



MAYOR AND COUNCIL COMMUNICATION

DATE: 10/18/2016

Regular

ITEM #:21

AGENDA ITEM: Jurisdictional Review of City of Stillwater Comprehensive Plan Amendment
SUBMITTED BY: Stephen Wensman, Planning Director
THROUGH: Kristina Handt, City Administrator
REVIEWED BY: Kristina Handt, City Administrator
Jack Griffin, City Engineer

BACKGROUND:

The City of Stillwater has requested that the City of Lake Elmo comment on a proposed comprehensive plan amendment for the City of Stillwater as part of the required jurisdictional and agency review. In summary, Hy-Vee is hoping to develop a 17.9 acre parcel located at the northeast quadrant of the intersection of State Highway 36 and County Road 15 (Manning Avenue). The site is the former location of Bergmann Greenhouse. In order to develop, Hy-Vee is requesting a comprehensive plan amendment to change the guidance from Research and Development to Commercial.

ISSUE BEFORE COUNCIL:

To provide comments on the proposed comprehensive plan amendment prior to the November 21, 2016 60 day review deadline.

PROPOSAL DETAILS/ANALYSIS:

Staff has reviewed the proposed comprehensive plan amendment and has identified the following concerns:

- The future interchange at State Highway 36 and County Road 15 has only been conceptually designed. The Hy-Vee project may result in the elimination of other viable interchange options that could result in the interchange being forced to have greater property and right-of-way impacts south of State Highway 36.
- Until Washington County and MnDOT prepare multiple interchange concepts, it is premature to determine that the interchange concept shown on the plans is a viable design.
- Additionally, the State Highway 36 and County Road 15 intersection is the primary entrance to the Sanctuary Development. Sanctuary residents previously expressed concern about the efficiency and safety of the intersection.

FISCAL IMPACT:

The fiscal impact of the future State Highway 36 and County Road 15 intersection improvements to the City of Lake Elmo is unknown. The Hy-Vee project could result in shifting greater percentage of the right-of-way cost burden to Lake Elmo.

RECOMMENDATION:

Staff is respectfully requesting that the City Council provide comment for the jurisdictional and agency review pertaining to the proposed City of Stillwater Comprehensive Plan Amendment for a proposed Hy-Vee at the northeast quadrant of the intersection of State Highway 36 and County road 15 (Manning Ave).

ATTACHMENTS:

- Request Letter
- Project Narrative
- Maps – Concept Plan, 2030 Comprehensive Plan, Zoning Map



DATE: September 20, 2016 **CASE NO.:** 2016-32

TO: **Cities of Oak Park Heights, Grant and Lake Elmo
Stillwater Township
Washington County Public Works
Minnesota Department of Transportation
ISD 834**

APPLICANT: Mark Schoening, Sr VP of Development
Ryan Companies US, Inc

LANDOWNER: Dennis Trooien, Chief Mgr
Crescent Development, LLC

LOCATION: 12054 60th St N

REQUEST: **Jurisdictional and agency review of
Comprehensive Plan Amendment**

AUTHOR: Bill Turnblad, Stillwater Community Development Director

BACKGROUND

Ryan Companies has been retained by Hy-Vee to pursue development of a 96,000 sf Hy-Vee grocery and 4,500 sf gas station/convenience store in Stillwater. The site desired by Hy-Vee is approximately 17.9 acres located at the northeast quadrant of the intersection of State Highway 36 and County Road 15 (Manning Avenue).

The property is currently guided by the City’s Comprehensive Plan for Research & Development uses. The proposed retail uses are not consistent with the Comprehensive Plan. Therefore, Ryan Companies has requested an amendment that would change the guiding from Research & Development to Commercial.

