### City Council Agenda Item #14C(1) Meeting of December 4, 2017

**Brief Description** 

Concept plan review for Dominium at 11001 Bren Road East.

Action Requested

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

### Background

Dominium is proposing to redevelop the existing commercial properties at 11001 Bren Road East. The concept plan contemplates redevelopment of the existing office building to construct a 6-story, 256-unit independent senior building and 198 units of affordable, work-force rental housing within two 4-story buildings on the 9.4 acre site. The proposed 454 units would provide a housing density of 48 units per acre. (The original concept plan indicated 475 units.) (See attached plans)

The existing site includes an office building and associated surface parking lot. Green space exists adjacent to the buildings and at the periphery of the parking lots. The site has steep grade changes along the west and northwestern edges of the property then sloping gradually from west to east. A wetland exists within the wooded area along the northern portion of the property. Site access is from Bren Road East located at the southeastern portion of the property. An existing trail extends along the southern portion of the broader Opus trail system.

Surrounding land uses are primarily office or business warehouse oriented. The site is zoned I-1 Industrial 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 is immediately across Bren Road East from the proposed housing. The existing trail connection would be maintained and possibly in an improved condition. Construction on the rail line is anticipated to begin in 2018 with operations commencing 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 area. (See <u>SWLRT Housing Gaps Analysis</u>) Currently, there are 1,032 units under construction or proposed in the Opus Station area. (See attached map)

### 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. Despite the land use change from an employment use to housing, it is consistent with the vision for Opus. The housing gaps analysis also shows the need for additional housing in close proximity to the Opus Station.
- Housing Type The plan identifies units that would be accessible to those earning 60 percent of the area's median income. The city is losing affordable housing as identified in the city's most recent housing study (See Attached). During the period from 2010 to 2015, the number of housing units affordable to households earning less than 80 percent of the area median income decreased by more than 2,200 housing units.
- Site Plan: The proposed site plan shows three buildings, two 4 stories in height and one 6 stories in height. All would have underground garage parking with additional shared surface parking. Access to the site is located in the existing location and at a new access point on the north property line just west of the connection to Bren Road West.

The site plan shows a number of amenity areas located throughout the site. Additional internal trails and walkways connect to the Opus trail system. Comments about the size, location and level of amenity of these areas are appropriate discussion items.

• Building Character: 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 October 16, 2017. Approximately 30 people attended the meeting raising concerns about building height and scale, grading and retaining walls, effect on property values, traffic, occupancy, affordable housing and crime.

- Planning Commission Concept Plan Review. The planning commission reviewed the concept plans at its November 16, 2017 meeting. The commission was generally supportive of the change in land use, affordable housing and overall look of the project. Specific comments included:
  - Thoughts on amenities hair salon?
  - Building design what prompted design changes? Underground parking area?
  - o Building materials are attractive; like the rhythmic design and massing.
  - o Public art is attractive.
  - o Tree and natural feature preservation is desirable.
  - o Like the village neighborhood feel with communal feel.
  - o Does the project depend on LRT?
  - Trail connection to the south will encourage people to find other routes to the commercial area without additional connections.
  - o Does the parking hit the ratios you desire?
  - Density...could you reduce it?
  - o What are similar projects?
  - o What to do with the senior housing building in 20 years? Is it flexible?
  - o Are there barriers to attracting people without some amenities like grocery?
  - o Trail resource is valuable to the development
  - o Pedestrian safety around the LRT; connectivity trails to nowhere
  - o What to make this a distinctive Minnetonka?
- 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 city council provide comment and feedback on the identified key issues and others deemed appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Through: Geralyn Barone, City Manager

Julie Wischnack, AICP, Community Development Director Originator: Loren Gordon, AICP, City Planner

### ADDITIONAL INFORMATION

### Next Steps

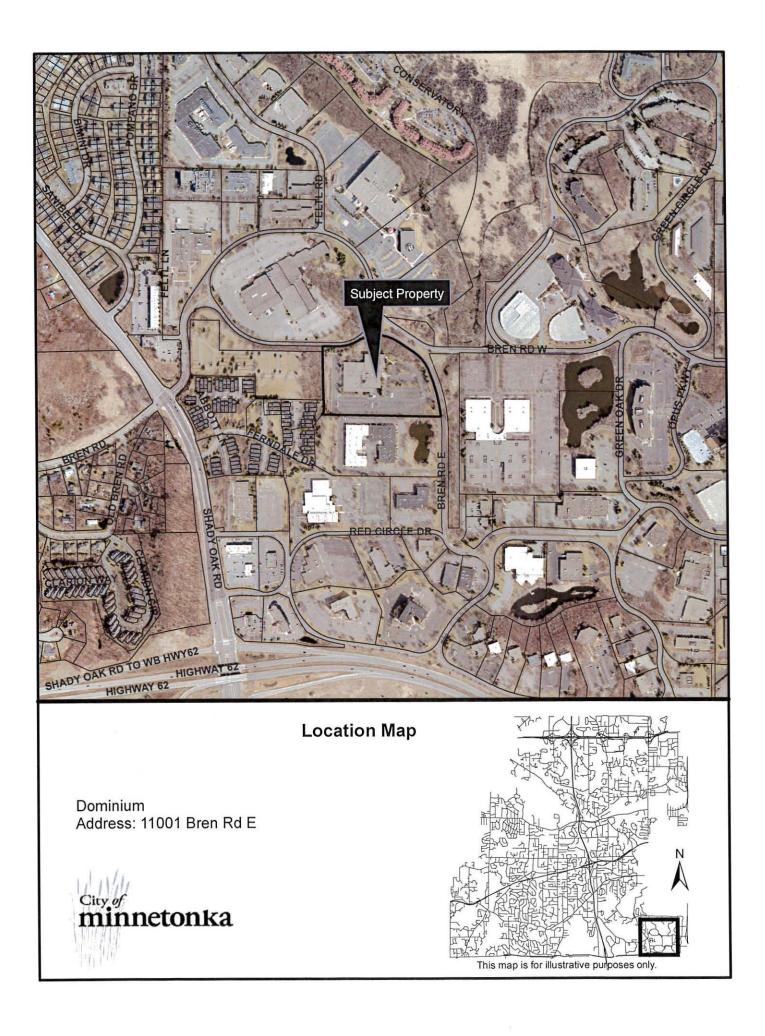
- Formal Application. If the developer chooses to file a formal application, notification of the application would be mailed to area property owners. Property owners are encouraged to view plans and provide feedback via the city's website. Through recent website updates: (1) staff can provide residents 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.

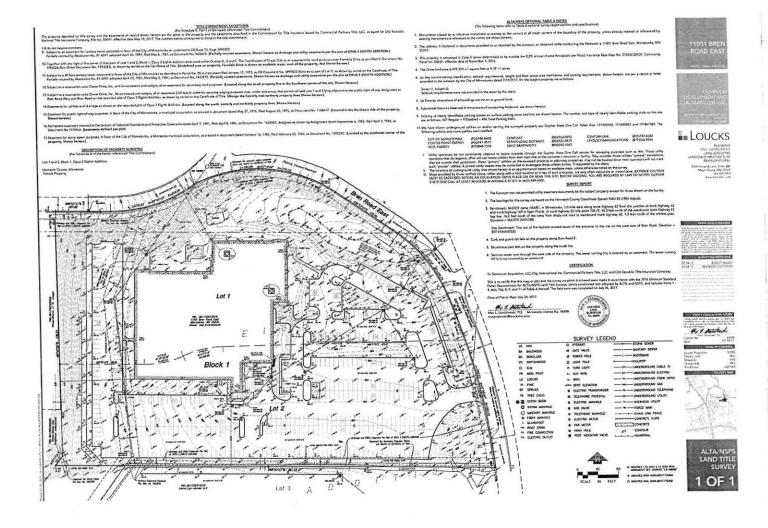
#### Roles and Responsibilities

- 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.





