

# SPRING PARK COMPREHENSIVE PLAN MEETING

JANUARY 17, 2018

6:00 – 8:00 PM

1. Development Framework
  - a. Review the natural resource chapter/edits/changes.
  
2. Review Land Use chapter
  - a. Forecasts
  - b. Existing Land Use
  - c. 2040 Land Use Plan
  - d. Residential Land Use
    - Low Density
    - Medium Density
    - High Density
    - Affordable Housing
  - e. Target Redevelopment Sites

Adjourn

## DEVELOPMENT FRAMEWORK - INTRODUCTION

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The basic intent of the comprehensive planning process is to provide a well-founded and coordinated design-making framework to guide both public and private development and community improvements. This section of the Spring Park's 2040 Comprehensive Plan is the Development Framework. Building on the social and physical profile of the Planning Inventory, community issues identified in the Planning Tactics and goals, objectives and policies established in the Policy Plan, the Development Framework frames the goals, policies and recommendations for guiding land use and infrastructure decisions for the City.

The Development Framework is the basic plan for growth and development in the community. It establishes a series of plans and programs which build upon Minnesota State Statutes 473.858 mandates that local units of government within the Twin Cities Metropolitan Area must adopt a comprehensive plan that is consistent with the Metropolitan Council's *Thrive MSP 2040* regional development guide. Further, the Development Framework defines and establishes direction for the basic elements of the development regulations that will be updated after the planning process is completed.

It is the function of the subsequent planning elements and phases to provide detailed guidance and the programming of implementation and actions for community improvement. In this regard, detailed facility plans should be developed. Specifically, plans for land use, housing, transportation, parks and trails and sewer and water resources should be developed and/or updated as needed.

Development regulation and improvement programming is based upon the Development Framework and detailed facility plans. Once the elements of the comprehensive planning process have been completed, ordinances and programs must be formulated to bring about the plans and desired results which have been established. In this regard, ordinances should be changed to reflect "current" development policies.

Specific plans which comprise the Development Framework include the following:

- Natural Environment
- Land Use
- Transportation
- Community Facilities

In total, the Development Framework provides the basic and fundamental management tool for guiding change and improvement within the City. Directives, the means for specific accomplishments and control mechanisms are then established within the detailed facilities plans.



## INTRODUCTION

Although fully developed, the City of Spring Park places a high value on the natural features that contribute to the City's identity. Lake Minnetonka, wetlands and tree cover each help make Spring Park an attractive place to live. Past development patterns have not always emphasized protections of these natural features, however Spring Park has implemented the following strategies since the 2030 Comprehensive Plan to improve on existing conditions as a benefit to the community and the region as a whole.

## LAKE MINNETONKA

Lake Minnetonka is the largest natural resource of Spring Park. This recreational development lake is of prime importance to residents and businesses in the community. MPCA has classified Lake Minnetonka as an impaired waterbody. This classification comes from the amount of surrounding development creating stormwater run-off, channeled into Lake Minnetonka. The City has implemented the following efforts and strategies to improve water conditions in Lake Minnetonka:

1. The City has adopted a comprehensive Stormwater Management Plan consistent with the Minnehaha Creek Watershed District (MCWD). The City works closely with MCWD on all construction projects within the City to ensure that all projects meet MCWD rules, regulations, and stormwater components prior to construction. The Spring Park Stormwater Management Plan is to be updated with the Comprehensive Plan and will become an appendix to this document.
2. The City has adopted shoreland regulations that apply to the majority of the community. These regulations establish zoning standards specifically addressing the following:
  - a. Setbacks from the lake's OHWL
  - b. Limits on impervious surfaces per lot.
  - c. Standards for topographic alternatives/grading and filling of sites.
  - d. Standards for stormwater management.
3. While many properties within the City may exist with legal non-conformities, the City has made an efforts to correct these conditions with site redevelopment or requested building expansions through the application of the following:
  - a. All new structures, additions, and expansions shall meet required setbacks.
  - b. The lot shall be served by municipal sewer and water.

- c. The lot shall provide for the collection and treatment of stormwater in compliance with the City Stormwater Management Plan if determined that the site improvements will result in increased runoff directly entering a public water. All development plans shall require review and approval by the City Engineer. The property owner shall be responsible for installing one or more of the measures recommended by the City Engineer to mitigate the impact of additional impervious surface. Plans must also be reviewed by the Minnehaha Creek Watershed District when projects meet criteria requiring watershed district review and approval.
  - d. Measures to be taken for the treatment of stormwater runoff and/or prevention of stormwater from directly entering a public water. The measures may include, but not be limited to the following:
    - 1) Installation of rain gardens, infiltration basins, or bio filtration basins should be considered for treatment of stormwater runoff from hard surfaces. Filtration basins should be considered if soil conditions are not favorable for infiltration.
    - 2) Installation of erosion control devices, including silt fence, bio-rolls, erosion control blanket, and storm sewer inlet protection should be used.
    - 3) Installation of oil-skimming devices and sump catch basins should be used to improve water quality.
    - 4) Stormwater runoff from hard surfaces should be directed into pervious areas (grassed lawns or landscape beds) through site grading and use of gutters and downspouts.
    - 5) Hard surfaces should be constructed using pervious pavement or pavers, or raised materials such as decking which has natural earth or other pervious material beneath or between the planking.
    - 6) Grading and construction techniques should be implemented that encourage infiltration of stormwater runoff.
    - 7) Installation of berms or basins should be considered to temporarily detain water before dispersing it into pervious area.
4. With each public street development project Stormwater Management has been a critical component of the street design. In projects along Channel Road and West Arm Road East, the City street improvements provided for both stormwater storage and treatment

before directing stormwater to the lake. This practice will be continued with all future street improvement projects.

5. Due to the limited supply of land, the City has allowed construction projects to address the stormwater management with installation of underground collection systems. These systems are subject to the review and approval of the City Engineer and MCWD prior to installation. The City also mandates the submission of a detailed inspection and maintenance plan to ensure that long-term operations are sustained.

### **STEEP SLOPES**

Spring Park defines a steep slope as any site having an average slope of over 12 percent. The type of slopes, along with their surficial soil types, are taken into consideration in the review of all development requests. Each site are to be examined for problems of this nature, and in identified problem areas, the City will require test soils to determine if soil types are a problem on lesser slopes.

The Metropolitan Council has established two policies relative to development on erodible slopes:

1. Slopes which because of their surficial soil type are susceptible to severe erosion should be maintained in a natural state. Counties and municipalities should adopt regulations to maintain or replace vegetative cover of these slopes to reduce erosion and slippage.
2. Slopes subject to moderate erosion should be managed to minimize erosion and slippage; management may include special design and construction methods for development or appropriated vegetative or other cover.

In Spring Park, 12 percent grades are considered a "warning flag." While development may be allowed on slopes greater than 12 percent, such development shall be subjected to special scrutiny and examined for any potential environmental impact which might occur as a result of the proposed development.

Spring Park has adopted zoning/shoreland standards that require the evaluation and construction on a site exhibiting steep slopes using the following criteria:

1. Possible impacts of soil erosion and measures to prevent or contain erosion.
2. Development visibility for public waters.
3. Preservation of existing vegetation.
4. Location of structures, driveways, streets, and parking.

## **TREE COVER**

The City of Spring Park recognizes tree and vegetation as valuable assets that contribute to the community's identity. While most of the tree cover falls within the private property, the City has established the following practices to preserve, enhance, and add to the City tree cover and design.

1. The Spring Park Street Beautification Program has established boulevard trees along Shoreline Drive, and annually includes planting of annuals to provide an attractive travel corridor through the City.
2. To preserve the local tree stock, the City has adopted Chapter 40 Vegetation as part of the City Code for the monitoring, removal, and replacement of diseased trees within the community.
3. The Spring Park Zoning/Shoreland Ordinance includes provisions for tree preservation and landscaping standards for new development or redevelopment. The standards identify allowed plant species, plant sizes and quantities required for a development site.

## **WETLANDS**

The number of wetlands and natural buffer areas are few within the City due to dense small lot development through the majority of the community. Wetland areas are located in the southwest and northeast corners of Spring Park. These wetlands are to be protected to preserve their role in the City's stormwater management system as well as providing habitat for wildlife.

As part of the Spring Park Stormwater Management Plan, the City has adopted the preservation standards of the Wetland Conservation Act of 1991. The following steps have been implemented to protect Spring Park's wetlands:

1. Wetlands along the shoreline are protected from any encroachment through the City's Shoreland and Floodplain Regulations, which preclude their alteration.
2. Spring Park and the Minnehaha Creek Watershed District established regulations for the protection of wetlands that include:
  - a. Wetland delineations must be prepared by qualified professionals in conjunction with any site development or land subdivision.
  - b. The City and the Minnehaha Creek Watershed District shall enforce the need for wetland buffers and construction setbacks from delineated wetland boundaries.

- c. All site development shall require the submission of a grading, drainage, and stormwater management plan that includes wetland protections. These plans shall be subject to the review and approval of both the City Engineer and the Minnehaha Creek Watershed District prior to any site alterations.

### **ALTERNATIVE ENERGY SYSTEMS**

It is the intent of the City of Spring Park to provide a sustainable quality of life for its residents, making careful and effective use of available natural, human and economic resources and ensuring that resources exist to maintain and enhance the quality of life for future residents. In accordance with this intent, the City has chosen to encourage development of renewable energy systems which have a positive impact on energy production and conservation while not adversely impacting the community.

More specifically, renewable energy production is encouraged in locations where environmental, economic and social impacts can be mitigated.

The City's Zoning Ordinance specifically recognizes solar, wind and geothermal (ground source heat pump) energy systems, specific in its zoning/shoreland code

#### ***Metropolitan Land Planning Act Requirements***

The Metropolitan Land Planning Act requires that comprehensive plans for Metropolitan Area communities contain an element related to the protection and development of access to direct sunlight for solar energy systems. As a result, the following solar resource-related information must be included in Spring Park's 2040 Comprehensive Plan update:

1. A map which illustrates the City's gross solar potential.
2. A calculation of the City's solar resources.
3. A policy (or policies) which relate to the development of access to direct sunlight for solar energy systems.
4. Strategies to be applied to implement established solar resource policies.

