

GENERAL INFORMATION

Applicant:	LTF Real Estate Company (owner) Enclave Companies (user and developer)
Location:	6701 West 78th Street
Request:	1) Preliminary and Final Development for a five-story, 208-unit apartment building and detached 11,000 square foot day care facility 2) Conditional use permit for an 11,000 square foot day care facility
Existing Land Use and Zoning:	Vacant; zoned C-4 (PD) (FH), Freeway Office (Planned Development) (Flood Hazard)
Surrounding Land Use and Zoning:	East – Office; zoned C-4 South – Interstate Highway 494 West – Office and Nine Mile Creek; zoned C-4 and C-4 (FH) North – (City of Edina) Single-family and two-family residential; zoned R-1 and PRD-3
Comprehensive Plan Designation:	Office

HISTORY

City Council Action:	07/23/2018 – Approved a Rezoning from C-4(FH) to C-4(PD)(FH), Conditional Use Permit for a residential care facility, and Preliminary and Final Development Plans for a four-story, 186-unit residential care and senior living facility with a 100-person day care (Case PL2018-191). NOTE: Approvals expired
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CHRONOLOGY

Planning Commission	12/21/2023	Continued to 2/1/24.
Planning Commission	02/01/2024	Recommended approval.
City Council	02/12/2024	Review anticipated (consent agenda).

DEADLINE FOR AGENCY ACTION

Report to the City Council
Planning Division/Engineering Division

02/12/2024

Application Date:	11/14/2023
60 Days:	01/13/2024
Extension Letter Mailed:	Yes
120 Days:	03/13/2024
Applicable Deadline:	03/13/2024 (Extended by City)
Newspaper Notification:	Confirmed – (01/18/2024 Sun Current – 10 day notice)
Direct Mail Notification:	Confirmed – (500 buffer – 10 day notice)

STAFF CONTACT

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PROPOSAL

Enclave Companies proposes developing a vacant parcel into a five-story, 208-unit apartment building and 11,000 square foot detached day care. The proposed building would be located along West 78th Street with surface parking to serve both the apartment building and day care and one level of underground parking to serve the apartment building only. Two access points would be provided to West 78th Street. Multiple on-site amenities are proposed including an outdoor pool and plaza, game room, fitness/yoga room, rooftop deck, and dog run. The South Fork of Nine Mile Creek is located in southwest corner of the site, which is undevelopable. The proposed affordability level and unit count are as follows:

- 19 units (9%) at 60% Area Median Income (AMI)
- 189 units (91%) at market rate

The subject property is a former health club and tennis center site operated by Northwest Athletic Club and Lifetime Fitness. The health club was demolished in 2006 and the site has been vacant since the demolition. In 2018, the City Council approved a development proposal for a four-story, 186-unit residential care and senior living facility with a 100-person day care. The development was never constructed, the approvals have expired, and the site has remained vacant.

ANALYSIS

Land Use

The proposed uses associated with the Preliminary and Final Development Plans are multi-family residential and day care. The multi-family residential apartment building is a permitted use in the C-

4 zoning district, subject to several performance standards. The City Council approved a privately initiated Code amendment put forth by Enclave Companies to change day cares from limited to conditional uses in the C-4 zoning district (Case File #PL2023-166). The City Code amendment was necessary to allow for a detached day care. A conditional use permit for the day care is included in the subject application.

Conditional Use Permit

The applicant has not yet selected a daycare provider. City Code requires a floor plan and information on the number of children and employees for a conditional use permit application to be deemed complete. Because a daycare provider has not been identified, the applicant has provided a standard day care floor plan and comparable size day care information for review. The 11,000 square foot day care would provide services for 150 children with 30 caregivers. The floor plan includes multiple classrooms, a multi-purpose room, kitchen, and lobby. There would be a 5,000 square foot playground located behind the building. If the plan changes (for example, there are more than 150 children) once a provider has been identified, an amendment to the conditional use permit may be required.

Code Compliance

The proposed development complies with most City Code requirements. Table 1 provides a Code analysis of items that meet or exceed City Code. Table 2 identifies any deviations or revisions requested.

