified station area. If the lines are older than the material’s typical design life or materials which are susceptible to corrosion relative to soils in the area, the city should consider repairing, lining or replacing the mains.

» Locations of known capacity constraints or areas where city sewer models indicate capacity issues. If there are known limitations, the city should further evaluate the benefit of increasing pipe sizes.

» City sewer system models (existing and future). A review of these models with future development would assist Minnetonka in determining if sewers in the project area should be increased to meet existing or future city system needs.

» Existing sewer pipes should be relocated or encased in areas where they cross or are immediately adjacent to the LRT line/station.
GENERAL RECOMMENDATIONS - WATER MAIN
Water main recommendations for station area improvements also include opportunities for Minnetonka to improve the existing water system network. Creating loops in the network can help prevent stagnant water from accumulating along water main stubs, and creating loops of similar sized water main provides the city a level of redundancy in their water network. Redundancy helps reduce the impacts to the community during system repairs, and also helps stabilize the pressure in the network.

The following items should be evaluated prior to opening day of the station, although action may not be required until necessary for development:

» The age and material of the existing mains in the identified station area. If the mains are older than the materials typical design life or materials which are susceptible to corrosion relative to soils in the area, the city should consider replacing the main.

» Locations of previous water main breaks. If water main breaks repeatedly occur in specific areas, the city should consider replacing or repairing the main.

» Locations with known water pressure issues or areas where city models indicate low pressure. If there are known limitations (for either fire suppression or domestic uses), the city should further evaluate the benefit of increasing main sizes.

» Locations with known or potential water quality issues. If there are mains known to be affecting the water quality (color, taste, odor, etc.) of their system, Minnetonka should consider taking measures to address the problem affecting water quality.

» City water system models (existing and future). A review of these models with future development would assist Minnetonka in determining if mains in the project area should be improved to meet existing or future city system needs based on demand constraints.

» Existing water main pipes should be relocated or encased in areas where they cross or are immediately adjacent to the LRT line/station.

GENERAL RECOMMENDATIONS - STORM SEWER
Local storm sewer improvements are recommended to be completed in conjunction with other improvements in the station area. Improvements which will likely require storm sewer modifications include: roadway realignments, roadway extensions, and pedestrian sidewalk/street scape improvements. Storm sewer improvements may consist of: storm sewer construction, manhole reconstruction, drain tile extensions, storm sewer relocation, and complete replacement. These local storm sewer improvements are included as part of the overall cost of roadway and streetscape improvements recommended in this plan. Where roadway/streetscape improvements are part of the SW LRT anticipated base project scope, associated storm sewer improvements are assumed to be a project cost. Minnetonka should also consider coordinating with the local watershed district and other agencies to review the condition of and capacity of existing trunk storm sewer systems serving more regional surface water needs.

STORMWATER BEST MANAGEMENT PRACTICES
There are numerous stormwater best management practices (BMPs) that can be used to address stormwater quality and quantity. As part of this project, BMP guides were developed for four stations (Royalston, Blake, Shady Oak, and Mitchell) which exemplify the range of development intensity and character in the urbanized environment along the Southwest LRT Corridor. The recommendations and practices identified in each of the four BMP guides are applicable to various stations along the corridor.

Potential stormwater management strategies for this station area may be similar to those shown in the BMP guide for the Shady Oak station (see p. 12-28). Minnetonka should consider implementing applicable best management practices similar to those in the Shady Oak Station BMP guide. Stormwater management recommendations should be constructed in conjunction with public and private improvements and future development/redevelopment in the station area.
Station Area Utility Plan (Continued)

STATION AREA UTILITY RECOMMENDATIONS

Utility recommendations (illustrated in Figure 13-15) are based on a localized analysis of proposed development. It is recommended that the City of Minnetonka take this analysis a step further and review system constraints to the existing and future sanitary sewer and water main systems using existing sewer CAD or water CAD models, or other methods of modeling these systems.

*Opening Day Recommendations:*

1. Encase existing sanitary sewer crossing the LRT rail construction.
2. Encase existing water main crossing the LRT rail construction.
3. Consider upsizing existing 8-inch sanitary sewer crossing Bren Road E. to 10-inch minimum in conjunction with LRT rail construction (confirm with City model).

*Long-Term Recommendations:*

1. Construct 8-inch minimum sanitary sewer in conjunction with roadway construction of new streets east of the station.
2. Construct 8-inch minimum water main in conjunction with roadway reconstruction/construction of new streets east of the station.
EXISTING UTILITIES

PROPOSED UTILITIES

OPENING DAY RECOMMENDATION

LONG-TERM RECOMMENDATION

SERVICE SANITARY
LOCAL SANITARY
TRUNK SANITARY
MCES SANITARY INTERCEPTOR
SANITARY SEWER FORCEMAIN
LIFT STATION

SERVICE WATER MAIN
LOCAL WATER MAIN
TRUNK WATER MAIN
WATER TOWER

GIS Data Incomplete

WHERE ARE WE GOING?
CROSSROADS OF TOMORROW, TODAY.
NEW LIFE IN THE RAW FRONTIER

In the early 1800's, Minnesota was a vast tract of land inhabited only by various bands of Chippewa and Sioux Indians. Around the middle of the century things started to change. Settlers arrived in increasing numbers at St. Paul Landing, the recently designated political capitol for the large expanse of land between the St. Croix and Missouri Rivers.

After a short stay in St. Paul, many of the settlers moved further up river to the smaller village of St. Anthony, the sawmill town by the falls. St. Paul and St. Anthony, both raw frontier communities, offered the excitement, hustle and bustle characteristic of newly created boom towns.

The trail to points west led from these fledgling cities past Lake Calhoun, Lake Harriet, paralleled Minnehaha Creek and eventually ended in the rich farm land surrounding Lake Minnetonka. Those here for the purpose of homesteading or farming followed this trail westward in search of fertile land.

The area comprising Hopkins, Minnetonka, Edina and Eden Prairie soon was settled with families. Civilization had come to this newly instituted Territory of Minnesota. The areas that were populated by these pioneers eventually became towns and villages that still exist today.
The Township of Eden Prairie and Minnetonka came into existence in 1858. Eden Prairie's name was bestowed on it by Elizabeth Ellet, an author of national fame. She was impressed with the beautiful rolling prairies and likened them to her conception of the Garden of Eden. Others must have agreed with her as the township was officially chartered under the name of Eden Prairie in 1858.

About the same time, the Township of Minnetonka was officially chartered, taking its name from the large lake close by. The lake was originally named Peninsula Lake by Calvin Tuttle and Simon Stevens, earlier pioneers. Governor Alexander Ramsey later renamed it Minnetonka, a Sioux word meaning big water.

Hopkins, then a part of Minnetonka Township, had its beginning roughly around 1870. The Minneapolis and St. Louis Railway purchased right-of-ways across farmers' land for their line to St. Louis, Missouri. Once the line was completed, a station was constructed opposite the home of Harley Hopkins and was given the name of Hopkins. With the added growth brought by the railroad, Hopkins became an entity in its own right and in 1887 the village was formally incorporated and separated from Minnetonka Township.

In 1888, Edina followed suit, electing to make their settlement a separate village from that of Richfield. Andrew and John Craik, immigrants from the Old World and pioneers in the new Territory, had come to Minnesota from Edinburgh, Scotland. They opened a flour mill and named it Edina in honor of their homeland. It is from the Craik brothers' Edina flour mill that the village of Edina took its name.

From their first perilous foothold, these four cities grew and prospered. Today, they offer Minnesota a heritage rich in determination, vision and progress, a history as much a part of the present and future as it is of the past.

At the convergence of these four progressive communities, a new pioneering effort has begun. 410 acres of small truck farms and private estates that once belonged to the Minnesota Pioneers has been acquired by Rauenhorst Corporation. The land, located in Minnetonka, Edina, and Eden Prairie, and bordered by Hopkins, will be the site of a new innovative community geared to our modern way of working and living.
OPUS 2

There has long been a need for a new approach to community planning, especially on a large scale. Major cities, unlike smaller communities, are decades behind in responding to our present needs, work habits and life styles. Traffic systems and patterns can no longer handle the growing number of commuters. Present day transportation is producing a pollution problem that was undreamed of back in the 1950's and early 60's. Today's major cities are no longer people oriented.

Mr. Rauenhorst, aware of the direction community planning has taken in the last twenty years and of the problems that have resulted, devised an entirely new approach, one that was people oriented. He called it Opus 2.

Opus 2 combines the history of the past, needs of the present and the projected requirements of the future into a self-contained working/living center offering 95% of what is essential to life. It coordinates office, industrial, commercial and residential areas into an integral working/living environment able to provide jobs, recreation, housing, shopping, medical and cultural facilities. It is self-sustaining, making it profitable for companies to locate there, and it is convenient for commuting. Opus, which means creation, is an appropriate name to apply to this unusual approach to community planning.
Opus 2 went from concept to reality when Data 100 approached Rauenhorst Corporation to build new Corporate Headquarters, an office and plant facility. Rauenhorst was asked to find a suitable site within a designated area. Twenty-five acres were eventually located west of the Twin Cities bordered by Shady Oak Road, County Road 18 and Crosstown Highway 62. While in the process of acquiring the land for Data 100, Rauenhorst noticed that the adjoining acreage was also available. The area was ideal for the Opus 2 concept. The most important criteria were there: Proximity to the surrounding communities, existing access through roads and freeways and over 400 acres of undeveloped land in a suburban location. Rauenhorst Corporation decided to use this opportunity to implement Opus 2.
PREPARATION AND CONSERVATION

Much in-depth research was required concerning the environmental aspects of Opus 2's impact on the area. Independent studies were initiated to determine the feasibility of the automobile primary road system and the pedestrian traffic secondary road system concept as it related to the land use pattern. An environmental assessment was performed. Informal meetings were held with several different agencies, councils, commissions, and governments at the staff level including: the Nine Mile Creek Watershed District, the Environmental Quality Control Council, the Metropolitan Council, the Hennepin County Highway Department, the planning and engineering staffs of Edina, Eden Prairie, Hopkins, and Minnetonka, the Hennepin County Conservation Department and the Metropolitan Transit Commission.

Input received from these groups helped to determine the strength of each element of the Opus 2 concept and how well it would work with other elements of the plan. One of the main elements Rauenhorst Corporation considered during planning was preservation of the area's natural amenities. Rather than redesign the topography to fit the needs of Opus 2, Opus 2 has been designed to coordinate with the environment that already exists. Great care is being taken to preserve ecosystems such as wooded sections, marshes, knolls, valleys and natural water retention areas that enrich and enhance the environmental setting. It is this care and concern for the unspoiled beauty of the land that makes Opus 2 unique.
WORKING IN OPUS 2

Opus 2 is a staged development, taking an estimated ten years for completion. The industrial and office portions of Opus 2, consisting of 2 million square feet, are presently being developed. These will be coordinated with the 55,000 square foot neighborhood convenience shopping center, some residential housing and the 300,000 square foot multi-purpose service center.

Designed to fit today's working/living needs, Opus 2 offers many advantages not found elsewhere. Opus 2's location is nearly perfect for the businessman. Services such as restaurants, hotels, shopping centers, and some of the Twin Cities' greatest recreational facilities are located either in Opus 2 or are just moments away. Opus 2 is serviced by one of the metropolitan area's major arteries, Crosstown Highway 62, which puts the office, commercial and industrial areas of downtown Minneapolis, downtown St. Paul, the suburbs that circle the metropolitan area and the Minneapolis/St. Paul International Airport within minutes of the busy executive. Opus 2 is situated in the heart of the blue and white collar labor markets and is surrounded by four executive residential communities.

