

Memorandum

To: **Ben Boike**
From: **Andrew Dresdner, AICP**
Project: **Robert Street Renaissance Plan Update**
Project
Number:
Subject: **Update**
Date: **Jan 10, 2017**
Copy To:

Background:

Between early 2015 and summer 2016, Cuningham Group worked with the Project Advisory Committee, City Council, and the general Public to develop the Robert Street Renaissance Plan Update (DRAFT).

We developed several Drafts for review throughout the winter and Spring 2016. The Aug 22 Draft represents, in our opinion, a document that balances concerns and strikes a balance. We recognize that it is not perfect for everyone because everyone is asked to compromise, but we do believe it is a solid Plan.

This document represents a reasonable vision for redeveloping a major artery in West Saint Paul. The Plan is responsive to what we heard from stakeholders and it is informed by market studies.

While it is responsive to these forces, it is important to note that it is a Planning Document and therefore it is forward looking. It takes into account trends and ambitions as well as current best practices from around the region and the country. And it takes a long view of change. In that regard the Plan, like all good Plans, tries to take a comprehensive and broad view of development; not a site by site perspective that often results in piecemeal development patterns.

The Plan represents a desire and a need to reinvest in the corridor. Reinvestment is critical because Robert Street, as a commercial street, is no longer as competitive as it used to be. Its status as a regional draw has diminished. At the same time, West Saint Paul, by virtue of its strategic location is becoming more desirable for housing and residential. So while it commercial uses are still viable, Robert Street's trade area has changed (and continues to change) and the competitive landscape has also changed due to regional growth and outlying competition that did not exist during the first and second generation of development of Robert Street.

And finally, as the Robert Street reconstruction project nears completion, there is a great opportunity in front of West Saint Paul to reset the marketplace and to reinvigorate its image in the region. Upon completion, we will all look at Robert Street with fresh eyes. This is a once in a generation opportunity to reset the table and to guide development in a manner that best serves the community.

Therefore, this Plan proposes a strategy that changes the playing field. Instead of competing against other communities in Dakota County for large scale retailers and developers by being closer to more affluent customers and generally more accessible to more people in the region, The Plan recommends West Saint Paul transform the image and pattern of Robert Street by

adjusting land uses, strategically investing in certain places, and creating an avenue that has greater amenity value. Doing so has proven to be a strong strategy for creating lasting value.

Specifically:

1. The Plan recommends introducing housing onto and around Robert Street. Introducing residential onto the avenue can have several positive effects. It can meet a growing demand for housing in West Saint Paul. It can add people and a pedestrian presence to the avenue. And finally, additional residents can add buying power to the community; which will in turn enhance the appeal of Robert Street for business such as restaurants and daily goods and services – the type of things residents say they would like to see more of in the community.
2. The Plan recommends creating areas of mixed use at Signal Hills and the Town Center. These two areas present the possibility to create compact walkable areas with amenities that will attract investors and customers and serve the current residents of West Saint Paul as well as new residents.

It should be noted that the ideas for Signal Hills and Town Center are updates from the previous Renaissance Plan. Ten years ago, similar ideas were suggested and were represented in the Plan as concept plans. It should also be noted that these two areas are very different. Signal Hills is a single owner on one side of Robert Street, while Town Center is multiple property owners on both sides of the Street (some of which are owned by the City).

At the August 22 City Council Meeting, the Plan was brought forward for discussion and consideration. There was not majority PAC support for the Plan at that time. Half of the PAC members supported it and recommended adoption; half did not.

At that meeting, Council agreed to accept the Plan, but not to approve it. Instead, they agreed to receive it and schedule a worksession with the PAC to work out issues in an effort to move it towards adoption. Thus the purpose of this meeting.

There appear to be three main areas of conflict/concern

The Plan is not Market Driven

The plan takes into account the two market studies. One for the North Gateway and one for the Town Center. As well as an Urban Land Institute (ULI) Study for Signal Hills.

the Town Center market study cites

- “the study area is in a strong position to capture future retail development”
- “identified store categories with the strongest opportunities for growth are full service restaurants and apparel. Each of these categories respond to highly amenitized spaces”
- “although the study area is best positioned to capture retail ...it is important to understand the demand for multi-family housing is very strong.”
- “if the study area is envisioned to transform into a true town center district with retail uses that bring people together, then strategic parcels should be protected from development.”