***Solar Potential***

The following map, provided by the Metropolitan Council, depicts Spring Park’s gross solar potential. The map, developed by the University of Minnesota, illustrates annual sun energy dispersed throughout the City with “high end” potential areas shown in yellow and areas having “low end” energy potential illustrated in black. Such information can be used to predict the productivity of solar installations. According to the Metropolitan Council, the primary issue in the consideration of solar energy installations is intermittent shading due to nearby structures and trees. In this regard, areas which are shown to have “high end” potential in the City are those areas with very little tree cover.

***Solar Resource Calculations***

The following table, provided by the Metropolitan Council, provides an approximation of Spring Park’s solar potential. The gross solar potential and gross solar rooftop potential are expressed in megawatt hours per year (Mwh/yr). To be noted is that the calculations estimate the current potential resource of the City (prior to the removal of areas considered unsuitable for solar development or factors related to solar efficiency).

<b>Spring Park Gross Solar Potential (Megawatt Hours per Year)</b>			
<b>Gross Potential (Mwh/yr)</b>	<b>Rooftop Potential (Mwh/yr)</b>	<b>Gross Generation Potential (Mwh/yr)</b>	<b>Rooftop Generation Potential (Mwh/yr)</b>
421,102	87,401	42,110	8,740
Metropolitan Council Notes: <ul style="list-style-type: none"> <li>• In general, a conservative assumption for panel generation is to use 10% efficiency for conversion of total insolation into electric generation.</li> <li>• The rooftop generation potential does not consider ownership, financial barriers or building-specific structural limitations.</li> </ul>			

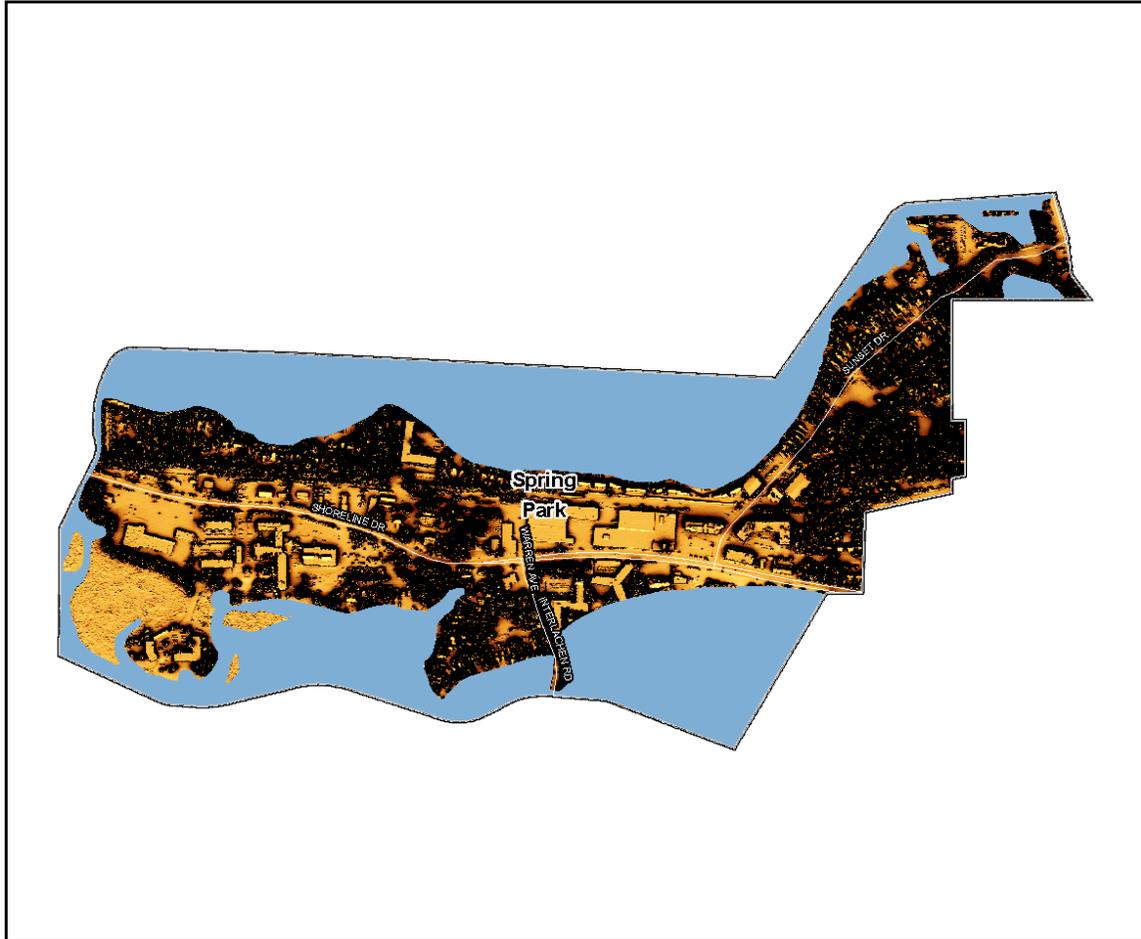
The estimated gross solar generation potential and gross solar rooftop potential are intended to convey how much electricity could be generated in the City of Spring Park using existing technology and assumptions on the efficiency of conversion. According to the Metropolitan Council, for most cities, the rooftop generation potential is equivalent to between 30 and 60 percent of a community’s total electric energy consumption. To be noted is that there is no minimum amount of solar resource development required for cities in the Metropolitan Area.

In 2013, the City of Spring Park adopted Section 42.76 of the Spring Park Zoning and Shoreland ordinance to accommodate the provision of alternative energy options within the City. This new ordinance addresses performance standards for solar, wind, and thermal energy techniques. This code is introduced to provide greater opportunities to accommodate alternative energy systems.

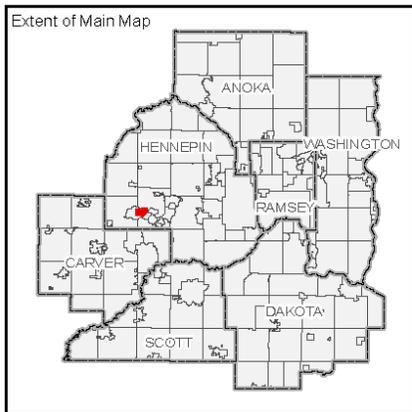
DEVELOPMENT FRAMEWORK – NATURAL ENVIRONMENT PLAN



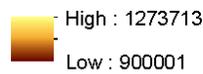
**Gross Solar Potential  
City of Spring Park, Hennepin County**



1/9/2017



**Gross Solar Potential  
(Watt-hours per Year)**



-  Solar Potential under 900,000 watt-hours per year
-  County Boundaries
-  City and Township Boundaries
-  Wetlands and Open Water Features

Source: University of Minnesota U-Spatial Statewide Solar Raster.

In preparation of the ordinance, the City recognized the following conditions that influence the design and location of alternative energy systems:

1. The City has a very dense development pattern and the installation of an alternative energy system must be respectful of the impact on neighboring properties in both function and appearance.
2. Small individual lot sizes complicate the installation of freestanding solar and wind energy systems related to location usable lot area and setbacks.
3. The City values its tree cover, which also performs a vital function of energy conservation. As such, the location and installation of solar and wind systems must also be respectful of tree preservation.
4. More than 90 percent of the City of Spring Park falls within the Shoreland Overlay District of Lake Minnetonka. The shoreland regulations outline provisions to reduce the visual impact of development from the adjoining lake surface. In this respect the local ordinances must recognize these state-imposed standards.

Recognizing the aforementioned issues, the Spring Park Zoning/Shoreland Ordinance outlined performance standards specific to the City's character to allow these alternative energy systems. The end result will likely be that rooftop systems integrated with building design will be much more predominate than freestanding systems.



## **INTRODUCTION**

Based upon the foundation established by the Inventory, Planning Tactics and Policy Plan, this section provides the framework to guide and direct future community growth and improvement. The Land Use Plan is a narrative and graphic description that provides the background and rationale for land use designations as represented on the Land Use Map. The plan has an educational and decision-making function, helping to improve the general understanding of how physical development in the City should take place. Although the emphasis of this section is on land use development and redevelopment, other areas such as transportation, community service, and facility needs are also addressed.

## **BASIS OF THE COMMUNITY PLAN**

Spring Park has a long history of community planning which has shaped the land use, infrastructure, and transportation patterns of the City. From its beginnings, the City's primary planning objective has been to establish and maintain attractive, high quality living and working environments for its residents.

While Spring Park is now a mature, fully developed community, its primary objective remains unchanged. To fulfill this objective, the City will change its planning focus to the maintenance, enhancement, and redevelopment of existing developed areas of the community.

## **DEMOGRAPHIC FORECASTS**

The City of Spring Park, in cooperation with the Metropolitan Council, has formulated the following demographic forecasts for the City. In light of the fully developed character of the community, the household, population, and employment growth forecast assumes that the following trends will be continued:

1. Encourage private redevelopment and/or renovation of substandard areas of the City to provide for new housing and employment opportunities.
2. Promote maintenance and improvement of local industries and businesses to provide added employment opportunities.
3. Allow attractive alternative housing types to meet the needs of the City's changing demographics.

