



Approved: May 10, 2021

**CITY OF ARDEN HILLS, MINNESOTA
CITY COUNCIL SPECIAL WORK SESSION
APRIL 26, 2021
5:30 P.M. - ARDEN HILLS CITY COUNCIL CHAMBERS**

CALL TO ORDER/ROLL CALL

Pursuant to due call and notice thereof, Mayor Grant called to order the City Council Special Work Session at 5:30 p.m.

Note: On March 20th, 2020 the Mayor signed a determination allowing Councilmembers to participate in City Council meetings via telephone pursuant to State Statute 13D.021

Present: Mayor David Grant; Councilmembers Brenda Holden, Fran Holmes, and Steve Scott

Absent: Councilmember Dave McClung (excused)

Also present: City Administrator Dave Perrault; City Clerk Julie Hanson and Planning Consultant Jane Kansier, Bolton & Menk

1. AGENDA ITEMS

A. Concept Plan Review at 3737 Lexington Avenue – Launch Properties

Planning Consultant Kansier stated Launch Properties, in association with Aldi, (“Applicant”) has submitted an application for Concept Plan Review, proposing to redevelop a 2.5-acre site located at 3737 Lexington Avenue N. The site is currently developed with a vacant industrial building and associated parking lot. The applicant is proposing to raze the building and redevelop the site with 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 property is currently zoned B-3 (Service Business District), which permits retail sales and service uses.

Planning Consultant Kansier reported the Subject Property is guided as Commercial (COM) in the Arden Hills 2040 Comprehensive Plan Land Use Chapter. The area is designated for a broad range of retail, shopping, and services to meet the needs of the community and region. Compatible uses such as office buildings are also intended for this area. A development intensity of up to 0.8 FAR may be allowed. According to the Comprehensive Plan the total area of the COM is 26 acres.

Planning Consultant Kansier explained the proposed lot is within the Red Fox/Grey Fox/Lexington Avenue Business Area which is discussed in the Land Use Chapter. This area includes Red Fox and Grey Fox roads and is bounded by Lexington Avenue, Highway 51, Interstate 694, and the Canadian Pacific railway. This area is used by a number of small and large businesses for a variety of retail, manufacturing, distribution, warehousing, and office uses. This area was largely developed between the 1950's and 1970's, though the retail area along Lexington Avenue has had some new development and redevelopment in the last 15 years. This area is marked as an area of possible redevelopment.

Planning Consultant Kansier commented the Property is currently owned by STORE Capitol. The site is currently developed as a vacant industrial building with an associated parking lot. The Applicant is proposing to develop the parcel as 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. The Aldi building is proposed to be located in the northwest corner of the site, with the supporting restaurant and bank in the northeast corner. The Subject Property includes one access point off of Grey Fox Road. Staff commented further on the proposal and requested comment from the Council.

Dan Terwilliger, Director of Development at Launch Properties, introduced himself and his team to the Council. He stated a year ago he began working with staff on this project. He reported Launch Properties completes retail projects all over the metro area. He discussed how exciting this project was as it would redevelop an industrial property that was located in a retail pocket.

Ryan Anderson, ISG, explained he was an architect speaking on behalf of Aldi. He indicated Aldi was a 20,000 square foot grocer that has been adding stores in the metro area. He noted Aldi builds steel buildings with full brick that would meet City Code. He estimated Aldi would need 95 parking stalls. He understood this was a tight site, but Aldi was comfortable with the proposed concept plan. He reported Aldi would receive one, maybe two truck deliveries per day. He commented further on the landscaping plan and how the plantings would improve the property.

Councilmember Scott stated he was confused to which side of the lot was the front lot line.

Councilmember Holden agreed this was confusing.

Planning Consultant Kansier stated she would have to investigate this further.

Mayor Grant questioned why the applicant was only proposing to cover 14% of the lot with landscaping when 25% was the City's requirement.

Mr. Anderson reported the existing site was currently 5% landscaped. He discussed how he had maximized the site in order to meet the needs of Aldi, the required parking and had improved the green space. He reiterated that this was a tight space.

