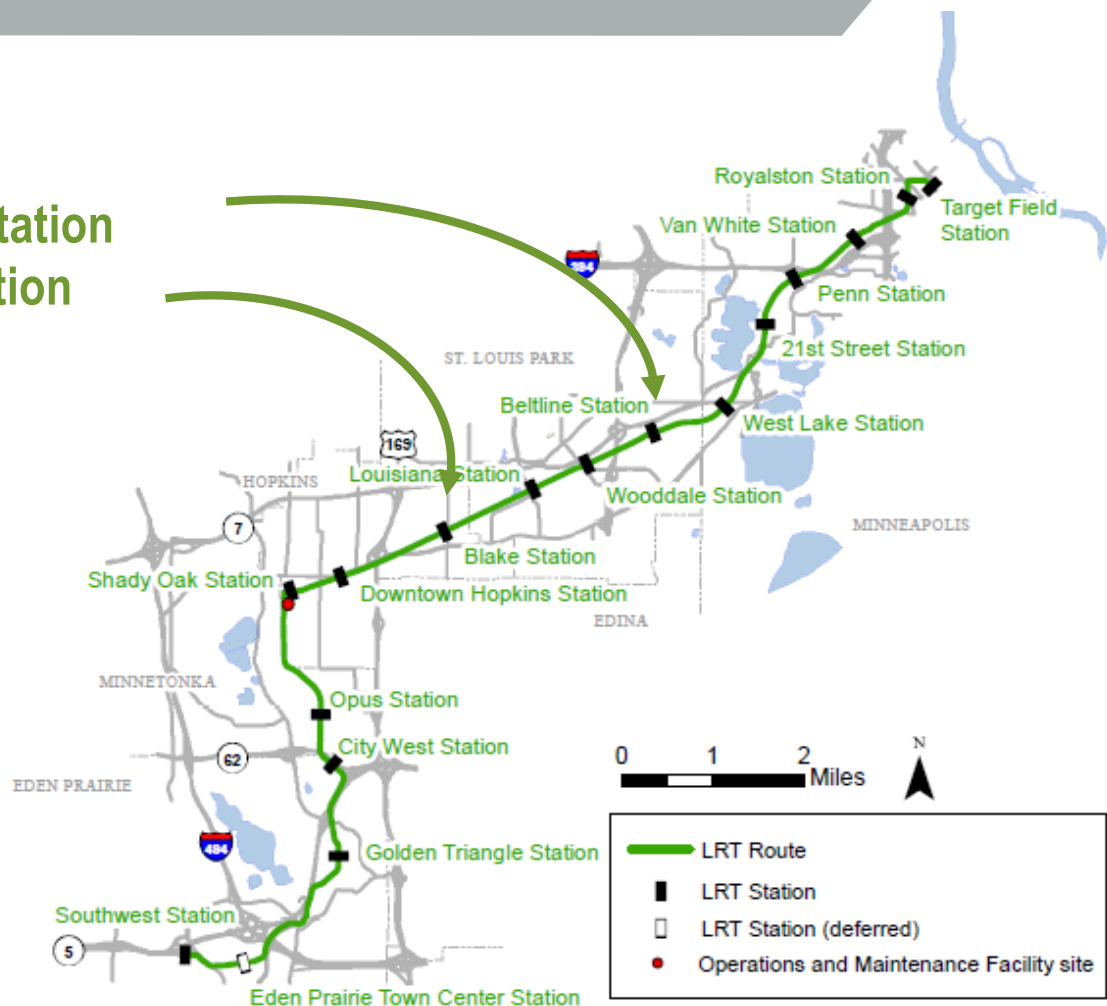


Southwest LRT Community Works: Blake & Beltline Station Areas

December 8-9, 2015

Beltline Station
Blake Station



Urban Land Institute Minnesota

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“With the assistance of a ULI MN TAP, our city has moved forward on a key redevelopment project that expands rental housing options for residents. The TAP provided immeasurable assistance and was vital in guiding the strategic directions for the property.”

Sandra Martin, Mayor, City of Shoreview

Technical Assistance Panels (TAP) of the Urban Land Institute Minnesota District Council (ULI MN) are convened at the request of a community to address specific development challenges, such as site redevelopment options, downtown revitalization or environmentally sound development in an area.

TAPs consist of nonpartisan experts who offer recommendations, not mandates, based on the issue at hand and the expertise of the panel. The goal is to offer ideas for realizing local and regional aspirations. The working session's focus helps synthesize local input with panel expertise to form a final set of recommendations.

In this case, Hennepin County through the Southwest LRT Community Works, the cities of Hopkins and St. Louis Park, the Minnehaha Creek Watershed District (MCWD), and the Southwest LRT Project Office, asked the panel to review and react to the conceptual development plans for the Blake station in Hopkins and Beltline station in St. Louis Park. The Blake station review includes evaluation of plans for three specific development areas. The Beltline station review includes evaluating the costs and benefits of partnering with the Metropolitan Council Southwest Project Office on a Federal Transit Administration (FTA) guided Joint Development (JD) which is a tool used to foster transit oriented development as well as generate a revenue stream to support transit operations.