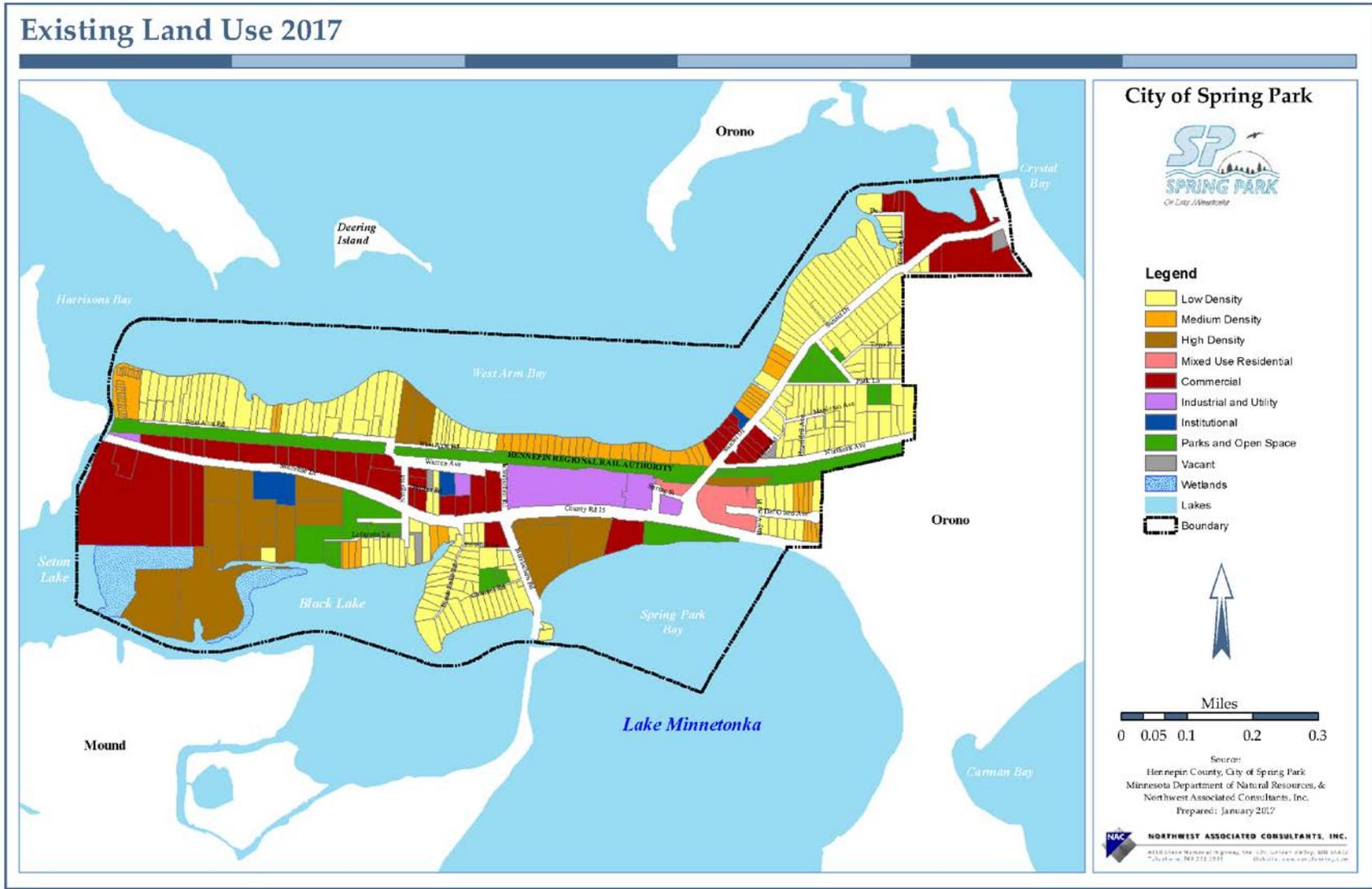
<b>Population Projections</b>						
	<b>1990 Census</b>	<b>2000 Census</b>	<b>2010 Census</b>	<b>2020 Forecast</b>	<b>2030 Forecast</b>	<b>2040 Forecast</b>
Population	1,571	1,717	1,669	1,730	1,860	1,950
Households	741	930	897	960	1,040	1,100
Employment	807	1,028	583	600	600	600
Source: U.S. Census Bureau, Met Council						

**EXISTING LAND USE**

Spring Park is a fully developed community of approximately 232.8 land acres. The city is characterized by the diversity and relative balance in its land uses. Compared to other lake communities, Spring Park has a relatively high percentage of its land area in commercial and industrial uses. As a result, Spring Park has a relatively low amount of land dedicated to single family residential use at only 29.6 percent. The existing land use map shows the distribution and location of various uses as the land is being used today.

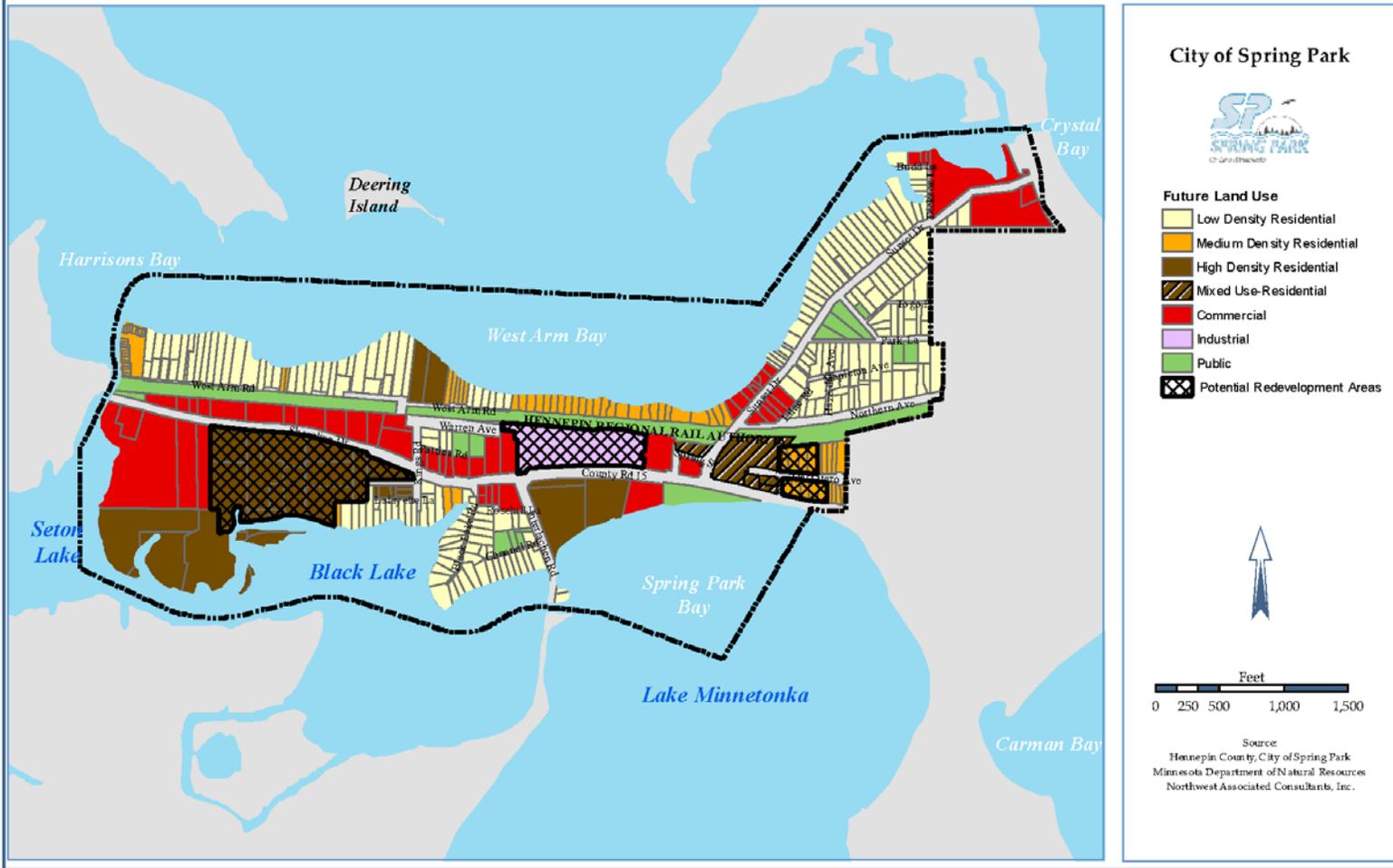
<b>Existing Land Use Plan 2017</b>			
<b>Land Use</b>	<b>Acres</b>	<b>Percent</b>	<b>Average Density Units Per Acre</b>
Low Density Residential (SF Detached)	68.9	29.6%	3.3
Medium Density Residential (SF Attached)	12.5	5.4%	4.8
High Density Residential (Multi Family)	35.0	15.0%	26
Mixed Use Residential (Residential/Commercial)	3.5	1.5%	45
Commercial	42.3	18.2%	
Industrial or Utility	9.3	4.0%	
Institutional	2.7	1.2%	
Parks and Open Space	25.3	10.9%	
Wetlands	7.8	3.4%	
Vacant or Undeveloped	1.1	.5%	
Right of Way	<b>24.3</b>	<b>10.4%</b>	
<b>Total</b>	<b>232.8</b>	<b>100.0%</b>	
Source: NAC			