SPECIFIC REQUEST

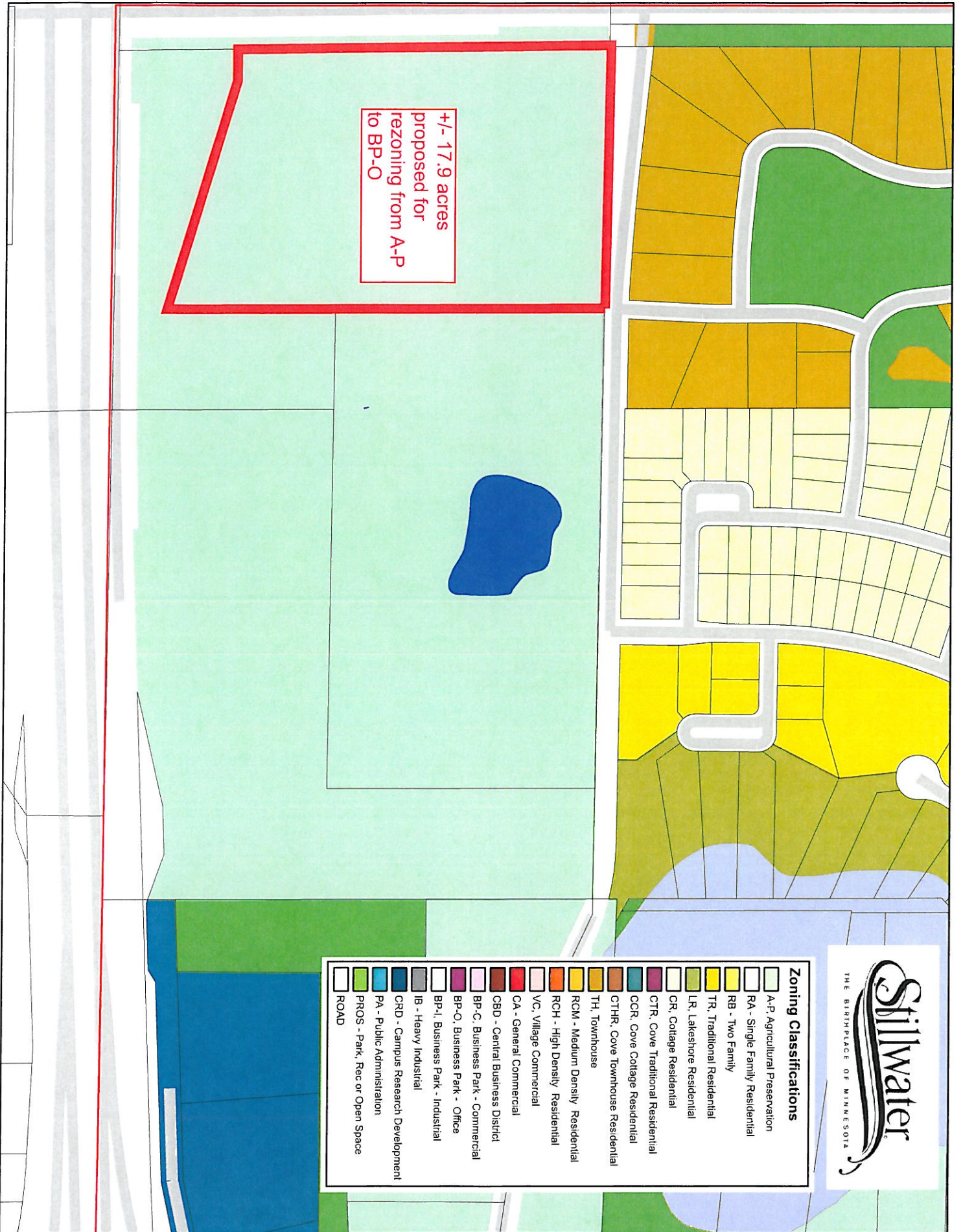
Ryan Companies is specifically requesting an amendment to the Stillwater Comprehensive Plan’s land use map guiding the subject 17.9 acres from RDP, Research Development Park to COM, Commercial.