**Revised Plans** 



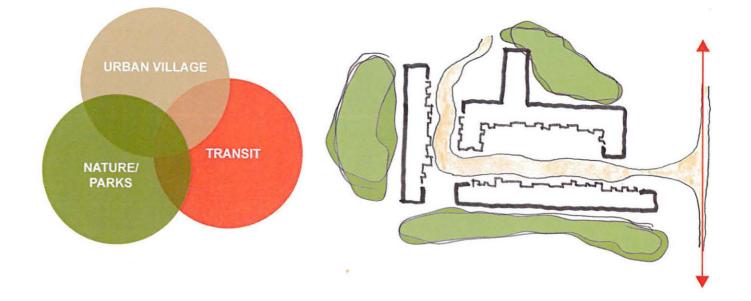
EXISTING SITE CONTEXT BREN ROAD DEVELOPMENT, MINNETONKA





EXISTING SITE INFLUENCES BREN ROAD DEVELOPMENT, MINNETONKA





### CONCEPT DESIGN BREN ROAD DEVELOPMENT, MINNETONKA





PROPOSED SITE BREN ROAD DEVELOPMENT, MINNETONKA





VISIONING BREN ROAD DEVELOPMENT, MINNETONKA





EXTERIOR RENDERING/ELEVATION - NATURE/PARKS BREN ROAD DEVELOPMENT, MINNETONKA







### EXTERIOR RENDERING/ELEVATION - TRANSIT BREN ROAD DEVELOPMENT, MINNETONKA





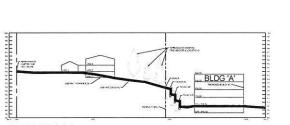


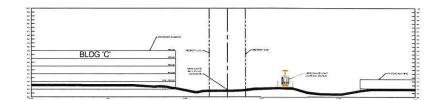
EXTERIOR RENDERING/ELEVATION - URBAN VILLAGE BREN ROAD DEVELOPMENT, MINNETONKA





**SECTION 2** 

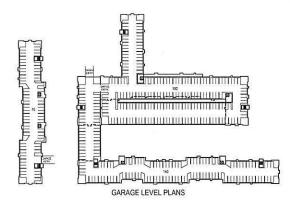




**SECTION 1** 



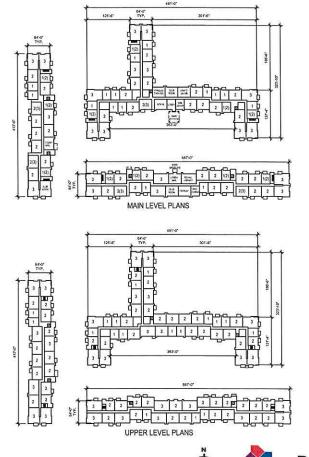
SITE SECTIONS BREN ROAD DEVELOPMENT, MINNETONKA



	BUILDING A	BUILDING B	BUILDING C	TOTAL
1 BEDROOM	11 UNITS = 13.6%	79 UNITS = 30.9%	21 UNITS = 17.9%	111 UNITS = 24.5%
2 BEDROOM	45 UNITS = 55.6%	112 UNITS =43.7%	63 UNITS = 53.9%	220 UNITS = 48.4%
3 BEDROOM	25 UNITS = 30.8%	65 UNITS = 25.4%	33 UNITS = 28.2%	123 UNITS = 27.1%
TOTAL UNITS	81 UNITS	256 UNITS	117 UNITS	454 UNITS
TOTAL BEDS	176 BEDS	498 BEDS	246 BEDS	920 BEDS

PARKING DATA				
		<b>BUILDING B</b>		
GARAGE PARKING				
SURFACE PARKING	52 STALLS	90 STALLS	36 STALLS	178 STALLS
TOTAL PARKING	122 STALLS	282 STALLS	176 STALLS	580 STALLS
RATIO PER UNIT	1.5 / UNIT	1.1 / UNIT	1.5 / UNIT	1.28 / UNIT
RATIO PER BED	.69 / BED	.56 / BED	.71/BED	.63 / BED





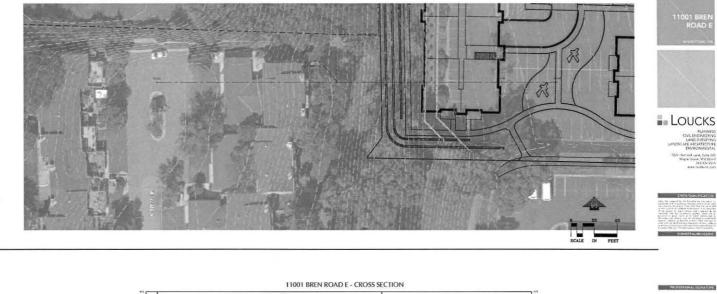


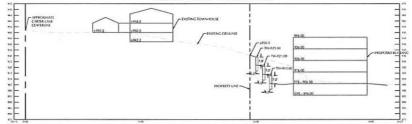
Previously Submitted Plan



BREN ROAD DEVELOPMENT - PRELIMINARY MASTER PLAN SCALE: 1" = 80'-0" DATE: 10/13/2017

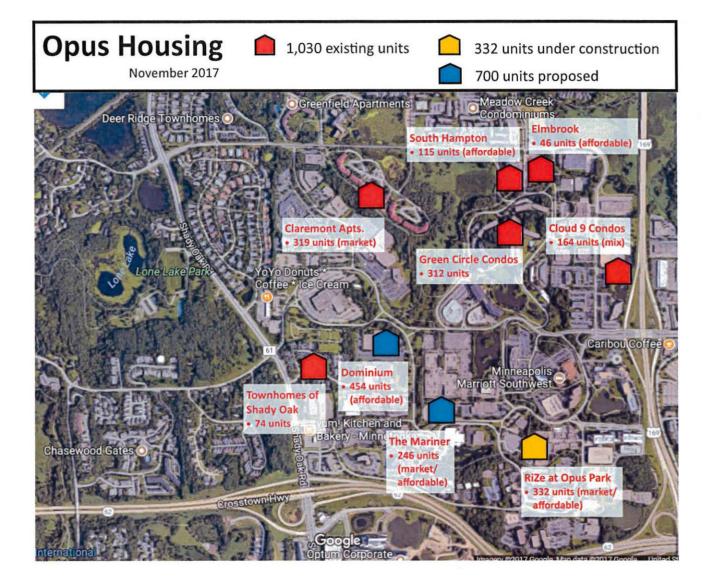


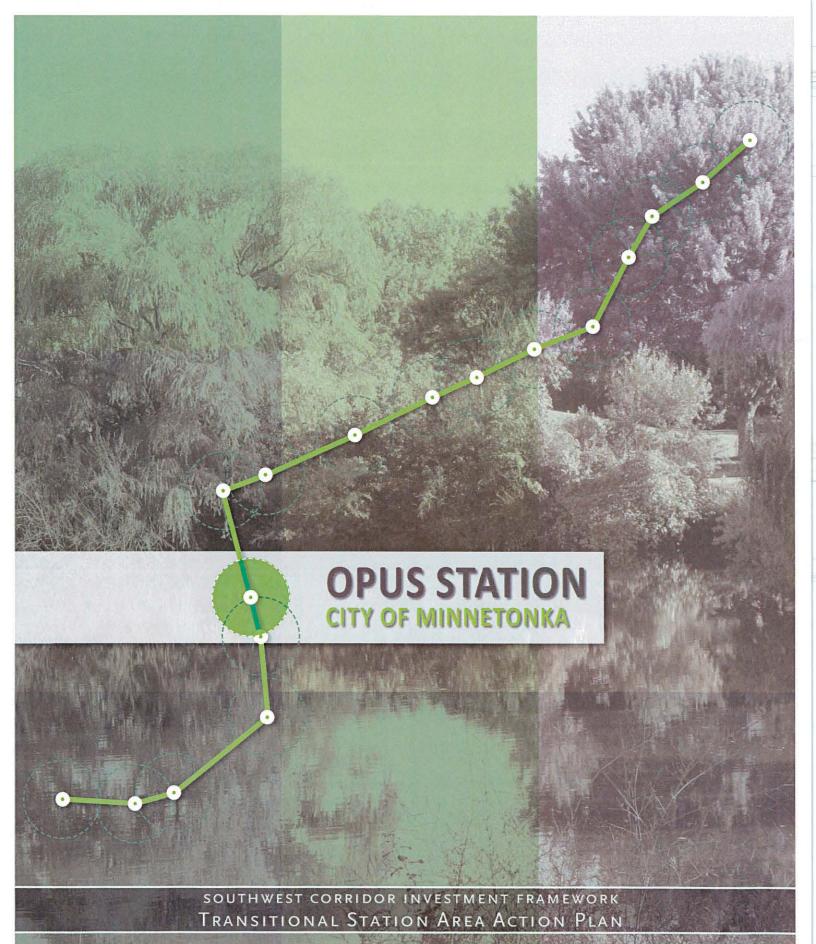






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### ABOUT THIS CHAPTER:

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

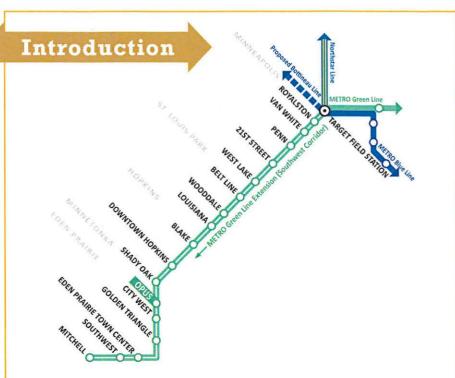
A description of existing conditions in the station area, including:

- » 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



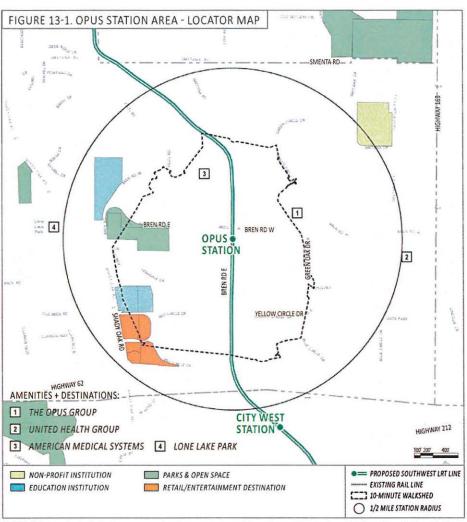
### **OPUS STATION WITHIN THE CORRIDOR:**

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.



NOTE: 10-minute walkshed 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.