2030 Future Land Use



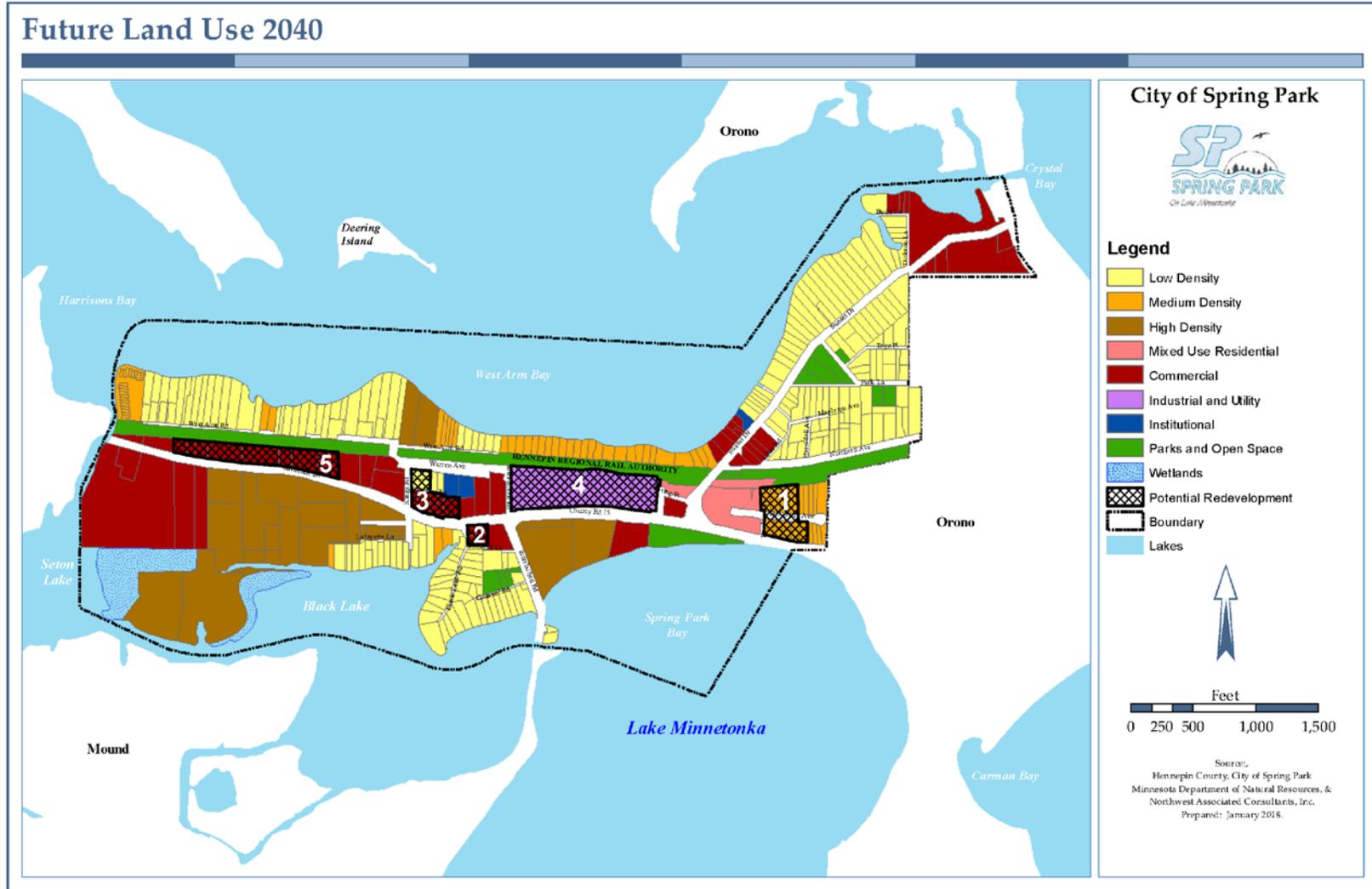


**2040 FUTURE LAND USE**

The map of the following page represents the City of Spring Park 2040 Future Land Use Plan submitted to the Metropolitan Council for approval. The following table shows the future land uses acreages of the 2040 Comprehensive Plan. The City intends to build upon and preserve the existing character of the community.

<b>2040 Future Land Use</b>			
<b>Land Use</b>	<b>Acres</b>	<b>Percent</b>	<b>Average Density Units Per Acre</b>
Low Density Residential	68	25.74%	3.3
Medium Density Residential	15	5.64%	6.2
High Density Residential	49	18.45%	14.6
Mixed Use-Residential	5	1.69%	41.5
Commercial	44	16.54%	NA
Industrial	8	3.05%	NA
Public	21	8.01%	NA
Right-Of-Way	24	21.08%	NA
<b>Total</b>	<b>233</b>	<b>100.00%</b>	<b>8.8</b>
Source: NAC			







**RESIDENTIAL**

Spring Park is a fully developed community with only one acre of land that remains undeveloped. Residential land uses occupy 114 acres or 55 percent of the City’s land area. While low density single family residential land use is the largest single land use by acreage (68 acres), the City’s housing stock is dominated by high density residential units as shown below.

<b>Housing Units per Structure City of Spring Park 2016</b>			
<b>Units in Structure</b>		<b>Number of Units</b>	<b>Percent of Total</b>
Single Family	1-unit, detached	226	21%
	1-unit, attached	52	5%
Twin Homes	2, 3, or 4 units	21	2%
High Density	5 units or more	773	73%
<b>Total</b>		<b>1,072</b>	<b>100.0%</b>
Source: U.S. Census Bureau; City of Spring Park Building Permit Data			

In looking to the future, the Spring Park residential housing strategies will focus on renovation, modernization, and redevelopment of the City’s housing stock.

***Low Density Residential (Four Units Per Acre)***

Spring Park’s low density residential neighborhoods are reflective of the City’s history as a lake resort community. These neighborhoods are characterized by narrow lots of variable sizes. Fifty three percent of the single family lots within the community are 10,000 square feet or less in area.

<b>Area of Single Family Lots (Square Feet)</b>		
<b>Area</b>	<b>Properties</b>	<b>Percent</b>
1,550 – 5,000	33	11%
5,000 – 10,000	128	42%
10,000 – 15,000	66	22%
15,000 – 25,000	63	21%
25,000 – 45,000	16	5%
<b>Total</b>	<b>306</b>	<b>100%</b>
Source: Hennepin County, City of Spring Park, DNR, NAC, analyzed via GIS		

In spite of relatively small lots, Spring Park’s single family lots continue to appreciate due to their proximity to Lake Minnetonka. The following table illustrates the City’s 2015 housing market value.

<b>Estimated Market Value of Owner-Occupied Housing Units</b>		
<b>Value</b>	<b>Properties</b>	<b>Percent</b>
Less than \$50,000	8	4%
\$50,000 to \$99,999	5	2%
\$100,000 to \$149,999	9	4%
\$150,000 to \$199,999	355	15%
\$200,000 to \$299,999	50	22%
\$300,000 to \$499,999	47	21%
\$500,000 to \$999,999	54	24%
\$1,000,000 or more	21	9%
<b>Total</b>	<b>248</b>	<b>100%</b>
<b>Median Value</b>	<b>\$332,600</b>	
Source: U.S. Census Bureau, 2015 ACS		

Being on Lake Minnetonka has driven up the land values in Spring Park at a rate that is greater than the housing unit value.

<b>Building Value to Total Market Value Ratio (Single Family, Duplexes, and Triplexes)</b>		
<b>Building Value Ratio</b>	<b>Properties</b>	<b>Percent</b>
0.00 – 0.22	31	7%
0.23 – 0.46	136	29%
0.47 – 0.64	75	16%
0.65 – 0.81	104	22%
0.82 – 0.99	118	25%
<b>Total</b>	<b>464</b>	<b>100%</b>
Ratio is determined by dividing the value of the building by the total value of the property which includes both building and land.		
Source: Hennepin County, City of Spring Park, Minnesota DNR, NAC, analyzed via GIS		

Increasing land values and the appeal of the lake environment has generated private interest in the renovation and expansion of smaller homes or a complete tear down and rebuild to accommodate a larger home. The City wants to promote this reinvestment in its housing stock and preserve the integrity of its low-density neighborhoods. In this regard, the City will implement the following strategies to accomplish this goal:

1. The 2040 Future Land Use Plan defines the low density neighborhoods. These areas will be protected through the application of the R-1, Single and Two Family Zoning District. The City has raised a growing concerns regarding the introduction of Townhomes within established single family neighborhoods. The cited concerns include:
  - Lot sizes and usable yard space are not adequate to accommodate increased number of units.
  - Added density increases the demand for lake docks associated with additional housing units.
  - Compatibility with the predominately single family character of the neighborhoods in unit design and site functions.
  - Increase in density adds traffic on existing narrow dead-end streets.

Due to the aforementioned concerns, the City will protect the single family neighborhoods through the modification of the R-1 Zoning District limiting the land uses within the district to single family dwellings and their ancillary uses.

2. The City will promote the renovation and reinvestment in existing homes that may be non-conforming due to setbacks by allowing their expansion, provided any new additions are fully compliant with required setbacks, lot coverage and parking standards. These homes may be expanded vertically above a an existing building wall having a non-conforming setback, provided the building complies with the City's height restrictions, Building, and Fire Codes.
3. Where homes are torn down for a larger home, said redevelopment shall be required to comply with all zoning setbacks.
4. Home construction must consider the need for on-site parking and garage placement. The City will discourage the use of variance in the planning of home sites.
5. All new construction, renovation, or expansion of homes must provide a construction staging plan that includes the following:
  - Schedule for a project including start date, completion date, and project working hours that meet City Code for nuisances.

- Contractor parking plan that identifies location and number of vehicles. Said vehicles shall not occupy or obstruct public streets.
- Schedule and location for project deliveries so as not to obstruct public streets or present nuisance issues for the adjoining neighboring properties.
- Grading, drainage, erosion, sediment control plan to protect adjoining properties and Lake Minnetonka.
- Plan for controlling noise, odors, dust, and litter on and around the construction site.

The construction staging plan is an essential component of residential development/re-development sites due to the proximity of adjoining homes and the City's narrow public street widths.

Lake Minnetonka is a natural resource that defines Spring Park's community identity and greatly contributes to City lifestyles and market values. The protection of this natural resource is a priority for the community. When dealing with residential riparian development, the following efforts shall be undertaken:

1. Except for existing non-conforming homes, all new homes or building additions shall meet the City's 50 foot shoreland setback.
2. With any construction on a riparian lot, the City will require the submission of a grading, drainage, and erosion control plan to avoid drainage, erosion or sediment problems into the lake or adjoining lots.
3. Property owners requesting home expansion or site alteration will be required to re-establish landscaped shoreland buffer strips to protect the lake from stormwater runoff.

Seasonal outdoor storage in residential neighborhoods is inherent in lake communities. The City recognizes the need to accommodate the storage of boats, docks, and other uses within reasonable limits. In order to avoid negative impact on adjoining residential properties or the neighborhood as a whole, the City has established the following rules for outdoor storage:

1. No junk or inoperable vehicles shall be stored outside on a residential lot.
2. All vehicles stored on a lot, including boats or other watercraft, shall have a current license and shall be operable.
3. Limits on the number of recreational vehicles permitted on a residential lot.
4. Location requirements for outdoor storage in residential zoning districts.
5. Required screening of outdoor storage in residential areas.

DEVELOPMENT FRAMEWORK – LAND USE PLAN



***Medium Density Residential (Five or More Units Per Acre)***

Spring Park’s medium density residential land uses consist of the Seaton Townhomes, West Arm Townhomes, and scattered twinhomes throughout the City. These uses currently occupy approximately 12.5 acres or 5.4 percent of the City’s total land area. The average density of these units is currently 4.8 units per acre.

The City’s medium density housing is in very good condition and did not raise any issues or concerns through the comprehensive planning process. The Future Land Use Plan identifies a future medium density housing opportunity along Del Otero Avenue, east of Bayview Place. This area consists of some large lot single family homes and twinhomes. The medium density land use designation will allow opportunities for future redevelopment.

The provision of the medium density land use option at the aforementioned locations are proposed to provide for the redevelopment opportunity for consolidation of substandard lots and removal of marginal housing units. To provide a redevelopment incentive, Spring Park is proposing to regulate the maximum density of medium density residential development through strict adherence to the following design parameters:

1. Lot size.
2. Compliance with required building setbacks.
3. Compliance with required parking standards.
4. Lot coverage standards.
5. Building height restrictions.
6. Provision of on-site stormwater management techniques that will protect the lake from stormwater runoff and pollutants.