Table 1: City Code Analysis – Regulations in compliance

Standard	Code Required	Provided	Compliance
Site area (Section 21.301.01)	120,000 square feet	308,232 square feet	Yes
Density	No standard – measured through floor area ratio (see below)	29 units/acre	N/A
Minimum lot width (Section 21.301.01)	200 feet	600 feet	Yes
Building setbacks along all streets (Section 21.301.02)	35 feet	58 feet	Yes
Building rear yard setback (Section 21.301.02)	30 feet	131 feet	Yes
Building side yard setback (Section 21.301.02)	30 feet	31 feet	Yes

Parking setback (along street) (Section 21.301.06)	20 feet	20 feet	Yes
Impervious surface coverage (Section 21.301.01)	90 percent	52 percent	Yes
Floor area ratio (Section 21.301.01)	0.4 minimum 2.0 maximum	0.75 FAR	Yes
Residential Unit Min. Floor Area (Section 21.301.01)	Efficiency Units: 400 sq. ft. One-Bedroom: 650 sq. ft. Two-Bedroom: 800 sq. ft. Three-Bedroom: 950 sq. ft.	Efficiency Units: 525 sq. ft. One-Bedroom: 663 sq. ft. Two-Bedroom: 1,049 sq. ft. Three-Bedroom: 1,379 sq. ft.	Yes
Building height	No limit	76 feet	Yes
Parking stall size (Section 21.301.06)	9 feet by 18 feet	9 feet by 18 feet	Yes
Trash collection (Section 21.301.17)	Interior	Interior – in the garage for the apartments Daycare – not shown on floor plans	Revision required
Parking island trees (Section 21.301.15)	One deciduous tree in each parking island	Three trees missing in parking islands	Revision required
Trees (Section 21.301.15)	86 trees	86 trees	Yes
Shrubs (Section 21.301.15)	213 shrubs	236 shrubs	Yes

Table 2: City Code Analysis – Regulations requiring amendments or flexibility

Standard	Code Required	Provided	Compliance
Floor area ratio of non- residential uses (Section 21.302.02)	0.2 minimum	.03 FAR	No – development flexibility requested
Parking required (Section 21.301.06)	418 spaces (381 spaces with OHO reduction)	358 spaces	No – development flexibility requested

Opportunity Housing Ordinance and Incentives

With 208 units, 19 affordable housing units at 60% AMI or below are required to comply with the Opportunity Housing Ordinance (OHO). The applicant proposes an affordability level of 19 units (9.4% of total units) at 60% AMI. The remaining units would be at market rate. The units meet integration, design, and construction objectives. The site is not located in a Designated Transit Area under the OHO.

The Affordable Housing Plan is included in the packet and provides information on OHO project compliance. OHO incentives requested include:

- Parking stall reduction
- Enclosed parking space conversion
- Alternative exterior materials allowance
- Storage space reduction

More information will be provided on the above incentives in the forthcoming sections of the report.

Non-residential Floor Area

Section 21.302.02 of the City Code establishes that multi-family residential development in the C-4 Zoning District must have a minimum floor area ratio (FAR) of 0.2 for non-residential uses. The City Code does not define a non-residential use. However, based on past practices, staff would interpret non-residential uses in this instance to relate to all uses that do not directly benefit the multi-family residential use. For example, the proposed day care facility would qualify as a non-residential use for the subject development.

Counting the full land area of the site, to achieve the 0.2 non-residential floor area would require 61,646 square feet of non-residential area. It is estimated that 212,995 square feet of the site is developable due to floodplain considerations along the creek. If the non-developable land were excluded from the calculation, at least 42,599 square feet must be provided in non-residential floor area. The development is providing an 11,000 square foot day care. The applicant's project description counts 6,226 square feet of assembly/common space in the apartment building toward the non-residential floor area. Counting assembly areas within the residential building goes against past policy and practice. Therefore, the 6,226 square feet will not be counted toward non-residential floor area.

