1. Call to Order – Roll Call

2. Approval of Minutes of August 21, September 18 and October 16, 2019

   Commissioner Robertson made a motion to approve all three sets of minutes. Commissioner Johnston-Madison seconded the motion, and the motion passed on a vote of 7-0.

3. Public Hearings

   A. Planned unit development major amendment to Section 36-268-PUD 9

      Applicant: Place E-Generation One, LLC

      Location: 5950 West 36th Street

      Case Nos: 19-21-PUD

      Jennifer Monson, planner, presented the staff report. The applicant requests to reduce the number of residential units from 81 to 50, to move parking underground and to a surface ramp, and to rearrange approved uses with the site.

      Ms. Monson noted the site is 1.68 acres at the corner of 36th Street and Wooddale Avenue, adjacent to the future light rail transit station.

      Ms. Monson outlined the 2017 approvals, and noted the changes tonight are for the south site only. She added the hotel and residential would be flip-flopped to provide an active frontage along Wooddale Avenue with artists’ studios versus the hotel façade. Overall access has not changed to the site with emergency access and large trucks for trash or delivery remaining as originally noted.
Ms. Monson stated the placemaking plaza will remain with pedestrians and bicycles included, and landscaping will remain as originally designed. The coffee shop will further down from Wooddale Avenue in order to discourage short term stopping near the light rail stop.

Ms. Monson stated the live/work space will be maintained but the studio space would now move to the first floor instead of being within the residence. She added the hotel will remain at 110 rooms with no changes.

Ms. Monson stated staff has received one comment from the public, asking that the units remain a mix of affordable and market rate.

Commissioner Robertson asked how these live/work are different within the city.

Ms. Monson said all residential units within the city allow for a home occupation and these would be no different. Additionally, these units allow for extra space, with taller ceilings and for a more creative studio space, and for visits. A home occupation is not supposed to generate anything that would suggest a home occupation exists there. There is also a registration of land use to make sure it adheres to the code.

Commissioner Erwin asked if any of the ground floor spaces will be used as living spaces or purely for studio space.

Ms. Monson stated purely for work space. She added while each studio is assigned to an apartment within the building, no studios provide living or apartment space.

Ms. Monson added there is gallery space for artists to show their wares.

Commissioner Johnston-Madison noted the city council will hold a first reading with the developer on November 18, 2019 and asked if there are any other meetings coming up with the developer.

Ms. Monson stated there is a study session and a meeting for the planned unit development ordinance, but at this time she did not know if there were any other meetings scheduled.

Commissioner Johnston-Madison asked if there is an agenda yet for the November 18, 2019, study session.
Ms. Monson stated there will be a discussion of the 6th amendment with the EDA.

Commissioner Johnston-Madison asked why this change was made by the developer.

Ms. Monson stated the developer changed architects and with that changed their development plans.

Commissioner Johnston-Madison asked if the project will start in February 2020 and on what staff is basing this on.

Ms. Monson stated the developer must have a complete set of building plans ready to go and January 31, 2020 is their hard deadline for finalization of financing, and then start construction.

Commissioner Johnston-Madison asked if the developer has financing or not, and if they will ask for another extension.

Ms. Monson stated the EDA reviews that, but as far as staff is aware, the developers financing for the apartment buildings should be ready, and the hotel financing is in process.

Commissioner Beneke asked if the commercial parking is reserved just for the hotel or for the coffee shop also.

Ms. Monson stated the commercial parking lot will be for the hotel guest registration and coffee shop as well, adding that overnight guests and residents will all have reserved parking in the underground garage.

Commissioner Kraft asked about the change with market rate housing and why that change was made.

Ms. Monson referred the question to the developer to answer.

Commissioner Robertson asked if there has been any feedback from building officials on permitting.

Ms. Monson stated yes there has been discussion on this.

Commissioner Erwin asked if there is direct access from the site to the LRT station.
Ms. Monson said yes there is direct access on the sidewalk and it is the same elevation as the plaza.

Commissioner Johnston-Madison asked if there are bathrooms in the studios.

Ms. Monson stated the studios are not living units, so do not have bathrooms in them. There are shared restrooms on the second floor.

Commissioner Johnston-Madison asked where the elevators are in the building and Ms. Monson pointed them out on the design.

Chris Velasco, PLACE, the developer made himself available for questions.

Commissioner Johnston-Madison asked Mr. Velasco if he has financing for the project.

