



7500 West 78<sup>th</sup> Street  
Edina, MN  
55439

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Friday, April 12, 2019

Loren Gordon  
City of Minnetonka  
14600 Minnetonka Blvd  
Minnetonka, MN 55345

RE: Shady Oak Crossing Project Narrative – Request for Concept Review of Potential Amendment to the approved Planned Unit Development

**Current Status of the Project**, Ron Clark Construction received approval for a three-story, 49-unit apartment building on the property located at 4312 Shady Oak Road in the fall of 2017. We submitted the project for tax credit funding to Minnesota Housing in the summer of 2018 but was not awarded tax credits for that year. We are planning to apply again in 2019, with the approved project.

However, because it came up many times during the approval of the project, that the neighbors would prefer most of the traffic from the apartment to not use Oak Drive Lane, but to instead, to have at least the tenant traffic from the underground garage be required to use the stoplight intersection at Shady Oak Road and Main Street. We again reached out to the Seller of the property to the south of the site to see if he would reconsider selling all or a portion of his property. We have come to an agreement to buy a portion of his property and are in the process of finalizing a Purchase Agreement with him, subject to receiving approval from the city for the revised project. By acquiring this additional property, we can transfer all the traffic from the underground garage off of Oak Drive Lane, it will also allow us to provide 18 additional workforce housing units and to build more cost-efficient project.

**The Revised Project Proposal** is similar to the current design but will be 67(or 68)-unit building with the underground parking only accessible from the Shady Oak Road/Main Street intersection. The amenities will still be the same, including a resident community room, exercise room, onsite manager's office and a larger outdoor play area. It is still be a mix of 1, 2 and 3 bedroom apartments and they currently expect the unit rents to be between \$800 and \$1200 per month.





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**Planned Unit Development Zoning Amendment:** The proposal will request an amendment to the approved planned unit development zoning district for the site. The change will require working with the City of Hopkins to Annex the portion of the property being added to the site into the City of Minnetonka. The zoning density of the new site would be about 34 units/acre. (67 units/approx. 2.00 acres) compared to originally approved 31 units/acre. (49 units/1.58 acre).

**Building and Site Design:** The previously approved 49-unit 3 story Apartment building has been redesigned in response to an opportunity to include additional land to the south. This allows the entrance to the underground residence parking garage to be accessed from the signalized intersection of Main Street and Shady Oak Road instead of Oak Drive Lane. This also creates the opportunity to increase the number of apartment units to 67 for a more efficient and economical building to help cover the cost of the land.

The overall design of the building will be similar to the previously approved building with 3 stories for the main section then reducing to 2 stories on the north and west ends. The roof would be either an entirely flat roof or include sections of a low-pitched hip roof over the center portion.

The design continues the effort to reduce the building height as viewed from Shady Oak Road from the north and from the existing neighborhood to the west.

Moving the parking garage entrance to Main Street also allows the grades to be raised and additional landscaping along Oak Drive Lane.

The proposed Site Plan includes significant landscaping around the building. All efforts will be made to protect the existing trees as well as adding additional trees, landscaping and fencing to screen the existing neighbors from the surface parking.

The building design includes three entrances connecting directly to the sidewalk along Shady Oak Road while providing greenspace to separate the building from the sidewalk.





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**Traffic:** The city consultant will update the traffic study of the area to show the effect the revised plan will have on both Oak Drive Lane and the Main Street intersection.

**Financing:** Same as the prior submittal, The project will be financed through the Minnesota Housing Finance Agency (MHFA) 9% tax credit program, The tax credit financing program is a public/private partnership whereby the tax credit investor receives federal tax credits for a 10 year period which we are able to convert into Equity for the project, this allows for a small mortgage but in return the rents must be kept at a level set by MHFA for 30 years, with a Tenant’s income restricted to 60% of the Median Income for the County., which currently for a family of 4 is \$54,240/year. In addition MHFA does annual inspections of the property and require us to set aside about \$250,000 in reserves at closing and to set aside another \$22,050/year for major repairs and replacements. This assures that the building will be maintained at a high quality and continue to be an asset to the city for years to come.

If the project is approved by the city, we will be applying for tax credits in 2019 and if selected would plan to start construction on early 2020.

**Professional Management:** Steven Scott Management will be our management company, they are a highly respected local company.