The applicant is requesting planned development flexibility to the non-residential FAR standard. The applicant argues that a large portion of the property is undevelopable due to the presence of Nine Mile Creek and its associated floodplain. Additionally, the applicant states it is financially infeasible to provide 61,646 square feet of non-residential floor area. The demand for commercial/office use in the Twin Cities metro area is among the lowest in the country. The applicant notes that day care facilities are needed in the market.

Lastly, the site has remained vacant for a period of 17 years. The continued vacancy is related to a weak office market, an ongoing trend as a result of the COVID pandemic. In addition, the site is contaminated with asbestos. Redeveloping the site requires remediation. From a tax base, economic activity, housing availability, day care supply, environmental, and land utilization perspective, there is public benefit for the requested flexibility to allow the site to develop as proposed.

Building and Site Design

The “H” shaped apartment building would be located on the eastern side of the site, and the day care would be located on the western side. The proposed building materials include a mix of glass, brick, concrete, metal siding and fiber cement board. Balconies would be provided for select units. The brick and glass are considered permitted primary exterior materials. The metal panels identified on building elevations would be considered primary exterior material provided they have a minimum 30-year finish warranty and are of sufficient gauge or thickness. Fiber cement panels are considered secondary material and are limited to 15 percent of each building elevation. The OHO provides an incentive for non-street facing elevations, the east and west elevations. The east and west elevations may have up to 50% of fiber cement board. The elevations show less than 50% secondary materials on the east and west sides. The proposed materials meet the OHO incentive standards.

Elevation drawings have been submitted for the day care. The proposed building materials include a mix of brick, metal siding and fiber cement board. The day care building does not qualify for OHO incentives. Therefore, no more than 15% of secondary materials on all building elevations must be provided. The elevations show 85% primary material and 15% secondary material on all elevations. The proposed exterior materials meet Code requirements.

Landscaping, Screening and Lighting

Based on the developable land area, the Code requires 86 trees and 213 shrubs. The applicant is proposing to preserve 11 existing trees and plant 75 new trees. The previous staff review found some of the existing trees may be ash trees. Ash trees may not be counted toward the overall quantity of required trees. The shrub quantity has been provided. The building foundation planting requirement as specified in the supplemental landscaping policy (50% of building facades facing a street) has been met for both the apartment and day care. Three parking islands do not include a deciduous tree, as Code requires. The landscape plan must be revised to show a tree in each parking island.

Regarding screening, Code requires a three-foot solid screen between parking spaces and the adjoining street. The landscape shows segments of shrubs, however, there are gaps between the plantings. The landscape plan must be revised to show a solid screen within the area and recommends a condition of approval to require compliance. The architectural plans do not show roof-top equipment. Any equipment must be fully screened equal to the height of the equipment from the adjacent street.

Parking and security lighting must meet City Code Section 21.301.07. The applicant has not provided a photometric plan for the garage or the surface parking for review. The applicant must submit an initial (1.0 LLF) and maintained (0.81 LLF) photometric plan signed by an electrical engineer or certified lighting professional. The Code requires 1.0 foot-candle on the parking surface, which may be reduced to 0.5 foot-candle for the outer perimeter of the property. A minimum of 2.0 foot-candle is required for the parking spaces devoted to the day care, which may

be reduced to 1.0 foot-candle for the outer perimeter. A minimum of 3.0 foot-candle is required for the underground garage.

Access, Circulation, and Parking

The subject site has three existing access points to West 78th Street. These access drives served the previous health club, and the curb cuts remain to this day. The easternmost access point would be eliminated. The eastern entrance of the two accesses would be right-in, right-out only. The western access would be a full access. In order to accommodate a full access for the curb cut, modifications to the medians within West 78th Street are required. Median modifications within West 78th Street will be designed and constructed by the City. The cost of the median modifications will be borne by the applicant via a petition and waiver agreeing to be assessed for the cost of the improvements.