A TAP was assembled that included an interdisciplinary team of experts from the commercial, industrial and housing real estate sectors as well as the placemaking, finance, and development fields. The TAP purpose was to evaluate data, site conditions and future redevelopment readiness and to provide local policy leaders with recommendations to guide not only future land uses for the site, but also future partnerships with developers.

The Southwest LRT Community Works IS A PARTNERSHIP THAT INCLUDES REPRESENTATIVES OF CITIES ALONG THE SOUTHWEST LIGHT RAIL AS WELL AS OTHER KEY ORGANIZATIONS AND GOVERNMENT AGENCIES. A STEERING COMMITTEE GUIDES THE PARTNERSHIP.

Hennepin County is the lead agency for the Southwest LRT Community Works program working in collaboration with partner cities Minneapolis, St. Louis Park, Hopkins, Minnetonka, Eden Prairie, and Edina; the Hennepin County Regional Railroad Authority (HCRRA); the Metropolitan Council; the Minnehaha Creek Watershed District; Southwest Transit; the Minneapolis Parks and Recreation Board; and the Urban Land Institute - Minnesota.

The Panel

The panelists are ULI MN members and experts who volunteer their time because of a commitment to the principles of redevelopment, planned growth, economic expansion and local and regional capacity-building.

Panel	ULI Minnesota Staff
Pat Mascia, Briggs and Morgan, TAP Chair Stu Ackerberg, the Ackerberg Group Tony Barranco, Ryan Companies Jean Kane, Welsh & Colliers MSP Max Musicant, the Musicant Group Merrie Sjogren, The Sjogren Group Brent Webb, Sherman and Associates	Cathy Bennett Gordon Hughes Linda Mack, writer

The Panel's Charge

How do cities maximize the impact of the Southwest Light Rail Transit line for the whole community? This is the big-picture question that the cities of St. Louis Park and Hopkins, the MCWD, the Southwest Project Office and Southwest LRT Community Works posed for a ULI MN Technical Advisory Panel in December 2015.

The ULI MN TAP was asked to react to the conceptual development plans for sites near the Blake station in Hopkins and the Beltline station in St. Louis Park. Both stations are in first-ring suburbs where the Southwest Light Rail line ("Green Line Extension") has a high potential to spur development. Both station areas are planned to include park-and-ride lots either surface or ramped depending upon the overall cost.

The Beltline station is an FTA Joint Development (JD) opportunity along the Green Line Extension. The JD opportunity facilitates private development on property acquired for the transit project—in this case, the land to be acquired for the park-and-ride surface parking lot. The Metropolitan Council retains ownership of the land and negotiates a long-term lease with a private entity. The cash flow from the lease partially offsets operating costs for the line.

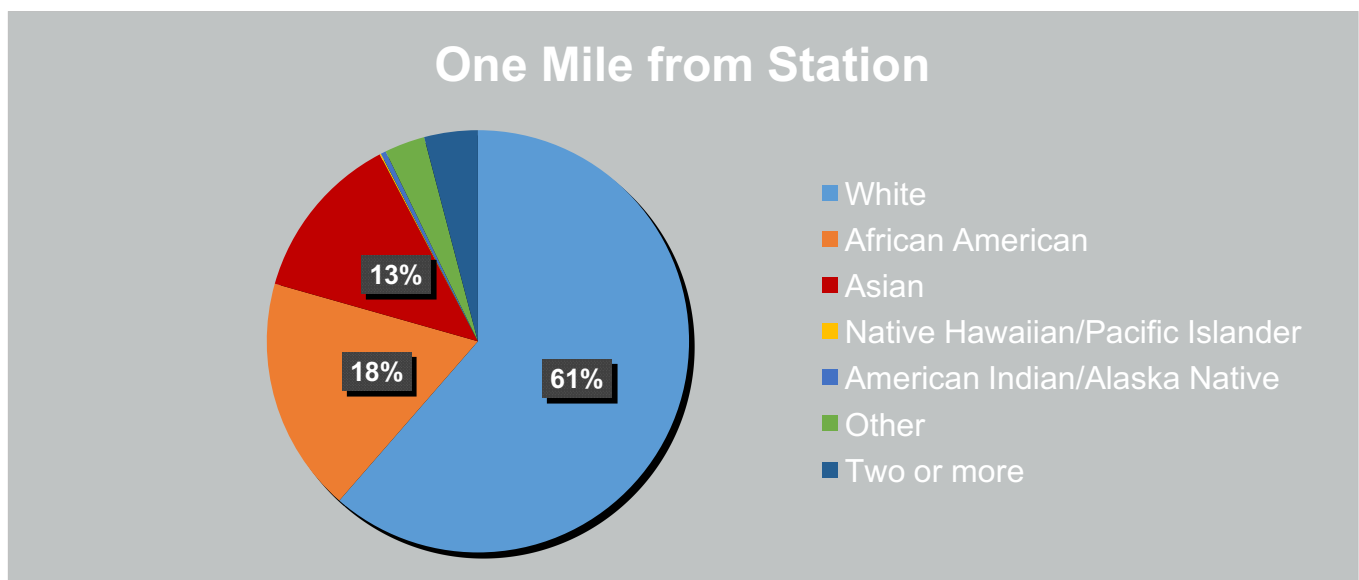
The seven-member TAP panel brought together seasoned professionals and younger experts in development, real estate and financing. In the day-long workshop, the panel's real-world expertise illuminated both the challenges and opportunities presented by the two development areas near the stations—and, in doing so, advanced the planning that will lead to their successful development.

