

This document is included for references purposes only. This illustrates a potential approach to logging feedback from the current step of developing and answering key policy questions currently being developed.

## The COR: Re-visioning Log

The intent of this document is to create record of policy recommendations related to The COR vision process. Action items have been identified by staff, as a result of feedback received from various parties (Council, commissions, public, businesses, staff, and The COR market panel discussion).

This document identifies and defines action items. Additionally, this document logs feedback received from various parties. Upon completion, this document will be utilized by the City to make recommendations and decisions.

This document is focused on The COR Development Plan, COR Zoning District, and policy on land use strategies. This document is not focused on the details of individual system plans (parking ramp plan, road plans, storm water plan, COR sign plan, etc.). Naturally, the outcome of The COR vision process (i.e. COR Development Plan) will have a direct effect on the multiple COR system plans (as it provides the high-level vision and direction). Likely, these discussions will bleed together, will overlap, and will be an iterative process.

# COR Policy Recommendations

## ACTION ITEMS

1. Structured Parking
2. Retail & Restaurants
3. Vertically Mixed Use
4. Community Center
5. Zoning District Flexibility

FUTURE STEP: FOR ILLUSTRATIVE PURPOSES ONLY

# 1. Structured Parking

## DESCRIPTION

- Construction of parking ramps is a strategy for implementing density goals within The COR-1 zoning district. Density within The COR-1 zoning district is one of the basic foundation pieces behind the original vision of The COR—and has been used as rationalization for funding various infrastructure projects within The COR (i.e. Ramsey station, various road improvements, The Draw, etc.). Density of development also helps push other desired uses within The COR (such as traffic for restaurants/ retail).
- The current COR development plan shows the construction of four parking ramps within the COR-1 zoning district (one already completed). Many people involved with the original visioning process of The COR expect the construction of additional parking ramps to occur.
- It is important to note, The COR-1 zoning district minimum FAR (floor area ratio) was updated in 2015 to .65. This new FAR does not force users to construct parking ramps (higher FARs do). This is unlike the previous minimum FAR within the COR-1 zoning district (.75 and 1.0).
- The City has received strong and consistent feedback from developers, real estate professionals, and businesses that parking ramps are very expensive and the Ramsey market cannot justify this additional development expense. Generally, developers are opposed to constructing parking ramps.
- There are certain monetary and non-monetary benefits to the parking district approach. The City should define what an appropriate return on investment to this strategy should be.

## FEEDBACK

### **Market Panel/ Developer/ Real Estate Professionals**

- If the City expects additional structured parking within The COR, it is highly unlikely the private market will bring this to Ramsey alone. The only markets that see this type of development naturally, within the Twin Cities, is Minneapolis, St. Paul, and St. Louis Park. These markets have higher yield rates, which can justify the investment.
- If structured parking is a priority for Ramsey, the City should pro-actively prepare a plan to fund parking ramps. The City should generally be prepared to participate costs above and beyond standard surface parking.
- Density within The COR-1 zoning district does benefit, and help push, the City's desire for restaurants and retail within The COR.

**City Staff**

- The city should consider completing a feasibility analysis for parking ramps within The COR. The city should get their arms around how much this vision might cost, and how

it will affect The COR pro-forma. Staff is currently completing a tool-box for pricing out parking ramps.○ At this point, three outstanding parking ramps are still shown within The COR master plan. Staff believes completing a policy guide/ policy position for parking ramps within The COR would be helpful (for all parties involved, and considering The COR). If Ramsey does not take a pro-active stance on parking ramps, staff believes this strategy will be challenging to implement.

- For example, the city still owns one large parcel of land located northwest of city hall. Perhaps, the city requires a parking ramp be constructed on this site. Because we have site control, and time on our side, that process is much easier to predict/ control. Additionally, there are many mixed uses anticipated within this area that may benefit from a shared parking ramp (i.e. Happy Days Park, Lake Ramsey, community center, restaurant row, private sector users, apartments, etc.). We could add the anticipated parking ramp expense to The COR pro-forma.
- Regarding the other two proposed parking ramp sites (PSD owned), perhaps the city requires PSD locates/ constructs surface parking lots in strategic locations that could be converted into parking ramps (i.e. add a level or two) if sufficient market demand is available in the future, and the city can come up with the funding gap.

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## 2. Retail & Restaurants

### DESCRIPTION

- Restaurants and shopping opportunities are a major component of the vision for The COR (often times referred to as retail). A strong expectation exists within the community for restaurants and retail to be delivered. At this point, many parties have grown concerned with the lack of progress.
- The COR Master Plan currently calls for about 40-50 acres of traditional suburban retail development (west end, near Armstrong Boulevard). Traditional suburban retail development is 1-story, box-like configuration, with surface parking.
  - Located adjacent to The COR are two areas also generally guided for traditional suburban retail development: (1) about 40-50 acres just west of Armstrong Boulevard, on the north side of U.S. Highway 10, and (2) about 40-50 acres located just south of The COR, across U.S. Highway 10.
- Concerns have risen that amount of land guided for traditional suburban retail development within The COR is more than the market can sustain, now or into the future. It has been suggested, the west end of The COR proper should be reconsidered (for less traditional, destination suburban retail zoning). It has been suggested the City place more of an emphasis on smaller scale retail and restaurants within The COR proper, and allow for the areas adjacent to The COR to satisfy the demand for traditional suburban retail.
- In order to attract retail development, staff has received two consistent suggestions:
  - (1) additional residential development is critical—including density of residential development
  - (2) obtain traffic generating users/ destination users is important—examples include big box retail projects, a community center, hotels, recreation opportunities (Lake Ramsey), office complexes, etc.