### OPUS STATION AREA TODAY:



West entrance on Shady Oak Road

Existing office



Local wetland



Existing trail underpass

### **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 oneway 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.

### Where Are We Today?

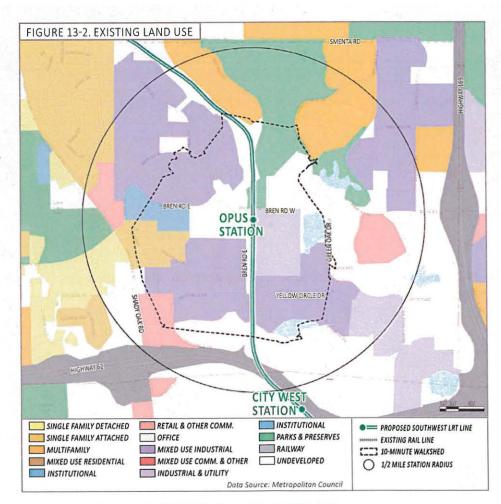
The following section describes the station area's EXISTING CONDITIONS, including the local context, land uses, transit and transportation systems, pedestrian and bicycle facilities, assets, destinations, and barriers to accessing the station. This analysis of current conditions presents key issues and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

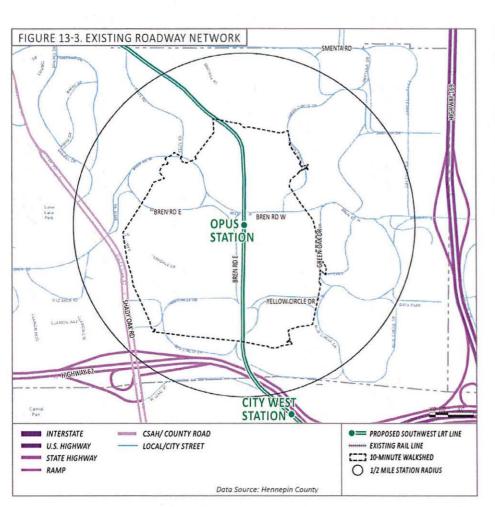
NOTE: Existing conditions maps are based on data provided by Hennepin County and local municipalities. The data used to create each map is collected to varying degrees of accuracy and represents infrastructure and conditions at varying points in time. Actual conditions may vary slightly from what is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

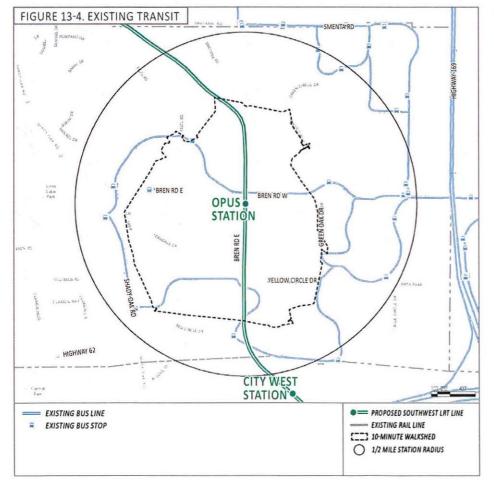
WHERE ARE WE TODAY

### 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<sup>-</sup> 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.







### **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.

OPUS

### 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

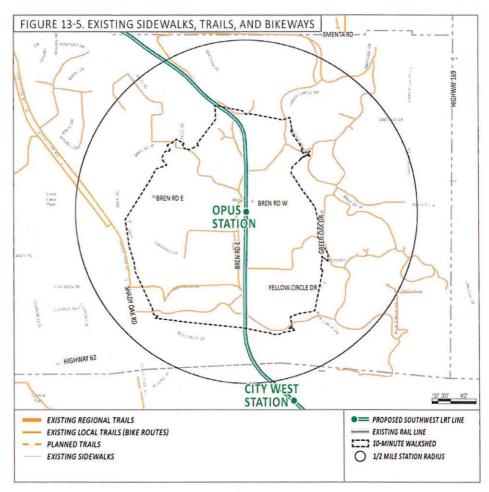
The sidewalk system in the Opus station area is extremely limited. The off-street multi-use trail system that runs throughout the Opus campus offers connections to most areas and businesses. While trail access is generally good, many businesses lack trail connections to building entries. The existing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

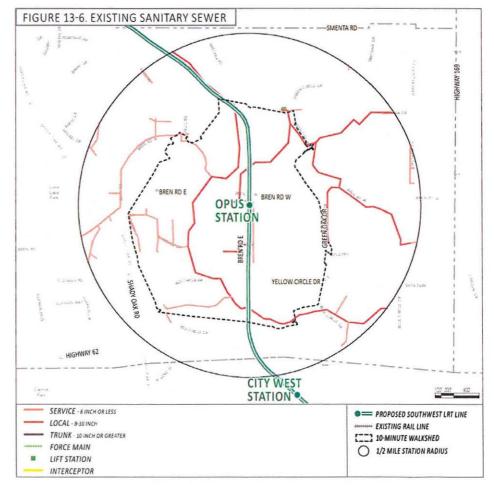
OPUS

### Existing Sanitary Sewer

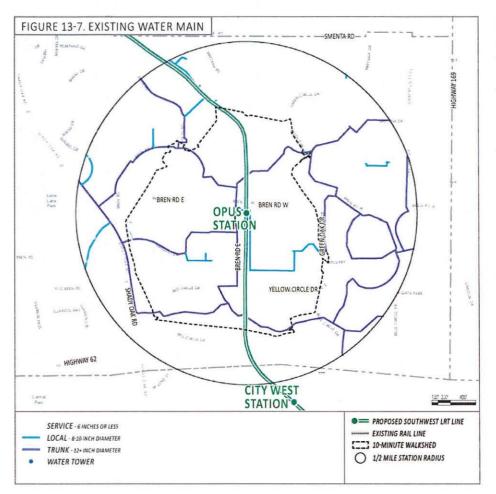
Sanitary sewer infrastructure consists of a collection of gravity flow sewer mains, lift stations, and pressurized forcemains that transport sewage to a wastewater treatment plant (WWTP). An efficient collection system has the capacity to accommodate all of the existing land uses within its particular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

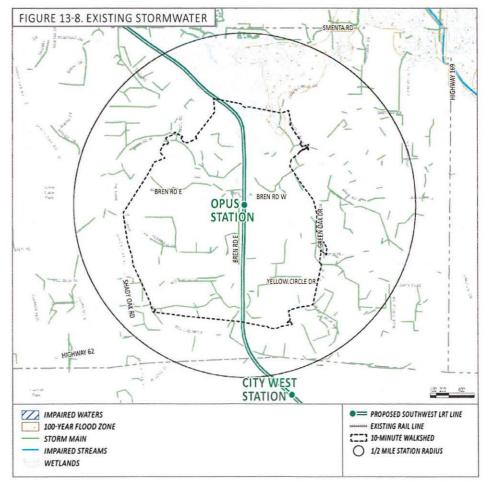
Sanitary sewer infrastructure within the project area is typically maintained by either the City of Minnetonka or by the Metropolitan Council Environmental Services (MCES) Division. MCES maintains a series of interceptor trunk sewers which collect sewage at key locations and convey sewage across community 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 welldesigned 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 100year 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 <u>and</u> 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.



Multi-use path connections



Pedestrian-oriented lighting and streetscape enhancedments



Example of public plaza

### 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.

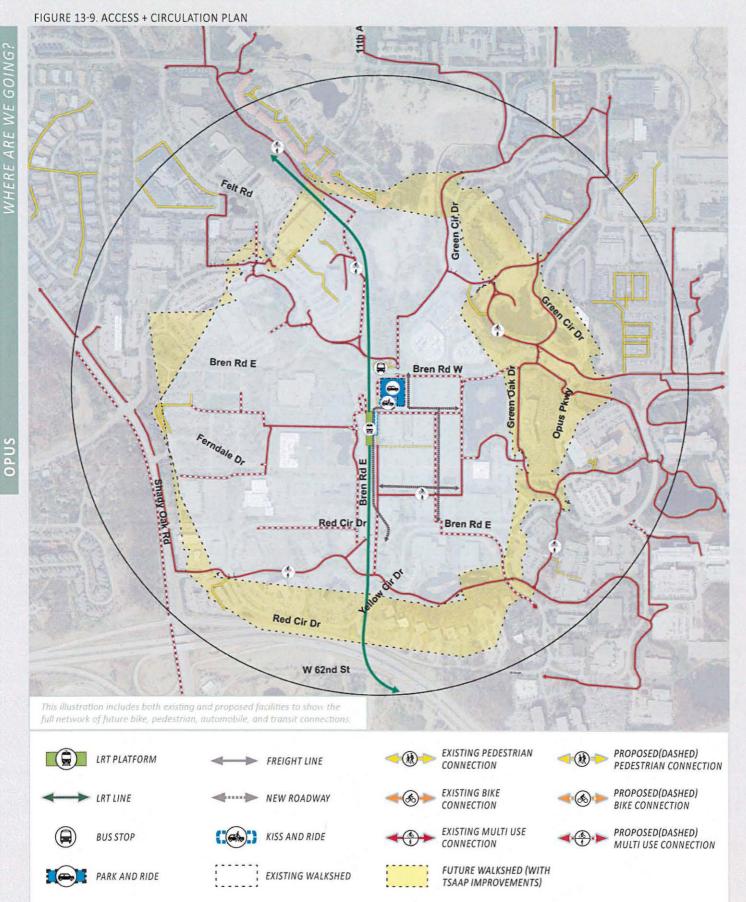
### POTENTIAL DEVELOPMENT

#### Long-Term Improvements:

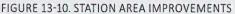
» See the "Development Potential" discussion on page 13-16 for more on long-term development opportunities.

