

# Attachment A

To: Arden Hills Planning Department  
Bolton & Menk  
Arden Hills City Council

CC: Mike Mrolsa

From: Dan Regan – Principal of Launch Properties, LLC  
Bruce Carlson – Senior Vice President of Launch Properties, LLC  
Michael Lund – Director of Development Launch Properties, LLC  
Daniel Terwilliger – Director of Development Launch Properties, LLC

Re: City Council Workshop Submittal  
3737 Lexington Avenue North Redevelopment  
Arden Hills, MN

Date: March 15, 2021

Dear members of Arden Hills City Council, Planning Commission and Planning Department,

It is with great enthusiasm that Launch Properties present our proposal for the redevelopment of the property located at 3737 Lexington Avenue in Arden Hills. Launch Properties, an experienced local developer, is very excited about our partnership with Aldi as we bring forward a top-tier, signature retail project to the Arden Hills community. Aldi, with just over 50 Twin City metro area locations ( and over 2,000 stores nationwide) has yet to serve the residents of Arden Hills. Currently, residents of Arden Hills must travel to Circle Pines, Mounds View, Roseville or beyond to benefit from the brands, products and pricing that has been so valuable to so many in the Twin City metro area and beyond.

However, this unique opportunity changes all that! Launch Properties in association with Aldi proposes to take the best qualities of other high-profile retail projects in the Twin Cities, and implement those best practices and qualities at 3737 Lexington Avenue.

As developers, we have an obligation to follow, with great interest, the new development activity happening in Arden Hills and neighboring markets. Consequently, we recognize the grocery offering in the Lexington Avenue corridor is strong, dynamic, and varied. With that in mind, we feel strongly that the City of Arden Hills is missing a critical grocer in their community. While not everyone seeks value, anyone who does, is an Aldi customer.

It's a hard truth to reckon, but the COVID-19 virus in 2020 severely adversely affected and even bankrupted many businesses, leaving many dedicated employees without jobs. This hard hit affected people in all sectors, leaving many families in economic hardship. COVID-19 also affected growth with regional and national retail. Many retailers put a 'pause' on new growth all together.

To make matters worse, last Summer's tragedy - the death of George Floyd, and the destructive civil unrest that followed – was a wake-up call for our community, state, and nation to confront hard truths about the social disparities that exist within our communities. Locally, retailers both large and small, across all sectors were left in disarray. Many companies and businesses turned a blind eye to future growth and expansion plans in Minnesota specifically. While Aldi's stores across the state were damaged in the aftermath of civil unrest, the company was one of the first to re-commit to those damaged neighborhoods and rebuild for Minnesota's communities. The speed at which they did so was staggering, out-performing even hometown locals such as Target.

Matt Lilla, Aldi Faribault division vice president was quoted saying: "The entire Minneapolis community has been impacted, and it's encouraging to see how quickly we've come together to rebuild. We are honored to serve this strong community, and we look forward to welcoming shoppers back and providing them with fresh and affordable groceries once again."

To step back a bit here, we want to remind everyone that Launch and Aldi's search for a development site in Arden Hills began in the middle of 2019. Before COVID, and before the death of George Floyd. Our commitment to finding the right site in Arden Hills has been paramount. As a team, we have stayed dedicated to finding *the right* opportunity, not just *any* opportunity. Generally, as Launch Properties entertains redevelopment opportunities, we look through a dual lens: what does a site want to be, and more importantly, what does the community need? The industrial site located at 3737 Lexington Avenue North is a great opportunity for a dilapidated industrial building to be 'reborn' by way of retail. Flanked by a Cub Foods anchored shopping center to the south, and an Arby's to the North, industrial sandwiched in a retail corridor feels old, outdated, and claustrophobic.

When analyzing site criteria, we look for: close proximity to existing restaurants, retail, parks and entertainment, and rooftops. Although these criteria left us with few choices in this market, we were thrilled to find a site that not only checks all of the boxes, but also gives us the opportunity to greatly improve a 'key' corner that has seen its day.

Integrated into this project will be the Lexington Avenue Road Reconstruction plan. From our perspective, our timing for this project could not be any better. Launch and Aldi would like to coordinate with the City of Arden Hills and Ramsey County such that we can tie into the newly paved sidewalks and create a walkable option for residents. Additionally, our vision of creating a well landscaped and amenitized corner will harmonize the connection between our project and the public realm.

The proposed project will be led, and anchored, by Aldi *and* accompanied by a two-tenant retail building located on the northeast corner of the site. Launch Properties will develop the two-tenant retail building. This outlot building has already received large interest from multiple high credit, national retailers excited to open a location serving the Arden Hills community at this intersection. A few front runners include a well-known national bakery/coffee group, two national banks, and a handful of national quick serve restaurants. For this project to be financially viable, Launch Properties will need the ability to build an outlot building of 5,300 square feet or greater. This building will also need a drive-thru capability, as COVID has greatly impacted the state of retail and the tenant demand for drive-thrus specifically.

From a technical standpoint, the property is currently zoned Service Business District (B-3). Currently, the property is comprised of an industrial building on two parcels, together totaling 2.50 acres. The attached concept plan for the 2.5-acre site shows a new +/- 19,480 square foot ALDI grocery store and an additional pad site with an +/- 5,300 square foot building purposed for a quick serve restaurant (~ 3,500 square feet) and bank (~1,800 square feet). The proposed development is planned for construction 2021-2022. Below are a few notes regarding updates to the overall property:

- The project will provide a much-needed facelift to a prominent corner in Arden Hills' main retail corridor. By eliminating this industrial building, it will create a flow of retail all along the western side of Lexington.
- The project will dramatically improve the Public Realm by replacing a tired industrial building with state-of-the-art retail. Particular attention will be paid to architecture, quality materials, lighting, summer / winter landscape materials and signage.
- The project will provide significant landscaped green space along Lexington Avenue at grade level. There is virtually no green space currently.
- The project will strengthen the connection to adjacent properties by adding sidewalks.
- Storm water and runoff is currently unmanaged and the property. Contaminants on the parking lot (fuel, oil, dirt, trash) are washed off the parking lot, into the public storm sewer, and ultimately conveyed to nearest downstream water. The proposed development will provide an underground stormwater management system which will manage the rates, quality, and quantity of stormwater runoff from the development.
- The proposed development will have nearly a quarter-acre more landscaping than the existing site. Additionally, the existing parking and impervious setbacks from the property line will be increased

adjacent to Lexington Avenue (+/- 28') and the northern property line (+/- 8'). The property currently benefits from a 5' parking easement (0.05 acres) on the adjacent Arby's parcel.

- The existing site is a former Minnesota Pollution Control Agency (MPCA) Voluntary Investigation and Cleanup Program (VIC) site. Launch Properties is aware of the prior documented impacts to soil and groundwater from the former industrial uses of the site, and will work with the MPCA to mitigate the existing conditions to allow for the redeveloped uses of the property.

We appreciate your consideration of our proposal. We look forward to hearing your ideas and feedback.

Thank you