



# Memorandum:

TO: Mayor Gunderson and City Council Members

FROM: Nolan Wall, Planning/Community Development Director

DATE: October 4, 2022

SUBJECT: Request for Council Action  
Planning Case 22-012  
Rezoning, Conditional Use Permit, and Site Plan Review  
3470, 3500, 3508, and 3520 Rice Street  
Elevage Development Group, LLC

## Recommended Council Action

Consider the following actions in this case:

1. Adopt an ordinance approving rezoning of 3470, 3500, 3508, and 3520 Rice Street from Commercial Two (C-2) to Residence Three (R-3).
2. Adopt a resolution approving conditional use permit and site plan review requests at 3470, 3500, 3508, and 3520 Rice Street.

## Description of the Request

The applicant/property owner/developer is requesting the following actions for construction of a proposed multi-family residential housing development on the subject properties:

1. Rezoning from Commercial Two (C-2) to Residence Three (R-3).
2. Conditional Use Permit (CUP) for a Planned Unit Development (PUD) Overlay w/in the Water Management Overlay District.
3. Site Plan Review.

## Discussion

The City is using its legislative authority when considering action on rezoning requests and has broad discretion; the only limitations are that actions must be constitutional, rational, and in some way related to protecting the health, safety and general welfare of the public.

The City is using its quasi-judicial authority when considering action on a zoning request and has a relatively high level of discretion in approving PUDs. The City may impose reasonable requirements in a PUD not otherwise required if the City deems it necessary to promote the general health, safety and welfare of the community and surrounding area or to enhance the proposed development.

## Action Timeline

Received	Complete	60-day Deadline	Extension	120-day Deadline
06/23/2022	08/01/2022	09/30/2022	09/01/2022	11/29/2022

The application review timeline in this case was extended, by written notice to the applicant in accordance with state statute, an additional 60 days to November 29, 2022.

### **Background**

Elevage Development Group, LLC is proposing to rezone the subject properties to allow for construction of a 6-story, 176-unit market-rate multi-family residential development, including CUP, PUD overlay district, and site plan review requests. The applicant owns the entire site and also developed the mixed-use project (The McMillan) across Rice Street in Shoreview.

The City has been working with the applicant and existing/former property owners over the past several years to consolidate site control for potential redevelopment along Rice Street. Financial assistance is being sought through the City's Business Subsidy Assistance application process, which the City Council will consider separately. All four existing buildings within the proposed development site were found to be structurally-substandard to a degree requiring substantial renovation or clearance.

### **Additional Analysis**

Supplemental to the attached staff report, based on certain public and Commission comments/questions, the following additional analysis is provided in consideration of the requests in this case:

#### **Traffic**

The applicant commissioned a vehicle trip generation review based on the proposed development for review by Ramsey County (see attached). It anticipates minimal impact to the adjacent roadway network from the trips generated by the proposed development based on design capacity, existing volumes, and anticipated vehicle movements. Upon review, the County provided additional comments concurring with the report and requiring additional conditions of approval (see attached).

#### **Architectural Renderings**

See the attached updated architectural renderings.

#### **Shadow Study**

See the attached Shadow Study and narrative provided by the applicant's architect. Additional explanation of the scope of such a study was also provided as follows:

*The winter solstice date is when the shadows cast will be the greatest in the specific location in Vadnais Heights. The Summer solstice date is when the shadows cast will be the least. We also do the 2 equinox dates as that is the midway points between greatest shadows cast and least shadow casts. We also show morning (near sunrise) and evening (near sunset) to represent how the shadows move throughout the date. One last piece of information is that in every municipality we have worked in that defines the specific requirements for a shadow study has these dates and times defined as required.*

#### **Steep Slope Disturbance**

The applicant's engineer provided the following statement regarding steep slope impacts on the site:

*This particular site has unique characteristics that create challenges and practical difficulties that warrant flexibility in applying the steep slope ordinance. The design team has explored multiple site design alternatives and options for the placement of the proposed building outside of the portion of the site that exceeds to code steep slope threshold. The proposed site design and building location is the single design solution that provided the least amount of impact to the steep slope within the site while allowing for the quality and thoughtful development of the site.*

*The spirit and intent of the steep slope rule generally is to limit and mitigate the possibility for soil erosion and resultant site degradation. Our site design proposes the application and use of engineering enhancements through the application and use of erosion control mitigation, slope stabilization techniques, non-point stormwater discharge, stormwater treatment facilities and deep rooted native and natural vegetation. These design and engineering techniques applied with the thoughtful placement of the building are the appropriate solution for mitigating the challenges that the existing site conditions present when no other feasible alternative exists.*

### **Public Safety Service Calls**

Questions have been raised about the cost of calls for service related to a new multi-family residential building without the supporting tax dollars potentially being used for TIF purposes. In 2022, the four subject properties included within the proposed development site paid \$27,502 in property taxes to all applicable taxing authorities. Respectively, \$2,879.84 was paid to the City of Vadnais Heights; with approval of a potential TIF agreement, these dollars will continue to be collected/distributed.