Mayor Grant asked if Mr. Anderson had more information to present to the Council.

Mr. Anderson reported he reviewed the site plan in further detail and commented on the encroachment on the east side of the property. He stated he wants to work with the City to enhance this corner of the property. He indicated he has been talking with Bank of America and a national coffee/bakery group about collocating on this site. He commented further on the project and requested feedback from the Council on how to proceed.

Councilmember Holden stated this was a tight site. She requested further information regarding the drive through.

Mr. Anderson explained the bank was not requesting a drive through. He noted the drive through would only serve the national coffee/bakery group on the northern half of the building. He estimated the drive through would have stacking for 10 cars.

Mayor Grant reported Bank of America was a national bank chain that had four other sites in the metro area. He discussed how the developer had maximized the amount of development on the site, which was reflected in the reduced level of parking. He indicated he would have some difficulty getting over this. He stated City Code required 196 stalls for this site and the developer was proposing 138.

Councilmember Holden questioned how snow removal would be managed on this property.

Mr. Anderson stated no retail operation, especially national vendors, would move forward with a project if they were not comfortable with the level of parking. He reported Aldi does not open until 9:00 a.m. He was of the opinion the coffee shop would have an AM peak while Aldi would have a PM peak, noting these uses complimented each other nicely. He discussed how snow could be removed, trucked off and hauled away during the winter months.

Councilmember Holmes commented on how grocery stores were limiting their level of parking to maximize the money made per square foot. She noted there was a concern in the metro area with the reduced level of parking at grocery stores in the metro area. She explained that the coffee shop would not just have an AM peak. She indicated Arden Hills was full of college students that would take advantage of this and use all hours of the day. She feared that this site was too full and did not adequately provide enough parking stalls or space for snow storage. She understood this building had two frontages and questioned if there would be a sidewalk on Lexington Avenue and Grey Fox Road.

Mr. Anderson reported there would be sidewalks along both frontages.

Councilmember Scott asked what Aldi required for parking.

Mr. Anderson explained Aldi generally requires 95 parking stalls. He indicated he had parking studies from around the metro with peak time information and noted 95 stalls has been adequate.

Councilmember Scott inquired if the other two clients were comfortable with the proposed level of parking.

Mr. Anderson stated to date the other two clients were comfortable with the proposed parking.

Councilmember Scott commented he was most concerned with the reduced level of parking on the site, but he also understood parking requirements have changed in the last 10 years. He indicated he would be willing to change some of the landscaping requirements in the interior parking lot if more interior stalls were added to the parking lot.

Councilmember Holden stated she was not comfortable with the proposed parking. She reported she did not want parking to spill over onto adjacent uses. She feared how the parking lot would be backed up with cars waiting to get through the coffee shop drive through. In addition, she was concerned about the lack of landscaping. She explained the B-2 requirements were put in place to ensure these commercial and retail developments had a similar look and feel. Lastly, she noted this building would need more windows in order to meet the City's requirements.

Councilmember Scott commented on the setbacks for the site and asked if staff had determined where the front lot line would be.

Planning Consultant Kansier reported after investigating this further it appears the front lot line would be along Lexington Avenue.

Brian Wurdeman, Civil Engineer for Kimley-Horn, noted the building had a 50 foot building setback from Lexington Avenue and Grey Fox Road. He explained the western and northern sides had a 20 foot setback. He explained the applicant was seeking flexibility along Lexington Avenue and the western property boundary.

Further discussion ensued regarding the proposed setbacks for the building.

Mayor Grant asked if the front yard setback, along Lexington Avenue was greater than 50 feet.

Mr. Wurdeman stated he was looking for flexibility of 30 feet along Lexington Avenue.

Mayor Grant questioned what the setback was from Grey Fox Road.

Mr. Wurdeman indicated the building was in compliance with the 50 foot setback along Grey Fox Road.

Mayor Grant inquired why this Bank of America required less parking.

Mr. Anderson explained this was not a full bank but rather was a smaller prototype.

Mayor Grant stated this was an appealing market for coffee/bakery uses given the fact Arden Hills had two universities close by and students frequented them for studying. He indicated this created concerns for him regarding the proposed level of parking on this site.