The North Gateway Study cites:

- “the study area has several advantages that make it a strong locations for multifamily housing.”
- “if significant amenity cannot be introduced into the study area, then we believe there is little demand for additional retail given the poor performance of newer retail space near the study area. Under this scenario, we would recommend focusing development in the study area almost entirely on housing.”
- “any retail uses should be oriented to an intersection, preferable one that is signaled to help capture more motorist attention. We would recommend the southwest corner of Annapolis and Robert...”
- “although the study has a foundation for being at a human scale, it currently lack a place of interest.”
- “Emerson Hill is the market leader in Northern Dakota County with an average rent per square foot of \$1.20...this explains the high level of finishing found in the units.”
- “calculated demand for multifamily housing in the study area through 2020 suggests that up to 70 units of market rate rental, 200 units of affordable rental, and 50 units of condominiums/townhomes could be supported.”

The ULI Report on Signal Hills recommends:

- “retail should be positioned where it can be seen from Robert Street, at the front of the site.”
- “Housing could include single-family homes to the back (west) part of the properties, backing into the sign-family neighborhood that is behind it...”
- “three- or four-story apartments and some townhouses would be appropriate uses on the interior of the site.”
- “a pocket park, a water element of some kind, and/or a walkway would create connection to the neighborhood to the west and make the site more attractive for renters/owners and shoppers.”

The Plan contradicts or goes against the wishes of the Signal Hills Property owner

The Plan is a long term vision for one of the largest underdeveloped properties in the region. The Signal Hills property is approximately 40 acres. Currently it has approximately 130,000 sf of retail upon it as well as a Kmart which recently announced it will be closing. Upon closure, the 40 acre site will be half vacant (the Strip center with 130,000 sf of retail, sits on the southern half of the site).

The Plan offers two options for the Signal Hills Site. One redevelops half of the site, the other redevelops the entire site. The alternative that redevelops half of the site (the north and vacant half) would not impact the operations of retailers on the south half of the site. This aspect of the plan was developed and included in response to concerns from the Signal Hills property owner as he strongly expressed a desire to respect and protect the existing tenants.

Furthermore, we believe redevelopment of the north half of the site (as shown in the plan) can enhance the overall value of the site and surrounding properties – which is one of the primary purposes of undergoing a Planning process – to increase investor confidence in an area.

The Plan does not force the property owner to do anything against their will. In effect, the Plan tells the property owner that he will have a partner in the City if and or when he decides to redevelop the site – half of it or all of it. Should the property owner choose to leave the north half of the site vacant and the south half as a strip center, while not supported by this plan it is also not prohibited.

Individual businesses are free to continue operations and to negotiate leases and property improvements with the property owner regardless of the Plan. We anticipate the current businesses in Signal Hills (Kmart notwithstanding) will remain in place and profitable as long as they remain competitive and the site serves the businesses. Should the business eventually find a better location and lease (in West Saint Paul or elsewhere), the property owner is still permitted to seek new tenant.

Depending on the property owners desires, they may seek new tenants and operates the center as is, or someday they may want to redevelop. This Plan is an invitation, not a mandate to redevelop.

The Plan does not fit West Saint Paul because it is too ambitious.

It is true that the Plan presents a departure from existing patterns of West Saint Paul. It is true that the Plan recommends changes to what is currently permitted or encouraged along Robert Street.

All design projects have to take a position on how much the solution either blends into the surroundings or stands apart from the surroundings. The study area was drawn to include the properties in West Saint Paul that are likely to change over the next 20 years – namely the non-residential properties that are more susceptible to market forces.

The Plan blends into the existing context by recommending street extensions and connections into the stable and unchanged neighborhoods to the east and west of the corridor. This will allow residents to get to destinations along the corridor and new residents on the corridor to easily visit family and friends in the neighborhoods. It also blends into the surrounding area by recommending that the greatest density and change occur along the corridor itself – a distance from the low scale urban neighborhoods to the east and west, allowing the lower density to be located adjacent to the single family neighborhoods

However, the Plan departs from the context by changing land uses along the corridor and by introducing a development pattern unseen in much of West Saint Paul. This development pattern (more dense, narrow streets, public space) is typical of Town Center development and walkable neighborhoods throughout the region and the country. So, while it is indeed a departure, we also believe it is a pattern that is sustainable, desirable, and will give long term value to the community.

Ultimately the plan will fit into the community if the development is embraced by the community. Here it is the responsibility of the City to encourage / require developers to work with the community to ensure new developments serve the community. This can be done any number of ways – through public meetings, development agreements, development approval and plan review. A City's ability to encourage a certain type of development is directly related to the strength and clarity of the City's vision, its community support and the amount of financing and or approvals are needed from the city. If a project requests or requires City

approvals or City funding, the City has a greater ability to influence that particular project – which is why direct City action often results in projects that are more closely embraced by the community.

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