Added to this, buildings constructed in Opus 2 are architecturally designed to meld with the environment, avoiding visual congestion and enhancing the natural scenic amenities.

As Opus 2 was being engineered, much thought was given to controlling traffic peaks, thus avoiding rush hour traffic jams. The result is a dual roadway system.
that intra-connects Opus 2. It consists of a one-way primary roadway for standard automobiles and a two-way secondary roadway for pedestrian, bicycle traffic and electric vehicles. The two systems are totally separate and are bridged wherever they intersect. Traffic from the primary system can't cross over or interfere with traffic on the secondary system. Counter-rotating traffic circles and the use of one-way streets in the primary system enable 50,000 vehicles to move in and out of Opus 2 daily without ever encountering oncoming vehicles, traffic signals or stop signs. This transportation system permits easy employee and customer access to all areas of Opus 2 in a continuous and uninterrupted fashion.

Opus 2 is in an ideal location for eventually connecting with mass transportation systems of the surrounding communities of Hopkins, Edina, Eden Prairie, Minnetonka, Minneapolis and St. Paul. Although Opus 2 is presently only minutes from these office, commercial and industrial areas, interconnected mass transportation will further tie Opus 2 into the Metropolitan business community.
LIVING IN OPUS 2

The central feature that blends the office, commercial and industrial portion of Opus 2 with the residential areas is the focal point of the working/living community, the multi-purpose service center. This structure, intended to serve Opus 2 and the surrounding area, will combine a number of uses on the same site. Proposed are high-value specialty shops, cultural facilities such as a community theater, an ecumenical chapel, dining establishments, police, fire and medical auxiliary services, all combined and located in a uniquely designed building.

Situated within casual walking distance of the multi-purpose service center will be a number of neighborhoods, each with its own architectural style and individual characteristics. They will be serviced by the same primary and secondary roadway system that intra-connects the office, commercial and industrial portions of Opus 2.

The treatment of the residential areas will reflect the Rauenhorst Corporation commitment to preserve and enhance the natural environment. Exquisitely manicured grounds will accent the aesthetically designed buildings. Each neighborhood will vary in density and will be convenient to the office, commercial and industrial portions of Opus 2, as well as to the surrounding services, communities, mass transportation systems, parks and recreational areas. The housing will range from rental units to condominiums, providing a way of life that is both distinctive and elegant. Residents will enjoy comfort, beauty, quality and peace of mind living.

Opus 2 living is designed for the discriminating. The over one thousand units planned will provide the ultimate in modern living, offering a new vista in housing experience.
EXCITING CHALLENGES

Numerous challenges are presented by the Opus 2 project; corporate headquarters with adjacent housing, mixed professional, commercial, office, and research facilities, industrial condominiums, preservation of natural amenities, aesthetically designed buildings, new techniques of crime prevention through internal security systems, experimentation with energy supply, the primary/secondary roadway concept, mass transit systems and people movers. These are just a few of the exciting developments planned for Opus 2.

Intense research is presently underway concerning the last category, people movers. Proposed are electric vehicles. They would be advantageous to residents as they would adapt to the dual roadway concept, would cost a fraction of the present sub-compact car, both to purchase and to operate, and they would be non-polluting.

RAUENHORST CORPORATION AND OPUS 2

Opus 2 originated from Mr. Rauenhorst’s deep-seated conviction that he and his firm have a responsibility to society to research and create new methods and ideas for living and working. These new ideas are then implemented through the Rauenhorst Corporation concept of Total Responsibility which includes: site selection, architectural design, financing, development, engineering, construction, leasing, management and maintenance—all under one unified contract. As applied to Opus 2, the Total Responsibility concept has played a major role in helping to create a compatible working/living environment, developed and maintained along stringent standards, that will provide 95% of what is essential to life as well as ensure steadily increasing property values for your firm’s investment. Therefore, Opus 2 isn’t just another development. It’s a singular working/living experience at the crossroad of what was, and what ought to be.

OPUS 2—CROSSROADS OF TOMORROW, TODAY.
Critical to the development of an enterprise such as Opus 2 is the understanding, and support of local governmental bodies during the planning, programming, and construction phases. We have been fortunate indeed to have had a cooperative endeavor emerge with a number of such governmental groups, but especially with the City of Minnetonka. Even as we wrote our Opus 2 brochure, events were moving forward with gratifying rapidity. Zoning of our industrial park and commercial areas was obtained, concept plan approval for the housing area of the plan was granted, and an industrial revenue bond issue providing for the timely completion of the industrial/commercial areas was authorized by the City Council.

We at Rauenhorst Corporation extend special thanks and appreciation to the Council, Planning Commission, and Staff of Minnetonka for their assistance in making the promise of Opus 2 a reality today.

Gerald Rauenhorst
SWLRT HOUSING GAPS ANALYSIS

September 2014

PREPARED FOR:

PREPARED BY:

Marquette Advisors

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September 1, 2014

Ms. Kerri Pearce Ruch  
Principal Planning Analyst  
Hennepin County Housing, Community Works & Transit  
701 4th Avenue South, Suite 400  
Minneapolis, MN  55415

Dear Ms. Pearce Ruch:

We are pleased to present the accompanying Housing Gaps Analysis for the SWLRT corridor. This analysis and related recommendations are based on our review of prior research and data assembly, supplemented by our own primary research and expertise derived through analysis of market conditions, stakeholder interviews, and a detailed review of individual station area land use, development trends, and market conditions. This report contains an assessment of the potential for future residential development for the ½ mile corridor as a whole, and is segmented by station area and by product type. As well, we provide an analysis and discussion of market inefficiencies and expected demand-supply gaps, and strategies for mitigating barriers to development of various housing products along SWLRT over time. Our recommendations are intended to guide future planning and policy related to the corridor-wide housing strategy, development planning, and public investment around each station area in a way that will help to “set the stage” for quality residential and mixed use development which constitutes an optimal mix of housing choices in these areas.

We remain available to answer any questions and for discussion following your review of the document and look forward to finishing our work with you on this important project in the coming weeks.

Sincerely,

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INTRODUCTION

Marquette Advisors was retained by the Family Housing Fund as the fiscal agent on behalf of Southwest LRT Community Works, Twin Cities LISC, and the partner cities of Minneapolis, St. Louis Park, Hopkins, Edina, Minnetonka and Eden Prairie to provide a “Housing Gaps Analysis” in reference to the planned Southwest Light Rail Transit (“SWLRT”) Corridor. SWLRT will span approximately 15 miles, with 17 planned stations in Minneapolis, St. Louis Park, Hopkins, Minnetonka and Eden Prairie. The Housing Gaps Analysis is a critical component in developing a corridor-wide housing strategy, the goals and principles of which are outlined below.

SWLRT Community Works Goals:

- Economic competitiveness and job growth
- Promoting opportunities for business and employment growth
- Housing choices
- Positioning the Southwest LRT communities as a place for all to live
- Quality neighborhoods
- Creating unique, vibrant, safe, beautiful, and walkable station areas
- Critical connections
- Improving affordable regional mobility for all users

SWLRT Community Works Guiding Principles for Investment:

- Partner for Effective Planning and Implementation
- Create Great Quality Transit Oriented Development and Achieve Unique, Vibrant Places
- Stimulate Employment and Economic Development
- Provide a full Range of Housing Choices
- Strengthen Communities through Connections and Access to Opportunity
- Maintain and Improve Natural Systems
- Build Healthy Communities
- Enhance Tax Base

The Housing Gaps Analysis utilizes prior research, notably the SW Community Works Housing Inventory, along with station-area plans, maps and related data and research compiled to date through the SW Community Works Corridor Investment Framework.
The primary objectives of the Housing Gaps Analysis are as follows:

The Housing Gaps Analysis provides a review of existing conditions and interprets prior studies, building upon complementary research and data, and engaging a full range of stakeholders in the analysis of the corridor, demographics, land use, growth patterns, and housing market conditions. The Gaps Analysis provides a forward-looking analysis regarding the potential for residential development within the SWLRT corridor, and future housing supply gaps, answering the following key questions:

**Work Scope Key Questions**

- **Who** will want to live here, and why?
- **How many** households would choose to reside in TOD housing within the SWLRT Corridor?
- What are the **characteristics** of those households, particularly with respect to age, income, household size and employment status?
- What **types of housing** are needed to accommodate this level of growth?
- Furthermore, what are expected future **supply gaps**, comparing what the market is expected to produce with a “full range” of housing choices by affordability level?
- What are **market inefficiencies** and barriers to development (and/or preservation) of a full range of housing choices within the Corridor? And what are some specific **strategies, policies and tools** to mitigate those barriers?
- What is the **impact of SWLRT upon the existing housing stock and resident base?** (i.e. what are risks associated with gentrification?)
- What **tools, policies and strategies** are appropriate in order to set the stage for quality development and the provision of a full range of housing choices for the SWLRT corridor?

**“Corridor” Definition:** For this Housing Gaps Analysis, the SWLRT Corridor is defined as that area comprising a ½ mile radius around each of the planned LRT stations.
EXECUTIVE SUMMARY

This section describes, in brief, key findings and recommendations derived from the Housing Gaps Analysis. The information presented in this section are meant as a summary of, not a substitute for the body of the report, which contains additional information and detail critical to a full understanding of the analysis, the recommendations provided, and the context within which they were formulated.

Background & Context

Marquette Advisors was retained to provide a Housing Gaps Analysis related to the SWLRT Corridor. The “Corridor” as defined for purposes of this analysis comprises a ½ mile radius surrounding each of the planned LRT stations. The Housing Gaps Analysis is a critical component in the development of a corridor-wide housing strategy by SWLRT Community Works, along with its partner communities (Minneapolis, St. Louis Park, Edina, Hopkins, Minnetonka and Eden Prairie), and a full range of stakeholders. To date, considerable research and planning has already been done, inclusive of the SW Community Works Corridor Housing Inventory and the Investment Framework. The Housing Gaps Analysis interprets and builds upon these work elements and provides further research and analysis, culminating in recommendations intended to guide future planning that will “set the stage” for a “full range of housing choices” within the corridor.

Workplan Components

- Housing Inventory
  - Completed March 2013
  - Data incorporated in Investment Framework

- Market Feasibility
  - Contained in Investment Framework (2013) and Gaps Analysis (2014)

- Gaps Analysis
  - Completed Fall 2014

- Strategy & Goals
  - To be completed – 1st quarter 2015
The Housing Gaps Analysis provides recommendations for new residential development for the corridor as a whole, and for individual station areas, and identifies future supply gaps. The report discusses market inefficiencies and addresses the need for creative public/private partnerships that will help to facilitate the provision of a full range of housing choices in the corridor over the long-term.

**Demographics -- Key Findings:**

**The SWLRT corridor is home to 37,000 residents and 19,000 households.** The majority (about 2/3) are renters. Trend is likely to continue, based on demographics, lifestyle, and market factors.

**The Twin Cities Metro Area is expected to grow by 11,000 to 13,000 households/year through 2030.** 80% of growth is expected to be households without children, and nearly 1/3 of regional growth expected to be single-person households.

**Millenials and Baby Boomers are having a major impact on Twin Cities housing market.** Both segments are drawn to high-density multifamily housing products which feature “efficiency in living,” and connectivity to work, goods/services, public facilities, and entertainment/amenities. We expect that TOD housing products and SWLRT will appeal to both market segments.
Corridor Employment – Key Findings:

**107,000 workers in corridor** -- The corridor features a strong corporate presence, with a deep and diverse economic base. The corridor provides a “full range” of jobs, ranging from entry-level part time positions up to high-level management and executive positions in a wide range of industries.