Sidewalks are provided throughout the site for pedestrian circulation. Both the day care and the apartment building have a sidewalk connection to the public sidewalk network. The applicant is also showing a seven-foot-wide sidewalk adjacent to parking stalls, which is compliant. There is an existing five-foot wide public sidewalk along West 78th Street. The plans show the sidewalk widens to six feet wide on the subject property. The Code requires an eight-foot-wide sidewalk for collector or arterial streets. West 78th Street is an arterial street as identified in the Comprehensive Plan. Therefore, the plans must be revised to show an eight-foot-wide public sidewalk.

Table three identifies the unit mix, parking requirement and OHO parking reduction incentive. Given the level of affordability and transit service, the development qualifies for a 10% parking reduction. With 208 units, the total Code requirement is 370 stalls. The day care parking requirement is 48 stalls. The 10% parking reduction only applies to the apartment building and not the commercial use. Therefore, the parking requirement with the incentive is 333 stalls. The total parking required for the development is 381 stalls. The applicant proposes to construct 358 parking stalls, 210 of which are located in a single-story underground garage. The remaining 148 stalls, would be provided on the surface. The developer requests parking standards flexibility. Due to varying peak parking demands between the day care and the apartment building, the 148 surface stalls would be shared.

Of the above requirements, at least one space per unit must be within a fully enclosed garage or covered within a structured parking ramp. The development qualifies for an enclosed parking space conversion allowance of 10% provided that the owner will make all parking spaces accessible to the opportunity housing units without charge. With 208 units, 188 spaces must be within a fully enclosed garage after application of the incentive. The applicant proposes 210 parking spaces in an underground garage.

Guest parking spaces must be appropriately provided and dispersed throughout the development. 1 space per 50 units must be equipped with a Charging Level 2 electric vehicle charger or higher. The applicant has not provided information on guest parking spaces or vehicle charging stations. A revised plan must be submitted that includes the above information.

TABLE 3: City Code Required Parking Analysis

Use	Code requirement	Unit or number	Required
Apartment Building	One bedroom and efficiency units: 1.6 spaces per dwelling unit	115 units	184 stalls
	Two or more bedrooms: 2.0 spaces per dwelling unit	93 units	186 stalls
Day care	1.2 spaces per 10 program participants plus one space per caregiver on maximum shift	150 children 30 caregivers	48 stalls
Total parking required (without OHO 10% parking reduction)			418 stalls
Total parking required (with OHO 10% parking reduction)			381 stalls
Parking Provided			358 stalls
Parking Deficit			23 (6.1%)

Miscellaneous

The applicant has previously mentioned a desire to subdivide the lot so there is separate ownership with the day care and apartment building. Enclave Companies intends to own, operate, and maintain the apartment building. If the lot is subdivided, the park dedication fee of \$420,576 would be applied to the project. A future plat application will be necessary to effectuate the subdivision.

The Code requires interior trash and recycling space for both the apartment building and the day care. The floor plans show one 298 square foot and one 225 square foot trash rooms in the underground garage. The proposed trash room is compliant. The day care floor plans do not indicate an interior trash room. The plans must be modified to show a trash room with internal access.

City Code Section 21.302.02 requires designated storage space located outside the unit for each dwelling unit. Each dwelling unit must have storage space that meets a minimum of a three-foot horizontal dimension and a minimum of a four-foot vertical dimension and be at least 96 cubic feet. The floor plans show resident storage on each level and will be at least 96 cubic feet. The development qualifies for a 50% storage space reduction. Therefore, 104 units will have the required storage space. The applicant is eligible for the incentive only if the opportunity housing unit occupants are not charged for access to a storage unit. The underground garage will also have 48 bicycle storage spaces.

The State of Minnesota has noise pollution control standards (MN Rules, Part 7030) in place, administered by the Minnesota Pollution Control Agency (MPCA). The rules establish maximum noise levels for various land uses as well as acceptable methods for noise attenuation. Given the proximity of the subject property to Interstate Highway 494, the maximum noise levels may be exceeded. To ensure compliance, staff is recommending a condition that the development complies with MN Administrative Rules Chapter 7030.