Blake Station Area

The Blake station is located north of the intersection of Blake Road and Excelsior Boulevard. In early plans, the station was identified as an FTA Joint Development opportunity capitalizing on the need for a 270-stall park-and-ride. In 2015, as budget cuts were made to the Green Line Extension, it was scaled back to an 89-stall park-and-ride, which will be located on the southwest corner of the intersection of Blake Road and the Southwest Light Rail Line. In addition, due to the budget constraints, the Joint Development opportunity was eliminated.

The Blake Road area between Excelsior Boulevard and Hwy.7 is characterized by a mix of uses—retail and commercial, light industrial, institutional and housing. Nearby destinations include The Blake School, Cargill’s Excelsior Crossings office campus, Cottageville Park, Minnehaha Creek and, to the north, Knollwood Mall.

Blake Road is one of the stations with the most residential potential. The station will serve both single-family and multi-family residents in the Parkside, Presidents North and South, Minnehaha Oaks, Cottageville and Interlachen neighborhoods. The rental housing is 100 % affordable and well-leased. The area is diverse: 47 languages are spoken.



About ten years ago, the city realized it needed to create more opportunities for walkability and access to the natural “hidden” resources in the area, according to Kersten Elverum, Director of Planning & Development for the City of Hopkins. The city and the Minnehaha Creek Watershed District expanded Cottageville Park on the west side of Blake Road to three times its original size and opened it to the street. By creating safe, appealing green spaces for people to gather and exercise, this helped to reduce police calls in the area, which went from highest in the city to lowest since improvements were completed.

The Watershed District’s nearby greenway to Methodist Hospital has been another great amenity and presents a model for future development of pedestrian and bike pathways.

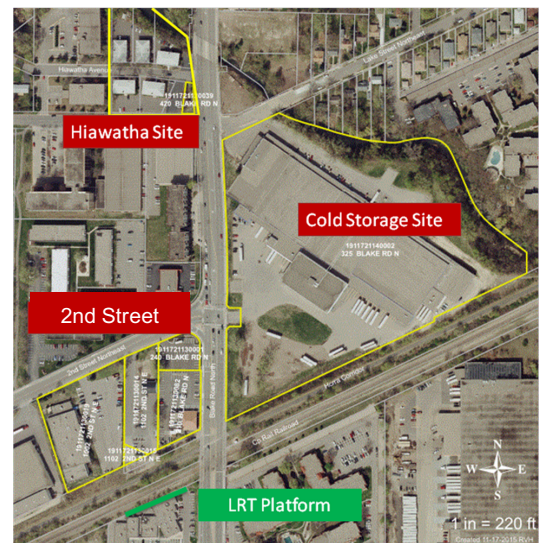
Hopkins Transit-Oriented Development Goals

- Preserve affordable housing while bringing in new housing types.
- Support neighborhood retail in the area while not competing with the existing retail available in downtown Hopkins.
- Increase job opportunities.
- Provide access to and improvement of the natural amenities such as Minnehaha Creek and Cottageville Park.

The city and Hennepin County have been proactive in planning for Transit-Oriented Development. Hennepin County and the city have plans to reconstruct Blake Road with fewer and narrower lanes, enhanced pedestrian crossings, a multi-use trail, improved lighting and landscaping. The project is anticipated to be completed prior to opening of the Green Line Extension, which is scheduled for 2020. The city is also rezoning the area for mixed-use.

The City of Hopkins presented three properties in the Blake station area as potential Transit-Oriented Development sites:

1. The 17-acre Cold Storage Site is a triangular property with 1,000 feet of frontage on Minnehaha Creek, 1,000 feet on the Cedar Lake Regional Trail, and an equal frontage on Blake Road. The property is owned by the Minnehaha Creek Watershed District.
2. The 4 ½- acre 2nd Street Site is immediately north of the Blake station, consists of one publically owned and three privately-owned parcels between the light rail line and 2nd Street Northeast. The Hennepin County Regional Rail Authority owns the parcel farthest to the west and currently leases the space to 43 Hoops.
3. The 1.88-acre Hiawatha Avenue residential site is now occupied by five 12-unit apartment buildings. This area includes a Metropolitan Council lift station which will be relocated from 420 Blake Road.



“The question is how can these sites make more together than apart?”