### FEEDBACK

#### **Market Panel/ Developer/ Real Estate Professionals**

- Generally, traditional retail development is very challenging to attract in today's economy (due to the major influence of the internet, push for smaller store footprints, etc.). Very little new, green-field, traditional suburban retail development has occurred since the Great Recession. This is not unique to Ramsey.
- Ramsey's geographic location is a major disadvantage for traditional retail development (Ramsey is located between two major retail nodes, and two major rivers).

- The city should also recognize, more rooftops are needed to attract retail and restaurants, especially in close proximity to The COR. Typically, communities (or demographic areas) need to achieve a population of about 60,000 before they will start attracting traditional retail interest—Ramsey has a population of 25,000, and is expected to reach 40,000, at the high-end, in the long-run.
- The City should consider rethinking their retail strategy (how much land is available for retail, how much is needed/ can the market absorb, etc.).

**City Staff**

- Staff generally agrees with feedback provided by market panel discussion (need for rooftops, destination users, etc.).
- Staff would support an exercise to map out how much retail development Ramsey can absorb versus how much retail land is currently zoned for traditional suburban retail development. Staff is concerned the City may have more land zoned for retail than the market can sustain.

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### 3. Mixed Use

#### DESCRIPTION

- The original vision for The COR was a mixed-use development. The City’s definition of mixed use has evolved from vertically mixed-use to horizontally mixed-use (mix of uses within a certain geographic area). Below are general approaches:
  - (A) Vertical Mixed-use is focused on The COR-1 Zoning District. This zoning district has a vision and goal a mix of uses within each individual development project (for example, commercial/ office below and apartments above within the same building), but stops short of making this a hard requirement. Some desire the city take a strong stance on vertical mixed-used policy for The COR (make it required with The COR-1 Zoning District).
  - (C) Horizontal Mixed Use. The COR, as a whole, should have a mix of uses located within close proximity to each other (i.e. we have a district for apartments, retail, business park, etc.). This could be within a block or within the development as a whole. The COR-1 Zoning District should be flexible, and allow for various uses (as the market demands).

#### FEEDBACK

##### **Market Panel/ Developer/ Real Estate Professionals**

- Generally, new vertically mixed-use development is very challenging to attract in today’s economy, specifically in suburban areas. This is due to:
  - Developers’ lack of knowledge/ comfort/ specialization in vertical mixed use projects. Outside of major cities/ downtown areas, vertical mixed use is very uncommon.
  - Financial institutions unwillingness to fund projects. Many developers have told the City—even if we wanted to complete a vertically mixed use project, we couldn’t—our bank won’t fund it. We would need to cover that portion of our project with equity.

- History un-successful vertically mixed-use projects. In fact, many areas that do have vertically mixed-use projects are struggling to fill their ground level store fronts today, and many of those projects are located in the highest demand markets within the Twin Cities (i.e. uptown, St. Louis Park, etc.).
- If the City expects vertical mixed-use projects within The COR-1 Zoning District, it is highly unlikely the private market will bring this to Ramsey alone--the City should pro-actively prepare a plan to subsidize/ encourage this activity. The City should generally be prepared to financially participate.

**City Staff**

- Staff generally agrees with feedback provided by market panel discussion (vertical mixed use likely not to occur without city taking a pro-active and financial role).
- If the City would like to further consider requiring vertically mixed use buildings, Staff would then support an exercise to map out a policy, and the potential implications of that policy.
  - For example, the City will require a minimum 3,000 sf or 15% of the ground level of any project within The COR-1 Zoning district to be a different use than the remainder of the building (classic example is retail on bottom, and the remainder residential—much like the Residence at The COR).
  - After a policy is determined, staff would then work with developers to identify how to actually get a project to go—and is the policy realistic. In other words, what incentive/ subsidy would be required, if any?

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## 4. Community Center

### DESCRIPTION

- The original vision for The COR calls for a community center. The scope of what a community center shall include has been loosely discussed over the past decade. No consensus vision exists today.
- The City has identified a \$4,000,000 contribution to a community center with their 10-year Capital Improvement Plan (CIP). That plan contemplates a partnership style community center.
  - Some people refer to the Champlin Lifetime Fitness as a potential model to consider (for a partnership). Champlin provided a \$1.00 annual ground lease, and a parking ramp to Lifetime Fitness—in return for a nice facility, and discounted rates for residents, specifically for seniors. Another example is the YMCA in Andover.
- If the city were to construct a community center alone, many speculate a minimum upfront capital investment of \$20,000,000 roughly, and significant annual operating expenses.

