

AGENDA ITEM – 3A



MEMORANDUM

DATE: February 9, 2026

TO: Honorable Mayor and City Councilmembers
Jessica Jagoe, City Administrator

FROM: Jake Reilly, Community Development Director

SUBJECT: Planning Case 26-004 – Concept Plan Review
Roers Companies multifamily development – 3499 Lexington Avenue

Budgeted Amount:
\$

Actual Amount:
\$

Funding Source:

Council Should Consider

Council should consider a request for a Concept Plan Review for a proposed 167-unit mid-rise apartment development on the property owned by Trusted Fraternal Life at 3499 Lexington Avenue N. The Applicant is seeking feedback from the City Council on the concept plan in advance of the full submission which would include a land use application for items such as a Conditional Use Permit, Planned Unit Development, and may include application for amendments to the Comprehensive Plan and Zoning Code.

The Concept Plan Review process is an opportunity for the City Council to provide comments and questions regarding proposed developments. A concept review is considered advisory and is nonbinding to the City and Applicant (Section 1320.14, Subd 4 of the Zoning Code). No formal action can be taken at a Work Session. A formal application will be subject to the full review process, including a public hearing with Planning Commission and City Council review.

Below is a description of the project, the unit count, and an evaluation of the proposal against the existing zoning code. Staff seeks recommendations from the Council on the density of the site and methods to address increasing density on this site and potentially others in the B-2 district as well as for the Community Mixed Use future land use classification.

Background

Roers Companies is proposing a 167-unit mid-rise market rate apartment development with a mix of one, two, and three-bedroom units. The proposal also includes underground and surface parking, pickleball courts, a dog exercise area, an outdoor patio space, and pedestrian connectivity to the retail/commercial properties to the north.

Roers Cos was founded in 2012 by two brothers with more than 20 years of experience each in real estate, finance and accounting and is now the largest private for-profit multi-family developer operating in the Twin Cities. Roers develops, builds, and operates/manages buildings in 16 states. The majority of Roers Cos properties are market rate developments, including mixed commercial/residential projects. Recent examples in the Twin Cities Metro include the 250-unit Terra Residences in Maple Grove, the 214-unit market-rate Wicklowe in Rosemount and the 182-unit market-rate Lexi Apartments in Blaine. The company has also produced affordable rental housing using low-income housing tax credits (LIHTC), tax increment financing, and funding associated with federal and state-designated opportunity zones.

3499 Lexington Avenue North was constructed in 1974 and is a 34,799 square-foot two-story office building with a lower level laid out for tenant amenities with a footprint of approximately 11,500 square feet. The parcel is approximately 446 feet deep by 550 feet wide and approximately 5.66 acres in size. It is zoned B-2 – General Business and is guided for CMU – Community Mixed Use in the 2040 Comprehensive Plan.

The Hunters Park Condominiums built in 1982 occupy the parcel immediately to the west at 4 Pine Tree Drive. This parcel is zoned R-4 – Multiple Dwelling District and guided as HDR – High density residential in the 2040 Comprehensive Plan. Shannon Square Shoppes is located to the north and single-family residential properties are located to the south, across Harriet Avenue.

Discussion

Existing Conditions

Catholic United Financial, a fraternal benefit corporation has owned and operated the offices. In January 2025 Catholic United Financial merged with Trusted Fraternal Life. The property was listed for sale in late 2025. There is a large (189 space) surface parking lot west of the building, and two driveways on the property. The eastern driveway provides access to the loading dock and lower level and the west driveway – the principal access - provides access to the surface parking lot and the main entrance. The remainder of the site is grassy and includes some trees and stormwater infrastructure required for the existing development. There is no access to the site from Lexington Avenue.

Aerial Map of Subject Property



Existing zoning and future land use

	3499 Lexington	North	South	East	West
Zoning	B-2 – General Business	B-2 – General Business	R-3 – Townhouse & Low Density Residential	N/A	R-4 – Multiple Dwelling
Future Land Use	Community Mixed Use	Community Mixed Use	Low Density Residential	Right-of-way	High Density Residential

Concept Plan Proposal

For this project, Roers Companies would be the developer, project manager, construction company and long-term operator of the project. As described in the materials provided by Roers, the firm is stated to have a number of years of professional experience in development within this market and would be ownership partners for this project.

Roers Cos. plans to purchase the entire property, demolish the existing structure and revise the layout on the site to include a driveway on Lexington Avenue for access to proposed structured parking in the building and a driveway on Harriet Avenue for access to a surface parking lot.