Kersten Elverum, Director of Planning & Development, City of Hopkins

Panel's Reaction to Questions

Both the cities of Hopkins and St. Louis Park, in conjunction with Southwest LRT Community Works, offered the panel development scenarios for each of the station areas based on market research by CBRE and concept plans by LHB, Inc. In addition, the Southwest Project Office provided a 12 page description of the Joint Development opportunity at the Beltline station. The ULI MN Technical Assistance Panel was asked to respond specifically to several questions posed by the cities, the Southwest Project Office and the Watershed District as well as to offer general insights into redevelopment issues. To capture both aspects of the panel's feedback, we will first recount the panel's reactions to the specific questions presented by the cities and others and then summarize the panel's general insights.

Question #1

Given what you know about the Blake corridor, the city and the neighborhood's goals, and the ownership's interest, what are your reactions to the development modeling for the area development sites? What opportunities and/or concerns do you see in the development scenarios? Are there missed opportunities?

- Each of the sites identified in the LHB study presents development opportunities. Rather than mixing land uses within sites, as proposed, the panel recommends concentrating housing on the Cold Storage site, and retail and other community activities on the 2nd Street site on the west side of Blake Road. The Hiawatha site offers an opportunity to create a vertical pedestrian link from Blake Road to Minnehaha Creek.
- In general, the panel suggested that the Blake Road area between Excelsior Blvd. and Hwy. 7 be considered a redevelopment district to pull together its diverse pieces. Road design and properly placed infrastructure is a critical driver of redevelopment. Key to that goal will be a more integrated vision and walkable environment for Blake Road. The intersection of Blake and Excelsior should become a gateway to the City of Hopkins.
- In addition to the redevelopment sites, the other structures that are "complete" and not slated for redevelopment should be looked at as improvable sites. For the most part those sites respond to the busy Blake Road by turning their back to the street. If the corridor is to be a holistic district, with a consistently compelling pedestrian/bike experience, then these "in between" sites need to be improved through a placemaking approach. The placemaking ideas could include: creating more balconies, patios, and enhanced common areas, allowing lanes to be narrowed and creating bike lane installations using temporary paint and bollards, etc.

The presence of Minnehaha Creek winding through this area creates an opportunity to provide a natural amenity for walking and biking off the street and a connection to the creek. At present, the creek is largely hidden from view and inaccessible. This is particularly true at the Hiawatha site. Public access to the creek should be created and highlighted to take maximum advantage of it as an amenity.

Question #2

Using the market feasibility report and your own development experience, would you pursue the development as conceptualized? If not, how could it be changed so that you would?

- The 17-acre Cold Storage site will be the catalyst for redevelopment in the area and is ideal for housing. The market for urban higher density townhouses is strong, especially when they are located close to an amenity such as Minnehaha Creek with easy access to the LRT station. The panel suggests increasing the number of townhouses on this site while tightening up the site plan so there are fewer roads and more building pads to support additional townhome development.
- The rest of the site, on the edge near Blake Road, is more challenging. The trick will be to find a housing type—market rate, affordable or senior—that can be constructed economically. The high water table means parking must be built at grade; it will be hard to provide enough parking without public subsidy.
- The market may not support retail on the first floor of multi-family housing on the Cold Storage site. Evaluate allowing first floor spaces as community uses until the market for convenience retail evolves as the area becomes built out.
- The west side of Blake Road is ideal for retail. Fill in parking lots north of Pizza Lucé with other neighborhood retail and consolidate parking behind to maximize site usage.
- Allow 43 Hoops Basketball Academy to remain an active business—it draws people and activity--and encourage additional recreational or other community amenities at the site.
- Create a visible and appealing link from Blake Road down to Minnehaha Creek at Hiawatha Avenue. Reconfigure or close off Hiawatha Avenue to accommodate a better site for new housing.

Question #3

With Knollwood Mall and Downtown Hopkins nearby, an expanded regional park, and a redesigned roadway, are there any other amenities that are needed to support the construction of new housing? Is there anything that could be done to set the stage for office development?

- Capitalize on the natural amenity of Minnehaha Creek; create a system of walking and biking trails similar to the Grand Rounds in Minneapolis. Currently, there are good places to provide access but they are disconnected. The pathways between these connections should become places in and of themselves. They need to be active, attractive and useful. Ideally, Minnehaha Creek should have pathways along all of its banks and be seamlessly connected to Blake Road.

- Create a walkable green corridor on Blake Road. Support narrowing the road through redesign. Add parking bump-outs, landscaping, Nice-Ride bike stations and places to sit. The suggested amenities and improvements do not and should not be implemented all at once using large amounts of capital dollars. Many concepts can be piloted using paint, movable furniture, landscaping, events, etc. Without a boulevard and bike lane buffer as well as fewer and narrower lanes, the Blake Road corridor will not be an attractive or desirable place to walk or bike.
- Office development may not be a marketable use in this area primarily because of its “in-between” location on Blake Road between Highway 7 and Excelsior Boulevard. This area simply does not provide adequate visibility to office users. Rather, the panel suggests that the City direct development of the northwest corner of Excelsior Boulevard and Blake Road for office purposes using site assemblage and financial/land use incentives. That area could be expanded to the west along Excelsior Boulevard to connect with the Cargill campus and become an office corridor which would benefit greatly from the Green Line Extension station located nearby.