### FEEDBACK

#### **Market Panel/ Developer/ Real Estate Professionals**

- The City needs to define their plan for a community center. The market panel strongly cautions the City against planning for a full-fledged community center. The capital costs are very high, and even higher are operation costs.
- The City should consider different options for amenities (i.e. parks, Lake Ramsey, splash pads, limited facilities, etc.), or a partnership situation (i.e. with a Lifetime Fitness) rather than a community center.

#### **City Staff**

- This item is not a major issue today. However, staff and market experts are encouraging the City to provide some high-level direction on a community center—as it will drastically effect other planning documents (CIP, 5-year budget, COR pro-forma, etc.), and staff's response to individual prospects.
  - More specifically, is the city interested in a 100% city-owned and operated community center, or would the city rather focus on a partnership project (like Champlin or Andover)?
  - Note, this will also help staff set general community expectations correctly—as a community center is a very common request/ question.
- Staff would be happy to complete a very brief study of “what other cities have done” to prepare for this discussion. Staff could show capital costs, operation costs, and scope of services for the community.

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## 5. Zoning District Flexibility

### DESCRIPTION

- The COR development has five general zoning districts that establish the underlying legal land use regulations that help guide development. The implementation of zoning districts within The COR is one method to help achieve the City's vision (dense urban core, business park in east, retail in the west, residential in the north).
- Naturally, in order to have a zoning district, borders of said zoning district need to be geographically defined. As a result, district boundaries have been drawn across The COR, where one district begins, and another ends. Unfortunately, these zoning districts don't necessarily follow clean parcel lines, and often times don't perfectly align with market demand (i.e. proposal from developers).
- The following scenarios play out in the development review process:
  - (A) Receiving requests from developers and businesses that want to adjust the district boundaries. In other words, the project would require a zoning amendment. In this situation, the city must weigh the balance between vision/zoning district and market-ready project, while remaining flexible to market demand.
  - (B) Implementing the vision of The COR by enforcing existing zoning standards (districts) without adjustment. This alternative can result in losing potential projects that don't match the current vision.

### FEEDBACK

#### **Market Panel/ Developer/ Real Estate Professionals**

- The market panel was generally impressed and supportive of what Ramsey has accomplished, and generally encouraged Ramsey to maintain a strong vision, and not to waiver from their vision/ design standards.
- The market panel encouraged the planning commission and city council to make sure their visions are aligned—as not doing so could be obstructive to the success of the development. The city needs to act as a team.

#### **City Staff**

- Staff has received the following specific inquiries RE this subject:
  - A. COR-3, Office Park Area, Flexibility
    - Ramsey has received informal feedback from various retailers that are loosely interested in the Ramsey Boulevard area of The COR (i.e. the medical/ office park area)—especially adjacent to Ramsey Boulevard and Sunwood Drive.

- Staff would like to confirm the City’s vision to either maintain the medical/ office park; or would the Council be interested in rezoning--to now allow for retail zoning (or flexible zoning that allows for both), or portions thereof.
- This area is more attractive for retail today, as traffic counts are currently higher than Armstrong Boulevard.

B. COR-2, Retail Area, Flexibility

- Staff has received periodic requests from multi-unit housing developers (apartments) to be located closer to the Coborn’s retail area (i.e. recall the Dominion project). In other words, we’ve received requests from multi-unit housing developers to be located in the COR-2 (retail) zoning districts.
- Staff would like to confirm the City’s vision to either strictly maintain the retail zoning district; or would the Council be interested in rezoning--to now allow for residential (or flexible zoning that allows for both).

C. General flexibility of moving district lines a short distance

- Staff has received periodic requests from developers about pushing the boarder of a zoning district a short distance. For example, allow the COR-1 Zoning District, to spill into the COR-2 zoning district say 200’.

This would still require proper land use amendment, but would allow Staff to more clearly articulate the availability of flexibility.

- Staff would like to receive general direction on the following items:

- (1) Should staff take the general position with developers, that the city generally will be enforcing our zoning districts as proposed? Or, should staff let developers know we are generally flexible with our zoning district locations—and willing to amend as needed (i.e. let the market have a strong role)?

NOTE: regardless of the alternative selected, staff would still intend to bring all major projects forward for review by our policy boards. However, this high-level policy direction will help staff provide preliminary feedback to prospects, and develop recommendations when cases are brought forward. At this point, staff isn’t clear on this item.

- (2) Is the City generally okay with considering minor adjustments (<200’) to the location of zoning district borders,? More specifically, only for situations in which zoning districts aren’t clearly divided by a road or park.

NOTE: staff believes this is a reasonable policy to adopt. Realistically, in practice, this will only effect The COR-1 zoning district. This policy would allow that district to flex 200’ one way or the other (on its

border with The COR-2 Zoning District). This would still require the official process, but having some general policy statements on the front end would help with initial prospect discussions.

***Planning Commission***

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