Mr. Velasco stated the project is $50 million all in and there is a final bit of equity to raise to finish the project and they are hoping to finalize this week. He stated this refers to the equity for the hotel.

Chair Eckholm asked why the hotel and residence are being switched.

Mr. Velasco stated the 2017 tax bill eliminated all of their financing temporarily, so this caused a big delay, and then tax-exempt financing was struck for a time also. He stated in the delay they changed architects and started looking at the project with Marriott, and the entrance into the hotel area, which they felt was awkward. Mr. Velasco stated when the south side became the affordable area, this allowed for the switch and allows the hotel entrance to be accessed easier.

Commissioner Johnston-Madison asked about ownership of the structure.

Mr. Velasco stated the non-profit PLACE will own the entire structure, and there is a reserve account to ensure the affordable housing will be taken care of over time. He added the hotel is the builder of the building and the residents are leasing from the hotel, as it is all one connected building, and the Marriott hotel then will take care of the building very well.

Commissioner Dumalag asked what the agreement terms are with the Marriott.

Ms. Velasco stated the term is 20 years.
Commissioner Erwin asked what the phasing is of the whole project and if the reduction in these units will affect the phasing of how the project will be built.

Mr. Velasco stated this second phase will be completed as one building, and with a 12-month construction schedule, it should be completed in Feb 2021 without any additional phasing.

Commissioner Erwin asked if this includes the north side of the project as well.

Mr. Velasco stated the north side will be delayed as the new architect submits plans. He stated the project is larger and will take longer, but within 2021.

Commissioner Robertson stated this project is very ambitious and unique, and provides a nice mix in opportunities, and asked about the market rate live/work part of the project that was removed from the south side -- and why this has occurred.

Mr. Velasco stated their financing group would not lend PLACE the money to do the market rate live/work part of the project because it has not been done before, while the affordable rate live/work projects have been successful. He added the north side market rate live/work will still be done, however with only six units included there.

Commissioner Johnston-Madison asked what happened when a resident in the affordable live/work area begins to make more money beyond the AMI cap, and if they would need to move into another affordable unit.

Mr. Velasco stated the line is 140% of AMI if a resident moves beyond that, a market rate unit would be turned into an affordable unit, so as to maintain the same rate of units.

Commissioner Erwin asked can someone else move into an affordable unit even if they don’t need the studio space.

Mr. Velasco stated since the studio space is free to the resident and is included, it most likely will be used. He added the resident applicant would also need to prove they will use the studio space for its intended use.

Commissioner Johnston-Madison asked who will own the building. Mr. Velasco stated PLACE – the non-profit- will own the building and lease it. He stated the renter pays utilities for their apartment and studio. He noted the
utility rates are calculated up-front and modeled and is a cost included in the master lease.

Commissioner Dumalag asked if a third party is managing the lease.

Mr. Velasco stated they are third party managing this through Metro Plains, which is managing the whole complex.

Chair Eckholm opened the public hearing.

Roger Onken, 3600 Wooddale Ave. S., #212, which is kitty-corner from the project. He noted the traffic management report from 2017 was not favorable and asked if another traffic management report would be forthcoming from the city. He also stated he has concerns about the 100% of below market rate all concentrated in one area of the complex, and he has concerns about multiple families moving into one unit and upkeep of the property, if this happens.

Meghan Phimister, 3451 Zarthan Ave. S., stated she has lived in St. Louis Park for over 30 years and has been following this project for 4 years. She stated residents in the area were told the north side of the project would have started in March or April, and she is now concerned about the full south side moving to all affordable housing and there are only 6 units on the north side. She is concerned about the 100% affordable housing on the south side, adding this project has not even started and is not even financed yet. She added she is tired of looking at a giant pile of dirt on Highway 7. It should be opened for other bids, its dragging, and she is not in favor of the changes being asked for.

Kim Anderson, 3248 Yosemite Ave. S., stated she has a question about financing and if the financing that is in place is still solid if the project does not become 100% affordable housing.

Mr. Velasco stated no, it is not.

Ms. Anderson stated we are still at a phase with PLACE that the model as presented is not sustainable as presented. She stated this was a non-competitive project and now we are at the 6th amendment. This develop has not been able to attain any foundation support within the community either and added she would like to know why. She has been cautiously optimistic, and she is really concerned. She stated Mr. Velasco has a great vision but asked can we afford to deprive people who need affordable housing right now, and asked that someone ask the tough questions now.
The Chair closed the public hearing.