“Blake Road has an awkward combination of uses. You need to make the whole north-south connection more cohesive.”

Tony Barranco, Vice President, Ryan Companies

Blake Station: Key Recommendations

The panel suggested the City of Hopkins pursue a redevelopment vision for the entire district between Hwy. 7 and Excelsior Blvd. along Blake Road, which is presently a jumble of diverse uses, development sizes and parking arrangements. The current land use mix will not change quickly but the city could provide a larger vision that would ensure that new development and redevelopment move in the right direction.

“Just redeveloping the three sites will not bring coherence to the district.”

TAP Chair Pat Mascia, Real Estate Attorney, Briggs and Morgan

Recommended Infrastructure and Amenities

Create a more integrated vision and walkable connections for the Blake Road corridor between Excelsior and Hwy. 7.

Why? The land uses are extremely varied and the current road configuration is designed for cars, not people.

- Create a continuous green and active identity for Blake Road that supports the redevelopment vision of the city and relates positively to the Green Line Extension.
- Provide areas for on-street parking or create pocket-parking and pull-offs. Implement a paint and bollard based program immediately to test the concept and build support.
- Install a network of Nice Ride bike stations.
- “You need to knit together the north and south and east and west. Don’t just think about what fronts Blake, but more broadly about how the entire community can be knit together rather than divided by Blake Road,” said Max Musicant of the Musicant Group.
- Create a placemaking matching grant, similar to a façade grant, where property owners along Blake could access funds for improvements and programming that enhances the Blake Road experience, such as: lighting, seating, landscaping, porches, merchandising, façade, etc.

“Calm” the intersection of Blake and Excelsior.

- Make the crossings safe and attractive so pedestrians can reach LRT station from south. Add attractive landing medians, parking bump outs and on street parking and eliminate right-turn lanes.
- Some of the panelist noted that tunnels are not recommended as a desired option to avoid street crossings but rather it is more important to “calm” the street and make it more pedestrian and bike friendly. Due to the length of the bike trail tunnel that will be constructed under Blake Road, at a minimum, make sure it is properly illuminated and evaluate places where the tunnel can be daylighted to provide a safer and more secure pathway.
- Ensure walkability to the Green Line Extension station from industrial employers to the southeast on Excelsior Boulevard as well as from residential neighborhoods to the south.
- Make sure there are access points to the bike trail, to the station and surrounding communities to the north and south.

Maximize the amenity of Minnehaha Creek.

The creek winds through the area but is often invisible.

- Create pathways to connect to the neighborhood as an amenity and make it a pedestrian and bicycle route like the Grand Rounds in Minneapolis. This can be done by creating a larger pathway system. In a “theory of network effects” the larger the pathway system, the larger the benefit is to each individual location that is part of the system.
- Daylight the creek and create a physical connection from Blake Road to the creek, possibly at the Hiawatha site. Currently, there is a “cow path” or desire lines of entry already visible. It would be good to accommodate what users are already doing.
- Add appropriate signage that clearly identifies access to the creek and entry to a pathway system.
- Extend green link from Cottageville Park to Hiawatha site, possibly under Blake Road.
- Create activity at the creek that invites use, perhaps a water learning center or kiosk with programming.

Consider a larger redevelopment district to create a long-term vision.

- Consider creating special district zoning to establish flexible parameters and permit a mix of uses with design and planning guidelines.
- Facilitate redevelopment by creating a more seamless approval process that allows flexibility in timing so developers don’t have to return for approval after securing financing.
- Identify a vision that creates an office development along Excelsior from the station area to large employers such as the Cargill office campus.

Recommendations for Redevelopment Areas

Cold Storage

LAND USE

- **Best housing site.** The townhomes proposed would be a marketable development either for rent or for sale. Expand the number of higher density urban townhomes to take advantage of the amenity of the creek and provide maximum view sheds for these units. “We could sell these all day long,” said Barranco, who mentioned the successful Windwood development in Miami and 100 Hennepin Project in Minneapolis. These housing types could be built at 35-40 units or more per-acre to accommodate the desire for higher density.
- **Explore other housing types** for the rest of the site such as affordable, family, senior, etc. Mixed-income housing is desirable. However, allow a mix within the site, building by building, rather than forcing mixed income in each building which is harder to finance.
- **The water feature is an asset.** Have Minnehaha Creek Watershed District provide a framework for stormwater management and water features.
- **The success in creating higher density is solving the parking challenges.** Underground parking is not feasible because of the high water table. Additionally, housing rents would likely not cover the added cost of underground parking. Therefore, consider revising the parking requirement to recognize that a developer may need to provide one space per unit to satisfy lenders or at a minimum allow proof of parking at that level.
- **First-floor retail below housing not viable** unless there is on-street parking on Blake Road. Consider community space initially instead, particularly on north and south ends of parcel.
 - **Alternate option:** Create walk-up units with green space along Blake Road to create a more appealing entry from the street that invites walkability or first floor flex space that can be used as community space or living space until retail use becomes more viable as the area develops over time.