**Corridor workers a target for new TOD housing** -- Less than 4% of the corridor’s 107,000 workers also reside within ½ mile of SWLRT presently. New housing products near SWLRT are expected to appeal to corridor workers.

**Earnings & housing affordability** -- Importantly, we note that a full **20% of the corridor employee-base earns less than $1,250 per month**. A household with a single wage-earner at this level could afford a monthly housing payment of just $375 per month. Two workers at this level could afford a monthly housing cost of about $750. Worker earnings were a key factor considered by Marquette Advisors in developing recommendations for housing construction & preservation in the corridor.

Educational Facilities – Key Findings:

**Expect modest impact of housing development upon local schools** – Considering demographic trends and expected development patterns, fueled by growth from single-persons households and households without children, TOD housing developments along SWLRT are not expected to have a substantial impact on enrollment at any one educational facility within the corridor.

**TOD may boost open enrollment** – The development of SWLRT will improve connectivity of residents with schools and, thus, will create opportunities for open enrollment, with students utilizing SWLRT to commute to/from their place of residence to school.

**SWLRT housing will likely appeal to school teachers and other staff** – The development of new workforce and market rate rental housing, as well as entry-level for sale housing, may in fact be attractive to teachers and other school staff who presently commute longer distances due to an affordability gap between current salaries and corridor housing costs.

Residential Development Outlook – Key Findings:

**Market demand = 13,000 Outlook – Key Fin (2015-2030).** This represents a gap between existing housing inventory and the number of households who will want to live along the corridor.

**Recommended Development Goal = 11,000 new units.** Tempered to reflect development constraints: land availability, land use factors, development cost factors, etc. However, at least 20% of these units still not feasible but for public/private partnerships and gap financing.
## SW LRT Corridor – Recommended New Residential Development by Product Type & Station Area – 2015-2030

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<th>Rental 60-80% AMI</th>
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*Future development potential for 21st St. Station Area to be determined.*

**Source:** Marquette Advisors
New unit mix - 90% rental, 10% home ownership -- Why? Considers demographics, economics and lifestyle factors. Market preference for efficient and convenience in housing, with strong connectivity to jobs and “urban” amenities. Approximately 1/3 of new construction recommended affordable up to 100% of AMI.

- 12% (1,300 units) - <60% AMI
- 9% (1,000 units) - 61% to 80% AMI
- 12% (1,300 units) - 61% to 80% AMI

Station Area recommendations for new construction take into account the following factors:

- Current housing inventory, demographic composition and economic base
- Land availability - ownership of undeveloped and/or under-utilized parcels
- Characteristics of surrounding land use (as-is and future expectations)
- Proximity to jobs, types of jobs & incomes levels, proximity to goods/services, public and educational facilities and other modes of transit

Mixed-income residential development a “best practice” related to inclusionary housing in the corridor -- Publicly owned sites present the best short-term opportunity for this type of development.

Housing Preservation – Key Findings:

Affordable housing is a primary asset within the corridor presently – Corridor features an estimated 7,700 units which are affordable to households earning <60% of AMI, representing almost ½ of the existing rental stock.

Limited risk of gentrification – Existing supply includes older product mix (1960’s/70’s vintage). Rents in many cases are well below 60% of AMI target. Age/quality and market obsolescence limits potential for major rent increases.

Housing preservation far less expensive than construction of new units – Providing new housing at levels which are affordable to households earning <60% of AMI, even up to 80-100% of AMI, is a significant challenge due to cost factors. Barriers to development are significant. Thus, particular focus should be given to preserving and improving the existing housing stock.
Corridor Strengths – Key Findings:

Strong demographics and high-quality real estate – The SW corridor features some of the region’s highest-quality and highest-valued real estate. High-quality housing stock, stable neighborhoods, close to parks and recreational opportunities, shopping and restaurants

Strong corporate presence and jobs base -- There corridor features depth and diversity in its employment base, with 107,000 jobs in the corridor. Proximity of the station areas to major employment nodes bodes well for connectivity and desirability of future TOD housing.

City staff are experienced and familiar with development tools – Our analysis and interviews indicates that city planning staff and administration have a firm grasp of redevelopment “tools” and experience in the types of public/private partnerships which will be required to achieve corridor housing goals.

Key Development Challenges:

Limited vacant land supply and shortage of publicly-owned sites – Much of the corridor is already built-out. The limited supply of developable land, paired with expected strong market demand for housing (and commercial forms of development) results in escalating land values. This poses the single-most significant barrier to the development of a full range of housing choices in many station areas.

Land use issues reduce redevelopment potential - Private ownership; highest and best use issues. Redevelopment is complicated and costly. It requires substantial investment or sale by private land/property owners. The objectives and risk tolerance of current property owners varies substantially.

Auto-oriented areas, lacking pedestrian/bike friendly amenities & connectivity – Several of the station areas are presently auto-oriented. Considerable investment in pedestrian/bike connectivity and public realm elements will be required in order to create the type of lifestyle environment preferred by prospective TOD residents.

Many stations lack street “vibrancy” and supporting commercial/restaurant nodes and public amenities – The region’s population base has shown a strong preference for housing in mixed-use neighborhoods which provide walkability and easy access to a variety of amenities – shops, restaurants, parks, trails, and recreational features, and entertainment. These elements should be incorporated in station area planning.
**Recommendations & Next Steps:**

**Consensus, “buy-in” and commitment are critical to success** – Joint powers agreements and representation of all corridor communities and stakeholder groups will be paramount to achieving The housing goals set forth by SWLRT Community Works.

**Housing preservation strategy needed to invest in quality and sustainability of existing affordable housing stock** – The strategy and investment model(s) should include the following elements:

- **Deploys capital which invests in the quality, sustainability and long-term affordability of this aging housing stock.** This will require dedicated funds and creative partnerships with private owners and non-profit development/management partners.
- **Match services with the resident base** -- fostering upward mobility within the community’s economy and housing market. Partnerships involving the public sector and varied advocate groups with corporate partners and educational institutions should be developed in order to provide services such as job/life skills education and household economics/financial advisory services and counseling.

**Develop “branding” and promotions strategy for SWLRT lifestyle** – What is TOD? And what kind of lifestyle will TOD housing and SWLRT provide? Promote market awareness of the benefits to TOD living in SW corridor.

**Station area master planning** -- Focus on stations with significant public land ownership and near-term development opportunities. This presents an opportunity for a “signature” development on SWLRT which demonstrates all desired “lifestyle” elements and provides a “full range” of housing choices. Success is critical in short-term developments, and sets the stage for future success in other station areas. To ensure success, the master planning process must engage a full range of stakeholders, both public and private. The Corridor Development Initiative (CDI) model is a best-practice and should be an integral component of future station area planning, as it provides a framework for collaboration and consensus building around quality planning.

**Develop consensus and adopt housing policy goals** – The partner communities should work together to build consensus around the concept of “full housing choice” and preservation and production goals. We suggest the creation of a coordinated SWLRT Housing Policy Overlay Zone, for the area within ½ mile of each LRT station. This area should be established for application of housing goals, policy and oversight. The structure and composition of which should be determined by the stakeholders, as buy-in from all corridor cities is key to success. We recommend that cities maintain development review/approval authority, utilizing their own “toolbox” and strategies which promote housing development and preservation which is consistent with the goals established within the SWLRT housing strategy.
Establish a $200m+ TOD Affordable Housing Fund -- Why? Existing tools/strategies are not enough to have impact at major scale. A dedicated funding source is needed to support construction of 1,300 new units at <60% of AMI and to preserve/improve 7,700 existing units affordable at <60% of AMI.

**Fund Structure:**
- Independently financed pool of funds that provides a return to investors
- More risk tolerant than traditional financing
- Patient financing with longer term payback

**Possible Capitalization:**
- Local foundations & intermediaries
- Family funds and partnerships
- Corporate interests (e.g. major businesses in SW corridor)
- Traditional institutional investment sources (insurance companies, etc)

While Marquette Advisors believes a program which provides a return to investors and generates cash flow for re-investment is the preferred structure, some type of public/private alignment might work under certain governing circumstances. While not a charge of this engagement, Marquette believes that some form of overarching authority driving the Fund would enhance achievement of housing policy and development/preservation goals.

A $200 million fund, properly designed and leveraged, should be able to provide key (and currently missing) capital to drive development and preservation which meets stated housing production and preservation goals.
ASSESSMENT OF PRIOR RESEARCH

A primary objective of this assignment is to answer the following key question: What housing types and values are missing from the corridor to capture future market demand? The following points summarize the varied data elements and trends considered in developing our analysis and estimates regarding the potential for housing development (and preservation) within the SWLRT ½ mile corridor. This is followed by a summary of our findings and estimates of household growth and housing development potential for the corridor as a whole and for each individual station area.

Data Sources and Research Considered

We have reviewed and utilized the SW Community Works Housing Inventory, completed in 2013, which contains extensive data on the existing housing stock, resident and employment base for the corridor. More recently, we were able to review a June 2014 report entitled “Twin Cities Metropolitan Council Area Trends, Preferences, and Opportunities: 2010 to 2020, 2030 and 2040,” prepared for the Met Council Community Development Committee by Arthur C. Nelson, Ph.D., FAICP. This study presents a timely analysis of demographic trends and household characteristics at the metro level and relates these trends to future housing needs in light of changes ongoing relative to our population base and how future households will live and work in the region. Numerous other research, documents and planning studies were reviewed by Marquette Advisors as part of this engagement and are accordingly referenced throughout this report where relevant.

In assessing the potential for housing development (and preservation) within the corridor, Marquette Advisors has considered all relevant data and market factors, such as economic and demographic data and forecasts by the Met Council and ESRI, a nationally recognized econometric forecasting firm. Importantly, we have analyzed the current economic base and employment conditions within the corridor and metro-wide, together with growth forecasts by industry and occupation from sources including the Met Council and MN-DEED.

As well, we have reviewed land use, commuting patterns, and current residential market conditions in the southwest metro area, utilizing Marquette Advisors proprietary multi-family database along with published data and reporting on Twin Cities housing market conditions. We have also utilized prior research such as the SW Community Works Housing Inventory (2013), The Space Between Report (2013), and all station area planning and studies compiled to date, notably the SW Community Works Corridor Investment Framework (“Investment Framework”) and related Transitional Station Area Action Plans (“TSAAP”) from 2013.

Based on our review of the Investment Framework planning documents and our own field research and analysis we have taken into consideration current land use, land availability and cost, and the “ripeness” of sites for development (and/or change in use) in each station area. Our recommendations take into consideration Investment Framework recommendations regarding future land use and housing within the context of other uses, inclusive of retail, office,
industrial, recreational and institutional components, together with our own assessment relative to market and land use trends.

We have also evaluated TOD development trends throughout the Twin Cities and in other markets such as Seattle, Charlotte, Denver, Washington DC and Dallas. We have analyzed housing construction trends along both the Blue Line (Hiawatha) and the Green Line (Central Corridor). We have evaluated national TOD trends through sources such as the Center for Transit Oriented Development and publications and interviews with TOD analysts and policy experts in other markets, including those at the National Housing Conference, Center for Housing Policy, and Lincoln Institute of Land Policy.

Current Resident Base

The ½ mile corridor is home to approximately 37,000 residents and 19,000 households. The table on the following page, taken from the SW Community Works Housing Inventory, shows the population and household composition within ½ mile of each station site.