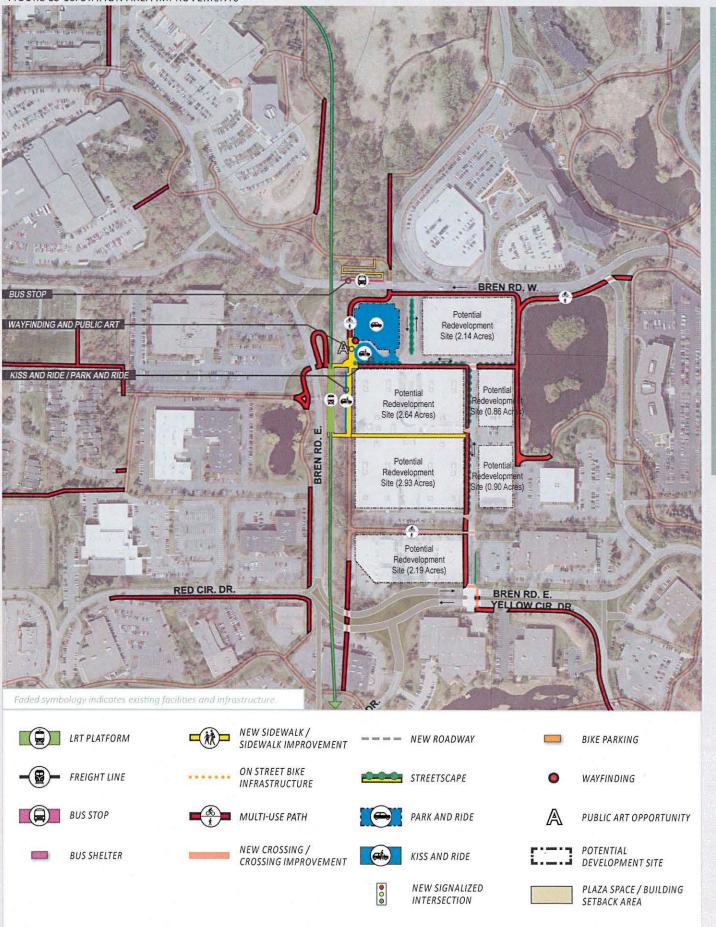
#### UTILITIES

» See the "Station Area Utility Plan" beginning on page 13-18 for all utility recommendations.



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.



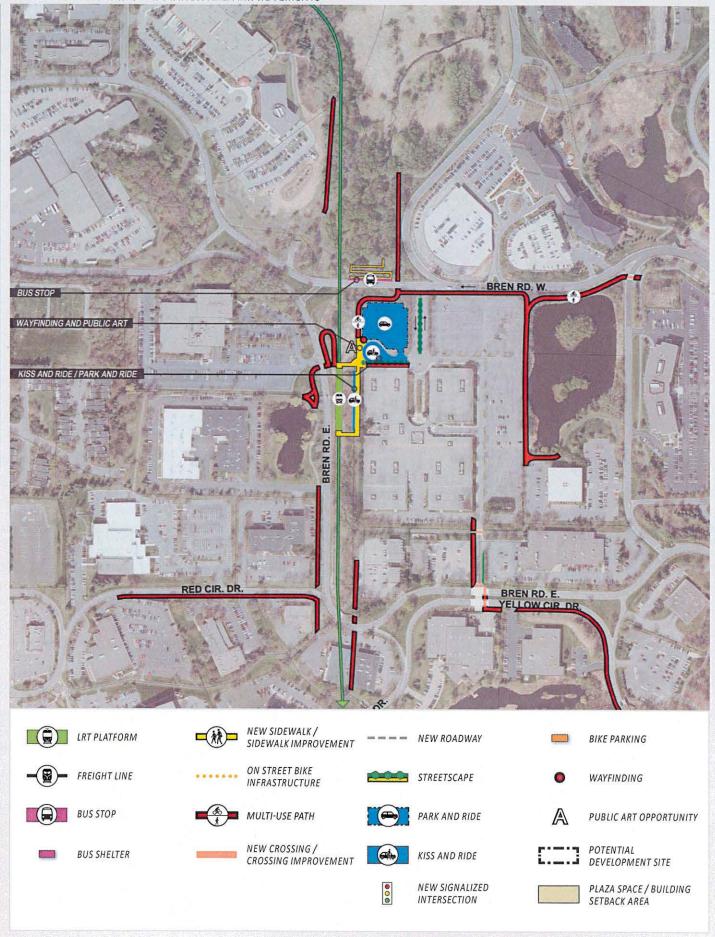


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### FIGURE 13-11. OPENING DAY STATION AREA IMPROVEMENTS

WHERE ARE WE GOING

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### **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

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

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

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

FIGURE 13-12. SOUTHWEST LRT ANTICIPATED BASE PROJECT SCOPE - OPENING DAY STATION AREA IMPROVEMENTS

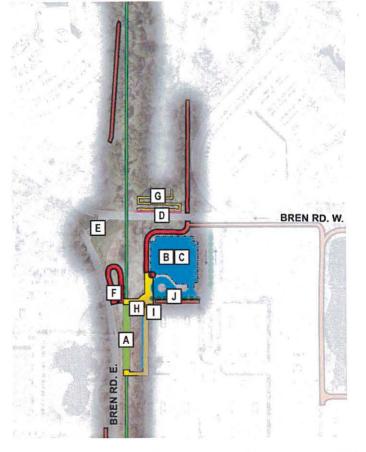


FIGURE 13-13. SOUTHWEST CORRIDOR INVESTMENT FRAMEWORK (TSAAP) - OPENING DAY STATION AREA IMPROVEMENTS



OPUS

# **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.

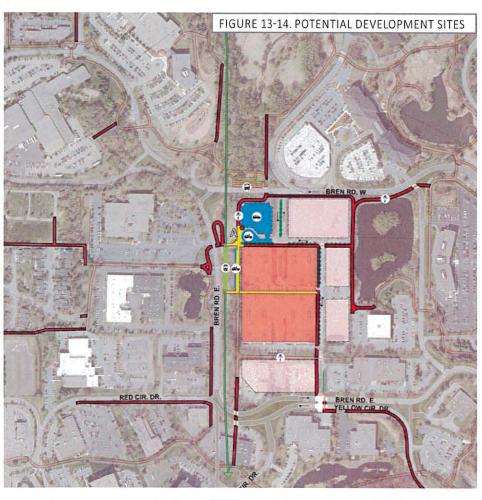
# LAND USES

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.

VHERE ARE WE GOING?



FUTURE LAND USE:



# **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 pedestrianoriented 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 transitoriented 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 sanitary 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.

# WHERE ARE WE GOING

# 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

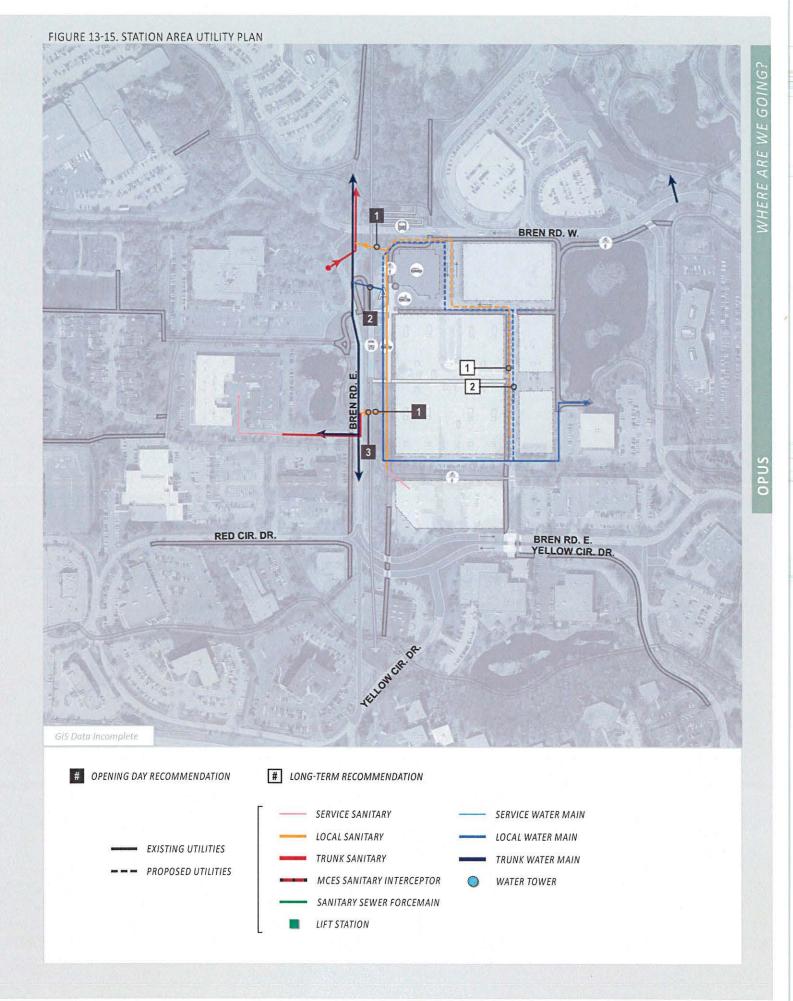
Utility recommendations (illustrated in Figure 13-15) are based on a localized analysis of proposed development. It is recommended that the City of Minnetonka take this analysis a step further and review system constraints to the existing and future sanitary sewer and water main systems using existing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