Preliminary site design by LHB



Rendering of urban townhomes at 100 Hennepin

- **A hotel is not a viable option** because it would be too isolated and have no visibility from major highways.

Other Considerations:

- Minnehaha Creek Watershed District should develop a framework for the water management and amenities early prior to seeking development interest, so developers know what to expect.
- Contract with a master developer since different types of housing will require different developers and timing is a development constraint. Issue an RFQ rather than an RFP. Developers find RFP's too time-consuming and costly.
- Create planned unit development zoning with special district guidelines. Simplify the current plan and reduce the number of roads.
- Remain open to changing markets for housing, such as multi-family, affordable and senior. Senior housing requires less parking; affordable housing requires more parking.
- Parking may need to be subsidized in order to make housing development viable.
- Three-story housing is easier to finance than four-to-six story housing.

“You have a great opportunity to do something cool if you can pull it all together.”

TAP Chair Pat Mascia, Real Estate Attorney, Briggs and Morgan

2nd Street Site

- The current location of the park-and-ride to the south of the Green Line Extension line creates an obstacle to future development in that area and for Hennepin County Regional Rail Authority location.
- Capitalize on the activity generated by the 43 Hoops use. It is currently an active node and could be expanded by focusing intentionally on recreational and community activities with key access to transit.
- Support neighborhood retail at this site.
- Trade parking with Pizza Lucé and add infill retail on their two lots on Blake Road to create frontage and activity on the street, with parking, perhaps structured, behind.
- The site is not an appealing location for housing due to its size and location between two viable businesses that generate both retail and recreational activity in the area. As an alternative to housing in that location, the panel suggested reserving the space between 43Hoops facility and retail for a future parking ramp which may be needed as retail is added along Blake Road. In the interim, allow that area to be used for shared parking between the uses and activate the space to draw attention to the site.



Preliminary site design by LHB

Hiawatha Site

- Reconfigure the site for new housing by closing Hiawatha and building on the west side of the site.
- Open up the site to make a deliberate and visual connection to Minnehaha Creek from Blake Road. Provide public access to the Creek in this area; even if it is a small parking area or trailhead. Will need to “create a there-there!” said Musicant, with an activity that will draw people.
- Give people lots of reasons to come and stay. Examples include: creating places to sit, installing a dock to fish, identifying the area for inner tube drop off, clearly marking the location as a picnic area.



Preliminary site design by LHB

Beltline Station Area

The Beltline station is an FTA Joint Development opportunity site along the Green Line Extension. According to Kathryn Hansen, Manager of TOD and Land Use at Metro Transit's project offices for the planned Green and Blue Line LRT extensions, the designation means an FTA grant will pay for half the costs of acquiring land, demolishing structures and preparing the sites to a pad/development ready condition. The Metropolitan Council will retain a ground lease on land purchased for the Green Line Extension. The FTA expects the project sponsor to negotiate a "fair share of revenue" with the private developer. This is anticipated to come from the ground lease and a parking space rental payment for those spaces built as part of the Joint Development and rented by the developer.

The perceived advantage of Joint Development to the private developer is that much of the due diligence work has been completed and much of the site preparation work (existing building removal, environmental clean-up) will be done. In addition, the ground lease structure allows for payment flexibility over the long term use of the site. The City's involvement in the project also allows the developer to enter the project with a full understanding of the City's goals for the site. The land available for the Joint Development project could include the City of St. Louis Park EDA parcels or be limited to the site of the surface parking lot.

View from southwest corner of redevelopment site, looking northeast toward Hwy. 7, Beltline Boulevard intersection is at left. Vision Bank building in foreground. The planned Beltline LRT Station would be located to the right of this image.



The Green Line Extension and station will be located to the south of the Burlington Northern rail line, meaning riders will need to cross the freight tracks to reach the park-and-ride lot and planned Metro Transit bus stop. An overhead walkway will carry the Cedar Lake Regional Trail across the freight line and across Beltline Blvd. to the west.

The Joint Development site includes the 1.5-acre Vision Bank property east of Beltline Blvd. and may include the approximately 3-acre St. Louis Park EDA property to its east. The Southwest Project Office and the city of St. Louis Park have generated concept plans that propose building office space or housing around parking structures on both properties. Metro Transit bus service is proposed to run on the periphery of the site.

Study Area Background

St. Louis Park is a classic post-war first-ring suburb and exhibits both the advantages and disadvantages of that identity: It has a prime location accessible by highways and close to Minneapolis but some of the highway frontage is more rural than urban in scale and underutilized.