Key findings are as follows:

- The majority of corridor residents are renters, with 12,425 renter households (66%) and 6,400 homeowners (34%). By comparison, for the Twin Cities Metro Area as a whole, an estimated 70% of households own their homes.

- Approximately 1.3% of Twin Cities Metro Area households reside in the corridor presently. The corridor grew by an estimated 6,800 persons and 3,600 households between 2000 and 2012, capturing only about 3.2% of Metro Area household growth during this timeframe.

- Interestingly, the corridor at this time is somewhat younger, on average, compared to the region as a whole, as 52% of the resident base is under the age of 35, with a relatively large group of persons between the ages of 25 and 34. As well, the corridor features a relatively high concentration of renters, as 66% of corridor households were renters, compared to 36% throughout Hennepin County.
## POPULATION AND HOUSEHOLD GROWTH TRENDS
### SWLRT STATIONS HALF-MILE RADIUS 2000-2017

### POPULATION

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<td>2,373</td>
<td>-36</td>
</tr>
<tr>
<td>Wooddale</td>
<td>891</td>
<td>1,194</td>
<td>1,211</td>
<td>1,263</td>
<td>303</td>
</tr>
<tr>
<td>Louisiana</td>
<td>1,013</td>
<td>1,120</td>
<td>1,128</td>
<td>1,160</td>
<td>107</td>
</tr>
<tr>
<td>Blake Road</td>
<td>2,115</td>
<td>2,443</td>
<td>2,420</td>
<td>2,434</td>
<td>328</td>
</tr>
<tr>
<td>Hopkins</td>
<td>1,818</td>
<td>1,756</td>
<td>1,713</td>
<td>1,677</td>
<td>-62</td>
</tr>
<tr>
<td>Shady Oak</td>
<td>445</td>
<td>475</td>
<td>470</td>
<td>472</td>
<td>30</td>
</tr>
<tr>
<td>Opus</td>
<td>759</td>
<td>697</td>
<td>696</td>
<td>740</td>
<td>-80</td>
</tr>
<tr>
<td>City West</td>
<td>318</td>
<td>356</td>
<td>353</td>
<td>353</td>
<td>38</td>
</tr>
<tr>
<td>Golden Triangle</td>
<td>87</td>
<td>234</td>
<td>232</td>
<td>232</td>
<td>147</td>
</tr>
<tr>
<td>E.P. Town Center</td>
<td>29</td>
<td>633</td>
<td>615</td>
<td>598</td>
<td>604</td>
</tr>
<tr>
<td>Southwest</td>
<td>0</td>
<td>988</td>
<td>960</td>
<td>933</td>
<td>988</td>
</tr>
<tr>
<td>Mitchell</td>
<td>166</td>
<td>137</td>
<td>146</td>
<td>163</td>
<td>-29</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,193</td>
<td>18,834</td>
<td>18,825</td>
<td>19,176</td>
<td>3,641</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau; ESRI; Maxfield Research, Inc.

---

### Metropolitan Council Regional Forecast to 2040

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>2,850,000</td>
<td>3,102,000</td>
<td>3,381,000</td>
<td>3,674,000</td>
</tr>
<tr>
<td>Households</td>
<td>1,118,000</td>
<td>1,257,000</td>
<td>1,388,000</td>
<td>1,509,000</td>
</tr>
<tr>
<td>Employment</td>
<td>1,548,000</td>
<td>1,819,000</td>
<td>1,953,000</td>
<td>2,097,000</td>
</tr>
</tbody>
</table>

Source: Twin Cities Metropolitan Council

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Marquette Advisors
**Twin Cities Population & Household Growth Forecasts**

We have considered growth forecasts by both the Met Council and ESRI, and data regarding the composition of the population/household base, in developing estimates of future household growth potential for the SWLRT corridor. It is important to understand not only the pace of growth, but also changes in the composition of the area’s population base over time.

**Long-term forecasts by the Met Council predict that the Twin Cities Metro Area (7 counties) will grow by an average of about 13,000 households per year over the next 20 years.** By comparison, short-term forecasts by national econometric forecasting firm ESRI suggest that the region will grow by around 11,000 households per year in the between 2014 and 2019. The ESRI (short-term) and Met Council (long-term) forecasts are complementary and integral to our analysis and recommendations. The forecasts indicate that the pace of household growth will likely increase over the long-term. Meanwhile, the short-term projections by ESRI provide significant detail and segmentation by household income, size, type and tenure which we have used in providing detailed development recommendations for specific station areas in the short-term.

An analysis of short-term household growth by age cohort is presented on the following page. The table depicts projected household growth for the seven-county metro area between 2013 and 2018, according to short term forecasts by ESRI. It is interesting to note where the growth is expected to occur, by age cohort, and the aging of the population base. The “Millenials” (a.k.a. Generation Y or “Gen Y”) is having a major impact upon our society, economy and housing markets, as the size of this generation is considerably larger compared to those preceding it. This group was born between the late 1970s and about 2000. Millenials, also known as the “echo boomers” (children of baby boomers), have generated strong demand for apartments throughout the nation and in the Twin Cities market, and this trend continues to date.
### Twin Cities Metro Area

**Projected 5-Yr Growth Trend -- Households by Age and Income, 2013-2018**

<table>
<thead>
<tr>
<th>2013</th>
<th>Households by Age of Householder</th>
<th>&lt;25</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
<th>Metro Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households</td>
<td>47,954</td>
<td>201,626</td>
<td>210,297</td>
<td>242,995</td>
<td>216,170</td>
<td>120,338</td>
<td>101,134</td>
<td>1,140,514</td>
</tr>
<tr>
<td></td>
<td>Pct. Metro Household Base</td>
<td>4.2%</td>
<td>17.7%</td>
<td>18.4%</td>
<td>21.3%</td>
<td>19.0%</td>
<td>10.6%</td>
<td>8.9%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>Median HH Income</td>
<td>$29,358</td>
<td>$58,660</td>
<td>$77,524</td>
<td>$84,842</td>
<td>$74,705</td>
<td>$54,940</td>
<td>$31,117</td>
<td>$63,693</td>
</tr>
<tr>
<td></td>
<td>Average HH Income</td>
<td>$38,991</td>
<td>$73,087</td>
<td>$97,129</td>
<td>$108,645</td>
<td>$99,136</td>
<td>$74,806</td>
<td>$44,933</td>
<td>$86,285</td>
</tr>
<tr>
<td>2018</td>
<td>Number of Households</td>
<td>46,625</td>
<td>204,433</td>
<td>219,975</td>
<td>225,952</td>
<td>233,125</td>
<td>153,026</td>
<td>112,378</td>
<td>1,195,114</td>
</tr>
<tr>
<td></td>
<td>Pct. Metro Household Base</td>
<td>3.9%</td>
<td>17.1%</td>
<td>18.4%</td>
<td>18.9%</td>
<td>19.5%</td>
<td>12.8%</td>
<td>9.4%</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>Median HH Income</td>
<td>$32,096</td>
<td>$72,389</td>
<td>$94,126</td>
<td>$102,896</td>
<td>$92,720</td>
<td>$67,172</td>
<td>$36,103</td>
<td>$79,052</td>
</tr>
<tr>
<td></td>
<td>Average HH Income</td>
<td>$43,503</td>
<td>$88,429</td>
<td>$116,433</td>
<td>$127,892</td>
<td>$120,099</td>
<td>$92,585</td>
<td>$55,450</td>
<td>$103,025</td>
</tr>
</tbody>
</table>

**Change, 2013-2018**

<table>
<thead>
<tr>
<th>Change, 2013-2018</th>
<th>&lt;25</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65-74</th>
<th>75+</th>
<th>Metro Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Households</td>
<td>-1,329</td>
<td>2,807</td>
<td>9,678</td>
<td>-17,043</td>
<td>16,955</td>
<td>32,688</td>
<td>11,244</td>
<td>55,000</td>
</tr>
</tbody>
</table>

Sources: ESRI Business Information Solutions; Marquette Advisors

Note aging of Millenials and Baby Boomers

### Impact of Millenials and Baby Boomers on Housing Choice & Development Trends

**Millenials...**

Young renters (i.e. mid-20’s to early 30’s) have shown a strong positive response to multifamily housing products in recent years, particularly in urban neighborhoods and well-sited suburban locations, showing a preference for small, but efficient units in close proximity to their place of employment, with strong “walkability” and connectivity elements and good access to urban amenities (recreational, cultural and shops/restaurants in particular).

It is interesting to note the aging of Millenials and the impact of this trend upon the overall Twin Cities resident composition. Between 2013 and 2018 (and beyond), many of these households will be aging into their mid-30’s and 40’s. **We expect that TOD (SWLRT included) will appeal to many of these same households who may have recently demonstrated a preference for more urban living (Downtown or Uptown Minneapolis neighborhoods for example, which have seen a major increase in upscale apartment developments).**
In the near future, many of these same renters will consider alternative housing that is no longer in the “middle of the action” but still provides good access (via LRT) to those same urban amenities. As well, as the demand and price of the Downtown and Uptown submarkets continues to rise ($2.10-$2.30+ psf today and rising) (generally $1,200-$2,500+ per unit), we expect that more price sensitive renters (and buyers) will seek “urban” housing opportunities outside the Downtown and Uptown markets.

**Boomers…**

At the same time, we note the aging of the large Baby Boom generation and this impact on housing needs. Senior housing and care needs are expected to be significant, particularly in the long-term (10-20 yrs), as large numbers of Twin Cities residents age into their 70s and beyond. Meanwhile, already in the short-term, we expect that older adults and “empty nesters” (many in the age 55-64 cohort) will consider alternative housing arrangements. Many Baby Boomers currently reside in single family homes and will seek out somewhat more “efficient” living arrangements, often times smaller, less maintenance intensive, well-located multifamily housing products in locations which afford them convenient access to amenities and employment. TOD housing products, then, must be sensitive to this trend and the potential to accommodate these groups. As well, the development of new housing products for this group (and seniors over the long term) will also provide opportunities for home-ownership among younger groups (note the growing age 35-44 group, for example) who will purchase the homes of older adults and seniors.

**Key Growth Segments: Households without Children & Single-Person Households**

We have also analyzed data and forecasting regarding the size and type of household growth expected to occur in the Twin Cities Metro Area. The table on the following page is extracted from that report, and shows household growth and composition (with children, without children, and persons living alone) for the 2010 to 2020 and 2010 to 2030 timeframes.

According to the Met Council, households without children are expected to account for approximately 80% of the household growth in the Twin Cities Metro Area between 2010 and 2020. The majority of household growth is expected to be comprised of single persons and couples without children. In fact, 34% of metro area household growth is expected to be single-person households. In the central counties (Hennepin and Ramsey) single-person households are expected to comprise an even greater share of household growth, at 42%.