Ms. Monson answered questions of those who spoke at the public hearing.

She noted the traffic analysis did include some mitigations at Wooddale and at the Wooddale Bridge, and the frontage road at Hwy 7. She stated with the improvements from SWLRT, it was shown the traffic would improve in this area.

Ms. Monson stated the timeline and market rate questions related to the north side. She noted there are 66 market units there, and not 6 units, adding it is a broad base of units within the development. She stated the new plans for the north side will be submitted next Tuesday and will be reviewed and approved prior to the end of the year, with the new architect’s plans. She added the north site should begin construction in January and phase 2 should begin in February.

Ms. Monson stated Mr. Velasco was correct in stating that financing was removed from the south side of the project, if market rate housing was included. She added that is why the south side is not all affordable units.

Commissioner Johnston-Madison stated she is concerned about the free studio and feels this is risky and would vote against this.

Commissioner Dumalag also stated she is concerned how this will be managed and is concerned about how it will look 10-15 years from now after the tax credits are gone, or the Marriott leaves.

Commissioner Robertson stated he is split. He said it is a good vision, but the artist studios changes it and he feels some of the mix has been lost. For successful affordable housing, it should blend into the fabric and not be noticeable, and he has concerns about this reduction and is not comfortable with the changes.

Chair Eckholm stated he has seen this type of project be successful in other places. He stated he is struggling in that this is a good vision, but there are concerns in how the vision will be executed. He stated he is comfortable supporting it.

Commissioner Johnston-Madison stated if this is not approved tonight, it would not affect the north side.
Ms. Monson stated this is an overall concept and yet the north can function without the south side and the city has already sold the north side to the developer.

Commissioner Kraft stated she is coming into this without knowing the full history, and thinks of this as a complete project, and will feel a mix with the SWLRT bringing this together along with the woneruf. She stated she will support this.

Commissioner Kraft made a motion, Commissioner Beneke seconded, recommending approval of the planned unit development major amendment to Section 36-268-PUD 9.

The motion passed on a vote of 5-2 (Robertson, Johnston-Madison against).

B. Benilde-St. Margaret’s – Major amendment to special permit

**Applicant:** Paul May on behalf of Benilde-St. Margaret’s  
**Location:** 2501 State Highway 100  
**Case Nos:** 19-31-CUP

Gary Morrison, assistant zoning administrator, presented the staff report. The applicant is requesting a major amendment to special permit and replacement of the equipment shed.

Mr. Morrison showed the plans which include a civic space/flex space and classroom space remodel with a raised ceiling visible from Highway 100.

Mr. Morrison noted the proposed garage size will be increased and the timeline extension for the garage only will be 2-5 years.

Mr. Morrison stated that staff recommends approval of the amendment.

Commissioner Robertson asked if there are any images of the proposed garage.

Mr. Monson stated there are no images as yet, but noted it will be residential in nature.

Natalie Ramer, financial officer at Benilde St. Margaret’s. She stated their intent is to build the garage within two years, but it was recommended by their builder that they have the flexibility of 5 years maximum. She stated the new space within the school will be a collaborative, mixed use space, which they are excited about.
Commissioner Johnston-Madison stated she liked the way they have used the space within the courtyard.

Commissioner Kraft asked if there is a capital campaign in place at the school for this project.

Ms. Ramer stated yes adding that two-thirds of the funding is already in place, and they are hoping to get all in place this year. She added they do have funding for the storage garage in place already.

Commissioner Beneke asked if they hope to enroll more students with the improvements.

Ms. Ramer stated they are full right now, and don’t anticipate adding more at this time.

Chair Eckholm opened the public hearing.

Chair Eckholm closed the public hearing.

Chair Eckholm added the use of space here is great and the flexibility to what is coming next is good to have.

Commissioner Johnston-Madison made a motion, Commissioner Kraft seconded, recommending approval of the Benilde St. Margaret’s major amendment to special permit to allow building expansion and storage structure.

The motion passed on a vote of 7-0.

4. Other Business

5. Communications

Mr. Walther stated the next meeting will be Nov. 20 and meeting agenda items will include rezoning 78 parcels from C2 to C1, parking ordinance amendment for the Historic Walker Lake district, and a study session on accessory dwelling units.

6. Adjournment

The meeting was adjourned at 7:22 p.m.