Draft Housing Market Assessment - Executive Summary

# **STUDY IMPETUS**

The City of Minnetonka ("City"), in anticipation of updating its' Comprehensive Plan, requires the expertise of a consultant to provide a comprehensive housing assessment for the community. An important step in developing both short-term and long-range plans for economic development policy and strategic planning is developing an understanding of current and future housing needs in the community. Housing is in fact a critical element in economic development and in promoting community "livability," attractiveness and competitiveness. Accordingly, the City retained Marquette Advisors to conduct a comprehensive analysis of housing needs in the community. Specifically, the primary objectives of the study are to assist the City and its elected officials in:

- Understanding demographic and economic growth factors which impact the housing supply/demand balance, and the attractiveness and/or affordability of the housing stock in the City of Minnetonka
- Identifying current and future housing needs by product type and price/rent level, based on demographics and market factors, City planning and economic development and housing goals
- Identify housing gaps and other specific housing needs for the County based on existing and projected demand for housing and identify barriers to development of various types of housing and/or housing products by affordability level.
- Assess the relationship between housing needs and economic development in Minnetonka and the surrounding west-metro market.
- Recommend strategies to enhance the availability of well-designed and appropriately priced housing products which are complementary to the goals/objectives of the City and supports its economic development, housing, and livability goals.

This *Executive Summary* provides a brief outline highlighting the key points from our analysis and conclusions. This section of the report is intended to summarize our findings and key issues, and is not a substitute for the full report, which contains additional information and data points which are critical to a full understanding of the basis for the conclusions drawn, and the context within which they were developed.

# SUMMARY OF KEY ISSUES & CONCLUSIONS

Our report is organized into the following chapters: 1) Demographics & Economic Conditions; 2) Housing Characteristics; 3) Apartment Market Conditions; 4) Senior Housing Market Conditions; and 5) For-Sale Housing Market Conditions. The following are key findings and themes from our analysis.

# Demographics & Economic Conditions

Key to our analysis of housing needs within the community is a comprehensive review of relevant demographic and economic data points and growth trends. This household composition and projected growth pattern facilitates our projections of future housing needs in Minnetonka by product type and by price/rent level. The following are key points from this analysis.

- Population, Household & Employment Growth Minnetonka had an estimated 51,752 residents and 22,717 households in 2016. Employment in the community was estimated at 44,788. Minnetonka has accounted for just 1.3% of metro area household growth since 2010. Forecasts by both ESRI Business Information Solutions, a national econometric forecasting firm, and the Twin Cities Met Council project a fairly modest growth pattern for Minnetonka. ESRI projects average annual growth of 177 households/year over the next five years in Minnetonka. The Met Council forecasts suggest the city will add an average of 240 households per year between 2020 and 2030, decreasing to 170 per year between 2030 and 2040. These forecasts equate to 1.5% to 2.0% of expected Twin Cities metro area household growth. We believe these forecasts are in fact conservative, especially considering the deep and diverse base of employers in Minnetonka and anticipated business/employment growth in the city. Other factors relating to Minnetonka's growth potential include its overall livability & attractiveness factors, and development opportunities relating to SW-LRT construction.
  - Presently, Minnetonka accounts for 2.6% of metro area employment. The Met Council projects that Minnetonka will account for more than 3.6% of regional employment growth over the next 20 years. We believe an opportunity exists for Minnetonka to capture a larger share of regional household growth in the coming years; however, this will require a ramp-up in construction of new housing products, inclusive of varied for-sale and rental housing options throughout the community. Given current land use, it is clear that this will require higher development densities, and in many cases creative public private partnerships will be necessary due to rising land and construction costs.
  - An Aging Resident Base -- Senior households prominent in Minnetonka, with higher incomes compared to metro area -- In Minnetonka, the median household income for households ages 65-74 was estimated at \$76,457 in 2016, compared to \$58,732 for the metro area. The median for Minnetonka households aged 75+ was \$43,668, compared to \$36,436 for the metro area. The large number of senior households in Minnetonka, and the comparatively higher incomes of that senior resident base, are variables which

attract senior housing developers. The increase in senior housing construction in and around the city recently relates largely to these data points.

- Significant number of households ages 55-64 -- Also of note is the large group of older adult households ages 55-64 in Minnetonka, comprising an estimated 5,214 households in 2016, and their affluence, with a median income of \$107,639. Many in this group will age into their "empty nest" and/or retirement years over the next 5-10 years. Based on the current trend, many will continue to "age in place," remaining in their single- family homes. Others may consider senior housing alternatives, although senior housing products with age restrictions and meals/care offerings typically attract a somewhat older renter profile (typically 75+). Our assessment of household age & income data, paired with housing market factors, suggest that there may be an opportunity for developers to attract households who fall into the categories of "aging adult," "active senior citizen," and/or "empty nester" to alternative housing products such as condos or new rental apartment products targeting this demographic specifically. Age-restricted senior cooperative developments also fall into this category, and have been well received in Minnetonka.
- Jobs / Housing Balance Minnetonka has a strong and expanding business community. However, given the very limited production of new housing units in the community over several years, paired with low turnover rates in the existing housing stock with many seniors aging in place, much of the Minnetonka-based workforce resides elsewhere. This relates in part to housing affordability, certainly, as documented in this report. However, scarcity of housing is perhaps more the issue. While Minnetonka's housing stock, its rentals specifically, is relatively affordable, the fact is they are at near full capacity, with vacancy rates at 2.0% or lower for much of the apartment stock. Meanwhile, there is limited supply of home purchase opportunities in Minnetonka due to rising values and low turnover rates. In addressing future housing plans, the City should work to improve this jobs / housing balance through infill construction, redevelopment at higher densities, and the provision of life-cycle housing products which are sensitive to the needs of the current and future resident and worker base.
- A shift in household tenure While the homeownership rate in Minnetonka, at 70.5%, is slightly higher when compared with metro area, we have seen slight declines in the homeownership rate. In today's market, in the Twin Cities and other markets across the US, large numbers of households are choosing to rent, rather than buy, for a variety of reasons, both economic and lifestyle-related.

# Tenure Shift – Why rent vs. buy?

# **Economic Factors**

- o Cost comparison, rent vs. buy
  - Avg. rent 2BR apt = \$1,180/month in metro area & \$1,292 in Minnetonka).
  - Avg. sale price \$265,000 in 2016 in Twin Cities = \$1,480/month (monthly mortgage + tax)
  - Avg. sale price in Minnetonka \$355,000 in 2016 = \$2,100/month (mortgage + tax)
  - And what does that does \$265,000 buy in today's market? Or \$355,000 in Minnetonka? How does that compare to apartment quality and range of amenities? Possible home rehab/updates needed on top of acquisition price? At what cost? Over what period of time?
  - And what about savings & down payment requirements?
    - Down payment requirements higher in many cases.
    - Avg. price \$265,000: 5% down payment = \$13,250
    - Avg. price \$355,000: 5% down payment = \$17,750
- High debt levels impact of college debt -
  - MN ranks 4<sup>th</sup> highest nationally in college debt.
  - 70% have "significant" college debt. Avg. nearly \$40,000 per student.
  - Mobility job/career changes; resale issue and timing

# Lifestyle Factors

- o Maintenance-free living
  - Smaller households (single renters opting for Studio or 1BR). May not make sense to buy a larger SF home, or even a condo
- Preference for "shiny & new" and \$265,000 doesn't buy that, obviously, nor does \$355,000 in Minnetonka.
- Lifestyle appeal of modern apartments <u>amenities</u>, gathering spaces. Important to Millennials especially.
- Prefer urban/walkable locations within mixed-use neighborhood context, offering connectivity to jobs, goods/services, restaurants, and amenities (simply more modern rental options there than ownership)

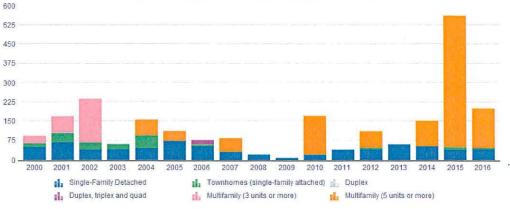
# **Housing Characteristics**

Our Housing Characteristics chapter provides a snapshot of the current housing supply in the City of Minnetonka, sourced from the <u>2015 American Community Survey (ACS)</u> from the US Census. Also presented is a summary of housing affordability in Minnetonka, comparing housing costs with household income groups, and a discussion of households with excess housing cost burden.