These trends have a major implication with respect to required housing products in the region during this timeframe, and through 2030. In fact, the Arthur Nelson report concludes that these growth segments will show a strong preference for urban housing, and primarily high-density multifamily residential configurations. From our analysis of demographic data paired with review of housing supply and demand factors, we concur.
<table>
<thead>
<tr>
<th>Change in Households by Type, 2010-2020, 2030 and 2040</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>[Figures in thousands]</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Metrio</th>
<th>United States</th>
<th>Minnesota</th>
<th>Metro Council</th>
<th>Central Counties</th>
<th>Non-Central Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline, 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td>116,045</td>
<td>2,080</td>
<td>1,118</td>
<td>679</td>
<td>430</td>
</tr>
<tr>
<td>HHs with Children</td>
<td>34,814</td>
<td>817</td>
<td>361</td>
<td>195</td>
<td>166</td>
</tr>
<tr>
<td>HHs without Children</td>
<td>82,131</td>
<td>1,473</td>
<td>757</td>
<td>484</td>
<td>273</td>
</tr>
<tr>
<td><strong>People living alone</strong></td>
<td>31,284</td>
<td>585</td>
<td>330</td>
<td>230</td>
<td>101</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Households by Type, 2010-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HHs with Children Share</strong></td>
</tr>
<tr>
<td>HHs without Children</td>
</tr>
<tr>
<td>HHs w/o Children Change</td>
</tr>
</tbody>
</table>

| **HHs w/o Children Share**            | 88%            | 89%       | 79%            | 83%               | 78%                  |
| People living alone                   | 37,773         | 705       | 377            | 255               | 122                  |
| People living alone Change            | 6,509          | 120       | 47             | 25                | 21                   |
| **People living alone Share**         | 48%            | 48%       | 34%            | 42%               | 27%                  |

<table>
<thead>
<tr>
<th>Change in Households by Type, 2010-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HHs with Children Share</strong></td>
</tr>
<tr>
<td>HHs without Children</td>
</tr>
<tr>
<td>HHs w/o Children Change</td>
</tr>
<tr>
<td><strong>HHs w/o Children Share</strong></td>
</tr>
<tr>
<td>People living alone</td>
</tr>
<tr>
<td>People living alone Growth</td>
</tr>
<tr>
<td><strong>People living alone Share</strong></td>
</tr>
</tbody>
</table>

Note: graphic taken from “Twin Cities Metropolitan Council Area Trends, Preferences, and Opportunities: 2010 to 2020, 2030 and 2040.”
Public and Private Educational Facilities

We evaluated educational facilities in order to a) determine the potential impact of these facilities upon housing demand in the corridor, and b) assess the possible impact of new housing developments in the corridor upon these facilities, particularly in terms of enrollment.

The SWLRT corridor spans five K-12 school districts, including Minneapolis, St. Louis Park, Edina, Hopkins, and Eden Prairie. According to the SW Community Works Housing Inventory, there are 38 public schools located within the 2-mile corridor. However, only four public schools are located within ½ mile of SWLRT stations, including two in Minneapolis (Bryn Mawr Elementary and Anwatin Middle School) and two in St. Louis Park (Park Spanish Immersion Elementary and St. Louis Park High School). Notably, there are 18 private and charter schools located within ½ mile of SWLRT station sites, including several within a 10-minute “walk-shed” which will be easily accessible for pedestrians and cyclists.

Four post-secondary institutions are located within the two-mile corridor. This includes two schools within a ½ mile of stations: Dunwoody College of Technology (Minneapolis) and Minneapolis Community and Technical College. Others within two miles include Hennepin Technical College and ITT Technical Institute, both in Eden Prairie.

The following are key findings from our research:

The proximity of educational facilities within close range of the LRT stations is without question appealing and compatible with residential and mixed-use development nearby. However, considering household growth trends as discussed herein, the composition of household growth (smaller household sizes and predominately households without children), and the suggested housing product mix presented later in this report, we do not expect that TOD housing within ½ mile of the SWLRT stations will have a substantial impact upon student enrollment within any school district or upon any individual school. The development of SWLRT could provide additional opportunities for open enrollment based upon new access by others due to LRT; however, we do not expect that LRT will have a significant impact upon enrollment in any one district or any specific educational facility in the corridor.

Interestingly, we have learned our market research, interviews and assessment of school staffing and salaries, that teachers and school support staff represent a significant potential market for TOD housing in the corridor. By comparing teacher salaries with the cost of housing in the various communities, we note a considerable affordability gap, particularly for younger teachers. From our interviews we are aware that teachers often commute considerable distances to schools in Edina, Minnetonka and Eden Prairie in particular, because they are not able to afford housing in close proximity to their place of employment. Because of this, we expect that workforce and market-rate apartment products, as well as entry-level priced for-sale housing units will appeal to teachers and other school staff working in the SWLRT corridor.
Corridor Employment

There is a strong corporate presence along the corridor, with a deep and diverse mix of jobs. According to U.S. Census data, total employment within ½ mile of SWLRT is estimated at 107,000 workers, comprising approximately 6.7% of total employment (by place of work) in the 7-county Twin Cities Metro Area.

It is also interesting to note that, according to the SW Community Works Housing Inventory, only 3.7% of the 107,000 workers within ½ mile of SWLRT also reside within this same area. This presents a significant opportunity. It is reasonable to expect that a considerably larger share of persons currently employed at businesses located within ½ mile of the line would consider new TOD housing options here in the future. We expect that many of these workers would utilize SWLRT to travel to-from their place of employment. This assumes, however, that an adequate supply of attractive and appropriately-priced housing products are developed within proximity of SWLRT.
<table>
<thead>
<tr>
<th></th>
<th>Total Employed in Station Area</th>
<th>Total Living in Station Area</th>
<th>Net Job Inflow (+) or Outflow (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Living and Employed in Station Area</td>
<td>Employed in Station Area but Living Outside</td>
<td>Living and Employed in Station Area</td>
</tr>
<tr>
<td>Royalston</td>
<td>10,208</td>
<td>32</td>
<td>0.3%</td>
</tr>
<tr>
<td>Van White</td>
<td>1,550</td>
<td>6</td>
<td>0.4%</td>
</tr>
<tr>
<td>Penn</td>
<td>513</td>
<td>3</td>
<td>0.6%</td>
</tr>
<tr>
<td>21st Street</td>
<td>211</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>West Lake</td>
<td>2,426</td>
<td>36</td>
<td>1.5%</td>
</tr>
<tr>
<td>Beltline</td>
<td>3,155</td>
<td>33</td>
<td>1.0%</td>
</tr>
<tr>
<td>Wooddale</td>
<td>2,973</td>
<td>39</td>
<td>1.3%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>8,469</td>
<td>77</td>
<td>0.9%</td>
</tr>
<tr>
<td>Blake</td>
<td>1,808</td>
<td>30</td>
<td>1.7%</td>
</tr>
<tr>
<td>Hopkins</td>
<td>5,386</td>
<td>79</td>
<td>1.5%</td>
</tr>
<tr>
<td>Shady Oak</td>
<td>3,058</td>
<td>18</td>
<td>0.6%</td>
</tr>
<tr>
<td>Opus</td>
<td>3,018</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>City West</td>
<td>7,629</td>
<td>5</td>
<td>0.1%</td>
</tr>
<tr>
<td>Golden Triangle</td>
<td>5,649</td>
<td>3</td>
<td>0.1%</td>
</tr>
<tr>
<td>E.P. Town Center</td>
<td>5,438</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Southwest</td>
<td>2,885</td>
<td>10</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mitchell</td>
<td>3,080</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Corridor *</td>
<td>107,236</td>
<td>3,975</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Sources: US Census; Maxfield Research Inc.

Notes:
- Graphic taken from *SW Community Works Housing Inventory*
- “Corridor” as defined for purposes of the *SW Community Works Housing Inventory* comprises the full ½ mile corridor, including ½ mile from each station area, plus all other areas lying ½ mile from any point along the LRT line.
We have also completed an analysis of the types of jobs and employee earnings in the corridor and throughout the region. The SWLRT corridor features a heavy concentration of well-paying jobs in the information, finance, and professional services sectors (often referred to as “knowledge”-based jobs). As shown below, according to data from the U.S. Census, 15,312 workers are employed within ½ mile of SWLRT in the Professional, Scientific and Technical Services Sector, representing a full 14% of employment within ½ mile of the line. By comparison, this sector accounts for just 7% of employment region-wide.

Note: graphic taken from SW Community Works Housing Inventory
The Health Care and Social Assistance sector is also an important sector within the corridor, accounting for 12% of employment within ½ mile of SWLRT. Manufacturing accounts for 11% of corridor employment, also similar to the Metro Area employment distribution. Our analysis indicates that the SWLRT corridor includes a diverse mix of public and private-sector employment, with workers employed in many industries and at a full range of pay levels.

According to U.S. Census data, the distribution of jobs by monthly earnings within ½ mile of SWLRT is similar to that of the Metro Area as a whole. However, it is interesting to note that the larger 1-mile corridor features a somewhat higher concentration of well-paying jobs, as more than 60% of workers within the 1-mile corridor earned more than $3,333 per month ($40,000+ per year), compared to 52% at the ½ mile buffer and 47% Metro-wide.

Our housing recommendations for the SWLRT corridor, both in aggregate and for individual station areas, are based in part on our examination of both household income data and also the business mix, employment counts and employee earnings. The graphic below and on the following page shows the number of workers by income level (monthly earnings) for a ½ and 1 mile radii surrounding each station area, and for a ½ and 1 mile buffer surrounding the line for 2005 and 2010. Data is from the U.S. Census.

<table>
<thead>
<tr>
<th>Station</th>
<th># jobs based in local area</th>
<th>Change</th>
<th># jobs based in local area</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalston</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>2,334</td>
<td>510</td>
<td>20,034</td>
<td>21.9%</td>
</tr>
<tr>
<td>$1,251-$3,333/mo.</td>
<td>2,828</td>
<td>262</td>
<td>40,144</td>
<td>9.3%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>3,088</td>
<td>1,186</td>
<td>73,429</td>
<td>38.4%</td>
</tr>
<tr>
<td>Total</td>
<td>8,250</td>
<td>1,958</td>
<td>133,607</td>
<td>23.7%</td>
</tr>
<tr>
<td>Van White</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>399</td>
<td>-115</td>
<td>5,714</td>
<td>-28.8%</td>
</tr>
<tr>
<td>$1,251-$3,333/mo.</td>
<td>615</td>
<td>-256</td>
<td>5,732</td>
<td>-41.6%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>712</td>
<td>195</td>
<td>4,935</td>
<td>27.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1,726</td>
<td>-176</td>
<td>16,381</td>
<td>12.3%</td>
</tr>
<tr>
<td>Penn Station</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>178</td>
<td>-24</td>
<td>1,606</td>
<td>-13.5%</td>
</tr>
<tr>
<td>$1,251-$3,333/mo.</td>
<td>112</td>
<td>23</td>
<td>2,792</td>
<td>20.5%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>167</td>
<td>57</td>
<td>1,348</td>
<td>34.1%</td>
</tr>
<tr>
<td>Total</td>
<td>497</td>
<td>56</td>
<td>5,746</td>
<td>12.3%</td>
</tr>
<tr>
<td>21st Street</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>57</td>
<td>7</td>
<td>1,601</td>
<td>-5.7%</td>
</tr>
<tr>
<td>$1,251-$3,333/mo.</td>
<td>52</td>
<td>19</td>
<td>2,345</td>
<td>36.5%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>62</td>
<td>28</td>
<td>1,516</td>
<td>45.2%</td>
</tr>
<tr>
<td>Total</td>
<td>167</td>
<td>44</td>
<td>5,462</td>
<td>12.3%</td>
</tr>
<tr>
<td>West Lake</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,051</td>
<td>-331</td>
<td>1,909</td>
<td>-31.5%</td>
</tr>
<tr>
<td>$1,251-$3,333/mo.</td>
<td>690</td>
<td>135</td>
<td>1,943</td>
<td>19.6%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>650</td>
<td>231</td>
<td>2,044</td>
<td>35.5%</td>
</tr>
<tr>
<td>Total</td>
<td>2,391</td>
<td>35</td>
<td>5,886</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau; Maxfield Research, Inc.