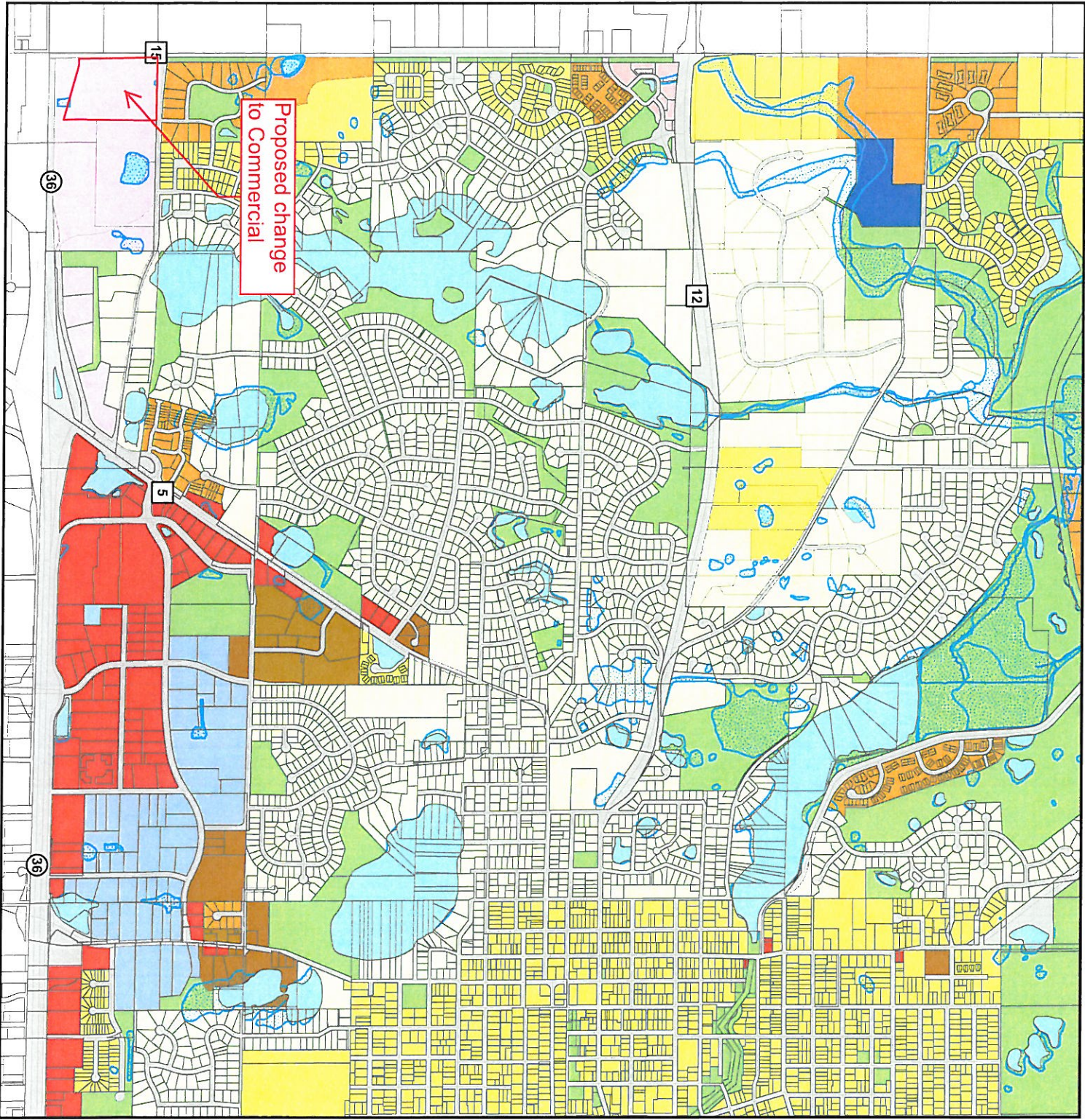


Zoning Classifications

	A-P - Agricultural Preservation
	RA - Single Family Residential
	RB - Two Family
	TR - Traditional Residential
	LR - Lakeshore Residential
	CR - Cottage Residential
	CTR - Cove Traditional Residential
	CCR - Cove Collage Residential
	CTHR, Cove Townhouse Residential
	TH, Townhouse
	RCM - Medium Density Residential
	RCH - High Density Residential
	VC, Village Commercial
	CA - General Commercial
	CBD - Central Business District
	BP-C, Business Park - Commercial
	BP-O, Business Park - Office
	BP-I, Business Park - Industrial
	IB - Heavy Industrial
	CRD - Campus Research Development
	PA - Public Administration
	PROS - Park, Rec or Open Space
	ROAD

+/- 17.9 acres
proposed for
rezoning from A-P
to BP-O





**2030 Future
Land Use Plan**
2008 Comprehensive Plan



- 2030 City Limit
- Wetland (Undelineated)
- Low Density Residential
- Low/Medium Density Residential
- Medium Density Residential
- High Density Residential
- Neighborhood Commercial
- Commercial
- Downtown Mixed Use
- Research, Development Park
- Industrial
- Institutional
- Park, Rec or Open Space
- Marina
- Road R-O-W
- Open Water

