

Memorandum

TO: City Council
FROM: Allison Eddins , Senior planner
DATE: January 21, 2025
SUBJECT: 3529 Owasso Street - Midland Terrace ("The Midland 29") - Planned Unit Development, Concept Stage - Phase 1 - Urban Works, LLC on behalf of Tycon Companies
ITEM NUMBER: 10.a
SECTION: GENERAL BUSINESS

REQUESTED MOTION

No formal action is taken on planned unit development - concept stage applications.

INTRODUCTION

Urban Works, LLC, on behalf of Tycon Companies, has submitted a planned unit development (PUD) - concept stage application for Phase 1 of the redevelopment of the Midland Terrace apartment complex located at 3529 Owasso Street. The project is being called *The Midland 29*.

The Midland Terrace Apartments currently consist of 387 dwelling units in nine, three-story residential buildings, plus a leasing office/fitness center over the 23 acre site. There are roughly 500 parking spaces in detached garages and on surface parking. This provides a parking ratio of 1.3 spaces per unit. The complex was built in 1969.

The phase 1 proposal is to replace the existing 1.5 story leasing office / fitness center with a mixed use building that includes apartment units, a fitness center and 2,500 square feet of office space. The office space will be split between a leasing office and Tycon's headquarters. The applicant has submitted two concept plans for the proposed mixed-use building - a three-story option and a four-story option. Each will be discussed below.

The proposed PUD will include requests to change the comprehensive plan land use designation from Residential High Density (RH) to Mixed Use (MU) and to rezone the site from R3, multi-dwelling residential to PUD/MU with an R3, multi-dwelling residential and O, office underlying zoning districts. The project will also include a major subdivision to create a separate lot for the new building and to realign the Owasso Street boundary line to match the actual boundaries of the right-of-way. Any subdivision associated with a PUD is considered a major subdivision and must go through the platting process.

Redevelopment of the current leasing office / fitness center is part of Tycon's long term strategy to redevelop the entire Midland Terrace complex. A master plan will be required for the planned unit development - development stage review.

The PUD concept stage is an informal review process that allows the public, planning commission, city council and city staff an early opportunity to provide general feedback and identify issues and concerns before more detailed plans are prepared for formal consideration at the development stage.

There is no formal action taken by the city council at this stage.

DISCUSSION

Site Characteristics

The Midland Terrace complex consists of eight separate lots with 9 apartment buildings and 9 detached garages of various sizes. The lot where the new mixed-use building is being proposed is 36,630 square feet. The lot contains the existing leasing office / fitness center, two of the nine apartment buildings and two detached garages. The site also has a portion of the Harriet Pond wetlands in the southeast corner. The lot is relatively flat with access from Owasso Street.

To the north and west of the lot is rest of the Midland Terrace complex. To the south is an R1, Detached Residential district and an R3, Multi-Dwelling district. To the east is an Industrial district.

Project Details

The PUD concept plans submitted by Urban Works, LLC are summarized below. Items underlined indicate that flexibility will be required from the zoning regulation.

- Three-story option
 - A mixed-use building with a 17,465 square foot footprint and 69,860 total square feet
 - Building height approximately 38 feet (+/-); Required - 35 feet (may be exceeded by one foot for every addition foot of setback)
 - 38 dwelling units (a mix of studio, 1 and 2 bedroom)
 - 1,200 square feet for a fitness center
 - 2,465 square feet of office space
 - 47 structured parking spaces and eight surface space
 - Front yard setback: Proposed - 0 feet; Required - 30 feet minimum
 - Rear yard setback: Proposed - 16.8 feet; Required - 30 feet
 - Wetland setback: Proposed 16.5 feet; Required - 16.5 feet
 - Side yard setback: To be determined when new property line is proposed; Required - 30 feet
- Four-story option
 - A mixed-use building with a 14,300 square foot footprint and 71,650 total square feet
 - Building height approximately 45 feet (+/-); Required - 35 feet (may be exceeded by one foot for every addition foot of setback)
 - 41 dwelling units (a mix of studio, 1 and 2 bedroom)
 - 1,265 square foot fitness center
 - 2,465 square feet of office space
 - 57 structured parking spaces and eight surface spaces
 - Front yard setback: Proposed - 10.3 feet; Required - 30 feet
 - Rear yard setback: Proposed - 20 feet; Required - 30 feet
 - Wetland setback: Proposed 16.5 feet; Required - 16.5 feet
 - Side yard setback: To be determined when new property line is proposed; Required

- 30 feet

Planned Unit Development - Review Process

Development of this site will be reviewed under the planned unit development (PUD) process. The PUD process is used to encourage or provide flexibility, creativity, and innovation in the planning and design of new development to achieve a variety of objectives related to the City's development code and comprehensive plan.