We will have an onsite resident caretaker as well as a building manager who is at the building a minimum of 30 hours per week, along with a Senior Manager who oversees the building management.

As part of the maintenance and management of the building we are in each unit, normally monthly or bi-monthly to maintain equipment and to do a quick inspection to confirm no lease violations or undo wear and tear is happening.

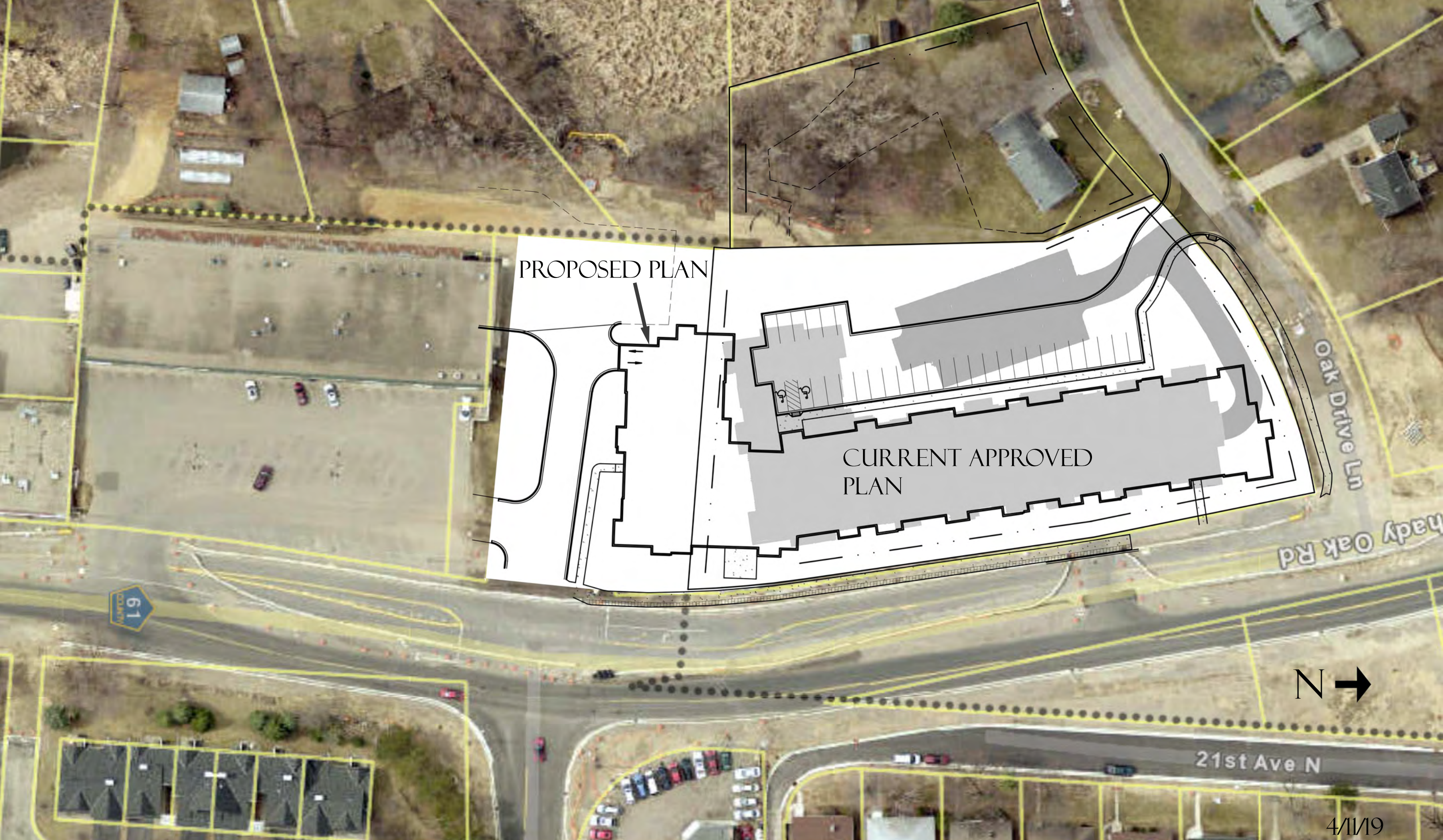
Each resident in the household must pass extensive credit, criminal & housing history checks

The leases are also very clear as to our right to evict or non-renew a tenant for either a major lease violation or continued smaller issues. They also sign a Drug-free/Crime-free lease addendum.