February 2, 2010

STILLWATER

CONCEPTUAL SITE PLAN



BUILDING INFO

- TOTAL BUILDING: 100,500 SF
- RETAIL 96,000 SF
- SMALL RETAIL 4,500 SF
- 509 PARKING STALLS



Manning Avenue

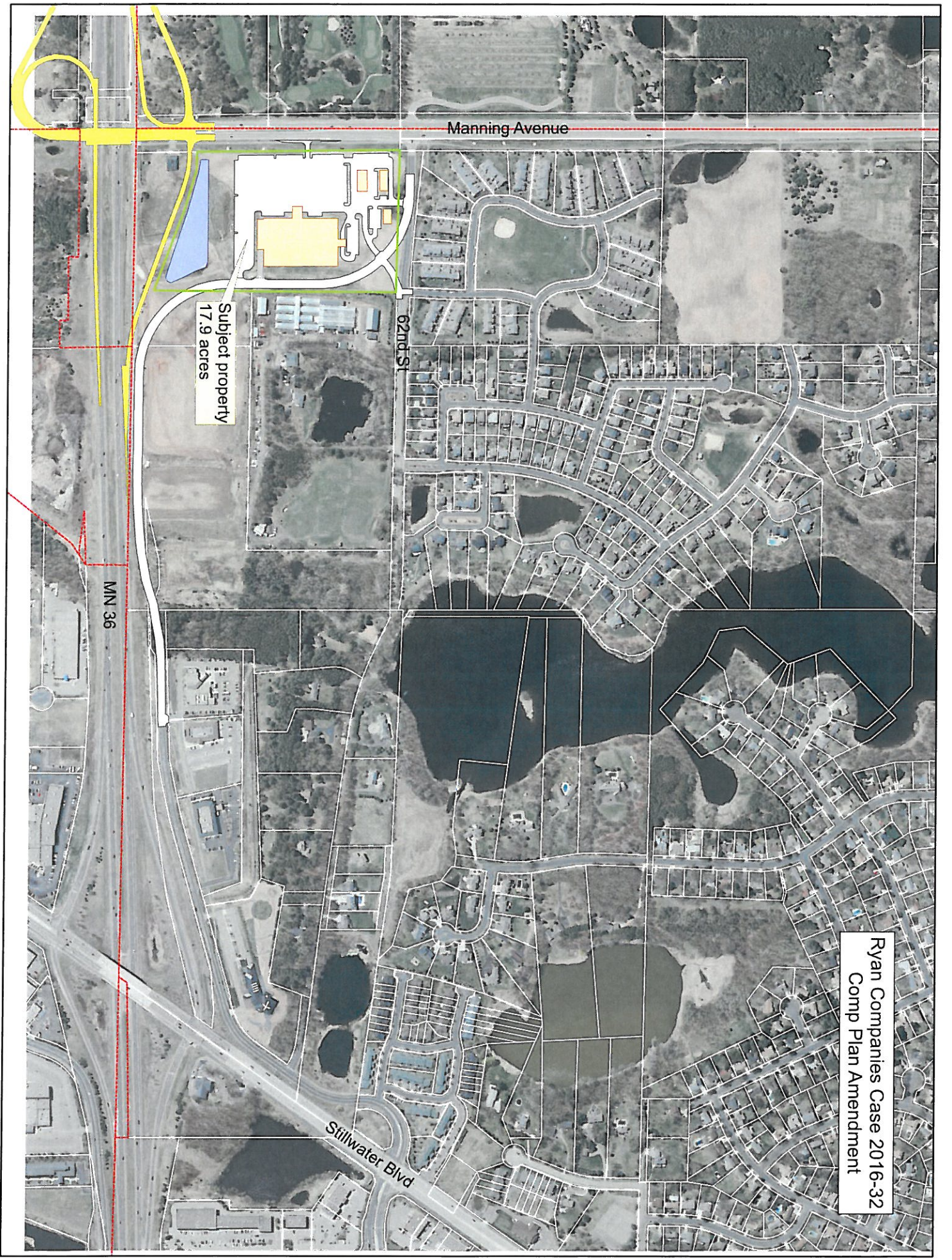
62nd St

Subject property
17.9 acres

MIN 36

Stillwater Blvd

Ryan Companies Case 2016-32
Comp Plan Amendment





Enclosed are the following:

- Completed Application Form and Fees
- Application Narrative
 - Applicant Narrative (this document)
 - Hy-Vee Company & Store Details
 - Hy-Vee Photographs
- Concept Plan
- 2030 Comprehensive Land Use Map
- City of Stillwater Zoning Map
- Survey with Legal Description of Subject Property

We are excited at the prospect of working with the City to bring this gateway site into the community, and we would be honored to bring one of the first new Hy-Vee stores in the Twin Cities to Stillwater. We look forward to being in front of you soon, and we thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Schoening". The signature is fluid and cursive, with a large loop at the end.

Mark Schoening, Senior Vice President of Development
Ryan Companies US, Inc.

CC: Denny Trooien
Phil Hoey

WWW.RYANCOMPANIES.COM

RYAN COMPANIES US, INC
50 South Tenth Street, Suite 300
Minneapolis, MN 55403-2012



612-492-4000 *tel*
612-492-3000 *fax*

August 15, 2016

Abbi Wittman, City Planner
City of Stillwater
216 Fourth Street North
Stillwater, MN 55082

Applicant Narrative for Request to Amend the 2030 Comprehensive Land Use Plan & City Zoning on a Portion of the 70-Acre area at the Northeast Quadrant of Highway 36 and Manning Avenue

Dear Ms. Whitman,

We are pleased to submit the enclosed request to amend the Comprehensive Plan and Zoning for a portion of the property at the northeast quadrant of Highway 36 and Manning Avenue in Stillwater.