The PUD Concept Stage application provides the applicant the opportunity to present a general plan showing the basic intent and nature of the development. The informal review is designed to address the overall appropriateness of a development proposal from the perspective of general land use compatibility. While there is no official public hearing held or formal action taken during the concept level review, it does provide an opportunity for the general public and nearby property owners to provide comments and state concerns. This public input, as well as general comments and issues/concerns identified by the planning commission and city council, are to provide the developer initial feedback to take into consideration when preparing the more detailed development plans for formal consideration. It also provides an open forum in which more specific development issues and potential concerns requiring further information and additional analysis can be identified.

No formal action is taken on the concept stage application by either the city council.

Planned Unit Development - Development Code Review Criteria

The proposed development needs to satisfy certain objectives in order to be approved through the PUD process ([Section 103.63](#)). Proposals that do not comply with the minimum standards of this ordinance need to provide a benefit to the city by meeting certain objectives including but not limited to sustainable and high quality building design, enhancement of public infrastructure, innovative stormwater management, a certain percentage of affordable housing, elimination of blighted structures and preserves and concentrates open space. These criteria will be discussed further during the development stage review process.

Based on the conceptual plans submitted, it appears flexibility from the city's development standards will be needed for the following:

1. Building Height - A maximum building height of 35-feet is permitted. This height may be exceeded if for every foot of height there is one additional foot of setback on all sides. Both the three-story concept and the four-story concept will exceed this height limit.
2. Building Setbacks - A minimum structure setback of 30-feet is required from all property lines. Both building concepts will require setback flexibility.
3. Parking - A ratio of 2.5 parking spaces is required for every dwelling unit and 5 spaces are required for every 1,000 square feet of office space. This makes the parking requirement for the three-story concept 110 spaces. The applicant is proposing 55 total spaces. The parking requirement for the four-story concept is 117 spaces and the applicant is proposing 65 total spaces.
4. Parking lot setback - A minimum parking lot setback of 20 feet is required. Both concepts will require flexibility from this setback requirement.

These deviations are not unusual given other recent developments and may be acceptable once more details are provided at the next levels of review. As the applicant moves through the PUD review stages, the flexibility requested may differ slightly from what is listed above.

The proposed development will also need to satisfy the city's affordable housing requirement [Section 107.65 (e) (2) (c)]. Older multi-family developments like this one provide most of Shoreview's "naturally occurring affordable housing" (NOAH). NOAH dwelling units that are being demolished or converted to a use other than affordable housing must be replaced in the new development at a rate equal to at least 20 percent of the total number of dwelling units in the development affordable at 60 percent area median income (AMI). The Metropolitan Council releases AMI numbers every year, however, the 2025 numbers have not been released yet. For reference in 2024, a two bedroom was deemed "affordable" for a household making 60 percent AMI with a month rent of \$1,676, including utilities.

Comprehensive Plan Consistency

The comprehensive plan designates the future land use of this complex as RH, Residential High Density. Areas identified as RH are established for the continued and future use of apartment style/condominium buildings, townhomes, and similar multi-dwelling housing options ranging in density from eight to 20 units per acre.

Nearby future land uses include: West and Northwest - Residential High Density; North - RR (Railroad) and PUD/MU; East - Industrial; South - Residential Low Density (RL).

During the development stage process, the applicant will be requesting an amendment to change the future land use designation to Mixed Use. Mixed Use permits a variety of land uses, including horizontally or vertically mixed residential, commercial, office, and business park uses. The intent of this designation is to create areas within the community for a variety of land uses that will serve and complement one another.