Note: graphic taken from SW Community Works Housing Inventory
## EMPLOYMENT BY EARNINGS

**SWLRT STATIONS -- 1/2 and 1 Mile from SWLRT**

**2005 to 2010**

<table>
<thead>
<tr>
<th></th>
<th>Half-Mile</th>
<th></th>
<th>One-Mile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># jobs based in local area</td>
<td>Change</td>
<td># jobs based in local area</td>
</tr>
<tr>
<td>Beltline</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>848</td>
<td>662</td>
<td>-186</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,182</td>
<td>884</td>
<td>-298</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,407</td>
<td>1,609</td>
<td>202</td>
</tr>
<tr>
<td>Total</td>
<td>3,437</td>
<td>3,155</td>
<td>-282</td>
</tr>
<tr>
<td>Wooddale</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,810</td>
<td>772</td>
<td>-1,038</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,624</td>
<td>978</td>
<td>-646</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,333</td>
<td>1,223</td>
<td>-110</td>
</tr>
<tr>
<td>Total</td>
<td>4,767</td>
<td>2,973</td>
<td>-1,794</td>
</tr>
<tr>
<td>Louisiana</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,172</td>
<td>793</td>
<td>-379</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>3,125</td>
<td>3,144</td>
<td>19</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>3,773</td>
<td>4,532</td>
<td>759</td>
</tr>
<tr>
<td>Total</td>
<td>8,070</td>
<td>8,469</td>
<td>399</td>
</tr>
<tr>
<td>Blake</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,145</td>
<td>460</td>
<td>-685</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,019</td>
<td>656</td>
<td>-363</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>483</td>
<td>692</td>
<td>209</td>
</tr>
<tr>
<td>Total</td>
<td>2,647</td>
<td>1,808</td>
<td>-839</td>
</tr>
<tr>
<td>Hopkins</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>2,365</td>
<td>2,318</td>
<td>-47</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,688</td>
<td>1,743</td>
<td>55</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,891</td>
<td>1,325</td>
<td>-566</td>
</tr>
<tr>
<td>Total</td>
<td>5,944</td>
<td>5,386</td>
<td>-558</td>
</tr>
<tr>
<td>Shady Oak</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>1,926</td>
<td>530</td>
<td>-1,396</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,848</td>
<td>1,021</td>
<td>-827</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,865</td>
<td>1,507</td>
<td>-358</td>
</tr>
<tr>
<td>Total</td>
<td>5,639</td>
<td>3,058</td>
<td>-2,581</td>
</tr>
<tr>
<td>Opus</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>269</td>
<td>214</td>
<td>-55</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,031</td>
<td>465</td>
<td>-566</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>3,248</td>
<td>2,339</td>
<td>-909</td>
</tr>
<tr>
<td>Total</td>
<td>4,548</td>
<td>3,018</td>
<td>-1,530</td>
</tr>
<tr>
<td>City West</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>523</td>
<td>2,595</td>
<td>2,072</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>1,225</td>
<td>1,751</td>
<td>526</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,353</td>
<td>3,283</td>
<td>930</td>
</tr>
<tr>
<td>Total</td>
<td>4,101</td>
<td>7,629</td>
<td>3,528</td>
</tr>
<tr>
<td>Golden Triangle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>607</td>
<td>507</td>
<td>-100</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>2,337</td>
<td>1,518</td>
<td>-819</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,929</td>
<td>3,624</td>
<td>695</td>
</tr>
<tr>
<td>Total</td>
<td>5,873</td>
<td>5,649</td>
<td>-224</td>
</tr>
</tbody>
</table>

**Sources:** U.S. Census Bureau; Maxfield Research, Inc.

**Note:** graphic taken from SW Community Works Housing Inventory
### Employment by Earnings

**SWLRT Stations -- 1/2 and 1 Mile from SWLRT**

**2005 to 2010**

<table>
<thead>
<tr>
<th></th>
<th>Half-Mile</th>
<th></th>
<th>One-Mile</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># jobs based in local area</td>
<td>Change No.</td>
<td>Pct.</td>
<td># jobs based in local area</td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>889</td>
<td>798</td>
<td>-91</td>
<td>-10.2%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>2,299</td>
<td>1,473</td>
<td>-826</td>
<td>-35.9%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,438</td>
<td>3,167</td>
<td>729</td>
<td>29.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,626</td>
<td>5,438</td>
<td>-188</td>
<td>-3.3%</td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>495</td>
<td>683</td>
<td>188</td>
<td>18.0%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>926</td>
<td>804</td>
<td>-122</td>
<td>-13.2%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>1,198</td>
<td>1,398</td>
<td>200</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,619</td>
<td>2,885</td>
<td>266</td>
<td>10.2%</td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>460</td>
<td>313</td>
<td>-147</td>
<td>-32.0%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>798</td>
<td>600</td>
<td>-198</td>
<td>-24.8%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>2,289</td>
<td>2,167</td>
<td>-122</td>
<td>-5.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,547</td>
<td>3,080</td>
<td>-467</td>
<td>-13.2%</td>
</tr>
<tr>
<td>$1,250/mo. or less</td>
<td>23,544</td>
<td>22,083</td>
<td>-1,461</td>
<td>-6.2%</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>33,625</td>
<td>28,937</td>
<td>-4,688</td>
<td>-13.9%</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>47,873</td>
<td>56,216</td>
<td>8,343</td>
<td>17.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>105,042</td>
<td>107,236</td>
<td>2,194</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

**Sources:** U.S. Census Bureau; Maxfield Research, Inc.

*Note: graphic taken from SW Community Works Housing Inventory*

The base of employees working near each of the planned SWLRT stations varies considerably throughout the corridor, not only in terms of the number of workers, but also by type of job and by level of earnings. While there are large concentrations of high-paying jobs in several of the station areas, notably the various Eden Prairie station areas, as well as Louisiana (Methodist Hospital, for example) and Royalston (Downtown Mpls), in these areas and throughout the corridor there is also considerable employment in lower paying positions. This includes entry-level support, clerical and maintenance positions, as well as lower-level service workers which service the various businesses along the corridor (e.g. office cleaning, grounds maintenance, and retail/restaurant workers who serve the businesses which serve area employees and residents).

As well, it is important to remember the connectivity enhancement that SWLRT will provide, linking workers in all industries and all occupations with jobs throughout the corridor and in primary job centers such as the Downtown Minneapolis CBD and even beyond, by way of an integrated LRT network (with connectivity to the Hiawatha and Central Corridors, and other modes of transit). **As such, we do not suggest that high-end housing products be situated only near those station areas which feature a high concentration of upper-income employment.** Rather, the connectivity and lifestyle efficiencies that SWLRT will provide are expected to create strong market demand for a full range of housing product types at all affordability levels, at various stations along SWLRT. We note that while we expect that
housing affordable at <60% of AMI will garner a strong positive market response at any/all LRT station areas, the economic viability of constructing such units will be a challenge in all station areas due to development costs. This will be particularly challenging in station areas with a limited land supply and/or high land costs. In fact, the provision of housing products affordable at or below 100% of income will in many cases require public subsidy for this same reason.

Presented below is an analysis of worker earnings for persons employed within ½ mile of SWLRT. The table shows the number of workers by monthly earnings (according to 2010 US Census data), as well as estimates of monthly housing costs affordable to them. Note the calculations show the “affordability range” based on 1 or 2 workers per household. Our analysis of demographic data indicates that the majority of corridor households feature just a single worker.

<table>
<thead>
<tr>
<th>Monthly Earnings</th>
<th># of Workers</th>
<th>% of Jobs</th>
<th>Monthly Housing Affordability Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,250/mo. or less</td>
<td>22,083</td>
<td>20.6%</td>
<td>$0-$375</td>
</tr>
<tr>
<td>$1,251 - $3,333/mo.</td>
<td>28,937</td>
<td>27.0%</td>
<td>$375-$1,000</td>
</tr>
<tr>
<td>More than $3,333/mo.</td>
<td>56,216</td>
<td>52.4%</td>
<td>$1,000+</td>
</tr>
<tr>
<td>Total</td>
<td>107,236</td>
<td>100.0%</td>
<td>$0-$3,333/mo.</td>
</tr>
</tbody>
</table>

* Affordable monthly housing cost based on 30% of monthly income.

**Key Point** -- A full 20% of persons presently employed within ½ mile of SWLRT would require housing priced at $750 per month or less, based on their current monthly earnings. (This assumes up to 2 workers per household with a similar job, with each of those workers earning less than $1,250 per month).

The Family Housing Fund (FHF) has also conducted considerable research in the areas of housing cost, employee wages and housing affordability. The graphic on the following page, published by FHF in May 2014 effectively demonstrates the gap in housing affordability and worker earnings for a number of key essential employment positions in the Twin Cities region. The table shows the median wage by type of position, and their maximum monthly housing cost at 30% of income, along with the % of income required to rent an average two-bedroom apartment or purchase a median-priced home. In the case of all workplace positions shown, a single-earner household would have considerable “excess housing cost burden,” in contributing well in excess of 30% of their income toward housing cost.
### Percentage of Income Needed for Housing in the Twin Cities Metropolitan Area (2014)

<table>
<thead>
<tr>
<th>Workplace Position</th>
<th>Median Yearly Salary for Full-Time Worker</th>
<th>Monthly Amount Can Afford for Housing</th>
<th>Percentage of Income Required to Rent 2-BR Apartment</th>
<th>Percentage of Income Required to Own a House</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly Worker</td>
<td>$31,054</td>
<td>$776</td>
<td>42%</td>
<td>50%</td>
</tr>
<tr>
<td>Cashier</td>
<td>$19,635</td>
<td>$491</td>
<td>66%</td>
<td>79%</td>
</tr>
<tr>
<td>Child Care Worker</td>
<td>$22,152</td>
<td>$554</td>
<td>59%</td>
<td>70%</td>
</tr>
<tr>
<td>Counter &amp; Rental Clerk</td>
<td>$20,696</td>
<td>$517</td>
<td>63%</td>
<td>75%</td>
</tr>
<tr>
<td>Dry Cleaner</td>
<td>$26,582</td>
<td>$665</td>
<td>49%</td>
<td>59%</td>
</tr>
<tr>
<td>File Clerk</td>
<td>$29,037</td>
<td>$726</td>
<td>45%</td>
<td>54%</td>
</tr>
<tr>
<td>Home Health Aide</td>
<td>$23,816</td>
<td>$595</td>
<td>55%</td>
<td>66%</td>
</tr>
<tr>
<td>Host/Hostess</td>
<td>$18,158</td>
<td>$454</td>
<td>72%</td>
<td>86%</td>
</tr>
<tr>
<td>Janitor, Cleaner</td>
<td>$24,003</td>
<td>$600</td>
<td>54%</td>
<td>65%</td>
</tr>
<tr>
<td>Landscaper/Groundskeeper</td>
<td>$27,997</td>
<td>$700</td>
<td>46%</td>
<td>56%</td>
</tr>
<tr>
<td>Maid/Housekeeping Cleaner</td>
<td>$21,882</td>
<td>$547</td>
<td>59%</td>
<td>71%</td>
</tr>
<tr>
<td>Nursing Assistant</td>
<td>$28,891</td>
<td>$722</td>
<td>45%</td>
<td>54%</td>
</tr>
<tr>
<td>Parking Lot Attendant</td>
<td>$21,902</td>
<td>$548</td>
<td>59%</td>
<td>71%</td>
</tr>
<tr>
<td>Receptionist</td>
<td>$29,786</td>
<td>$745</td>
<td>44%</td>
<td>52%</td>
</tr>
<tr>
<td>Restaurant Cook</td>
<td>$22,838</td>
<td>$571</td>
<td>57%</td>
<td>68%</td>
</tr>
<tr>
<td>Salesperson, Retail</td>
<td>$20,717</td>
<td>$518</td>
<td>63%</td>
<td>75%</td>
</tr>
<tr>
<td>School Bus Driver</td>
<td>$33,779</td>
<td>$844</td>
<td>38%</td>
<td>46%</td>
</tr>
<tr>
<td>Taxi Driver</td>
<td>$26,562</td>
<td>$664</td>
<td>49%</td>
<td>59%</td>
</tr>
<tr>
<td>Teacher Assistant</td>
<td>$30,201</td>
<td>$755</td>
<td>43%</td>
<td>52%</td>
</tr>
<tr>
<td>Telemarketer</td>
<td>$27,726</td>
<td>$693</td>
<td>47%</td>
<td>56%</td>
</tr>
<tr>
<td>Teller</td>
<td>$25,605</td>
<td>$640</td>
<td>51%</td>
<td>61%</td>
</tr>
</tbody>
</table>

1. Source: MN Dept. of Employment & Economic Development
2. Based on 30% of income
3. Based on 1st Quarter 2014 Marquette Advisors average rent of $1,083 for two-bedroom apartment in the Twin Cities Metro Area.
4. Based on Minneapolis Area Association of Realtors Median Sale Price of $185,000 for a single family home sold in the Twin Cities metropolitan area for the year-to-date 2014 (as of March).