At a planning workshop in 1995, the community expressed its desire for a downtown gathering place. The Excelsior & Grand development was the result. Now the city wants the Beltline site to incorporate those same livable community principles. “How can we make this site a focal point for the area?” asked Meg McMonigal, St. Louis Park’s principal planner.



The Beltline station will be the first park-and-ride on the line from Minneapolis. But the 268-stall parking facility won’t solve all the access issues and parking demand studies show that a larger parking facility may be needed. Many residents don’t live near the station so accommodating bus access to the station is particularly important which could hinder private development opportunities due to the need to accommodate bus circulation. There will be Metro Transit service but details on routes won’t be known until some months before the trains start running.

The station is expected to serve both residents of nearby neighborhoods and employers such as Nordic Ware. Current transit and pedestrian connections to the north are particularly weak; for instance, St. Louis Park City Hall is a short distance away but regular bus routes don’t run in that direction at this time.

The location at Beltline and Hwy. 25/7 is visible but not pedestrian friendly. County State Aid Highway (CSAH) 25 has an unusually wide right of way which the city may narrow from its current width of 200 feet to 100 feet. Beltline Blvd. is hard to cross and the at-grade bike and pedestrian crossing at the Cedar Lake Regional Trail has been problematic.

The city plans to re-configure Beltline Blvd. so as to make it more pedestrian and bike-friendly. This will help link Green Line Extension riders to the St. Louis Park Recreation Center on W. 36th Street and nearby Wolfe Park and Excelsior & Grand.

The city has planned the area around the station for mixed use. It is also exploring adopting a Form-Based Code for the three station areas in the city.

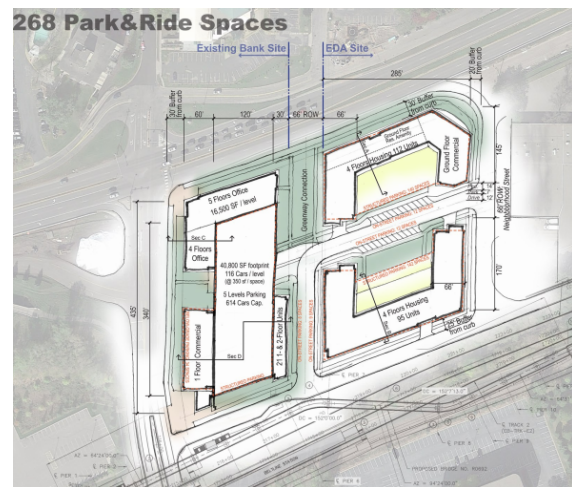
Panel's Reaction to Questions

The City of St. Louis Park and Southwest LRT Community Works provided a market study by CBRE and conceptual site plans developed by LHB, Inc. for the TAP to review. The plans included both the Vision Bank site that the Metropolitan Council expects to acquire as part of the project costs specifically for the Green Line Extension and the parcel to the east already owned by the St. Louis Park Economic Development Authority. The market study offered four alternatives to accommodate both the required 268-stall park-and-ride and private development.

Question #1

Based on the site plan and market study, do the proposed uses, densities and the timing at the Beltline SWLRT station seem viable and appropriate? If not, what would you change? Are there other proposed uses such as an entertainment venue or a public landmark destination that you believe could be attractive and financially viable at this location?

- The current concepts at this time would not be marketable from a developer standpoint due to the proposed configuration of the park and ride and challenging access to the site. The site could be a viable development option in the future with the panel's suggestions.
- Building the park-and-ride on the Vision Bank site puts cars, not people, closest to the light rail station. It also would occupy the most visible part of the site from the roadways and create an obstacle to laying out a viable development, either housing or office.



Preliminary site design by LHB

- A single-user destination office, such as medical or professional services, would be the only possible office use that would have some merit. While the Vision Bank location is the most visible part of the site, it probably doesn't afford the visibility and access needed for multi-tenant office development/users.
- Wrapping office or housing around a parking structure does not create attractive, usable space.
- The City EDA-owned site may be viable for rental housing.
- A potential destination or entertainment use suggested would be a brewery or distillery.
- The site could also be an attractive location for one story industrial/tech use that would attract high paying jobs and should not be ruled out.

Question #2

Based on what you have learned about the proposed JD project and underlying financial assumptions, would you find this project financially attractive? What are your thoughts on partnering with multiple government agencies (Federal, Met Council, City) on a project that requires ground leases with a government agency?

- There would be no specific advantages to a developer in entering into a joint development with a governmental agency unless there are significant financial benefits. In general, developers are not supportive of ground leases unless it can be very long term such as 99 years.
- The Joint Development would make it difficult to have an exit strategy, which is particularly important to developers who sell property after development to investors as a key part of their business strategy.
- Developers would avoid a project that included federal procurement rules. A ground lease can insulate private development from those rules. Still, the idea of working with a government agency would not be attractive to most developers because of the perceived complications and reduced land control.

Question #3

If the proposed project comes to fruition, what other redevelopment would you envision occurring directly adjacent to the site (south and east along CSAH 25)?