We are excited to be coming before you with this request. For many years this gateway site into the City has gone undeveloped, and while there are a variety of reasons for this, two trends have taken hold in the past few years that now lie behind our request, and that cause us to be optimistic the property can finally be developed into the community with its core goals intact.

Corporate & Business Park Development Today

The first trend is that business parks or job-generating districts are now developing most successfully when combined with retail amenities inside the park. For 21 years, the 70-acre parcel that occupies most of the NE quadrant of Highway 36 and Manning Avenue has been viewed with corporate job-generation in mind, as reflected in the 2030 Comprehensive Plan Land Use Designation (Research & Development Park, or RDP) and City Zoning (Campus Research District, or CRD). Today, it is impossible to miss the degree to which job-generating companies are focused on retail amenities *within the corporate and business park environments they will consider*. We have been presented with this requirement from all of companies we've worked with in the past five years, from Wells Fargo to Target to State Farm and others, and it is now at the center of recruiting and retaining talented young employees. Forward looking companies today are competing for the next generation of workers, they perceive those workers to be drawn to amenity-rich workplaces, and they therefore make locational decisions based on the amenity situation *within their corporate environments*. This may be the most important trend in corporate or business park development since the move to the suburbs that began in the 60s, and we will be happy to discuss it, and other examples, as requested.

Retail Development Today

The second trend that lies behind our application is that retailers are increasingly focused on convenience and proximity to their local customers, rather than placement in larger regional centers of the sort that were the norm prior to e-commerce and the great recession. The rise of e-commerce, as well as changes in driving habits, have both placed a new premium on convenience, with the result that we hear increasingly from our retail clients about the need to “get local” in order to be close to their customers, even in stand-alone situations. The retailer that we are proposing to bring to Stillwater is at the center of this shift, as is the retail project that we are proposing, and we will be prepared to discuss this trend and other examples of it as requested.

Both of these trends lie behind our request to amend the 2030 Comprehensive Land Use Plan and City Zoning for a portion of the northeast quadrant of Highway 36 and Manning Avenue, and to re-designate that portion of the overall property in a way that reflects how corporate and job-generating development is actually taking place today, so that this gateway property can be successfully incorporated into the Stillwater community.

Our request for an Amendment to the 2030 Comprehensive Land Use Plan and a partial re-zoning is limited to the 20-acre area on the west side of the overall 70-acre area, as indicated on the enclosed Land Use and Zoning maps. The area in question is bounded by Highway 36 to the South, Manning Avenue to the West, and 62nd Street to the north. The subject 20-acre area, as well as 50-acres of the overall 70-acre area, is currently undeveloped. The remaining 50-acre portion of the property would remain guided by the existing 2030 Land Use Plan (RDP) and City Zoning (CRD).

Comprehensive Land Use Plan Amendment:

The 2030 Comprehensive Land Use Plan currently guides the area described above for Research & Development Park (RDP). According to the Plan, the designation is intended to provide a site for corporate and business development that will bring “head of household caliber jobs to the community.” It is worth noting that contained within the plan is the statement that “through implementation of the Comprehensive Plan, the city may update this zoning district to expand the list of uses allowed to support the goal of a high quality development that will increase the city’s tax base and provide high-paying jobs.”

We are proposing that the 2030 Comprehensive Land Use Plan for the western 20 acres of this 70-acre area be amended to guide that 20-acre area Commercial, as defined under the current Comprehensive Plan land use designations. Our reasons for making this request have been partially described above, and are further detailed further below.



Rezoning:

The 70-acre area in the northeast quadrant of Highway 36 and Manning Avenue is currently zoned entirely as Campus Research Development (CRD). According to the City Zoning Code, the designation is primarily a job-generating district, intended for “a mix of office, research and development, and light manufacturing uses with limited retail and service uses in a planned business park setting.” It is worth noting that the City’s description of what is allowed within this zoning includes the idea that retail and service uses may be part of a corporate or business park district.