Snow storage has not been identified on the plans. A snow storage location must be identified on the site plan. If snow is hauled off-site, that is acceptable. It is important to consider snow storage placement with building shadows to minimize refreezing of melting snow over pedestrian access routes and facilities and also reduce the amount of salt that is applied to the site.

Signage has not been identified on the plans. One freestanding sign is allowed per street frontage and must have a setback of 20 feet. Please note the City's Sign Code is currently being amended and a review of the standards must be completed prior to issuance of a sign permit.

Stormwater Management

Stormwater will be managed to meet the City's and Watershed District's requirements for stormwater rate control (quantity), stormwater quality and volume.

The Stormwater Management plan calculations and narrative have been reviewed and appear to meet the requirements in the City of Bloomington Comprehensive Surface Water Management Plan. A maintenance plan has not yet been provided and will be required to be signed and filed at Hennepin County. This site is located within the Nine Mile Creek Watershed District, so an additional permit will be required.

Utilities

The proposed development would utilize existing sanitary sewer and watermain within West 78th Street. The sanitary sewer and water service is provided by the City of Edina. The applicant will be responsible to coordinate all utility work with both jurisdictions as a result.

Traffic Analysis

West 78th Street is a minor arterial roadway that has adequate capacity to serve the proposed development. The subject site has three existing access points to West 78th Street that served the previous health club, and the curb cuts remain to this day.

The subject application proposes to utilize the existing western most curb cut as the primary full access driveway to the site. A new curb cut will be installed on the east side of the site to provide right-in/right-out access. As discussed previously in the Staff Report the proposed access onto West 78th Street will require modifications to the center medians to be paid for by the applicant and constructed by the City. All other existing and unused curb cuts will be required to be removed as part of the development.

The City of Edina will be consulted as part of this process.

Transit and Transportation Demand Management (TDM)

This development will require a Tier 2 TDM plan per Section 21.301.09(b)(2) of the City Code, which allows the property owner to choose from a menu of TDM options. The owner has not yet submitted a Tier 2 TDM checklist.

Fire Prevention and Public Safety

The access and circulation design must meet or exceed the minimum standards of the fire code with a minimum 20 foot wide access around the building and be maintained in accordance with the approved plan including a surface to provide all weather driving capabilities. Apparatus access roads shall be asphalt or concrete and support a minimum of 80,000 pounds with a turning radius to accommodate BFD ladder 3.

A looped water supply feeding a single, combined water service into the building(s) is required for the domestic and sprinkler system water demand. The applicant is proposing an enclosed parking area which will require sprinkler protection. Hydrant coverage to be provided within 150 feet of all exterior walls and within 50 feet of the fire department connection. Hydrant locations will be approved by the Utilities and Fire Prevention Divisions.

The buildings must be addressed plainly and visible from the street or road using numbers that contrast with the background. The numbers must be a minimum of four inches, Arabic numbers or alphabetic letters with a minimum stroke width of 0.5 inches. All exterior doors that allow access to the interior of the building shall be numbered in a sequential order starting with the main entrance (public entrance) as number 1 and continuing in a clockwise manner. The police and fire departments will approve the numbering plan.

The applicant shall ensure the proposed landscaping plans don't interfere with access to the building.

Knox boxes and annunciator panels will be required at the main entrance and other areas as designated by the Fire Prevention Division.

Provide emergency responder radio coverage throughout the complex and in all structures per the requirements of Appendix P in the 2020 Minnesota State Fire Code.

Any changes made to the current plans, including building location, access roads, water supply and addressing, shall be reviewed by the Fire Marshal to ensure continued compliance with the fire code.