***High Density Residential (20+ Units Per Acre)***

In 2016, 72% of the City housing stock consisted of apartments or condominiums. This high-density housing, including mixed use properties, occupies approximately 38.5 acres, resulting in a City-wide average density of 24 units per acre.

<b>Name</b>	<b>Property Address</b>	<b>Units</b>	<b>Description</b>
Bayview	2400 Interlachen Road	107	Apartment
Park Hill	2380 Island Drive	40	Apartment
Park Island	2450 Island Drive	56	Apartment
Park Island West	2470 Island Drive	25	Apartment
Minnetonka Edgewater	4177 Shoreline Drive	82	Apartment
Park Hill North	4601 Shoreline Drive	35	Apartment
Lord Fletcher Apartments	4400 West Arm Road	88	Apartment
Shoreline Place Condos	12 Shoreline Place	11	Condominium
Mist Condos	4201 Sunset Drive	116	Condominium
Lakeview Lofts	4100 Spring Street	39	Condominium
Chateau	4497 Shoreline Drive	37	Senior Apartments
Court, Villa Apartments	4501-4523 Shoreline Drive	160	Senior Apartments
Presbyterian Homes	4527-4599 Shoreline Drive	115	Senior Apartments
Source: City of Spring Park			

The City recognizes its high-density housing as an asset to the community, providing valuable tax base and affordable housing opportunities within the City. The City wishes to maintain its existing housing stock through proper maintenance and renovation. The proximity of this housing to Lake Minnetonka provides a unique living environment that has inspired private reinvestment in these properties.

Additionally, high density housing and mixed land uses have been the land use of choice in community redevelopment. Recent redevelopment projects like Lakeview Lofts and the Mist combined high density housing with limited commercial use to redevelop select blighted areas of Spring Park. These development projects have introduced high valued housing, significant architecture, and substantial tax base. While recognizing the benefits of the redevelopment, these projects also raised issues related to density, building heights, traffic, site amenities, and ability of market absorption of high value condominiums.

In looking to the future, the City recognizes that high density housing will continue to be an important part of the City’s housing stock and a viable land use alternative for future redevelopment. The following land use measures shall be undertaken to guide future high density residential land use:

1. The City will work with property owners to promote reinvestment and renovation of the City's existing high density housing stock.
2. Presbyterian Homes is the largest single landowner in Spring Park. They currently provide 312 age-restricted housing units and a broad range of services to assist their residents in maintaining a quality lifestyle. Presbyterian Homes is also a major employer in Spring Park, providing a wide variety of employment opportunities. In 2008, Presbyterian Homes purchased the Park Hill Apartments (75 units) to provide affordable housing opportunities for its employees. In 2009, Presbyterian Homes received city approval for redeveloping their site to more efficiently provide services, expand housing opportunities, and streamline operations. These redevelopment improvements were implemented in 2010 and completed in 2011.
3. To guide future high density residential development efforts, the City wants to make sure that the new projects will properly blend with adjoining land uses and fit within the capacity of the redevelopment site and surrounding roadways. To accomplish these objectives, the following efforts will be undertaken:
  - a. The City will examine its high density residential development standards related to building height, setbacks, parking, impervious surface, and stormwater management to define the City's objectives for high density.
  - b. In evaluating future redevelopment projects, the City will require conformance with City standards to insure development does not over-utilize the site or create problems for adjoining land uses or streets.
  - c. When public improvements are required to facilitate redevelopments, the costs shall be borne by the developer.
  - d. The City will consider mixed use and/or, high density residential uses in targeted commercial redevelopment sites to complement remaining commercial land uses to provide services to residents and to maintain a commercial tax base.
  - e. The City hopes to promote the development and use of the regional bike trail and future commuter rail line. In this respect, high density residential or mixed land use redevelopment shall be integrated with trail and commuter rail planning.
4. The City has received complaints from individual renters that occupy older rental housing units. The complaints raise concerns over the condition of the properties, building deterioration, and unsafe living conditions. To address these issues and ensure that the City's rental house block maintains its quality and value, the City will investigate the establishment of a rental housing ordinance that includes periodic building inspections to demonstrate compliance with Building, Fire, and Zoning Codes.

DEVELOPMENT FRAMEWORK – LAND USE PLAN



**AFFORDABLE HOUSING**

The standard definition of affordable housing assumes that a family or non-family household earning 80 percent of the region's median income can afford mortgage costs (mortgage payments, taxes, insurance, and related housing costs) without spending more than 30 percent of their income. Because most homeownership assistance programs are targeted to households at or below 80 percent of median income, this is the threshold for determining whether ownership units are affordable.

For 2016, the affordability limit is 80 percent of the area median income for both rental and ownership housing. In 2016, the area median income (AMI) for a household of four is \$85,800. Under these limits, a family of four can earn up to \$65,700 to qualify for affordable housing.

Rental development and assistance programs are generally meant to assist households at or below 50 percent of median income. The 50 percent of median designation is consistent with the federal Low-Income Housing Tax Credit program's rent limits. Housing costs for rental units include both monthly rents and utilities. For a family of four in 2016, affordable rents were as follows:

<b>2016 Rental Housing Affordability Rates</b>				
<b># Bedrooms</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>80% AMI</b>
Efficiency	\$450	\$751	\$901	\$1,201
1 Bedroom	\$483	\$805	\$966	\$1,288
2 Bedroom	\$579	\$966	\$1,159	\$1,545
3 Bedroom	\$669	\$1,115	\$1,338	\$1,784
4 Bedroom	\$747	\$1,245	\$1,494	\$1,992
Source: Metropolitan Council 2017				

In 2016, Spring Park’s median rent was \$987+/- \$70 according to Hennepin County Affordable Housing on-line. This median rent rate compares favorably with 2016 affordability rates at 50 percent AMI in two bedroom apartments shown above.

The Metropolitan Council’s allocation of affordable housing in Spring Park is illustrated below.

**Affordable Housing Forecast**

Sewered Communities	2021-2030 net population growth  (10/4/2017)	2021-2030 NEED for affordable units  (10/4/2017)	NEED For units affordable to households with income at or below 30% of AMI	NEED For units affordable to households with income 31% to 50% of AMI	NEED For units affordable to households with income 51% to 80% of AMI
Spring Park	80	23	14	4	5

The Metropolitan Council has requested information as to how the City will meet its regional housing needs. According to Hennepin County Affordable Housing, the median rent of Spring Park's existing rental housing stock is \$987 a month. This suggests 50 percent of the rental housing stock falls at or below this rent level. In 2016 Spring Park had 773 high density units of which 50 percent may be affordable to households earning 50 percent of the AMI. Based on these figures approximately 36 percent of the City's entire housing stock is affordable.

This percentage is generally consistent with the City's 2030 Comprehensive Plan that estimated 40 percent of the City's housing stock was affordable to incomes that are at 50 percent of the AMI.

Strategies to meet the affordable housing needs include:

1. Spring Park is a fully developed city, and its older high density housing buildings are beginning to show their age. The City has received complaints from renters pertaining to poor conditions in residential rental buildings. To preserve these rental sites and ensure that they offer attractive and safe housing now, and in the future. The City will investigate a rental licensing or registration program. This program will require regular building and site inspections to ensure that rental buildings, units, and sites are compliant with the City's Building, Fire, and Zoning Codes. This will require landlords to periodically re-invest in their buildings to ensure safe and functional residential units.
2. Spring Park participates with the Metro HRA which offers the Section 8 Rental Assistance Program. This program, in conjunction with the City's large quantity of rental housing, provides opportunities for additional households.
3. Job proximity is a Metropolitan Council housing need adjustment factor. The Metropolitan Council demographic forecasts indicated that Spring Park lost 445 employment opportunities between 2000 and 2010. Moving forward Metropolitan Council forecast projects 600 employment opportunities for 2020, 2030, and 2040. This loss of employment along with limited Metro Transit in the western Hennepin County communities will decrease the future demand for affordable housing in Spring Park.

## REDEVELOPMENT AREAS

The Spring Park Comprehensive Plan has identified five possible redevelopment target areas:

1. Del Otero Avenue is identified for future medium density residential. This area is a combination of older, larger lot single family homes and newer townhomes. The medium density residential land use envisions the redevelopment of the remaining single family lots for townhomes or twinhomes. This redevelopment area comprises three acres and would have a density of six units per acre.
2. Target Area two lies in the Southeast corner of Black Lake Road and Shoreline Drive. This area consists of four small single family lots and two of the lots take direct access from Shoreline Drive (CR 15). Abating the County Road and the commercial land use to the east, this raises questions of whether these sites will remain residential for the long-range future. Redevelopment of the individual lot may not be practical due to the limited sizes, access issues, and land use compatibility with adjoining properties of redevelopment and land use changes don't occur simultaneously. Redevelopment for this target area envisions the acquisition and assembly of all four lots to create a single site having the size and dimensions to accommodate a new land use and controlled access points. The 2040 land use plan guides this area in commercial land use.
3. Target Area Three is located at the northwest corner of Shoreline Drive and Kings Road. This target area consists of commercial properties with uncontrolled outdoor storage and these single family homes that exhibit poor building and site conditions. Currently guided commercial, future land use may be changed pending redevelopment interests.
4. Target Area Four consists of eight acres of land that is guided for continued industrial land use. The property owner wishes to retain this land use designation, however, expressed possible long range (post-2040) interest in redevelopment. The future vision for this area is a mixed commercial/residential land use, however, no definite plans have been established for this area. Recent redevelopment efforts have been predominantly high density residential with limited commercial floor space. The City's desire to retain its commercial tax base and its community identity suggests that future redevelopment projects will require a greater percentage of commercial floor space. A 20 percent commercial/80 percent residential may be a reasonable expectation. Past mixed-use redevelopment projects achieved an average density of 41.5 units per acre. Any redevelopment of this area of the City will require a Comprehensive Plan amendment. At that time, the City shall fix the amount of commercial floor space and the actual residential density.