With this application, we are requesting that the City re-zone the western 20 acres of this 70-acre area to Business Park – Commercial. This 20-acre area of the overall property is the area that companies who have considered the property as a potential location for their business see as a logical position for retail within the park, and it is the area of the site that a number of retailers have considered the right place from which to serve the Stillwater community. At the moment, we are under agreement with Hy-Vee to develop and build one of their new stores in the Twin Cities in this area, as shown on the enclosed Concept Plan. If you approve our request, we would move forward on a schedule that would have the store under construction in 2017, an event that we believe would draw new and desirable attention to the overall site as a potential corporate environment.

East of the 20-acre subject area, we are proposing to leave the existing guidance and zoning in place. We believe the evidence is abundant that the development goals associated with the existing RDP guidance and CRD zoning will be achieved more quickly, and with more success, if you approve the requested Comprehensive Plan and Zoning change on the western 20 acres.

Basis for the Application:

We understand that requested changes to the Comprehensive Land Use Plan and to City Zoning need to be justified by reference to public necessity, general community welfare, and good zoning practice, in conformance with the principles and policies set forth in the Comprehensive Plan.

Public Necessity

As we’ve suggested throughout this narrative, we believe that in order to attract job-generating business development today, it is necessary to incorporate first-class retail amenities into a business district. It was not always this way, but as companies find themselves competing for talent, and specifically for talented younger workers who value a mixed-use environment, it’s clear they are requiring retail amenities within their corporate and business environments, and that they are making locational decisions with this priority in mind. The examples are many, and we will be happy to discuss them with you in the appropriate setting. In the Twin Cities alone, they include Wells Fargo, Target, Shutterfly, and North Memorial Hospital.

General Community Welfare

We are suggesting in this application that the requested Land Use Plan and Zoning change will benefit the Stillwater community by making it more appealing to job-generating businesses. But we are also suggesting that the requested change will benefit the community by bringing to its members the most exciting retail business now developing in the Twin Cities, namely a full-line, state-of-the-art Hy-Vee store. A full description of the store, as well as background on the company, follows this narrative. But a few notable features are below:

- The store will contain full-service bakery, deli, specialty cheese, meat and seafood departments, as well as a coffee, bagel and juice bar;
- It will contain pharmacy, floral, pet care, dry-cleaning, and postal services;
- It will contain a kitchen department offering prepared foods for on-site consumption, or packaged to go;
- It will contain a Market Grill restaurant, accessed from both the grocery store and a separate entrance, providing full-service dining options including beer, wine, and mixed drinks for on-site consumption, as well as catering and pick-up options;
- It will contain a Wine & Spirits store, accessed by a separate entrance, with a tasting room capable of seating 30 people for events;
- It will be open 24 hours a day, and provide approximately 625 jobs, 125 of them full-time.

Good Zoning Practice/Conformance with Principles and Policies set Forth in Comp Plan

We've mentioned many times that successful job-generating development today depends on the location of retail amenities within the proposed business area. And we understand that the primary development goal of the existing RDP guidance and CRD zoning is to generate jobs. In that sense, we see the requested Land Use Plan and Zoning Amendments as in conformance with the principles and policies set forth in the Comprehensive Plan, and as consistent with the planning and development goals held by the City for this property. Central to our request is the idea that 50 acres of the 70-acre area would remain guided RDP and zoned CRD, and that the prospects for bringing job-generating businesses to Stillwater on that 50 acres would be significantly increased by the opening of 20 acres of the site to a more broad zoning that would allow for the development of a key amenity that will increase the appeal of the business park land to the corporate community. Because of the trends driving business park and retail development going forward, we see the requested change as beneficial to the achievement of the development goals the community has long held for the overall site, and to the achievement of those goals sooner than might otherwise be the case.

Proposed Project / Concept Plan - The enclosed concept plan shows approximately 96,000 square feet for the proposed Hy-Vee grocery store. It also shows an approximately 4,500 square foot convenience store with fuel canopy and a car wash.

The project is located at the NE corner of Highway 36 and Manning Avenue, or in the SW corner of the 70-acre area currently guided RDP and zoned CRD. In total, we anticipate the project to occupy roughly 14 acres of the proposed 20-acre area that would be re-guided and re-zoned more broadly, and roughly 20% of the total 70-acre area currently guided RDP and zoned CRD.

To the north of the retail amenity that we are proposing, we envision a variety of uses that we believe will add to the Stillwater community, including but not limited to job-generating office, hospitality and/or additional retail. To the east of the proposed project, we propose to maintain the existing RDP guidance and CRD zoning, for all of the reasons described above.

The project has been concept designed to respect the historical desire of the City to establish connections between Curve Crest Road to the east, Manning Avenue to the west, and 62nd Street to the north. We have placed the road connecting Curve Crest and Manning where we believe it would serve the overall site most efficiently, and we have left open the area to the north that would contain a connecting road to 62nd.