FINDINGS

Required Preliminary Development Plan Findings - Section 21.501.02(d)(1-6)

Required Finding	Finding Outcome/Discussion
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(1) The proposed use is not in conflict with the Comprehensive Plan.	Finding Made – The subject property is guided Office. The Office land use designation allows residential uses when integrated with non-residential uses. The proposed development includes the construction of a multi-family residential building and day care. The proposed use is consistent with the Comprehensive Plan.
(2) The proposed use is not in conflict with any adopted District Plan for the area.	Finding Made – The proposed development is not in an area with an adopted District Plan.
(3) The proposed development is not in conflict with state law and all deviations from city code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval.	Finding Made - The deviations requested for parking and non-residential floor area ratio are in the public interest and within the parameters allowed under the Planned Development Overlay District.
(4) Each phase of the proposed development is of sufficient size, composition and arrangement that its construction, marketing and operation is feasible as a complete unit without dependence upon any subsequent unit	Finding Made – The subject development is to be constructed in a single phase. The operation of the facility would not be dependent upon any subsequent unit.
(5) The proposed development will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development.	Finding Made – A minor arterial roadway directly serves the subject property with adequate capacity. There is adequate utility infrastructure available to serve the development proposed. The proposed development is not anticipated to be an excessive burden on parks, schools, streets and other public facilities and utilities which are proposed to serve the development.
(6) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	Finding Made – The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.

Required Final Development Plan Findings - Section 21.501.03(e)(1-7)

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan.	Finding Made – The subject property is guided Office. The Office land use designation allows residential uses when integrated with non-residential uses. The proposed development includes construction of a multi-family residential building and day care. The proposed use is consistent with the Comprehensive Plan.
(2) The proposed use is not in conflict with any adopted District Plan for	Finding Made – The proposed development is not in an area with an adopted District Plan.

the area.	
(3) The proposed development is not in conflict with the approved preliminary development plan for the site.	Finding Made – The subject application includes a new Preliminary Development Plan for the site. Should the Preliminary Development Plan be approved, the proposed development is not in conflict with the aforementioned plan.
(4) The proposed development is not in conflict with state law and all deviations from city code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval.	Finding Made – The deviations requested for parking and non-residential floor area ratio are in the public interest and within the parameters allowed under the Planned Development Overlay District.
(5) The proposed development is of sufficient size, composition and arrangement that its construction, marketing and operation is feasible as a complete unit without dependence upon any subsequent unit.	Finding Made – The subject development is to be constructed in a single phase. The operation of the facility would not be dependent upon any subsequent unit.
(6) The proposed development will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development.	Finding Made – A minor arterial roadway directly serves the subject property with adequate capacity. There is adequate utility infrastructure available to serve the development proposed. The proposed development is not anticipated to be an excessive burden on parks, schools, streets and other public facilities and utilities which are proposed to serve the development.
(7) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	Finding Made - The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.

Required Conditional Use Permit Findings - Section 21.501.04(e)(1-5)

Required Finding	Finding Outcome/Discussion
(1) The proposed use is not in conflict with the Comprehensive Plan.	Finding Made - The subject property is guided Office. The Office land use designation allows residential uses when integrated with non-residential uses. The proposed development includes construction of a multi-family residential building and day care. The proposed use is consistent with the Comprehensive Plan.
(2) The proposed use is not in conflict with any adopted District Plan for the area.	Finding Made - The proposed development is not in an area with an adopted District Plan.
(3) The proposed use is not in conflict with City Code provisions.	Finding Made – Subject to approval of the requested deviations as part of the planned development application and compliance with the conditions of approval, the proposed use is not in

	conflict with City Code provisions.
(4) The proposed use will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development.	Finding Made - A minor arterial roadway directly serves the subject property with adequate capacity. There is adequate utility infrastructure available to serve the development proposed. The proposed development is not anticipated to be an excessive burden on parks, schools, streets and other public facilities and utilities which are proposed to serve the development.
(5) The proposed use will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	Finding Made - The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.

RECOMMENDATION

The Planning Commission and Staff recommend approval through the following motions:

Motion by _____, seconded by _____ to approve Preliminary and Final Development for a five-story, 208-unit apartment building and detached 11,000 square foot daycare space at 6701 West 78th Street, subject to the conditions and Code requirements attached to the staff report.

Motion by _____, seconded by _____ in Case PL2023-193 to approve Resolution No. 2024-_____, a resolution of approval for a conditional use permit for a 11,000 square foot daycare at 6701 West 78th Street, subject to the conditions and Code requirements attached to the staff report.