

EAST METRO

Suburban leaders allowing larger, denser developments in this building boom

Many are skirting development restrictions to meet housing demand.

By Shannon Prather (<http://www.startribune.com/shannon-prather/188067161/>)

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The White Bear Lake City Council soon will consider the fate of a 193-unit apartment complex on about 5 acres, a project that is taller and has more units than the city code allows.

But city planners say the project meets a local housing need, so it's worth exempting the developer from a few city restrictions.

White Bear Lake is among a growing number of suburbs that are working around longtime development restrictions to transform oddly shaped or blighted lots into new apartments, homes and businesses.

Increasingly, suburban officials are relying on these projects to rejuvenate stagnant corners of their communities and draw new residents of varying ages and incomes.

"Suburban zoning codes are often not keeping up with the changing market and consumer expectations," said Anne Kane, White Bear Lake's director of community development.

White Bear Lake is relying on a mechanism called a planned-unit development (PUD), which allows developers to break from city code on building height and unit numbers in exchange for giving city leaders a say in expansive, multimillion-dollar projects.

The trade-off is clear: Developers get a more lucrative project, and the city welcomes new residents, businesses and tax revenue.

Some residents say the partnership that forms between city planners and developers means the public is largely cut out of the process.

Shoreview resident Richard Braun said he was saddened when the city allowed the construction of the McMillan, a 134-unit, four-story apartment building at Rice Street and Interstate 694 that's taller and denser than city code allows. Crews tore down a flagging strip mall to make room for it.

"They had their minds made up way before the public meeting and there was nothing we could do to change them," said Braun, a retiree. "We kind of figured out residents don't matter as much."

Suburban leaders say the measures are justified to meet demand and alleviate the region's housing shortage.

"So much has changed in the market in the last five years. Cities are trying to play catch-up and capture part of the market," said Cathy Capone Bennett, director of advisory services at Urban Land Institute Minnesota.

Looking for flexibility

Such development tools are increasingly popular as suburbs move from the straightforward development of vacant land to thornier redevelopment that often involves teardowns and hazardous cleanups, said Plymouth Community Development Director Steve Juetten.



Loden.

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At the 204-unit Loden apartments in Shoreview, the developer added amenities including green space and a seating area for small groups.

City leaders also are using code exemptions to entice developers to build better projects. For instance, in exchange for height and density concessions, the developer is giving White Bear Lake land for a trail and a more appealing design.

"It's got a lake lodge feel," Kane said. "We want distinctive architecture that reflects our community."

North St. Paul is leaning on the PUD process to revive its downtown (<http://www.startribune.com/north-st-paul-finds-itself-in-a-building-boom-with-400-new-homes-apartments-in-the-works/507741822/>) and add more housing. It has nearly 400 new townhouses and apartments in the works on four different sites, which city leaders hope will attract more shops and cafes.

The new housing projects are denser than city code allows. But after watching the city be overlooked by developers for years, community leaders say they are thrilled at the surge in new investment.

"Traditional zoning does not allow for much flexibility," said Molly Just, a senior planner with WSB who does work for North St. Paul. "PUDs are really intended to provide flexibility and creativity for developers, but at the same time meeting stated objectives set by municipalities."

Shoreview has used such incentives for decades, allowing developers to build townhouses, condos and the Rice Creek Corporate Park area.

It recently approved more than 1,000 new apartments in four complexes. The city exempted developers from existing codes on the maximum height of new buildings, the density of new units and the number of parking spots.

The incentives "are used in exchange for higher-end amenities and other elements in the projects," said Shoreview Mayor Sandy Martin.

She said some redevelopment projects would be nearly impossible without them. One of the newer apartments, Lakeview Terrace, replaced an aging strip mall and had to be built around railroad tracks and a pond. It required a street realignment.

"Redevelopment projects are more complex and expensive," she said. "Developers tend to shy away from those if [the codes] are too rigid."

So far, the new suburban apartments are filling up.

The first phase of the Loden apartments at Interstate 694 and Lexington Avenue opened in Shoreview last winter. All 204 apartments were rented in four months, and there's a waiting list for the next phase.

The developer, Greco Properties, and East Ridge Partners tore down a long-vacant industrial building close to the freeway. In exchange for more units, the developer added green space, a dog run, a pickleball court and a pool. Greco officials also agreed to make about two dozen units affordable for lower-income families.

"This is probably the highest quality development we've ever done," said Greco Properties President Josh Brandsted, sitting in the Loden's expansive commons room with a pool table, fireplace and ample high-end finishes.

Greco had primarily built apartments in Minneapolis, so this market-rate suburban complex was "uncharted territory." Brandsted said Shoreview's willingness to partner with them rather than treating them like the "big, bad developer" was critical.

"I think they are doing it right," he said.

Making a course correction

Not everyone thinks such incentives are the best tools.

Roseville leaders said they felt developers were abusing the process, so they stopped offering incentives in 2010.



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Residents used the gym facilities at the Loden.

"If someone wants to break the rules, so to speak, all they had to do is get the council to approve a PUD," said Roseville Mayor Dan Roe. "It was completely unpredictable for surrounding neighbors. That kind of thing left a bad taste in residents' mouths."

Instead, Roseville overhauled its city codes and zoning to better reflect the market, which makes the process more straightforward for residents and developers.

"The last major rewrite had been in 1950s. We had a lot of outdated provisions," Roe said.

Roseville did reinstate the use of PUDs in 2015 but with strict limits, the mayor said. So far, not one has been approved.

Other communities have joined Roseville in adding new restrictions.

This spring, the city of Vadnais Heights added more requirements for developers seeking PUDs, including public meetings.

The issue came to a head in 2017 when Mendota Heights approved (<http://www.startribune.com/mendota-heights-residents-battle-city-over-apartment-project/462942083/>) two 70-unit apartment buildings on Hwy. 13, prompting a lawsuit by a group of residents. They argued that the project's size, limited parking, proximity to wetlands and large swaths of paved surfaces violated city ordinances. But they lost in the Minnesota Court of Appeals, and the apartments are now under construction.

Suburban leaders say they are also making longer-term changes to their codes to accommodate new, denser kinds of development.

In recent years, several suburbs changed their local comprehensive plans to permit more density and allow some commercial areas to become residential neighborhoods. Cities are now finishing up their 2040 comprehensive plans and more changes could come, said Lisa Barajas, the Metropolitan Council's director of community development.

Kane said suburban development is in the middle of a much-needed course correction after decades of antiquated planning and land-use policies.

"After World War II, planners really liked to separate things — residential here, jobs here, commercial and recreational here," she said. "Planners now recognize it was forced separation and not how humans want to live. They want walkable, mixed-use communities."



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Individual and small group seating spaces filled the common area at the Loden.

Shannon Prather covers Ramsey County for the Star Tribune. Previously, she covered philanthropy and nonprofits. Prather has two decades of experience reporting for newspapers in Minnesota, California, Idaho, Wisconsin and North Dakota. She has covered a variety of topics including the legal system, law enforcement, education, municipal government and slice-of-life community news.

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