5. Target Area Five consists of the commercially guided properties on the north side of Shoreline Drive between Kings Road and Seton Channel. This area has historically consisted of commercial land uses. However, over the years these sites have aged and have not attracted sustainable businesses. The condition of select buildings and sites in Target Area Five have declined to the point that redevelopment is needed. This area raises the question of land use. While community guided commercial, recent development inquires in the area have not been for commercial uses. In this respect future redevelopment may include a change of land use. Future commercial development faces the following issues:
- The emergence of internet shopping and sales has greatly changed the retail businesses. This trend has reduced opportunities for attracting brick and mortar Commercial development.
  - The Spring Park Commercial Markets are limited due to the City’s configuration and the physical barrier of Lake Minnetonka that limits the population growth surrounding the City’s commercial sites.
  - Spring Park’s commercial sites compete with established commercial areas in Orono and Mound located at both ends of the City. These locations offer a broad range of commercial uses, and have business intercept advantages over Spring Park.
  - Target Area 5 site has physical limitations related to lot size and lot depth that complicate site redevelopment, and site access.

In 2017, the City solicited the opinions of three commercial real estate and development professionals as to the most viable future use of the Target Area 5 sites. In reviewing this area the commercial real estate professional each suggested a change in land use to mixed use on high density residential land use. If commercial uses are sought this city should focus medical, small retail, or smaller grocery (Aldi’s or Wholefoods).

Any redevelopment or land use change must recognize the remaining viable businesses must addresses issues of site design, access, and compatibility between the properties. New redevelopment efforts shall focus on land use patterns that fir the area and compliment and support in place businesses.

**Meeting Date:** December 18, 2017

**Agenda Item:**

**TITLE:**

4636 Shoreline Drive Redevelopment Inquiry

**RECOMMENDED ACTION:**

Give direction to staff as to whether the council would be open to considering a change in land use and zoning from C-1 to R-3 for the property located a 4636 Shoreline Drive to allow the site to be redeveloped as high density residential land use.

**BACKGROUND:**

Mr. Anthony Pierpont of RES Realty has contacted the city regarding a redevelopment opportunity for the site located at 4636 Shoreline Drive. (See the attached email). He has a client interested in redeveloping the site for high density redevelopment (Similar to the Lake View Lofts). In speaking to Mr. Pierpont, he does not believe the client is interested in a mixed use building and feels that the site size and access would not accommodate first floor commercial uses. They are inquiring if the city would be interested in considering a change in land use and zoning to R-3 District to allow for the high density housing.

The site is guided in the comprehensive plan and zoned C-1 district for commercial use. The Lake View Loft and the Mist are zoned C-1 and were approved as mixed use buildings. The combination of commercial and residential building is not being proposed for the site in question requiring a change in zoning.

The Spring Park Comprehensive plan is being updated. At our November Comp Plan meeting we discussed what the future may hold for Spring Park's commercial sites. In preparation for the November 15<sup>th</sup> meeting we solicited three commercial real estate / development companies (Ebert Construction, Cerron Commercial Properties, and KW Commercial) to give us their professional opinions as to what types of land uses would work for the Shoreline Drive Commercial sites. The following opinions were presented.

1. Ebert Construction: Retail and food service is looking for population, density and income. Spring Park does not meet the core site selection criteria. They suggested, "...density –housing; vertical, apartments, condos', townhomes with density greater than 6 units per acre."
2. Cerron Commercial: In order of priority; 1) multiple family; senior or market rate apartments, perhaps mixed use. 2) Medical offices; dentist, chiropractor, etc. 3) lastly small sized retail – less than 5000 sq. ft. per location.

3. KW Commercial: Mixed use with retail/ entertainment, casual dining first floor with residential above. Perhaps a smaller grocery store like Aldi or Whole Foods.

Each of the aforementioned commercial developers / real estate profession indicated that stand alone commercial development for these sites would not be priority to this area of Spring Park.

The site at 4636 Shoreline Drive is only 1.03 acres in area and Hennepin County's 2018 estimate market value for the site is \$739,000. The sole access to the site is via CR. 15 Shoreline Drive. The site has generated complaints in the past with regard to the site conditions and outdoor storage.

In considering the change of use the Council should consider the following:

1. Is this a redevelopment target site and would the city consider providing city assistance in its redevelopment?
2. The proposed project would introduce more multiple family housing to the city. There have been past concerns about the amount of high density and rental housing in the city.
3. The site is small and located between two commercial sites. Is the council open to introducing apartments to this site?
4. The sole access to the site will be County Road 15; will a high density residential project work with the traffic on Shoreline?
5. The site abuts the regional trail this would be an asset to an apartment project.
6. The applicant is looking for a project density of 35+ units per acre to make the project work financially. To achieve this density they would need to demonstrate that they can meet required setbacks, required parking and building heights. To achieve this they will need underground parking.

### **POLICY CONSIDERATION:**

Land use changes and zoning amendments are policy decision of the City Council. To date we have only received the email inquiry asking if this type of land use would be acceptable for the site. If you are interested in this potential project, staff would solicit more information from Mr. Pierpont's client as to the type, design, and concept for the site prior to having them submit any formal application. Concept review does not convey and legal development rights. We would also advise the potential buyer to make any purchase agreement contingent on City approvals for any needed development applications this would protect the buyer if the development applications are not approved.

**FINANCIAL OR BUDGET CONSIDERATIONS:**

No request has been made to date, however, similar to the Lake View Lofts; there may be subsequent request for city financial assistance through tax increment financing.

Redevelopment of the site would bring and new development to the city, expands the city tax base, and provides new housing option. The new population may contribute to local businesses through local shopping.

**Attachments:** December 11, 2017 Pierpont email  
November 13, 2017 Planning Memorandum  
Site photo.

**Prepared by:** Alan Brixius, City Planner

**Reviewed by:** Alan Brixius, City Planner  
Dan Tolsma City Administrator.

**Recommended for Approval by:**



# Hennepin County Property Map

Date: 12/14/2017



PARCEL ID: 1811723330002

OWNER NAME:

PARCEL ADDRESS: 4636 Shoreline Dr, Spring Park MN 55384

PARCEL AREA: 1.03 acres, 44,757 sq ft

A-T-B: Torrens

SALE PRICE: \$550,000

SALE DATA: 11/2007

SALE CODE: Excluded From Ratio Studies

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$700,000

TAX TOTAL: \$23,556.66

ASSESSED 2017, PAYABLE 2018

PROPERTY TYPE: Commercial-preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$739,000

## Comments:

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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4150 Olson Memorial Highway, Ste. 320, Golden Valley, MN 55422  
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### **MEMORANDUM**

TO: Spring Park Comprehensive Plan Committee

FROM: Alan Brixius

DATE: November 13, 2017

RE: Spring Park – County Road 15 Commercial Area

FILE NO: 175.11

The commercial area along County Road 15 between Kings Road and Seton Channel has raised questions with regard to the appropriate future land uses for this area. In this respect, the City sent out a land use study area summary to three commercial real estate developers to solicit their opinions as to the future use for this area.

Exhibit A represents the background information sent to three commercial real estate professionals – Greg Hayes of Ebert Construction; Bruce Rydeen of Cerron Commercial Properties; and Tim Dieterichs of KW Commercial. Exhibits B, C, and D provide their comments.

In review of each of the comment statements, they suggested high density residential as standalone or mixed use. Mr. Hayes elaborates on his opinion, stating the need for population and disposable incomes is needed to make commercial work. Commercial development is becoming much more selective in its investment in brick and mortar locations. If sites cannot produce the population, disposable income, and lot features, developers will not take on the project. Mr. Hayes also provided Exhibit E, How Retailers Select Sites; and Exhibit F, Comparison of Retail Site Selection Criteria.

Mr. Rydeen also suggests high density residential as an alternative to commercial uses on the site. Commercial uses he suggested would be medical or small retail.

Mr. Dieterichs suggests mixed use projects with first floor retail or entertainment above – something to bring people to Spring Park (smaller grocery like Aldi's or Whole Foods).

We will discuss these options at the workshop meeting.

c: Dan Tolsma  
Theresa Schyma



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**Background:** The City of Spring Park is currently in the process of preparing its 2040 Comprehensive Plan. Spring Park is a Lake Minnetonka lake community of 1850 population in western Hennepin County. The city is peninsula surrounded by Lake Minnetonka on three sides. The main thoroughfares through Spring Park consist of Shoreline Drive (CR. 15) and Sunset Drive (CR 51)

Through the comprehensive planning process the city is trying to determine what the future potential is for a commercial corridor along County Road 15 within the city. We are requesting commercial real estate and development professionals give us their opinions as what they believe is the best future land uses within the study area based on the city size, configuration, location in the region and the physical characteristics of the sites in the study area. The study area (see map on page 2) has 12 individual sites containing commercial uses and some non-conforming single family homes. The entire area is zoned C-1 General Commercial district which allows a broad range of commercial uses. We have provided individual site descriptions and photographs in the following pages. The majority of buildings in this area were constructed prior to 1990. Over the years the properties have exhibited signs of wear and deterioration.

The study area competes with other commercial areas within the city and adjoining communities. To the south is the Marina Shopping Center in Spring Park. The city of Mound's downtown commercial area is 1 mile to the west. To the east, the Navarre neighborhood of Orono has a commercial area at the intersection of Shoreline Drive and Shadywood Road this is approximately 1.3 miles from the study area.

The total acreage for the site is approximately 10 acres. The individual commercial sites range in size from 1.7 acres to .23 acres. Lot depths range from as low as 50 ft. to 270 ft. deep. Most of the sites have direct access from Shoreline Drive (Hennepin County Road 15). We have attached a map showing traffic volumes on CR. 15.

The newest building in the study area was constructed in 2003; more recent development inquiries have been for non-commercial land uses. We would appreciate your insight and professional opinion on the site's future use. We have three primary questions:

1. What do you see as the future trends in retail and commercial development in the next 10 – 15 years? How do these trends affect commercial planning and project locations?
2. With Spring Park's study area's location and physical characteristics along with future market trends what types of commercial development / redevelopment would the city be successful in pursuing for this area?
3. If not commercial land uses what do you believe would be the best future uses within the study area?

Attached please find: area specific information, photos of current business frontages, a map of the site, and a map of traffic volumes.