This parcel would be developed with approximately 167-unit market rate rental apartments in one building with rents targeted to those who make between 80% and 100% of the region’s area median income (AMI). For context, this could mean that a one-bedroom apartment would be approximately \$1,405/month and a three bedroom would be about \$2,244/month.

The proposed building is a four-story building with basement garage parking and 142 surface parking stalls on the south side of the building, which is proposed to be located in the NW portion of the site. The location of the building is set back from both streets to locate the building closer to the retail/commercial uses to the north than to the residential uses across Harriet Avenue. That portion of the parcel is also the most buildable area. Other proposed amenities include an outdoor play and recreation area, sidewalk and trail connections and convenient access to the shopping center to the north. Amenities proposed within the building envelope include a clubhouse/party room with access to outdoor games and a pool.

The developer has not yet developed design documents to show the exterior of the building design. Given that, the City Council is directed in Section 1325.05 – Design Standards, Subd. 6, for Aesthetics to evaluate the impacts on surrounding area due to the proposed design, scale, massing, materials, height and other aspects of the subject matter as to whether the appearance will cause a substantial depreciation in the property values in the surrounding area or to unreasonably detract from the appearance of the area or the city as a whole, the developer will take feedback given today, and provide additional information about the exterior finishes of the building materials prior to initiating the required community meeting and applying for other city entitlements.

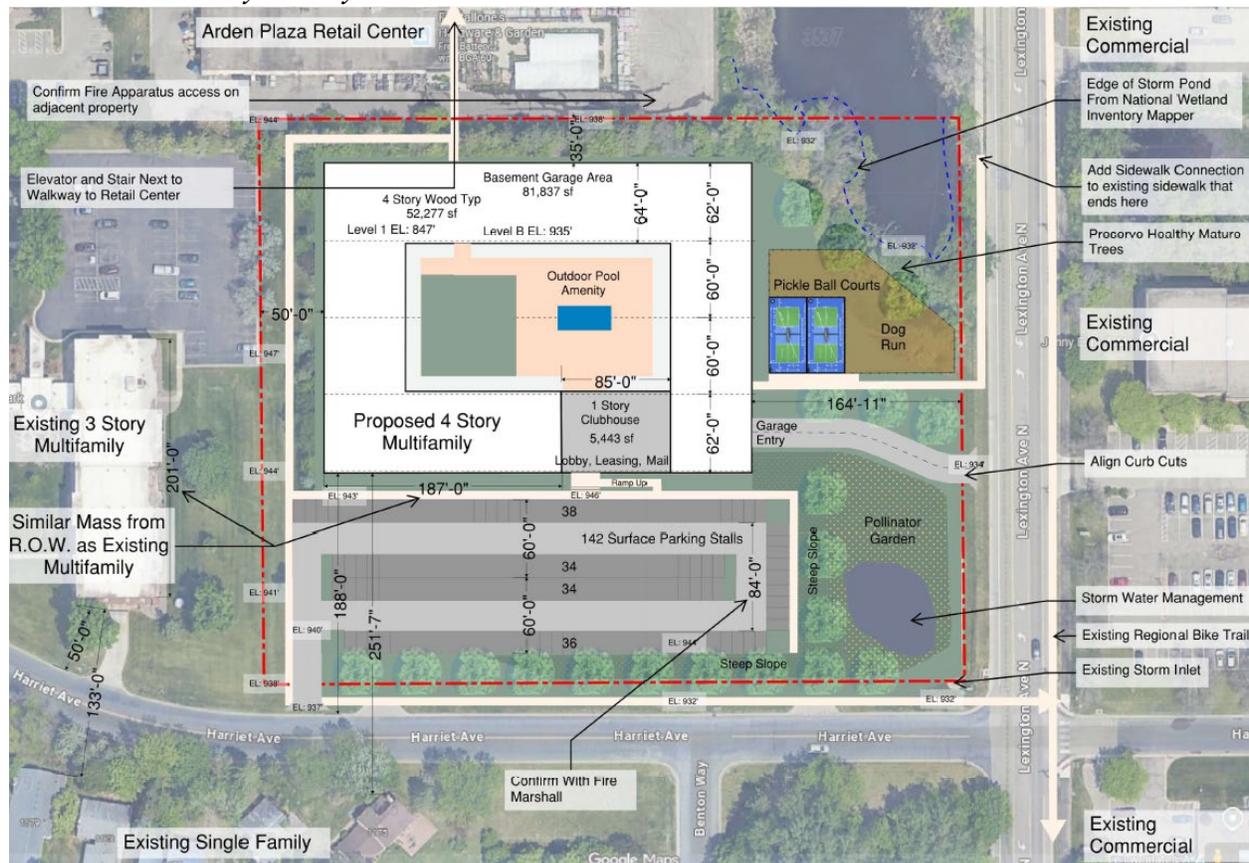
The maximum density allowed with a Planned Unit Development or Special Use Permit within the B-2 District and Community Mixed Use (CMU) District is 20 units per acre. The apartment building as proposed is approximately 27 units per acre and would trigger a request to amend the zoning code and the comprehensive plan. Staff is seeking feedback regarding density increases. One option is to amend the zoning code to allow for a greater density by right in the B-2 district

and would require a Comprehensive Plan amendment to address the maximum density for CMU which is 20 units per acre and floor area ratio which is .0.8.