• *Minnetonka features large numbers of homes constructed in the 1970s and 1980s*, including both single family homes, as well as larger multi-unit buildings. Our analysis shows that Minnetonka features a number of large apartment complexes which were built in the 1980's, especially. It is also interesting to note the very few new units added in Minnetonka between 2000 and 2015.

	City of Minnet	onka	Minnetonka F	PMA	Twin Cities Metro Area		
	2015 Estimate	Percent	2015 Estimate	Percent	2015 Estimate	Percent	
YEAR STRUCTURE BUILT							
Total housing units	23,825		160,355		1,206,738		
Built 2014 or later	24	0.1%	131	0.1%	1,130	0.1%	
Built 2010 to 2013	84	0.4%	1,558	1.0%	14,582	1.2%	
Built 2000 to 2009	1,221	5.1%	17,669	11.0%	160,119	13.3%	
Built 1990 to 1999	3,356	14.1%	22,794	14.2%	168,283	13.9%	
Built 1980 to 1989	6,415	26.9%	34,917	21.8%	182,888	15.2%	
Built 1970 to 1979	4,336	18.2%	27,598	17.2%	186,473	15.5%	
Built 1960 to 1969	3,181	13.4%	19,567	12.2%	129,086	10.7%	
Built 1950 to 1959	3,797	15.9%	20,585	12.8%	130,991	10.9%	
Built 1940 to 1949	504	2.1%	7,746	4.8%	50,459	4.2%	
Built 1939 or earlier	907	3.8%	7,790	4.9%	182,727	15.1%	

• Ramp-up in new construction more recently, primarily focused on luxury apartments and senior housing, with strong positive market response to both product types quickly absorbed by renters/buyers. Considering current market conditions, with sustained low vacancy rates and rising rents, we anticipate an increase in developer interest in Minnetonka in the short term, with interest in sites that are well connected to jobs/amenities, future LRT, and "walkability."

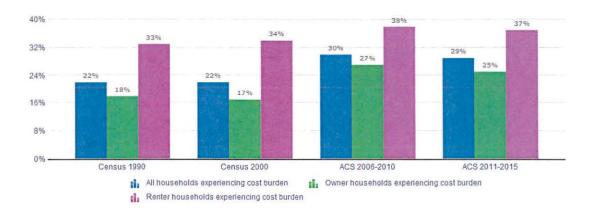


# New Housing Units Permitted by Minnetonka

• Affordable housing – an increasingly scarce resource in Minnetonka. Shown below is a summary of the affordable housing supply by affordability level compared to the number of households by income range in 2010 and 2015.

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	1	<30% AMI	31-50% AM	51-60% AM	61-80% AM	Totals, 0-80% AM
	Owner Units by Affordabilty Range	329	1,095	1,173	2,548	5,145
	Renter Units by Affordability Range	530	657	2,072	1,461	4,720
A)	Total Units by Affordability Range	859	1,752	3,245	4,009	9,865
B)	Households by Income Level	1,687	2,222	1,218	980	6,107
	A - B = (Insufficient Supply) or Surplus of Units	(828)	(470)	2,027	3,029	3,758
		201	10			
		<30% AM	31-50% AM	51-60% AM	61-80% AM	Totals, 0-80% AM
	Owner Units by Affordabilty Range	114	1,456	955	3,619	6,144
	Renter Units by Affordability Range	666	842	2,210	2,210	5,928
A)	Total Units by Affordability Range	780	2,298	3,165	5,829	12,072
B)	Households by Income Level	1,723	1,950	1,073	1,826	6,572
	A - B = (Insufficient Supply) or Surplus of Units	(943)	348	2,092	4,003	5,500

- As shown on the table, between 2010 and 2015, the number of housing units affordable to households earning <80% of the area median income decreased by more than 2,200 residential units. Meanwhile, the number of households with incomes of <80% of AMI decreased by only 465. Further, we noted that Minnetonka has seen considerable increases in rental rates over the past several months, including a 7.4% increase in the average apartment rent over the past 12 months as of 2017 Q2.
- Increasing number of households with housing cost burden according to the Met Council, utilizing ACS survey data, an estimated 29% of Minnetonka residents have an "excess housing cost burden" – meaning, their housing cost is greater than 30% of their income. This is up from 22% in 2000, as shown below. Worse, an estimated 10% of owners and 19% of renters have "severe housing cost burden," with a housing cost >50% of their incomes.



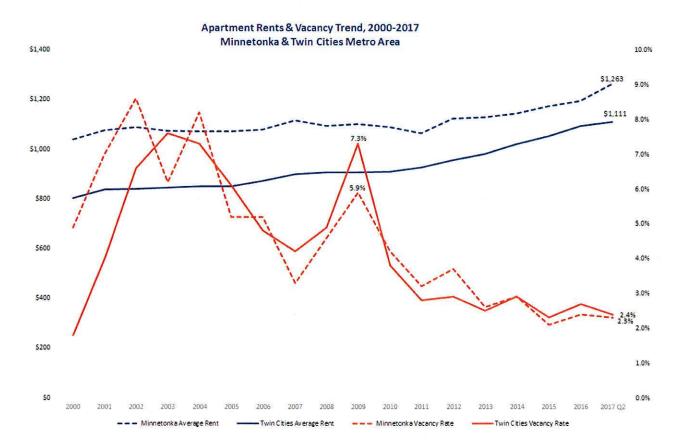
# Percent of Households Experiencing Housing Cost Burden in Minnetonka

48%

# **Apartment Market Conditions**

Marquette Advisors has completed a review of regional apartment market conditions for Minnetonka, within the context of the SW metro area and the region as a whole. The following are key points from this analysis.

• Sustained low vacancy over many many months, and now rising rents -- Minnetonka apartments continue to report low vacancy levels. At mid-year 2017, Minnetonka apartment communities featured a combined 2.3% vacancy rate, holding steady over the past year. Meanwhile, the average rent was \$1,263, a full 7.4% higher than one year ago. Landlords have been more aggressive with rent increases over the past year, recognizing the strong fundamentals inherent to the Minnetonka market.



• *Minnetonka accounts for small share of regional apartment construction recently* – The city of Minnetonka has seen the addition of just 509 new market rate apartments over the past 10 years, with 457 of those units opening in the city during the past 2-1/2 years. With sustained low vacancy rates, and rising rents, developers find Minnetonka ripening for new development as well-located deals are starting to "pencil out" in Minnetonka.

- Market rents for new-construction modern apartments in the Minnetonka and throughout the SW metro area average approximately \$2.00 to \$2.10 psf (\$1,800/month) at this time, varying somewhat based on location, quality and unit size/mix. Recent luxury apartment developments in Minnetonka have been well received, inclusive of four new properties with a combined 493 units built since 2015, all of which have experienced a rapid absorption and today feature low vacancy rates of <2.5%.
- Our analysis indicates there is strong demand for general occupancy apartment product in Minnetonka, ranging from affordable rentals to luxury apartments. Given the strong market fundamentals, with rising rents and low vacancy, paired with demand generators and other attractiveness factors relating to Minnetonka such as connectivity and freeway access, future LRT, and an expanding base of employers, we expect increasingly strong developer interest in Minnetonka over the next several months.

# Senior Housing Conditions

Marquette Advisors examined he current senior housing market, by product/service level, and summarizes this analysis as follows. Minnetonka has a strong and diversifying senior housing market, and a deep base of seniors and aging adults. Further, ongoing development and future construction of senior housing, or "active adult" products (perhaps new housing models) will have an impact upon other segments of the market going forward, notably the creation of more home ownership opportunities for younger buyers.

- Supply by product type/service level -- Minnetonka features a total of 2,922 age-restricted senior housing units. This includes 694 ownership units (condo and co-op units) and 2,228 rental units. Minnetonka's senior housing inventory is primarily market rate. The rental inventory includes a total of 83 contract-based affordable senior units, including 42 at Westridge and another 41 units at Beacon Hill.
- Strong senior demographics & current low vacancy rate at 3.7% signal pent-up demand for additional senior units in Minnetonka. We note that vacancy rates are consistently low across all properties and service levels, indicating that there has been a positive market response to all varieties of senior housing in the market area. Two additional senior campus developments are in the works (Cherrywood Pointe and Crest Ridge) which will bring another 245 combined rental units to market in 2017 and 2018.
- Depth of aging adult / empty nester market in Minnetonka signals an opportunity for product types including: 1) Adult/senior housing cooperatives (age 55+ or 62+), which to date have enjoyed much success in the Minnetonka market, and 2) new "active adult" housing concepts geared to attract empty nesters and active seniors. This may or may not be age-restricted, and will include both rental and ownership models. Developers around the country are in the process of rolling out new models geared toward this important market segment, recognizing that this market is sizable and will demonstrate a preference for housing products which differ somewhat from traditional senior housing

models. Minnetonka is prime market for these housing products. Further, the provision of "lifecycle" housing for this group in Minnetonka will also "free-up" existing single family homes in the community, such that larger numbers of younger buyers will be able to find housing here, ideally near their place of employment.

# For-Sale Market Conditions

Key points from our analysis of for-sale housing market conditions in Minnetonka are as follows.