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## Spring Park Commercial Study Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



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### **Areas for Analysis:**

#### **Area 1**

Lot 1 PID: 1811723330053

Area: .55 ac

Lot Depth: 95 ft

Current land use:  
Automobile service and  
repair



#### **Area 2**

Lot 1 PID: 1811723330005

Area: .29 ac

Lot Depth: 125.1 ft

Lot 2 PID: 1811723330004

Area: .21 ac

Lot Depth: 138.6 ft

Lot 3 PID: 1811723330003

Area: .34 ac

Lot Depth: 146 ft

Current land use: Drive-in restaurant





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### **Area 3**

Lot 1 PID: 1811723330002

Area: 1.03 ac

Lot Depth: 162 ft

Current land use: Vacant building,  
some outdoor storage



### **Area 4**

Lot 1 PID: 1811723340008

Area: 1.11 ac

Lot Depth: 167 ft

Lot 2 PID: 1811723340007

Area: .37 ac

Lot Depth: 161 ft

Current land use: Dock and  
boat lift business





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### **Area 5**

Lot 1 PID: 1811723340006

Area: .85 ac

Lot Depth: 174 ft

Current land use: Antique  
consignment store



### **Area 6**

Lot 1 PID: 1811723340005

Area: .80 ac

Lot Depth: 210 ft

Lot 2 PID: 1811723340004

Area: .94 ac

Lot Depth: 246 ft

Current land use: Boat  
sales,  
service, repairs, and  
storage





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### **Area 7**

Lot 1 PID: 1811723340003

Area: .67 ac

Lot Depth: 270 ft

Current land use:  
Automobile sales and  
repairs



### **Area 8**

Lot 1 PID: 1811723340055

Area: 1.2 ac

Lot Depth: 194 ft

Current land use: Office  
building





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### **Area 9**

Lot 1 PID: 1811723430160

Area: .27 ac

Lot Depth: 144 ft

Lot 2 PID: 1811723430026

Area: .16 ac

Lot Depth: 47 ft

Lot 3 PID: 1811723430027

Area: .39 ac

Lot Depth: 99 ft



\*Lot 2 and 3 functioning as one lot

Current land use: Dock, boat lift, and personal watercraft sales

### **Area 10**

Lot 1 PID:  
1811723430028

Area: .23 ac

Lot Depth: 185 ft

Current land use: Single  
family home





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### **Area 11**

Lot 1 PID:  
1811723430029

Area: .24 ac

Lot Depth: 197 ft

Current land use: Single  
family home



### **Area 12**

Lot 1 PID: 1811723430012

Area: .48 ac

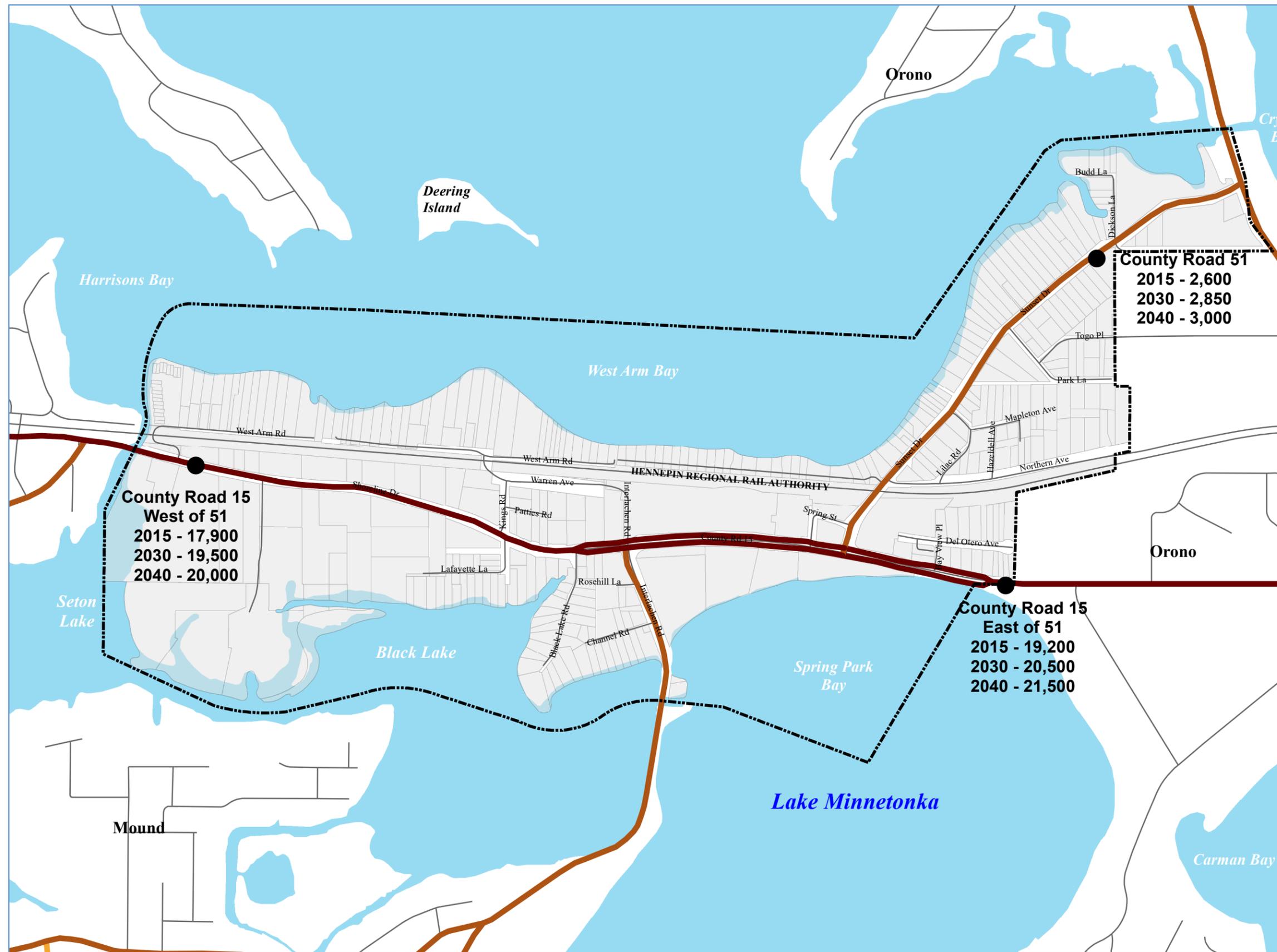
Lot Depth: 167 ft

Current land use: Single family home

**Total study area acreage: 10.13 ac**

**Range of lot depths: 46.9 ft – 270.2 ft**

# Traffic Volumes



## City of Spring Park

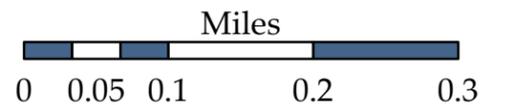


### Legend

#### Average Daily Trips, 2017

- < 225
- 225 - 1,000
- 1,000 - 2,500
- 2,500 - 7,500
- 7,500 +

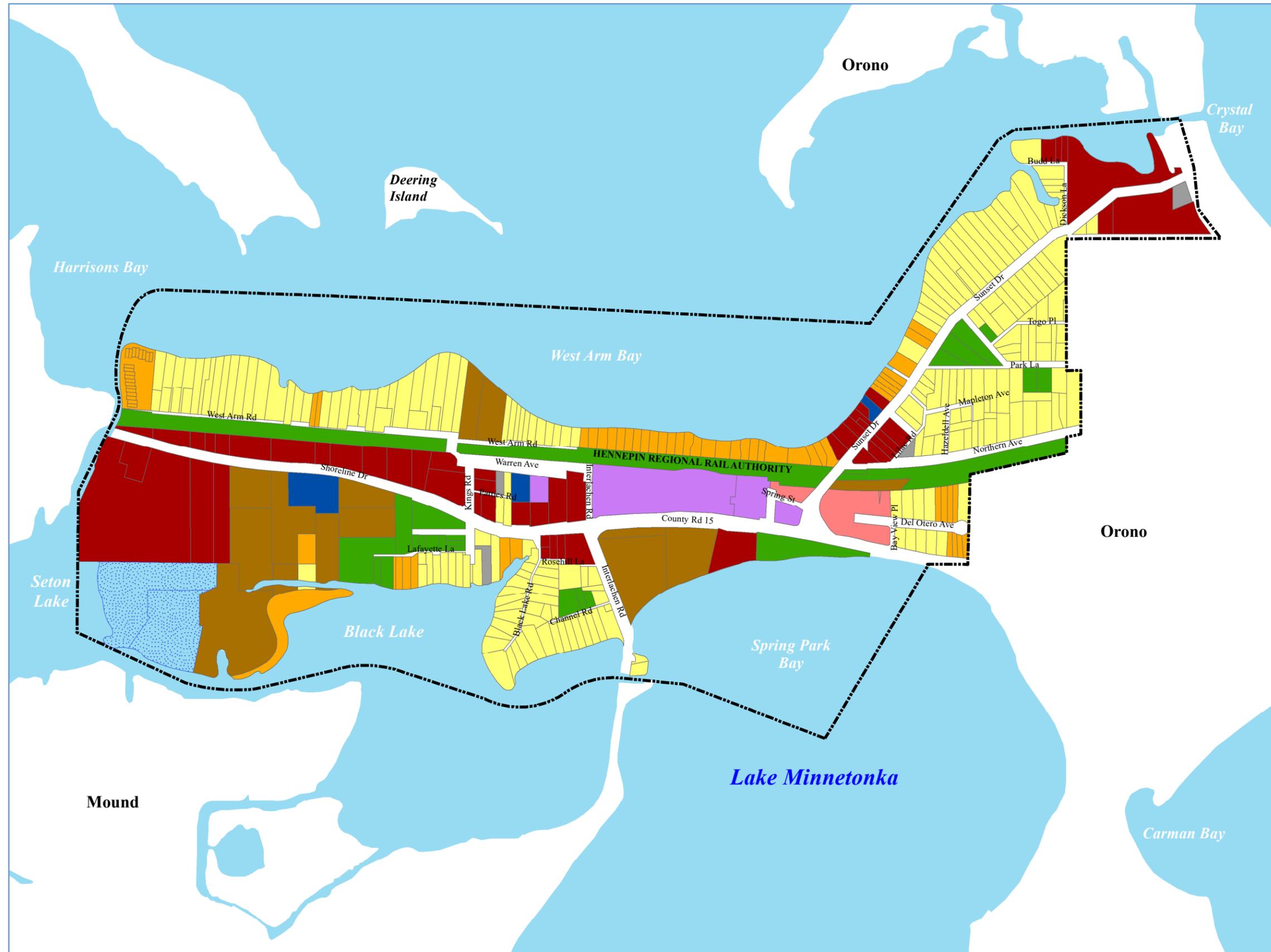
- Lakes
- Street Centerline
- Boundary



Source:  
 Hennepin County, City of Spring Park  
 Minnesota Department of Natural Resources, &  
 Northwest Associated Consultants, Inc.  
 Prepared: January 2017