Access & Internal Circulation

Because this is a critical feature of making the entire site work, please note the following circulation features of our plan:

- 1) Our plan proposes to eliminate the current connection to Manning Avenue immediately north of Highway 36. We believe that connection has outlived its usefulness, and likely represents an unsafe condition as the site develops.
- 2) We propose instead the installation of a single and full-access point on Manning Avenue at the midpoint between Highway 36 and 62nd Street. We see this access point as critical to any significant development of the site for two reasons:
 - a. The overall 70-acre development area could easily contain more than 700,000 square feet. Absent a full-access point on Manning, nearly all of the traffic coming into and out of the site would flow through a primary access point on 62nd street. This would make for an extremely one-dimensional and inefficient circulation system on a development site of 70 acres.
 - b. Businesses and others potentially interested in the corporate development area will see a one-dimensional access plan as a major problem, and it will seriously disadvantage the site from a competitive standpoint. In addition, the residential neighborhood to the north, absent a full access point on Manning, would be faced with a dramatic increase in traffic on 62nd street, across from what is currently the primary entrance to their neighborhood.

**Hy-Vee Stillwater
Company and Store Details
08/15/2016**

HY-VEE BACKGROUND:

As an employee-owned company, Hy-Vee encourages each of its more than 82,000 employees to help guide the company. Its 85 years of outstanding success is a testament to those employees' hard work and dedication to the vision of its founders. Today, Hy-Vee is synonymous with quality, variety, value and superior customer service. Its slogan, "A Helpful Smile in Every Aisle," expresses the foundation of the company's operating philosophy.

Hy-Vee is a touchstone for its customers' desire for information on diet, nutrition and wellness topics. The company's commitment to healthy lifestyles is evidenced by ever-growing HealthMarket departments featuring natural and organic products, the consulting services of in-store dietitians and chefs, and consumer and employee wellness programs. The company also sponsors the annual Hy-Vee Road Races during Drake Relays weekend and five Hy-Vee Pinky Swear Kids Triathlons and 5K Family Runs across the Midwest that raise money for children with cancer and their families.

Hy-Vee stores have operated autonomously with store directors making in-store decisions to excel at superior customer service at the local level. Hy-Vee continues to drive this dedication to serve its customers with recent newly-introduced programs such as Hy-Vee Fuel Saver, Market Grille restaurants, and now Aisles On-line, an on-line shopping feature that allows customers to place orders for pick up or delivery.

With sales of \$9.3 billion annually, Hy-Vee ranks among the top 25 supermarket chains and the top 50 private companies in the United States. Its more than 240 stores are located in eight Midwestern states: Iowa, Illinois, Missouri, Kansas, Nebraska, South Dakota, Minnesota and Wisconsin. Distribution centers are in Chariton, Iowa, and Cherokee, Iowa, with a third perishable operation in Ankeny, Iowa. Hy-Vee's corporate office is located in West Des Moines, Iowa.

HY-VEE STORE DETAILS:

The proposed store will be approximately 96,000 square feet and contain traditional grocery departments as well as full service departments such as bakery, delicatessen, specialty cheese, meat, seafood, as well as a juice and smoothie bar. Other departments provided by Hy-Vee for complete customer care include general merchandise, health, beauty, cosmetics, organic (HealthMarket), pharmacy, floral, pet care, bagel shop, sweet shop, specialty cheese, charcuterie, clothing, coffee shop, postal/mail services, and dry-cleaning.

The store's pharmacy department will have a drive-up lane (window with a drawer or a tube delivery system). The Pharmacy will likely include a clinic space in partnership with a local medical facility as well and include a couple of examination rooms with a small waiting area.

The kitchen department will offer prepared foods available for on-site consumption in the casual dining area or packaged to go. Food flavor profiles include barbeque/smoked, Asian, Italian, Mexican, salads (hot & cold) as well as a self-serve soup & salad bar. The typical casual dining area seats approximately 80 customers.

The Market Grille restaurant is a full-service dining option that is connected to the grocery store but also has a separate exterior entrance. A full-service bar is included in this area to provide beer, wine, and mixed drinks for on-site consumption. On-line or phone-in ordering for pick-up will be available with 2 or 3 designated curbside parking stalls.

In addition, a wine & spirits retail space is being offered as part of the development for sales of prepackaged beer, wine & alcohol. Due to MN law, this section of the building will be accessible by a separate exterior entrance only with no interior connection to the grocery store. A tasting/educational room is typically provided and will seat approximately 30 people for our wine & beer tasting classes.