#### *Fire Department*

Analysis for fire calls to the McMillan (mixed use development across Rice Street in Shoreview and serviced by the Lake Johanna Fire Department) and the Aster Meadow apartments on Centerville Road/County Road F average between 10-15 calls/year. The proposed development is slightly larger with no commercial component, so it is fair to estimate it will be between 15-20 calls/year. Average call is approximately one hour, with a 3-person crew at \$51.14/hour.

$$20 \text{ calls} \times \$51.14 \text{ staff costs/hour} = \$1,022.80 \text{ average annual fire service costs}$$

#### *Ramsey County Sheriff's Office*

Analysis was provided for police calls to the McMillan, which is also served by the Ramsey County Sheriff. It should be noted that this property has a commercial component that likely drives more calls than a typical apartment; the proposed development does not have a commercial component. In 2020 and 2021, the McMillan had 65 and 69 calls for service, respectively. As of September 2022, there have been 39 calls for service, which is on a similar pace as previous years. The average call is approximately 22 minutes, much of which includes the deputy writing their report. Hourly costs vary for deputies, but a generous estimate is approximately \$100/hour. It's fair to say the proposed development will draw a similar number of calls (70 calls) as it is larger, but lacks the commercial component.

$$70 \text{ calls} \times \$100 \text{ staff costs/hour} \times .367 \text{ (22-min calls, 22/60)} = \$2,566.67$$

Total public safety call costs in today's costs is \$3,589.47. Strictly speaking, this leaves a deficit of \$709.63/year for the life of the TIF note if costs remain the same; for a 20-year note that would total just under \$15,000. If the TIF note ends sooner, that amount is less. Once the TIF note is complete, it's estimated the City portion of the property tax payment will be approximately \$200,000/year. These costs are strictly related to public safety costs, which are more easily estimated as the data is regularly collected. Staff recognizes there are likely other, less measurable costs of new multi-family resident development, but also recognizes the benefits to local businesses from adding hundreds of new residents to the community. City Council should evaluate the merits of a potential return on investment through the life of the agreement.

### **Planning Commission Recommendation**

The Planning Commission conducted the required public hearing at the August 23 meeting and recommended approval of the requests in this case; public comments indicated concerns over traffic,

public safety, wildlife, screening, building height, public amenities, and tax increment financing. The staff report, including the application materials, and DRAFT minutes are attached.

**Action Requested**

If the City Council desires to implement the Planning Commission’s recommendation, pass the following motions:

1. AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP FOR THE PROPERTIES LOCATED AT 3470, 3500, 3508, AND 3520 RICE STREET (PIDS: 313022220024, 313022220012, 313022220025, 313022220022), FROM COMMERCIAL TWO (C-2) TO RESIDENCE THREE (R-3).
  
2. A RESOLUTION APPROVING A CONDITIONAL USE PERMIT AND SITE PLAN AT 3470, 3500, 3508, AND 3520 RICE STREET.

Any consideration by the City Council to deny the proposed requests in this case requires adopting a resolution including findings of fact supporting the decision. As a result, staff would recommend that the City Council discuss the required findings and pass a motion to (1) TABLE THE REQUEST; AND (2) PREPARE A RESOLUTION OF DENIAL FOR CONSIDERATION AT AN UPCOMING MEETING.

These matters require a simple majority vote, respectively.

Attachments:

- Ordinance No. 760
- Resolution of Approval
- DRAFT 08/23/22 Planning Commission meeting minutes
- Trip Generation Review memorandum prepared by SRF, dated 08/17/22
- Ramsey County Public Works Department additional traffic comments/conditions email, dated 08/24/22
- Architectural renderings, updated 09/27/22
- Shadow Study narrative prepared by URBANWORKS, dated 09/28/22
- Staff report, including supporting materials