**NAC** NORTHWEST ASSOCIATED CONSULTANTS, INC.  
 4150 Olson Memorial Highway, Ste. 320, Golden Valley, MN 55422  
 Telephone: 763.231.2555 Website: www.nacplanning.com

# Existing Land Use

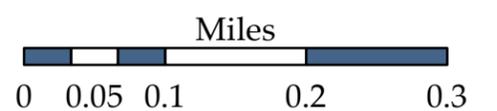


## City of Spring Park



### Legend

- Single Family Detached
- Single Family Attached
- Multifamily
- Mixed Use Residential
- Retail and Other Commercial
- Industrial and Utility
- Institutional
- Parks and Open Space
- Vacant
- Wetlands
- Lakes
- Boundary



Source:  
Hennepin County, City of Spring Park  
Minnesota Department of Natural Resources, &  
Northwest Associated Consultants, Inc.  
Prepared: January 2017

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**From:** Greg Hayes [<mailto:ghayes@ebertconst.com>]  
**Sent:** Tuesday, October 24, 2017 8:04 AM  
**To:** Alan Brixius  
**Subject:** RE: Spring Park Commercial Area

Alan -

People like/want retail & food - to achieve these you need density. Commercial uses look at areas by regions, not by specific cities. Depending on the category of use, retail or food oriented they all have the same core requirement, population and income density. Spring Park does not meet any of these core selection criteria.

Attached is an overview on how major retailers select commercial sites. As an example, I've also attached a comparison for what restaurants require for demographics.

There are exceptions, as example Buffalo: It has medium income and density but the fact that it has very high traffic, is the county seat and also has Walmart & Target makes it a small regional attraction for retail expenditures. Dining restaurants struggles in these markets and you can see that by the low number of dining establishments. Uses such as Caribou succeed in this type of market due to the high traffic. The business model of coffee shops is designed around high traffic.

At the other end of the spectrum is Edina: Very high income with high density, all commercial uses want to be in that type of market as it has the highest success rate.

Greg



**Greg Hayes** | Vice President - Real Estate / Development | 📞 Cell: 612.581.7029  
23350 County Road 10, Corcoran, MN 55357 | 📞 Phone: 763.498.7844 | 📠 Fax: 763.498.9951 | 🌐 Web  
[www.ebertconst.com](http://www.ebertconst.com)

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**From:** Alan Brixius [<mailto:abrixius@nacplanning.com>]  
**Sent:** Monday, October 23, 2017 9:19 AM  
**To:** Greg Hayes <[ghayes@ebertconst.com](mailto:ghayes@ebertconst.com)>  
**Subject:** RE: Spring Park Commercial Area

Greg, thanks for your comments. Would please elaborate on what makes a workable commercial site and how the Spring Park Commercial area compares with your criteria? Thanks

**From:** Greg Hayes [<mailto:ghayes@ebertconst.com>]  
**Sent:** Thursday, October 19, 2017 3:15 PM  
**To:** Alan Brixius  
**Subject:** RE: Spring Park Commercial Area

Alan -

I think the answer is obvious for what should be planned for development in the questioned commercial zone. The answer is density - housing; vertical, apartments/condo's/townhomes with a density in excess of 6 UA. (6UA may allow for some creative town home design/quality)

The asset is Lake Minnetonka - embrace that with quality housing and the commercial that remains will all become more successful and improve with natural market forces. Right now, the area has traffic but very low density. All shopping decisions come from households (wage earners), when density is low shopping is low and buying \$ tend to leave the area. When density is higher, more shopping \$ are captured.

Also keep in mind the Amazon effect. Retail and commercial in general is becoming a lot more specific with where it invests in brick and mortar locations. If it can't project high enough household \$ for shopping expenditures, quality investments are not made. Obvious exceptions are the boat dealer who caters to the local market - but they too rely on high enough shopping \$ availability in the immediate area.

I'm happy to discuss/provide more specifics if needed.

Greg



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**From:** Bruce Rydeen [<mailto:Brucer@cerron.com>]  
**Sent:** Monday, November 13, 2017 8:03 AM  
**To:** Bob Kirmis <[bkirmis@nacplanning.com](mailto:bkirmis@nacplanning.com)>  
**Subject:** RE: Spring Park Commercial Area

Bob- sorry for the delay here....thoughts in order of priority:

1. I think I'd consider some multi family- Senior or market rate apartments, perhaps a mixed use
2. Also would look to do medical office- dentist, chiropractors, etc.
3. Lastly- small sized retail- less than 5000 sf per location

Thanks Bob

Bruce Rydeen  
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**From:** Timothy Dieterichs [<mailto:timdiet@kw.com>]  
**Sent:** Thursday, November 09, 2017 1:43 PM  
**To:** Alan Brixius  
**Subject:** Re: Spring Park Commercial Area

Al

After spending some time and driving Spring Park seems like the town is missing something to do.... I mean for entertainment purposes. There are a few things close by but not really in Spring Park. I still think that a mixed use project would be great for that area. main level of retail/entertainment.. casual restaurants, and some residential above. Something to make people stop in Spring Park, Maybe even a smaller grocery store like Aldi or whole food or something.

Respectfully

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# How Retailers Select Sites

- I. Introduction
  - A. Pressure to open new stores
  - B. Sites are limited
  - C. Real estate costs are retailers' second highest expenditure
- II. Retailers use complex modeling analysis
  - A. Many resources available
    - 1. Trade Area Density Mapping
    - 2. Competition Mapping and Sales
    - 3. Market Optimization Reports
  - B. Service providers can identify customer psychographics to predict sales for potential sites
  - C. Site selection is a combination of science and "gut" instinct
- III. Understanding retailers' approach
  - A. Communities can effectively plan retail
  - B. Increase retail tax base
  - C. Vary for retailers based upon target customer
  - D. Some similarities
- IV. Demographic considerations
  - A. Trade area demographics
  - B. Primary trade area
    - 1. 60 – 70% of total sales
    - 2. Not consistent 3 – 5 mile rings
      - a. Need to consider natural boundaries
    - 3. Trade areas may be defined by drive times
  - C. Trade area are larger for destination retailers
    - 1. Bass Pro Shops
    - 2. Cabela's
    - 3. IKEA
  - D. Within trade area demographics are reviewed
    - 1. Age
    - 2. Daytime population
    - 3. Median household income
    - 4. Own / rent homes
  - E. Buffalo Wild Wings desires
    - 1. High % of 18 – 34 year olds
    - 2. Higher % rental property
  - F. Lowe's / Home Depot desire
    - 1. Higher household counts
    - 2. Home ownership
- V. Site considerations
  - A. Visibility from major roadways

- B. Traffic counts
  - C. Pedestrian foot traffic
  - D. Signage
  - E. “Going Home” versus “Going to Work” side of roadways
  - F. Site infrastructure
  - G. Planned roadway changes
- VI. Competition
- A. Retailers like to see some competitors in trade area
    - 1. Buffalo Wild Wings – Applebee’s
    - 2. Restaurants like to be on “restaurant row”
  - B. Too many competitors in trade area impacts sales
- VII. Retail Synergy
- A. Every retailer has desire to be near other retail
    - 1. Example - Sporting goods near electronics stores
  - B. They don’t want to be out positioned
  - C. Wal-mart & Target are usually preferred
    - 1. They draw high number of shoppers
  - D. Synergism drives traffic, sales and profitability
- VIII. Land Area Available for Retail
- A. Prototype big box sizes in larger metro areas
    - 1. Lowe’s 115,000 sf
    - 2. Wal-mart Super Center 185,000 sf
    - 3. Best Buy 45,000 sf
  - B. With lack of large sites available, prototypes adapt
  - C. Smaller markets, lower demand, smaller footprint
  - D. This adaptation expands the retailers’ market universe
- IX. What this means for your communities
- A. Retailers are adapting site selection techniques for smaller markets
  - B. Retailers are becoming more flexible
  - C. Economic viability in smaller communities requires
    - 1. Cities to be more creative
    - 2. Offer incentives to attract retail
      - a. Tax incentives
      - b. Lower land prices
      - c. Upgrade infrastructure

## Comparison of Retail Site Selection Criteria

	<b>Buffalo Wild Wings</b>	<b>Nothing but Noodles</b>	<b>Bob Evans Restaurants</b>	<b>Golden Corral (Smaller Cities/Towns)</b>	<b>Yum! Brands</b>	<b>Denny's Restaurants</b>
<b>Retail Square Footage</b>	5 - 6,000 sf	2,800 - 3,600 sf	7 - 8,000 sf	7,780 sf	2,500 - 3,200 sf	5,085 sf
<b>Demographic Considerations</b>						
Trade Area Population	> 25,000 : 3 mi.	> 60,000 : 3 mi.	>50,000 : 3 - 5 mi.	>25,000 : 3 mi.	>20,000 : 3 mi.	>40,000 : 3 mi.
Daytime Population	> 5,000 : 1 mi.	> 8,000 : 2 mi.				
Age	> 80% : 20 - 50	24 - 45				
Incomes	>\$30,000	> \$65,000	> \$50,000			\$32 - \$50,000
College Educated	20%	High %				
<b>Site Considerations</b>						
Traffic counts	25,000 ADT	35,000 ADT	30,000 ADT	25,000 ADT	25,000 ADT	30,000 ADT
Pedestrian traffic	N/A					
Visibility	Excellent	Good	Interstate locations	Highly	Highly	Highly
Access	Excellent	Excellent	Excellent	Excellent	Good	Double ingress/egress
Parking	100 - 120 spaces	20 - 48 spaces	85 - 100 spaces	115 spaces	35 + spaces	75 spaces
Signage	Excellent	Excellent		Excellent	Excellent	Excellent
Going Home or Going to Work side	N/A	N/A			Going Home	
<b>Competition</b>						
Number of competitors				> 300,000 Trade Area		
Proximity to competitors						
<b>Other Factors</b>						
Desired Adjacencies	Big box & restaurants	Grocery & Drug	Big Box	Big Box	SC out parcels	Retail SC
Direction of the trade area growth	New					
Supplier proximity	Good					
Labor Rates	Important					