The supermarket and convenience stores are typically open 24 hours a day, with major departments typically providing counter service between 7 am to 10 pm. A typical Hy-Vee store of this size will have approximately 625 employees (125 full-timers).

HY-VEE SUSTAINABILITY:

At Hy-Vee we see sustainability as part of our focus on healthy living, believing that healthy lifestyles and a healthy environment go hand-in-hand. Whether it is helping our customers make healthier choices or working to make the way we do business more sustainable, we see this effort as part of Hy-Vee's overall mission of making people's lives easier, healthier, and happier.

Store Construction and Design:

We have focused on building stores in an environmentally responsible manner for a number of years. Green features of our new and remodeled stores include:

- Concrete floors: Concrete floors, which eliminate the need for additional floor coverings and reduce the need for cleaning chemicals.
- Recycled materials: Where possible, recycled materials are used in our steel structures, foundations and concrete wall panels.
- Energy efficiency: We specify Low-E windows and a highly reflective roof that reduce energy load in the summer help boost our stores' energy performance.
- Water efficiency: Features such as native landscaping and motion-activated toilets and faucets are used to reduce water consumption.

Energy and Resource Conservation:

We understand that a significant portion of our environmental footprint results from the energy

and resources our stores and distribution systems consume. For this reason, our efforts to improve energy efficiency and conserve natural resources apply across all sectors of our business. These efforts include:

- **Lighting:** Measures aimed at improving lighting efficiency include the increased use of natural light, high-efficiency LED store and parking lot lighting, and store lighting that adjusts to the time-of-day.
- **Equipment:** Highly efficient heating, air conditioning and refrigeration equipment decreases energy consumption while waste heat from this equipment is often-times used to preheat hot water and air.
- **Transportation:** We are working to improve the fuel efficiency of our trucking fleet through such measures as the use of fuel additives, alternate vehicle routing, and new engine, tire and trailer designs.
- **Water consumption:** We are working to better manage water consumption through a variety of store design and operational changes. These changes include motion-activated toilets and faucets and the use of native plants with reduced irrigation needs.
- **Refrigeration management:** Our efforts to better manage refrigerants include investment in state-of-the-art technology that identifies and prevents leaks, and participation in EPA's GreenChill Advanced Refrigeration Partnership.

Waste Reduction and Recycling:

Another of Hy-Vee's sustainability priorities is reducing waste and increasing recycling rates. Hy-Vee has a long history of working to reduce waste and increase recycling of such things as cardboard, plastic, paper and cooking grease. Our ongoing efforts in this area include:

- **Diversion of food waste:** We are evaluating ways of removing food waste from land disposal. Methods being considered include composting and anaerobic digestion – a process in which micro-organisms breakdown wastes into harmless, and often-times beneficial, by-products.
- **Store recycling:** We are continuing work to increase recycling rates for store recyclables, including cardboard, plastic, paper and cooking grease. In the last three years, these efforts resulted in the recycling of an estimated 220 million pounds of cardboard, 6 million pounds of plastic, and 1 million pounds of paper.
- **Plastic bag recycling:** All stores provide recycle bins so customers can return their plastic shopping, newspaper, and dry cleaning bags for recycling.
- **Products:** Increasingly stores are converting to pre-trimmed produce and pre-packaged meat, reducing waste and transportation-related energy use.

Products, Product Sourcing and Packaging:

We are also working to increase the number of green products on our shelves, to source products from suppliers who demonstrate good environmental stewardship, and to identify more efficient packaging alternatives. Examples of these efforts include:

- **Natural, organic, and locally sourced products:** Hy-Vee has a vast assortment of natural, organic, and locally sourced products. We know it's important for our customers to know where their food comes from so we have invested in bringing the very best of these products to our stores.

- Sustainable seafood: Hy-Vee has a seafood procurement policy aimed at improving the sustainability of our seafood. In 2011 we took this commitment to the next level through a partnership with FishWise, a non-profit that works with leading seafood retailers, distributors, producers and restaurants to develop seafood sustainability programs.
- Shopping bags: Responsible use of shopping bags is another way we reduce the stress we put on the planet. Towards this end, Hy-Vee is: (1) working with our employees to reduce the use of paper and plastic bags, (2) encouraging customers to recycle plastic bags at our stores, and (3) striving to increase our customers' use of reusable bags.
- One-Step Products - Hy-Vee developed the One Step series of products with a simple mission: To offer customers a selection of products for which the proceeds go to relevant worthy causes. One Step products include a 5 pound bag of russet potatoes, shredded wheat cereal, paper towels, and bottled water.
- Packaging: We are also working with other retailers to reduce packaging on branded products and pursuing more efficient packaging for private label products.