

# Attachment C

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

CC: Jane Kansier

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: Project Narrative  
3737 Lexington Avenue North Redevelopment Arden  
Hills, MN

Date: July 21, 2021

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

It is with great enthusiasm that Launch Properties presents our proposal for the redevelopment of the property located at 3737 Lexington Avenue in Arden Hills. Launch Properties is excited about partnering with Aldi to bring forward a top-tier, signature retail project to the Arden Hills community. Aldi, with just over 50 Twin Cities metro area locations (and over 2,000 stores nation-wide) does not yet to serve the residents of Arden Hills. To capture the benefits from the brands, products, and unmatched value that accompany this household name, residents of Arden Hills must travel to Circle Pines, Mounds View, and/or Roseville. That commute represents a lost opportunity in choice and value for the average resident, a lost opportunity for Arden Hills' retailers to capture hard earned discretionary spending, and a lost opportunity for the municipality to benefit from a major driver of local economic activity.

## **THE OPPORTUNITY**

This development is an opportunity to provide local consumers with the choice and value they seek, an opportunity to keep more of local consumers' discretionary and non-discretionary income within the immediate community, and an opportunity for the municipality and community to convert an underutilized industrial property into a thriving amenity for its residents. 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.

The proposed project will be accompanied by a two-tenant retail building on the northeast corner of the site. That building will be leased to national tenants: a national dental group and Bank of America. Aldi will anchor the project with a +/- 19,480 square foot store along the westerly property line. Launch Properties will develop the two-tenant retail building, while Aldi will self-develop their building.

Note, the project's tenant lineup and site planning have changed since last review through City Council workshop on April 26<sup>th</sup>. During conversations with city planners and council members, several concerns were raised: these are now addressed in this latest iteration of the project. The potential strain on the parking field and possibility of traffic congestion was the most voiced objection. As such, our team made a difficult, yet critical, decision to replace the tenant lineup with less parking intensive users. This will significantly reduce the amount of stress placed on the parking field. Rather than proceeding with a national coffee user that requires a drive-thru and intensive parking stack, we moved Bank of America to the drive-thru endcap. By replacing a food & beverage drive-thru with a financial services drive-thru, we are minimizing traffic generation and reducing the possibility of parking lot congestion from the drive-thru. Furthermore, for our second tenant, we plan to move forward with a national dental clinic. The parking intensity required for this use is minimal and should help prevent congestion in the parking field.

## HOW OUR TEAM ARRIVED AT THE OPPORTUNITY

As developers, we have an obligation to follow, with great interest, the new development activity 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. As a team, we have stayed dedicated to finding *the right* opportunity, not just *any* opportunity for the project and the community. Generally, as Launch Properties reviews potential redevelopment projects, 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. This property’s existing use is no longer a fit for this area.

Our timing for this project could not be any better, as it provides an opportunity for us to integrate the Lexington Avenue Road Reconstruction plan into the project. Launch and Aldi will 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.

## TECHNICAL DETAILS OF THE PROJECT

From a technical standpoint, the property is currently zoned Service Business District (B-3). Presently, 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 +/- 5,350 square foot building purposed for a national dental tenant (~ 3,100 square feet) and Bank of America (~2,200 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 on 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.