- Minnetonka is an attractive community in which to invest in home ownership, offering
  a strong economic base and quality jobs, quality schools and public amenities, and a
  diverse mix of retail stores, shopping nodes and restaurants. At the same time, the city
  has seen limited new construction and features a housing stock with increasing numbers
  of older adults and seniors aging-in-place. As such, there are limited opportunities for
  younger buyers in Minnetonka, certainly inclusive of first-time-buyer prospects, as
  even young to middle-age families seeking a "move-up" home that is closer to their
  job, or in a preferred school district.
- Presented below is a summary of Minnetonka and metro area home value distribution data, showing the number of homes by value range. It is interesting to note, quite simply, the supply of owner-occupied housing in Minnetonka, which comprised an estimated 2.0% of the metro area stock. Recall that Minnetonka businesses (and government) employ more than 2.6% of the region's workforce. The fact is, most of these workers reside elsewhere.
- Further, Met Council forecasts indicate that Minnetonka will account for more than 3.6% of metro area employment growth over the next 20 years. This growth will result in 1) increasing demand, 2) increases in home values/pricing in the Minnetonka community, and, likely, 3) an increase in home owner cost burden in the community.

	City of Minnet	Twin Cities Metro Area		
	2015 Estimate	Percent	2015 Estimate	Percent
HOME VALUE DISTRIBUTION				
Owner-occupied units	15,995		785,412	
Less than \$50,000	395	2.5%	28,927	3.7%
\$50,000 to \$99,999	669	4.2%	38,301	4.9%
\$100,000 to \$149,999	760	4.8%	105,382	13.4%
\$150,000 to \$199,999	1,775	11.1%	168,165	21.4%
\$200,000 to \$299,999	4,956	31.0%	227,328	28.9%
\$300,000 to \$499,999	5,188	32.4%	155,089	19.7%
\$500,000 to \$999,999	1,927	12.0%	52,708	6.7%
\$1,000,000 or more	325	2.0%	9,512	1.2%

- More relevant than current home values in the community is what is actually selling, and at what price. Below is a summary of Minnetonka and metro area sale transactions by price range, over the past several years, and through May of 2017. Minnetonka has accounted for 1.5% to 1.9% of metro area annual sales volume since 2008, and less than 1.3% of sales at <\$300,000 during this period. The average sale price in Minnetonka increased to \$355,000 in 2016, and \$386,000 through the first half of 2017.</li>
- The key issue within the for-sale market in Minnetonka is the limited supply of homes for purchase by both first-time buyers, and "move-up" buyers, many of whom are likely employed in the community and would prefer to reside close to their place of work, in Minnetonka which offers quality schools and high livability factors as noted herein. A perhaps less obvious issue is the lack of attractive housing options for older adults and seniors in Minnetonka who continue to age in place.

Twi	n Cities Me	tro Area -	Resideni	tal Sales 1	ransactio	n Volume	, 2008 to E	Date		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTI
\$<300,000	26,642	33,647	26,883	30,286	34,152	35,019	31,437	35,232	36,094	11,93
\$300,000-\$499,999	5,497	4,733	4,573	4,277	6,180	8,304	8,271	10,437	12,223	4,492
\$500,000-\$799,999	1,680	1,232	1,322	1,302	1,790	2,318	2,522	2,923	3,355	1,24
\$800,000-\$999,999	299	202	211	201	261	376	423	489	554	206
\$1,000,000-\$1,499,999	227	154	165	167	193	226	311	323	387	131
\$1,500,000+	136	88	98	97	126	136	159	185	162	64
Total	34,481	40,056	33,252	36,330	42,702	46,379	43,123	49,589	52,775	18,079
* 2017 YTD through May 2017.										
Ci	ity of Minne	tonka R	esidenital	Sales Tra	insaction	Volume, 2	008 to Dat	e		
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTE
\$<300.000	303	412	333	427	486	459	474	437	488	150
\$300,000-\$499,999	167	158	164	142	220	229	237	290	340	128
\$500,000-\$799,999	34	48	60	56	70	105	68	109	129	52
\$800,000-\$999,999	15	8	5	11	10	16	21	20	27	
\$1,000,000-\$1,499,999	10	9	7	3	10	9	10	16	13	11
\$1,500,000+	1	2	2	4	2	9	5	5	5	C
Total	530	637	571	643	798	827	815	877	1,002	348
* 2017 YTD through May 2017.										
	With the	City of N	linnetonk	a % of N	letro Area	Sales				
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTE
\$<300,000	1.1%	1.2%	1.2%	1.4%	1.4%	1.3%	1.5%	1.2%	1.4%	1.3%
\$300,000-\$499,999	3.0%	3.3%	3.6%	3.3%	3.6%	2.8%	2.9%	2.8%	2.8%	2.8%
\$500,000-\$799,999	2.0%	3.9%	4.5%	4.3%	3.9%	4.5%	2.7%	3.7%	3.8%	4.2%
\$800,000-\$999,999	5.0%	4.0%	2.4%	5.5%	3.8%	4.3%	5.0%	4.1%	4.9%	3.4%
\$1,000,000-\$1,499,999	4.4%	5.8%	4.2%	1.8%	5.2%	4.0%	3.2%	5.0%	3.4%	8.4%
\$1,500,000+	0.7%	2.3%	2.0%	4.1%	1.6%	6.6%	3.1%	2.7%	3.1%	0.0%
Total	1.5%	1.6%	1.7%	1.8%	1.9%	1.8%	1.9%	1.8%	1.9%	1.9%
* 2017 YTD through May 2017.										
Source: Northstar MLS										
Source, Northstar MLS										

# **Housing Demand Forecast**

The following is a summary of our short-term and long-term demand forecast for both rental and for-sale housing in Minnetonka. Our housing demand forecast takes into account local and regional demographic and economic conditions, and growth trends.

Hou	ising Dem	and Poter	mai Ger		upancy (N of Minnet		r) Rentar	and For-S	ale Residi	ences		
		1-5 Years		5	-10 Years		1	0-15 Years	1.11	1	5-20 Years	
HH Group by % of A MI	Rental	For-Sale	Total	Rental	For-Sale	Total	Rental	For-Sale	Total	Rental	For-Sale	Total
<60% of AMI	176	0	176	206	0	206	165	0	165	159	0	159
61-80% of AMI	59	0	59	69	0	69	55	0	55	53	0	53
81-100% of AMI	176	0	176	206	0	206	165	0	165	159	0	159
100%+ of AMI	381	381	762	446	446	892	178	535	713	172	516	688
Total	792	381	1,173	927	446	1,373	563	535	1,098	543	516	1,059
(Annual Averages)	158	76	235	185	89	275	113	107	220	109	103	212

Source: Marquette Advisors

Senior Housing Demand by Product Type/Service Level City of Minnetonka						
1-5 Years	5-10 Years					
370	320					
192	199					
97	89					
659	608					
132	122					
	f Minnetonka 1-5 Years 370 192 97 659					

It is important to clarify that our forecast numbers really represent *potential* demand. The forecast assumes that an adequate number of new units will in fact be constructed in Minnetonka to meet this demand. If not, Minnetonka will likely capture a lesser share of regional population and household growth. Moreover, given the community's business base and expansion profile, we anticipate that the housing shortage will have a negative impact upon employers' efforts to recruit, hire and retain employees, as much of the workforce will be forced to find housing elsewhere.

We recognize the challenges related to new construction housing in Minnetonka, especially at affordable price points, given current land use, limited site availability, and land and construction costs. We look forward to working with the City in developing strategies to support life-cycle housing in the community within the context of the current and future market environment and the noted constraints.

# A. Site and building plan review with a setback variance for gymnasium, office, storage, and classroom additions at Clear Spring Elementary at 5701 County Road 101.

This item was postponed until the planning commission meeting on November 30, 2017.

# 9. Other Business

# A. Concept plan review for Dominium at 11001 Bren Road East.

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

Gordon reported. He recommended that commissioners provide comments and feedback on the identified key issues and additional issues commissioners deem appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Gordon stated that the income limit for a tenant residing in affordable housing would be in the middle \$50,000 range. The rent would be estimated at \$800 to \$1,200 depending on the type of unit. The average rental rate for an apartment in Minnetonka is about \$1,300. The applicant would apply for tax credits.

Chair Kirk asked how easily a pedestrian could walk from Opus to other locations. Gordon pointed out existing trails. There is a gap now that would be addressed during future redevelopment. Wischnack stated that there is an Opus walkability study that details every connection and makes suggestions for improvements that are included in the capital improvement plan for the city. Most of the trails pass under the roads in Opus.

Ryan Lunderby, applicant, stated that he appreciated the opportunity to receive feedback and answer questions. He introduced Mike Rich, architect for the project. Mr. Lunderby stated that:

- Dominium properties is building a lot of new construction similar to the proposal around the metropolitan area. Dominium is a long-term owner. Decisions are made for the long term. Quality finishes would be used.
- Regardless of a property's ability to fund capital improvements, Dominium reinvests in its properties.
- The site is a great opportunity to add affordable housing.
- Costs will continue to rise, especially with the completion of the lite rail. The market is favorable right now to build affordable housing.

 The proposal would be for a 256-unit senior community with independent living and 198 units of affordable, work-force housing.