The building will include one level of structured parking with 221 spaces and an additional 142 surface parking spaces as shown on the site plan submitted. A table included in the submitted materials shows an approximate breakdown of units by number of bedrooms. Based on the table and the city code requirements for off-street parking (1.1 parking space per bedroom and 2 parking spaces for each unit with two or more bedrooms) indicates that they would need to establish approximately 275 parking spaces. Furthermore, Section 1325.045 for Multi-family Dwelling Units Additional Conditional Use Permit Criteria states that “A *minimum of one enclosed parking stall shall be provided per dwelling unit. Enclosed parking structures shall be attached to at least one of the principal structures to which parking is being provided.*” The plan as proposed meets this additional requirement.

The surface parking will be located on the south side of the building with curbing and landscaping around the perimeter to create a separation of parking areas from Harriet Avenue and the residential properties to the south. The structured parking has one primary access point to and from Lexington Avenue in order to minimize traffic on the lower traffic Harriet Avenue. A secondary access point to the surface parking is on Harriet Avenue. The developer has indicated that the team is investigating and evaluating potential fire access either from the abutting retail property to the north, or if the project has to shift in order to accommodate an access around the rear of the building for emergency service needs.

Preliminary site layout



Lastly in review of the proposed building, City Code Section 1325.045 includes additional criteria that would be evaluated as part of the Conditional Use Permit review such as a lighting plan, security plan, and bicycle parking. With the intent of this application only to seek initial feedback from the Council on the proposed concept, the Applicant has not finalized all of these items at this stage in their development planning. The Applicant would be required to submit all of the requirements as referenced in this section as part of a future land use application for a PUD.

Based on an initial review, staff believe the proposal could require the following land use requests:

- A Comprehensive Plan amendment to address a proposed increase in density and floor area ratio (FAR).
 - Council should provide comment to the applicants regarding an increase in the Community Mixed Use land use from 20 units/acre to something greater.
 - Similarly, Council should provide comment to the applicants and staff regarding an increase in the maximum FAR allowed in the Community Mixed Use future land use.
- A zoning code amendment to address an increase in the maximum density for the B-2 district and the maximum FAR or a variance from the maximum FAR (0.8).
- Conditional Use Permit for Multiple Family Dwelling in the B-2 District
- Planned Unit Development

The table below provides the performance standards for the B-2 District and the preliminary analysis for the proposed development:

	B-2 District Standards	Roers Companies Proposal
Minimum Lot Area per Unit	2,178 s.f./unit	Approximately 1,562 s.f./ unit
Maximum Building Height	50 feet	Complies
Maximum Floor Area Ratio	0.8	Approximately 1.2
Maximum Structure Coverage	45% of lot area	Complies (31%)
Minimum Landscape Lot Area	20% of lot area	Not specified, but not seeking flexibility
Maximum PUD Density	20 units/acre	Seeking approximately 27 units/acre
Minimum Front Yard Setback	50 feet	Complies
Minimum Rear Yard Setback	20 feet	Complies
Minimum Side Yard Setback	10 feet (min)/20 feet (total)	Complies
Off-Street Parking	1.1 stall/1 bedroom 2 stall/2+ bedroom CUP 1 enclosed/unit	221 +/- enclosed 142 +/- surface Flexibility not requested

Stormwater & Wetlands

Based on the existing site conditions, the stormwater retention pond to the northeast side of the proposed development may be able to accommodate the planned development. Additionally, there may be the need to construct an underground retention system due to constraints of the site. At this time, the Applicant has indicated no other details are known on the scope of this work, but as the project progresses they will develop those engineered plans for the City Engineer to review.

Traffic Analysis

For the Concept Review submittal, the Applicant has not included a traffic study for the proposed project area. The Applicant would be required as part of the full submission to include a traffic study in order for the application to be considered complete for City Council consideration.

Budget Impact

N/A

Attachments

- A. Land Use Application
- B. Preliminary Concept plans
- C. Roers Companies Company Overview brochure