Councilmember Holmes explained she was familiar with the Aldi's in Mounds View and Roseville, both of which had a great deal of parking. She anticipated it was very rare that a retail operation would haul away their snow. She believed it was unrealistic that the Aldi in Arden Hills would haul away its snow. She requested further information regarding the snow removal plan.

Mr. Anderson estimated the Aldi store in Roseville had 90 to 95 parking stalls. He understood it was not standard operations to haul snow away, but in order to make a project work, this would be taken into consideration.

Councilmember Holmes expressed frustration with how the developer was changing their answer. She asked if the snow would be stored on site and then removed, or would this simply be considered.

Mr. Anderson apologized if he misspoke. He reported he can't speak to Aldi's finances but understood they would prefer to not have to remove snow from the site, unless this was required in a site maintenance document.

Councilmember Holmes explained the City was not going to tell the developer what to do with their snow. She stated simply that most commercial properties have space on their site for snow storage and do not opt to have the snow hauled away due to the expense. She was of the opinion the developer had not thought this issue through.

Councilmember Scott believed that the applicant would not bring forward an application without planning for snow storage. He indicated his only concern with this site plan was the reduced level of parking.

Mayor Grant commented there seems to be a delineation between the coffee shop/bank and the grocery store. He asked if this was a property line.

Mr. Wurdeman reported this was the case, but noted Launch Properties would be maintaining ownership of the properties. He anticipated the two properties would work together to have snow removed from the site.

Councilmember Holden discussed how many people would be visiting the bank and coffee shop use. She was of the opinion the site was under parked and she would not be able to support the plan as proposed.

Andrew Mack, Aldi representative, explained the Roseville store has 80 stalls. He anticipated the Arden Hills store would have the same volume in sales as the Roseville store.

Councilmember Holmes reported this may be the case, but noted the Roseville store does not also have a bank and coffee shop attached to it. She stated she too was having a problem supporting this concept plan due to the lack of parking.

Mayor Grant discussed the trash enclosure area on the site plan and questioned if this would serve all three uses.

Mr. Anderson reported Aldi would have a separate trash enclosure near the loading dock area.

Mayor Grant questioned how delivery trucks would access the loading dock area.

Mr. Wurdeman described how trucks would enter and exit the site in order to reach the loading dock.

Mayor Grant asked if the Fire Marshall had reviewed the plans.

Mr. Wurdeman reported the Fire Marshall had not yet reviewed the plans.

Mayor Grant commented on the tight turning radiuses that were being proposed and stated it would be important for the Fire Marshall to provide comments on the proposed plan. He explained at this time he was feeling uneasy about supporting this plan. He requested further information regarding the loud speakers that would be used at the coffee shop.

Planning Consultant Kansier reported further information would be known about the loud speaker when the preliminary plans were submitted to staff.

Councilmember Holden suggested the bank and the coffee shop be eliminated from the project as this would free up more space for landscaping and parking. He encouraged the developer to reconsider the plans so the Council could support the project.

Mayor Grant asked if the applicant had any questions for the Council.

Mr. Wurdeman thanked the Council for their time and stated he would work to address the parking, snow removal and landscaping concerns that had been brought up by the Council.

2. COUNCIL COMMENTS AND STAFF UPDATES

Councilmember Holmes requested the Mounds View School District be invited to a future work session in order to discuss the pedestrian crossing at the Mounds View High School.

Councilmember Holden asked when the Council would receive an update on water meters.

Councilmember Holden discussed the water bill envelopes and questioned when the City would be done using them.

City Administrator Perrault explained staff had no intention of going away from that type of envelope.

Councilmember Holden stated she would like the Council to discuss the CDBG funds for Arden Manor, along with the additional CARES funds at a future work session.

City Administrator Perrault discussed when the City would receive the additional funding from the federal government noting these funds should funnel down from the County in May.

ADJOURN

Mayor Grant adjourned the Special City Council Work Session at 6:42 p.m.

Julie Hanson
City Clerk

David Grant
Mayor