Smoking is not allowed anywhere in the building.







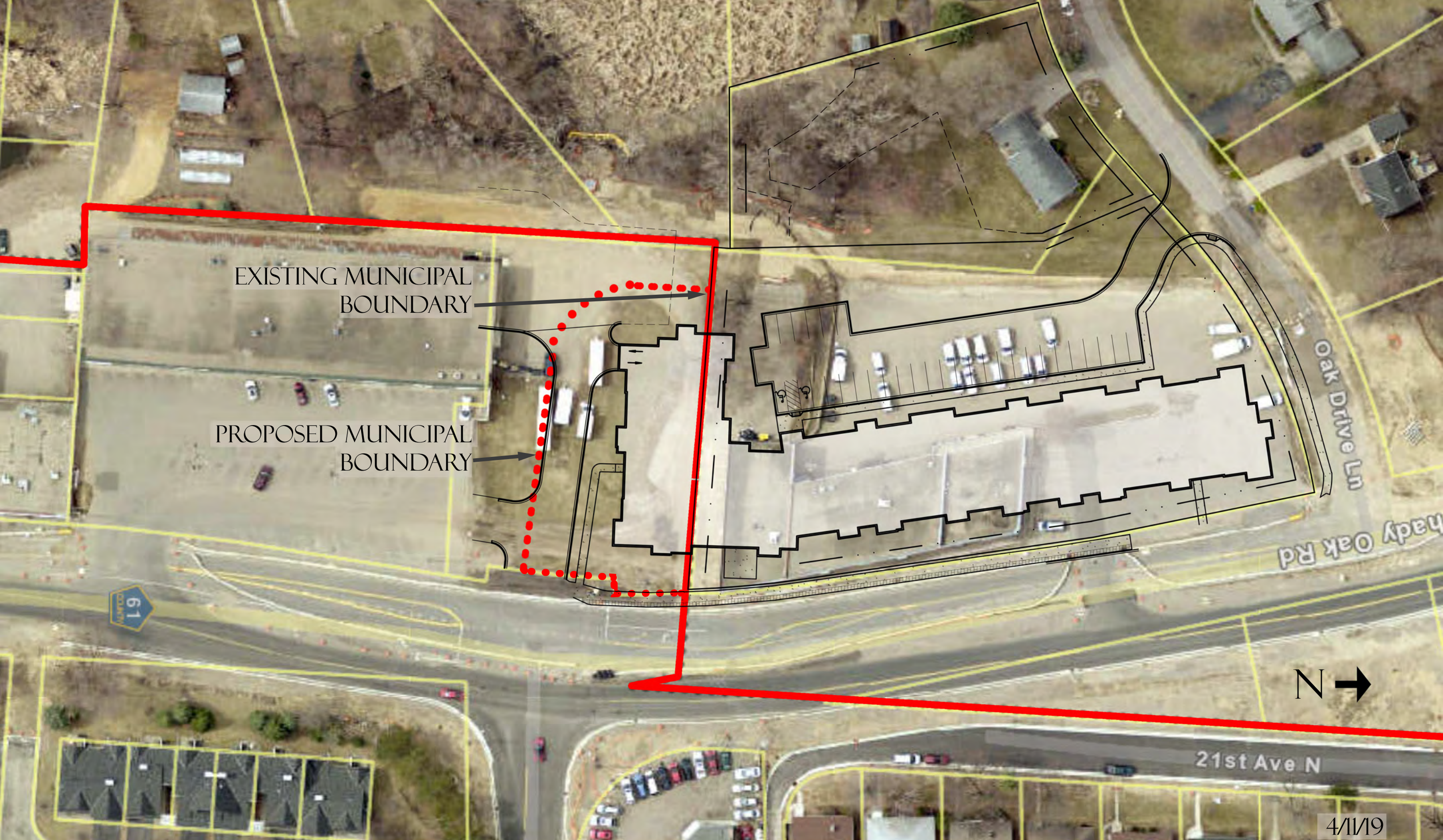
PROPOSED PLAN

CURRENT APPROVED  
PLAN



21st Ave N

4/1/19



EXISTING MUNICIPAL BOUNDARY

PROPOSED MUNICIPAL BOUNDARY

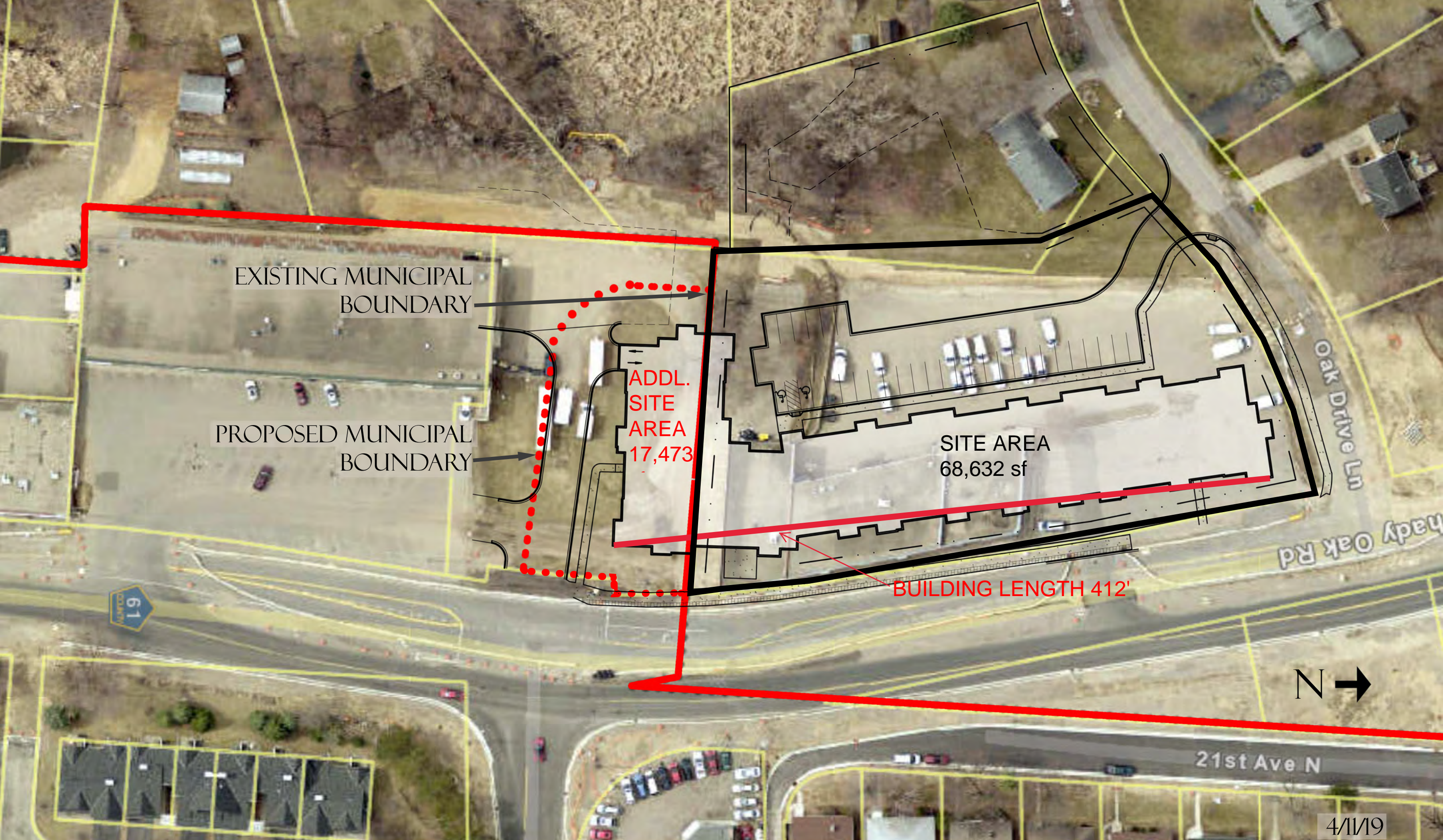
Oak Drive Ln

Shady Oak Rd

21st Ave N



4/1/19



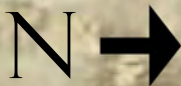
EXISTING MUNICIPAL BOUNDARY

PROPOSED MUNICIPAL BOUNDARY

ADDL. SITE AREA 17,473

SITE AREA 68,632 sf

BUILDING LENGTH 412'



4/1/19