Development within mixed use districts will tend to require flexibility from the strict guidelines of the development code. The Mixed Use designation was established to provide opportunities for innovative design, high quality standards for development, incentives for redevelopment, preservation/enhancement of natural features and efficient use of the land. The land use mixture is expected to be 60% residential, 20% commercial and 20% office. The residential density permitted is 20 to 45 units per acre.

Chapter 4, Land Use establishes goals and policies for the general development of land. A number of the goals and policies support infill, land redevelopment and mixed use development. Some of those are listed below.

- Create sustainable, integrated mixed-use development that provide commercial services, active living opportunities, recreation, life-cycle housing and industry, and enhance the community's identity and quality of life.
- Higher density residential uses are appropriate near areas that provide commercial services and employment opportunities.
- Establish a well-balanced land use pattern that uses land efficiently, supports urban services, sustains the City's residential neighborhoods, business community and the environment while meeting the current and future needs of citizens.
- Facilitate a transition between the existing development pattern and land uses and new development and land uses, including infill and redevelopment.
- Encourage the redevelopment of under-utilized properties in a manner that increases the value to the community while mitigating impacts on surrounding land uses.

Public Works Comments

The concept plans were reviewed by the Shoreview Public Works Departments and the

following comments were made:

- The city has three stormwater catch basins along Owasso Street near the Phase 1 redevelopment that takes water from the right-of-way and filters it into Harriet Pond (the mapped wetland in the SE corner of the site). The city maintains this pond.
- Lake Shoreview is owned by Tycon Companies and other abutting property owners.
- A right-of-way boundary line realignment will be required.
- A 0' front yard setback (as proposed in the three-story option) is not ideal for snow storage. It may require a greater right-of-way on the opposite side of Owasso Street to provide the space needed.
- The applicant should reach out to the Ramsey-Washington Watershed District to discuss what, if any, permits are required.

Public Comments

Property owners within 350 feet of the development were notified. One written comment was received from a resident with property abutting the development site. Another neighbor testified at the planning commission meeting on December 17th. The primary concerns were the height of the 4-story building option and the potential for negative impacts to the area's stormwater drainage.

Planning Commission Comments

The planning commission reviewed the proposal at their December 17, 2024 regular meeting. There was a strong preference for the 3-story building concept although it was noted that, if accessibility is a concern, a 4-story building is required to have an elevator while a 3-story building is not. Other commissioners noted that the complex currently does not provide any outdoor amenities for the residents and any redevelopment of this site should include outdoor recreational improvements. There is strong preference for the redevelopment intensity to move away from the detached residential to the south of the site; the center and northern portions of the site would be better suited for taller buildings with higher density. Commissioners pointed out that the site currently provides many of the city's NOAH dwelling units and noted that the project will need to meet the city's affordable housing requirements and reminded the applicant that a Master Plan will be required with a PUD - Development Stage application.

RECOMMENDATION

The PUD concept stage is the first step in the city's review process. While optional to the developer, the concept level provides an early opportunity for the public and city to review, identify issues and concerns, and provide guidance to the applicant on possible plan revisions and additional analysis that may be required. Formal applications and approvals would be needed from the city, including a comprehensive plan amendment, preliminary and final plat, and development and final stages for the PUD.

In addition to the requirements noted above, staff would also recommend the planning commission and city council request the applicant consider the following actions as part of the next stage of applications:

- The applicant needs to develop building elevations for Phase 1 and a Master Plan showing all proposed phases and redevelopment, including how the applicant plans to meet the city's affordable housing requirements.
- While the comprehensive plan is generally supports mixed-uses of multi-family

apartments and office/commercial, the applicant will need to work with the city on defining allowable and prohibited uses for the overall development.

- The project should include building materials and architectural treatments that exceed the standards found in a typical development.
- The Master Plan should include enhancement to public infrastructure and design features that encourage an active lifestyle.

The city council is being asked to review the concept plans, provide general feedback, and identify any issues or concerns regarding the proposed uses and the site and building design that should be considered by the developer as they move forward with PUD Development Stage and other related applications. Comments from the public should also be taken during the review, although an official public hearing would be held at the next review stage.

No formal action is taken on this PUD concept stage application.

ATTACHMENTS

[Location Map](#)

[Narrative and Concept Plans](#)

[Public Comment](#)