Source: "Working Doesn't Always Pay for a Home" -- Family Housing Fund, Public Education Initiative, updated May 2014.
Review of SW Community Works Corridor Investment Framework & Key Findings

We have reviewed the Investment Framework, finalized in 2013, in regards to the development/redevelopment potential for land surrounding each of the planned 17 stations. Based on our review of Investment Framework planning documents and our own field research and analysis, we find that the supply of land (and cost) will be a primary challenge with respect to the provision of full and optimal housing choice along the line going forward. This varies by station area, of course. However, we note from our work that in the case of many stations there is a very limited supply of developable land.

Further, many of the parcels identified through the Investment Framework for potential future development/redevelopment are privately held and in many cases currently in a productive use, other than housing. Development of housing at SWLRT station areas will in many cases require a change in land use, and it is likely that in many cases housing will simply not be the highest-and-best use due to land value/cost, as continuation in current use or more intensive commercial uses become viable.

Still, we believe there are significant opportunities for housing near multiple stations along SWLRT. However, the residential development potential as identified herein has been tempered due to the issues noted related to land availability, land cost, redevelopment complexity, and highest-best-use challenges.

Based on our analysis to date, we believe there will be a very strong positive market response to new housing products along SWLRT over the next several years. Market economics continue to improve, and infill development is already starting to occur within several of the SWLRT corridor communities. Much of our region’s housing development recently and ongoing is comprised of luxury apartments being constructed in Downtown and Uptown Minneapolis. Suburban development deals are just starting to “pencil out” from a feasibility standpoint, in some locations, due to increasing market demand and rising rental rates. New apartments completed recently or in development now in the corridor communities generally feature rents in the $1.60-$1.90 psf range ($900-$1,900+), compared to $2.10-$2.30+ psf in Downtown Minneapolis ($1,200-$2,500+), which is presently the most active construction market in the Twin Cities region, and one of the busiest in the Midwest region.

From our analysis and expertise, we expect that SWLRT housing will appeal to a diverse group of both renters and home buyers in the future.

- “Gen Y” and empty nesters are likely short-term demand drivers, although we believe “aging” Gen Y renters and Gen X singles, couples and young families also provide substantive target markets in the near term – we note that far fewer new housing options are being provided at the present time for these groups in the region.

- Senior housing demand will also be significant, particularly in the long-term (10-15+ years out) as more of the Baby Boomers age into their late 70s and 80s.
SWLRT CORRIDOR RESIDENTIAL DEVELOPMENT OUTLOOK

Based on this analysis and our professional experience we have developed estimates of “pure market demand” for new housing units within ½ mile of the planned station areas over the long-term (approximately 15 years). The “pure market demand” estimate is the number of units that would be marketable within ½ mile of the LRT stations, prior to consideration of issues such as land availability, land use and highest and best use factors, and development cost constraints.

Next, we developed “suggested residential development goals” for the SWLRT corridor (comprising ½ mile surrounding each station). The development goals are tempered to reflect our detailed analysis of each station area in terms of land availability, land ownership and current use structure, and development cost factors. It is important to note that while the suggested residential development scenarios do account for development/redevelopment challenges, the creation of these unit totals will still require a “heavy lift,” inclusive of significant public subsidy and creative public/private partnerships.

Our discussion and estimates of “pure market demand” and “suggested residential development goals” is presented as follows:

**Pure market demand: 13,000 – 15,000 units.** Based on our review of demographic/economic factors, growth forecasts, and our assessment of housing market conditions, we believe that it is very reasonable to expect that there will be market demand for between 13,000 and 15,000 units (or more) within the SWLRT corridor by 2030. This represents about 7% to 8% of projected Metro Area household growth over the next 15 years; which we believe to be a reasonable capture rate based on all factors analyzed. The SWLRT corridor benefits from strong underlying demographics and market dynamics, a deep and diverse economic base, quality public facilities and schools. Further, the connectivity and lifestyle features resulting from development of SWLRT greatly enhance the appeal of housing near the planned stations.

However, while this potential exists, there are significant challenges and barriers to the development of housing along SWLRT and therefore have developed tempered housing development targets for SWLRT station areas.

**Suggested residential development goal: 11,000 units.** We have completed an analysis of each submarket and station area. The following section provides detailed recommendations regarding new housing construction within ½ mile of each station area over the next 15 years. This includes recommendations for new units by product type, affordability level, and approximate timing. Note that the recommended unit count at 11,000 assumes that sufficient gap financing will be available to support a full range of housing products. We estimate a need for at least $65 million in gap financing to support 1,300 new housing units as suggested at price points affordable households earning <60% of AMI. Another $20 million in gap financing could be required to support the recommended new unit inventory affordable to households earning between 60%-100% of AMI. We also opine on the strengths and challenges of each of station area from a housing standpoint and offer suggestions for investment in public realm elements which will enhance livability and the appeal of these locations for housing.
Presented on table on the following page are suggestions regarding a market-appropriate housing product mix by station area. This is followed by a discussion of each station area. For purposes of this analysis we have segmented our product type recommendations by product type and affordability level as follows:

<table>
<thead>
<tr>
<th>Household Income Range</th>
<th>Max. Monthly Housing Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% to 30% of AMI</td>
<td>$0 - $560</td>
</tr>
<tr>
<td>30% to 60% of AMI</td>
<td>$560 - $1,120</td>
</tr>
<tr>
<td>60% to 80% of AMI</td>
<td>$1,121 - $1,280</td>
</tr>
<tr>
<td>80% to 100% of AMI</td>
<td>$1,281 - $1,660</td>
</tr>
<tr>
<td>100% of AMI +</td>
<td>$1,660+</td>
</tr>
</tbody>
</table>

Source: MN Housing Finance Agency

Our recommendations include a mix of rental housing by affordability range, inclusive of general occupancy and senior rentals, along with homeownership products including for-sale condos, townhomes (including row homes) and single-family “Pocket Neighborhood” product types, which are suggested in the case of multiple station areas.
## SW LRT Corridor -- Projected Phased Residential Development Potential by Station Area

<table>
<thead>
<tr>
<th></th>
<th>Short Term (3-5 Yrs)</th>
<th>Mid-Term (6-10 Yrs)</th>
<th>Long Term (10+ Yrs)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalston</td>
<td>1,000</td>
<td>400</td>
<td>400</td>
<td>1,800</td>
</tr>
<tr>
<td>Van White</td>
<td>300</td>
<td>380</td>
<td>420</td>
<td>1,100</td>
</tr>
<tr>
<td>Penn</td>
<td>240</td>
<td>-</td>
<td>-</td>
<td>240</td>
</tr>
<tr>
<td>21st St.</td>
<td>-</td>
<td>-</td>
<td>** (to be considered)**</td>
<td>** (to be considered)**</td>
</tr>
<tr>
<td>West Lake</td>
<td>340</td>
<td>160</td>
<td>400</td>
<td>900</td>
</tr>
<tr>
<td><strong>Minneapolis Subtotal</strong></td>
<td><strong>1,880</strong></td>
<td><strong>940</strong></td>
<td><strong>1,220</strong></td>
<td><strong>4,040</strong></td>
</tr>
<tr>
<td>Beltline</td>
<td>140</td>
<td>440</td>
<td>420</td>
<td>1,000</td>
</tr>
<tr>
<td>Wooddale</td>
<td>120</td>
<td>240</td>
<td>240</td>
<td>600</td>
</tr>
<tr>
<td>Louisiana</td>
<td>-</td>
<td>340</td>
<td>460</td>
<td>800</td>
</tr>
<tr>
<td><strong>St. Louis Park Subtotal</strong></td>
<td><strong>260</strong></td>
<td><strong>1,020</strong></td>
<td><strong>1,120</strong></td>
<td><strong>2,400</strong></td>
</tr>
<tr>
<td>Blake</td>
<td>500</td>
<td>244</td>
<td>500</td>
<td>1,244</td>
</tr>
<tr>
<td>Downtown Hopkins</td>
<td>250</td>
<td>160</td>
<td>270</td>
<td>680</td>
</tr>
<tr>
<td>Shady Oak</td>
<td>200</td>
<td>-</td>
<td>300</td>
<td>500</td>
</tr>
<tr>
<td><strong>Hopkins Subtotal</strong></td>
<td><strong>950</strong></td>
<td><strong>404</strong></td>
<td><strong>1,070</strong></td>
<td><strong>2,424</strong></td>
</tr>
<tr>
<td>Opus</td>
<td>-</td>
<td>260</td>
<td>340</td>
<td>600</td>
</tr>
<tr>
<td><strong>Minnetonka Subtotal</strong></td>
<td>-</td>
<td><strong>260</strong></td>
<td><strong>340</strong></td>
<td><strong>600</strong></td>
</tr>
<tr>
<td>City West</td>
<td>-</td>
<td>300</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Golden Triangle</td>
<td>180</td>
<td>300</td>
<td>-</td>
<td>480</td>
</tr>
<tr>
<td>EP Town Center</td>
<td>160</td>
<td>260</td>
<td>180</td>
<td>600</td>
</tr>
<tr>
<td>Southwest</td>
<td>-</td>
<td>200</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>Mitchell</td>
<td>192</td>
<td>-</td>
<td>-</td>
<td>192</td>
</tr>
<tr>
<td><strong>Eden Prairie Subtotal</strong></td>
<td><strong>532</strong></td>
<td><strong>1,060</strong></td>
<td><strong>180</strong></td>
<td><strong>1,772</strong></td>
</tr>
<tr>
<td><strong>SW LRT Corridor Total</strong></td>
<td><strong>3,622</strong></td>
<td><strong>3,684</strong></td>
<td><strong>3,930</strong></td>
<td><strong>11,236</strong></td>
</tr>
</tbody>
</table>

*Source: Marquette Advisors*
Opus Station Area

SW Community Works Corridor Investment Framework, 2013
Current Housing Supply:

<table>
<thead>
<tr>
<th>Opus Station Area (1/2 Mile Radius)</th>
<th>Current Housing Inventory by Affordability Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Units by Affordability Range (% of AMI)</strong></td>
<td><strong>0%-30%</strong></td>
</tr>
<tr>
<td>Station Area</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Opus**
- # of Units: 0, 402, 343, 22, 22, 789
- % of Unit Inventory: 0%, 51%, 43%, 3%, 3%, 100%

Sources: SWLRT Housing Inventory; Marquette Advisors

Strengths:

- 402 units within ½ mile which are affordable to households earning 30-60% of AMI, and another 365 units affordable at 60-100% of AMI.