Mike Rich introduced Brady Halvorson, a landscape architect, and George Johnson, who assisted with the plans. Mr. Rich stated that:

- The wooded areas, trail system, future Opus station, and townhouse development are important elements of the site.
- There is a 30-foot grade change.
- He reviewed the site plan.
- The drive would link the three buildings.
- A second entrance and exit is being considered for the site.
- The site would be fully accessible to transit.
- Pavers may be used to customize the trails as preferable locations for walking paths would be identified.
- The senior building would be six stories. It would be positioned so that it would not create shadows on its neighbors. There would be a drop-off area. There would be underground parking beneath the footprint of the building. The underground parking area would connect with the family-housing building.
- The trail would be enhanced with landscaping and look more like a linear park.
- There would be separate tot lots and play areas outside and inside the building.
- The senior building would have amenity areas, an on-site trail system, and a tot lot.
- A dog run is being considered.
- The building would be shifted back to break up the elevations.
- Dense landscaping would be planted to provide a buffer to neighbors.
- An outdoor pool is being considered for a common area.
- Public art may be incorporated at the entrance.
- The first floor of family housing would be walk-outs with individual patios that connect to paths.
- He provided photos of a similar facility in Minneapolis.
- The buildings would have colors and material to match its natural surroundings. Stone, brick, and wood would be used in earth tones.
- A very pedestrian-friendly environment would be created.
- There would be a series of retaining walls to create a living environment, maintain the urban forest, and provide a buffer to the neighbors on the west.

- A substantial amount of parking would be located below grade.
- Each building would have its own set of amenities.
- He would appreciate comments and feedback.

Powers asked if incorporating services like a hair salon had been considered for the senior building. Mr. Lunderby answered affirmatively. He stated that salon space would be available to providers that would use the space for free and coordinate their times with the residents. Additional amenities would be large gathering rooms with kitchens, card and craft rooms, a movie theater, and a fitness room. Local groups could provide exercise classes. Residents would not be charged for exercise classes. Dominium has purchased a shuttle bus that takes seniors to different services and events on a set schedule or as needed.

Schack asked what prompted the change in design of the senior building from a horseshoe shape to a straight building with an additional story. Mr. Rich explained that the proposed building would provide the ideal unit-type mix and the sizes of the units were increased. The previous configuration had a wing closer to the street. The entrance would have been on the side which would have caused conflicts. The current proposal would allow direct access to underground parking and eliminate the need to drive through the site. It would also provide an adequate number of parking stalls for each unit underground. The first shape conflicted with the location of the wetland.

Mr. Rich clarified that there was a concept plan that included two underground parking levels and five residential floors. The current concept plan has one underground parking level and six residential floors.

Schack thought the elevation illustration was very helpful. In response to her question, Mr. Rich stated that it would be possible for townhome residents to see over the four-story building roof and see the six-story building in the distance. There are existing trees that would remain on the site and additional trees would be added to create a buffer and block the view.

Powers thought this was the most comprehensive concept plan he has ever seen. He loved how the project team considered so many angles. The concept plan would create an ownership feel for the village. Residents would regret ever having to leave.

Mr. Lunderby agreed. Residents could age and continue to raise their families without having to move. The management staff would live at the property. The design pays attention to running and maintaining the buildings.

Calvert found the materials attractive. She liked the color scheme, rhythmic sense of the design, and broken-up mass. She encouraged the use of public art. Her grandparents lived in the same one-bedroom apartment their entire married life. She liked the buffer, preservation of trees, and additional landscaping. Preserving as many natural features as possible would make the proposal a more appealing place to live. She liked the village-center concept with communal spaces.

In response to Chair Kirk's question, Mr. Lunderby stated that the demand for affordable housing is so great that his company cannot build enough of it. The proposal would fill a void and create a mix of housing types in the neighborhood.

Chair Kirk liked the number of amenities in the proposal. He suggested that pictures of examples of the amenities be provided.

Chair Kirk asked how much the proposal would depend on the SWLRT being completed. Mr. Lunderby said that the SWLRT would benefit the proposal, but it would move forward without the SWLRT.

Chair Kirk encouraged connecting the trail that would travel south.

In response to Chair Kirk's question, Mr. Lunderby stated that the amount of parking was determined by studies conducted at similar facilities and would equal 1.5 stalls to 1 general-occupancy unit and 1.2 stalls to 1 senior unit.

In response to Chair Kirk's question, Mr. Lunderby stated that the possibility of decreasing the number of units is limited by the fixed-land price, rent caps, and investors' comfort levels. Chair Kirk noted that the amenities package is contingent on the number of units.

Mr. Lunderby stated that The Bluffs at Nine Mile Creek in Eden Prairie has density similar to the proposed concept plan.

Calvert asked if the building could be used for residents of other ages in 20 years. Mr. Lunderby answered in the affirmative. The minimum compliance period for affordable housing is 15 years. The rent differential is \$400 to \$600 a month from affordable units to market-rate units. There are not many independent-living, high-quality developments for seniors in the city. Retail businesses and services would follow the completion of the proposal. This is the logical, front-end use of redevelopment coming to the area.

Wischnack provided that Minnetonka has 2,900 units of senior, age-restricted units and 24,000 households. Of the 2,900 senior units, 700 are cooperatives

and condominiums and 2,200 are rental. The vacancy rates indicate quite a demand.

Chair Kirk invited those present to comment. No one responded.

Chair Kirk would prefer a second street access.

Schack liked how the proposal would provide a transition to the SWLRT. Keeping the area open and fluid is an important concept. A change in visual impact would slow traffic down and make the area more pedestrian safe. She previously lived in Opus and really liked it. It is a unique area. The proposal would be a great opportunity. The trail system would be really cool. It would provide an "uptown alternative" and an opportunity to enjoy the nature in the area.

Calvert encouraged pedestrian safety be taken into account near the SWLRT station. Connecting the trails would be important to improve walkability of the area.

Powers would like the site to have a distinct feel of being in Minnetonka from a pedestrian's view and from an aerial view. He encouraged the applicant to provide information regarding the energy conservation component of the proposal.

Sewall agreed with providing as many pedestrian safety measures as possible. He encouraged buffering, especially to the neighbors on the southwest. He recognized the big need for affordable housing and he was comfortable with an entire building of affordable housing, but thought there would be benefits of spreading it out throughout the city. He was excited for the area to be developed.

O'Connell supports the concept plan. The density does not scare him. The area already has market-rate units and more will be added as the area continues to be developed. He recommended the applicant be prepared to address traffic concerns. The area already has traffic issues. He liked the design. The applicant has a great reputation. There is a demand for this product on the investors' side.

Knight agreed with O'Connell. He works south of Opus. There are a lot of employees at his workplace that would benefit from this proposal by reducing their commute. He likes the proposal. The Opus area is the perfect location for the proposed density. He likes the looks of the building. He cycles to work on the street, so he would oppose reducing the number of lanes on Bren Road. Chair Kirk summarized his understanding that commissioners found the change in land use and affordable housing component appropriate and that buffering and walkability are important priorities. The look of the building is agreeable.

Chair Kirk liked how the SWLRT and new development in the area could provide an urban vibe that could become part of Minnetonka.

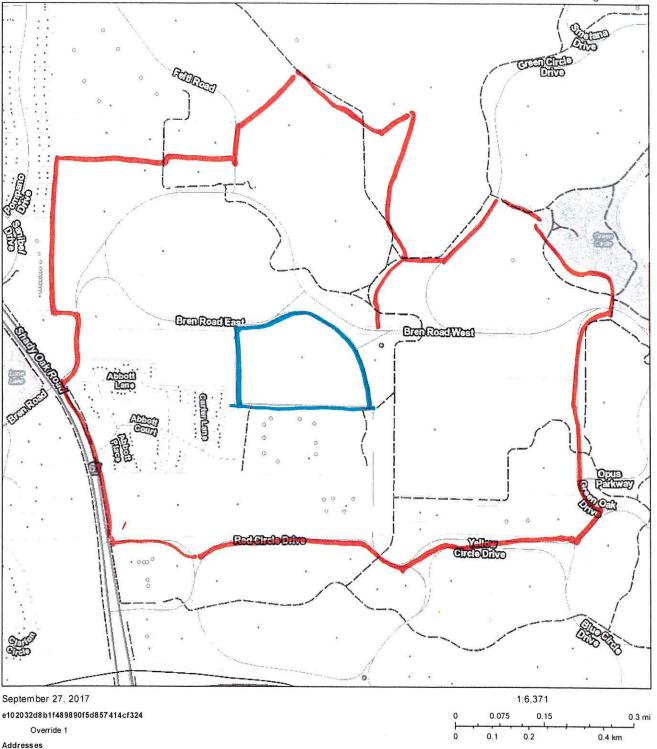
Chair Kirk noted that the city council is tentatively scheduled to review the concept plan on December 4, 2017. He looked forward to an application for the project being submitted in the future.

# 10. Adjournment

Schack moved, second by Knight, to adjourn the meeting at 8:20 p.m. Motion carried unanimously.

By:

Lois T. Mason Planning Secretary 11001 Bren Road East - Dominium Mailing Area



- Main Address 120
- Sub Address Buildings
- Parcels With Hookup Fees
- Proposed Addresses Proposed Parcels
- Proposed Streets
- Municipal Boundary Line -
- Minnetonka Streets
  - City Street
  - County Road
- Connector (ramp)