- The property owned by the Hennepin County Regional Rail Authority to the south of the Green Line Extension is attractive for multi-family housing.
- The properties to the east along CSAH 25 could attract housing or office development.

Panel Analysis of Beltline Station Area

The Beltline station is heavily trafficked and well located on a major highway. “This site has proximity to Highway 100, to Uptown and to LRT,” said Tony Barranco, vice-president of development at Ryan Companies.

The panel was unclear at this time what kind of development would be most viable at this corner. “It’s too isolated for speculative office,” said Stu Ackerberg, founder of the Ackerberg Group. Multi-use office would not be viable. A bit of convenience or service retail is conceivable.

If the two properties were combined as one, and unencumbered with the constraints of a park-and-ride in the southeast corner and a ground lease with a government agency, “you’d have a nice rectangular, heavily trafficked site,” said Pat Mascia, a real estate attorney with Briggs and Morgan and chair of the TAP panel.

A developer would only be open to a ground lease if it is long-term—99 years—so it replicates the control of ownership. But it still makes it hard for a developer to have an exit strategy, which is a very important business strategy for some developers who do not own their properties long-term.

Rather than building small office spaces attached to a parking structure, the panel suggested developing a single-use office building, perhaps a medical tenant or business headquarters. But for that office use, “the tenant will want a front door,” cautioned Mascia. The location of a front entrance vis-à-vis parking and the access road would also be an issue for a housing complex.

The panel also expressed concerns about the proposed routing of buses around the periphery of the site. This is proposed in order to bring buses by the light rail station while avoiding CSAH Hwy. 25. “As proposed, it will disrupt development,” said Merrie Sjogren of The Sjogren Group. “It is a negative factor for investors.”

The Shoreham mixed-use residential project, currently under construction in the proposed Beltline Station area, is an example of recent development emphasizing TOD principles.



Beltline Station: Key Recommendations

Given the site constraints, the panel offered the following recommendations.

1. Build a park-and-ride surface lot on the City EDA-owned site and wait for the market to respond to development needs after completion of the Green Line Extension.

- The panel agreed that there is no compelling reason to develop the ramp now. Building a ramp will only constrain future development on the sites. “If there is no market right now,” said Tony Barranco, “don’t force it.” However, the City EDA could consider holding the property for future office build-to-suit uses.
- Development on the City EDA property to the east and the entire development areas would be more attractive without adding public ownership constraints on the Vision Bank site created by a park and ride ramp.
- If the park and ride lot were developed on the City EDA property, the Vision Bank site becomes more attractive for development and the development area overall could incorporate a more appropriately located ramp in conjunction with future development.

2. Re-plat properties to provide an unencumbered parcel to the north.

- Build structured parking on the south side of both lots with a drive-through design in the middle that would connect to either housing or office building uses on the north of the site. This allows the possibility of constructing a building over a divided parking structure.

3. Incorporate a park-and-ride ramp into future office or housing development.

- Work in partnership with development team to ensure that the ramp is constructed as development occurs.

“It’s like a jigsaw puzzle. We have a lot of the pieces but where do they belong?”

Meg McMonigal, Principal Planner, City of St. Louis Park

Conclusion

The Technical Assistance Panel brought the expertise of real estate developers, marketers, and financial experts to the proposals developed by cities and planners based on their goals for Transit-Oriented Development. It was an eye-opening exchange, revealing that there sometimes exists a gap between what planners and city officials might desire for an area and what real estate and development professionals believe the market will bear. For both the Blake and Beltline station areas, the overarching guidance of the panel was this—don't force it. Let the visions for these areas develop over the long haul, and avoid making decisions today that could make realizing those visions more challenging in the future.

In the case of the Blake Road station, for example, the panel was unconvinced that mixed-use buildings featuring ground floor retail spaces were an ideal format for the land east of Blake Road on the Cold Storage site today. Instead, they favored a focus entirely on housing with first floor "flexible-space" and an effort to better integrate the area with the natural amenity of Minnehaha Creek. At first this might seem like a blow against the desire for Transit-Oriented Development that favors a mix of land uses at greater densities than automobile-oriented development more typical of suburban locales. However, the panel believed that by making the west side of Blake Road an area for "destination and neighborhood retail," reconfiguring the Blake Road and Excelsior Blvd intersection to be more pedestrian friendly, and creating a comprehensive vision for the area, the goals of TOD will still be accomplished over time and the market becomes stronger. The Blake station area may not be ideal for mixed-use *buildings*, but the panel believed a mix of *uses* would be successful.

By contrast, the Beltline Station revealed nearly the opposite recommendations but a similar caution with respect to getting ahead of market demand. Where the need for parking may have been underestimated in the Blake station area, the panel believed St. Louis Park might be at risk of overcommitting to parking as a long-term land use for the Beltline site if they pursued a large structured parking facility today. Such a structure—especially one with constraints associated with public ownership—could make future coordinated development more difficult for other, more desirable uses such as housing, light industrial, retail and office that the panel believes may suit the site as the market develops.



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