- The Opus Station Area is situated within the Opus Business Park. This area is a major employment center, with more than 3,000 jobs based at businesses within ½ mile of the station and 12,000 within 1 mile. Employment in the area has a strong “white collar” office orientation based in real estate, medical device, health care and technology industries. Major employers in the area include Opus, United Health Group, American Medical Systems and Comcast.

- More than six miles of pedestrian and bike trails in the area.

- Proximity to neighborhood commercial development and restaurants.

Development Challenges:

- Private and fractured ownership limits redevelopment potential, as does high value of land at this location. Very few presently under-utilized sites in this area. The neighboring “Merchandise Mart” site is one possible exception which presents an opportunity for future redevelopment.

- Commercial nature of this area makes change in use to residential unlikely. Future development is more likely to include primarily corporate and multi-tenant office buildings and commercial development.

- Large block size and circuitous street network.

- Pedestrian environment in some portions of the Station Area could use strengthening.
Residential Development Recommendations – Opus Station Area:

Marquette Advisors estimates that approximately **500 to 600 new units** of multifamily housing are viable near Opus Station, likely over the mid- to long-term. Development will depend largely upon land availability and change in use over time in this area. We recommend a mix of housing products approximately as follows:

<table>
<thead>
<tr>
<th>Product Type/Affordability Range</th>
<th>Short Term (3-5 Yrs)</th>
<th>Mid-Term (6-10 Yrs)</th>
<th>Long Term (10-15 Yrs)</th>
<th>Total</th>
<th>Pct.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental &lt;30% of AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental 30-60% AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental 60-80% AMI</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Rental 80-100% AMI</td>
<td>0</td>
<td>80</td>
<td>40</td>
<td>120</td>
<td>20.0%</td>
</tr>
<tr>
<td>Rental 100%+ AMI</td>
<td>0</td>
<td>180</td>
<td>160</td>
<td>340</td>
<td>56.7%</td>
</tr>
<tr>
<td>For-Sale (entry level-mid market)</td>
<td>0</td>
<td>0</td>
<td>140</td>
<td>140</td>
<td>23.3%</td>
</tr>
<tr>
<td>For-Sale (high-end)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Units</td>
<td>0</td>
<td>260</td>
<td>340</td>
<td>600</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Source: Marquette Advisors*

We understand that the “Merchandise Mart” property (industrial facility constructed in 1977) may become available for redevelopment, immediately east of the planned Station. This property contains approximately 15 acres of developable land and should be considered for residential along with complementary commercial uses, including office and retail/restaurant concepts. Given the value of land in this area (subject site last traded in 1995 for $12.7 million), future redevelopment must exhibit considerable increase in density/intensity in use and would most likely contain significant commercial components along with housing.
Investment in Public Realm:

- Work to improve connection of existing trail system in the business park to the planned station area.

- Consider development of circulator transit bus which will help connect area residents and commuters with local businesses and the LRT station.

- Should land become available, construct park & ride facility just north of the LRT platform, as planned, inclusive of a public plaza and gathering area.

Merchandise Mart property – approximately 15 acres developable. Possible future redevelopment site.
MINNETONKA PLANNING COMMISSION
February 16, 2017

**Brief Description**

Concept plan review for the Shady Oak Redevelopment located at 4312 Shady Oak Road.

**Action Requested**

Discuss concept plan with the applicant. No formal action required.

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**Background**

In March 2015, the city purchased the properties at 4312 Shady Oak Road and 4292 Oak Drive Lane as a result of Hennepin County’s road reconstruction project on Shady Oak Road. The city of Minnetonka currently owns and manages a commercial building at 4312 Shady Oak Road and a residential building at 4292 Oak Drive Lane.

To prepare for redevelopment, the city hosted a series of meetings to gain input on development of the properties from January to April of 2016. The residents and business owners surrounding the project site in both Minnetonka and Hopkins were invited to three neighborhood meetings to introduce the project and gather issues/concerns/expectations from the surrounding neighborhood. In addition to meeting with the neighborhood, the city hosted a developer’s roundtable for an invited group of developers to gauge interest and ideas on redevelopment options. Lastly, a project update was given at a city council regarding development options for the property. The complete meeting notes are posted on the city’s website here: [http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment](http://eminnetonka.com/current-projects/planning-projects/1490-shady-oak-rd-redevelopment)

With the input of the neighborhood and the development community, the city solicited interest from developers for potential options for redeveloping the 4312 Shady Oak Road (commercial) property. The goal of the project is to prepare and form a feasible redevelopment plan that will be reviewed by the city, neighborhood, and local stakeholders. On November 14, 2016, the city council conducted developer interviews and selected Ron Clark Construction to continue negotiations. The city is currently engaged in negotiations with Ron Clark to redevelop the property. As a part of the negotiations process, the developer is seeking community input on a proposed conceptual plan for redevelopment of the property.

**Proposed Concept Plan**

Ron Clark Construction is proposing a three-story, 54-unit apartment building on the property located at 4312 Shady Oak Road. The proposed apartment building would have underground parking, resident community room, exercise room, onsite manager’s office and an outdoor play area. It is proposed to have a mix of 1, 2 and 3 bedroom apartments and they currently expect the unit rents to be between $800 and $1200 per month. (See attachments).
Zoning for the property is currently B-2, limited business district. The city’s comprehensive plan guides the property for commercial use. Any redevelopment of the site would require zoning and comp plan guide change, as identified in the planning process last year.

**Key Issues**

City staff has identified the following considerations for any development of the subject properties:

- **Rezoning and Comprehensive Plan** The proposed residential use would require a rezoning and guide plan change. The proposed housing component would qualify the project for public benefit under the planned unit development zoning district. A complementary high density residential comprehensive plan reguidance would align with the zoning density of 34 units/acre.

- **Building Design** The proposed 3 story building represents significant redevelopment of the Shady Oak Road corridor between Highway 7 and Excelsior Boulevard. Most of the commercial buildings located south of the site are single story, flat roof buildings and constructed many decades ago. This building is dilapidated and unlikely to be a candidate for remodeling. Other residential redevelopment in the area includes The Oaks of Mainstreet townhome development (late 1990s) at the corner of Shady Oak Road and Mainstreet. The proposed apartment building incorporates a gable roof design and an articulated façade, underground parking and common building entry accesses. The building design with the gabled roof suggests a somewhat suburban design. There may be merit to evaluating flat roof designs to better reflect the character of and entrance to the commercial area.

- **Site Design** Much like the existing building, the proposal would site the apartment building toward Shady Oak Road while providing greenspace to separate the building from the sidewalk. Surface parking and a tot lot are provided on the west side of the building. Underground parking is accessed from Oak Drive Lane. The relationship of the building to the street is important. Great site and building design considers the relationships of public and private spaces. A strong relationship of the sidewalk, front yard space and the building’s first floor is essential for great spaces. This site may demand a stronger front yard/building connection and presence to the public sidewalk. The site plan should also consider landscaping features on the northwest (near Oak Drive Lane) to provide a transition between the single family neighborhood and this property.
Review Process

Staff has outlined the following review process for the proposal. At this time, a formal application has not been submitted.

- **Neighborhood Meeting.** A neighborhood meeting will be held on Wednesday, February 15, 2017. Staff will provide a summary of neighborhood feedback at the meeting.

- **Planning Commission Concept Plan Review.** The planning commission Concept Plan Review is intended as a follow-up to the neighborhood meeting. The objective of this meeting is to identify major issues and challenges in order to inform the subsequent review and discussion. The meeting will include a presentation by the developer of conceptual sketches and ideas, but not detailed engineering or architectural drawings. No staff recommendations are provided, the public is invited to offer comments, and planning commissioners are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

- **City Council Concept Plan Review.** The city council Concept Plan Review is intended as a follow-up to the planning commission meeting and would follow the same format as the planning commission Concept Plan Review. No staff recommendations are provided, the public is invited to offer comments, and council members are afforded the opportunity to ask questions and provide feedback without any formal motions or votes.

Staff Recommendation

Staff recommends the planning commission provide comment and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans. Additionally, staff recommends continuing neighborhood engagement during further development of the design plans.

Originator: Loren Gordon, AICP, City Planner
ADDITIONAL INFORMATION

Next Steps

• **Formal Application.** If the developer chooses to file a formal application, notification of the application would be mailed to area property owners. Property owners are encouraged to view plans and provide feedback via the city’s website. Through recent website updates: (1) staff can provide residents with ongoing project updates, (2) residents can “follow” projects they are particularly interested in by signing up for automatic notification of project updates; (3) residents may provide project feedback on project; and (4) and staff can review resident comments.

• **Neighborhood Meeting.** Prior to the planning commission meeting and official public hearing, an additional public meeting would be held with neighbors to discuss specific engineering, architectural and other details of the project, and to solicit feedback. This extends the timing that has historically been provided in advance of the planning commission review to allow more public consideration of the project specifics.

• **Council Introduction.** The proposal would be introduced at a city council meeting. At that time, the council would be provided another opportunity to review the issues identified during the initial concept plan review meeting, and to provide direction about any refinements or additional issues they wish to be researched, and for which staff recommendations should be prepared.

• **Planning Commission Review.** The planning commission would hold an official public hearing for the development review and would subsequently recommend action to the city council.

• **City Council Action.** Based on input from the planning commission, professional staff and general public, the city council would take final action.

Roles and Responsibilities

• **Applicants.** Applicants are responsible for providing clear, complete and timely information throughout the review process. They are expected to be accessible to both the city and to the public, and to respect the integrity of the public process.

• **Public.** Neighbors and the general public will be encouraged and enabled to participate in the review process to the extent they are interested. However, effective public participation involves shared responsibilities. While the city has an obligation to provide information and feedback opportunities, interested residents are expected to accept the responsibility to educate themselves about the project
and review process, to provide constructive, timely and germane feedback, and to stay informed and involved throughout the entire process.

- **Planning Commission.** The planning commission hosts the primary forum for public input and provides clear and definitive recommendations to the city council. To serve in that role, the commission identifies and attempts to resolve development issues and concerns prior to the council’s consideration by carefully balancing the interests of applicants, neighbors, and the general public.

- **City Council.** As the ultimate decision maker, the city council must be in a position to equitably and consistently weigh all input from their staff, the general public, planning commissioners, applicants and other advisors. Accordingly, council members traditionally keep an open mind until all the facts are received. The council ensures that residents have an opportunity to effectively participate in the process.

- **City Staff.** City staff is neither an advocate for the public nor the applicant. Rather, staff provides professional advice and recommendations to all interested parties, including the city council, planning commission, applicant and residents. Staff advocates for its professional position, not a project. Staff recommendations consider neighborhood concerns, but necessarily reflect professional standards, legal requirements and broader community interests.
LOCATION MAP

Project: Shady Oak Redevelopment
Address: 4312 Shady Oak Rd.

City of minnetonka
Where quality is our nature

This map is for illustrative purposes only.