



East Grand Avenue Overlay District Zoning Study

Advisory Committee

Meeting #4: January 23, 2023

Notes:

1. Welcome

- The Advisory Committee, Michael Lamb (consultant), and City staff completed introductions and reviewed the topics of future meetings.

2. Development 101 (with guest Beth Pfeiffer, Assembly MN)

- Beth introduced herself and discussed her background in architecture, the public sector, project management, and development that led her to real estate development consulting. She discussed Assembly MN's work and the development process by answering questions given to her ahead of time by Michael and asked by the Advisory Committee during the meeting:
 - What kind of development does Assembly MN do?
 - Assembly MN is a small (9-person) commercial real estate brokerage that also offers consulting. They focus on urban infill multi-family, mixed-use, and adaptive reuse, specializing in missing middle housing in the 15-24-unit range.
 - Assembly MN is currently working on an adaptive reuse project in Minneapolis, which involves converting a church to mixed-income housing.
 - The current congregation was interested in a new location with better on-street parking and additional off-street parking.
 - The Comprehensive Plan designated the site for three residential units.
 - The community and church were interested in maintaining the church structure and providing housing.

- Assembly MN worked with the City to amend the Comprehensive Plan to reflect their plans for the site. Comprehensive Plan amendments are uncommon and challenging, but the City agreed that this site was suited for more housing than was originally allowed.
- How does the development process work?
 - When determining the viability of a development site, developers consider many factors:
 - Community requirements and desires
 - Comprehensive Plan visions and policies
 - Zoning Code regulations and allowances
 - Location and surrounding land uses
 - Financial viability and availability of subsidies/grants
 - Project timeline and how long investors want to be involved
 - Market conditions (e.g., can the market absorb additional housing, retail, etc.?)
- What kind of market-rate returns are developers looking for today?
 - This is variable. Long-term (10-20 years) investors who want to remain in the neighborhood are looking at a slightly lower return rate because they see benefits in the neighborhood over time.
- How many small developers, like Assembly MN, exist in the area?
 - There are approximately 3-5 comparable developers. Being a small developer is challenging and risky; developers do not get paid until the project is done, so they are speculating time and money until project completion. Typically, a larger company with more resources is required to assume that risk.
- What can be done at the city level to make it easier for smaller developers?
 - Jurisdictions can help streamline processes (e.g., decrease the length of time it takes to get through entitlements which adds extra costs), and provide more flexibility in local funding sources, which usually come with strict requirements and lengthy timelines.
- Is it difficult to build condos (i.e., owner-occupied units)? Can Grand Avenue expect condo development?
 - The pre-2004 condo boom ended when the housing market crashed, and many condo developers were sued. Condos require large insurance policies and developers must stay involved after selling units to customize designs to owner

desires and be available for warranty claims. There is currently not much developer interest in building condo buildings.

- Why is missing middle housing not being developed? How do subsidies work?
 - Missing middle housing projects tend to have a lower return on investment and there are not a lot of financial resources available. Minneapolis has a pilot program for missing middle housing with a small and competitive fund available to developers.
 - Affordable housing subsidies usually support up-front construction costs. For an affordable housing project, developers will make only a developer fee, and subsidy is needed because the rents are priced lower than the value of the unit and maintenance costs.
 - Land price and zoning allowances also impact density. If a developer is allowed to build more units on a lot, they may be willing to pay higher land costs to make the project work financially.
- Why are many new housing developments charging such high rents for smaller units, while older fourplexes with larger units are more affordable?
 - Many new projects are accommodating a different level of consumer looking for amenities. Building a fourplex today would cost substantially more than it did when many were historically constructed due to increasing construction costs, inflation, and increased project lead time.

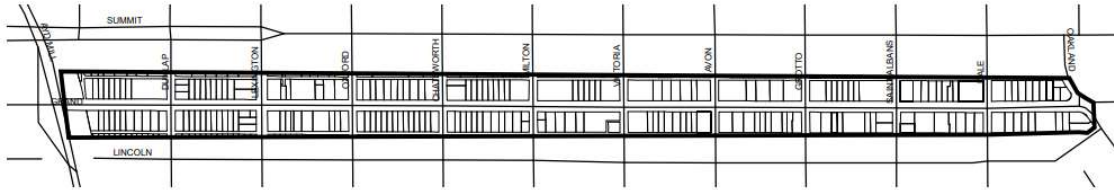
3. Context Survey Results

- Michael presented the results of the survey questions answered by the Advisory Committee members prior to the meeting (see Attachment 1):
 - Renovation and/or adaptation of older (historic) buildings for new uses/purposes
 - Most in agreement that this is a good practice.
 - Newer buildings with brick, awnings, in-scale signage and include transparent shopfront windows
 - Most in agreement and some were neutral that it is a good practice. The examples show that form can be more important than use and can reinforce the style of Grand Avenue.
 - Avenue fronting surface parking and loading dock access
 - Most disagreed that it is a good practice, some were neutral. The committee discussed the importance of accounting for constraints of alleys and that access from Grand should be infrequent but may be necessary at times.

- Shop windows with obscured transparency and storefront bays at blank walls
 - One in agreement that it is a good practice, most members disagreed.
- Well defined landscape edges are preferred when auto-oriented uses and surface lots front the Avenue
 - Most agreed that it is a good practice and that if there is an edge, it should be well defined.
- Auto-oriented and drive-thru uses should not be allowed on Grand
 - Most thought that these types of uses should not be on Grand.
- Surface parking with direct access from the Avenue should not exceed a single bay with (approximately 60')
 - Split results. Committee members generally do not support curb cuts on Grand, but some members said that parking access needs to be maintained and access depends on the alley and side streets.
- A variety of color palettes and materials are appropriate if the building fronts the Avenue with active, transparent shopfronts
 - Most were neutral. Committee members said that these examples were somewhat uninteresting and too different from the historic building form along Grand. One committee member liked how vibrant the buildings were and supports buildings with murals. Michael mentioned that most overlays do not regulate colors and materials, and that many companies want to see the colors of their brand identified on buildings. A committee member said that too many colors and materials used on a façade can negatively impact the design.
- Building heights above three stories are appropriate if setbacks and design features are used
 - Split results. A committee member said that they were not opposed to building step backs, but do not want to see all buildings that look like the examples. The committee discussed the importance of building transitions when adjacent to lower-scale areas.
- Key intersections can accommodate more intense development, mix of uses, larger and taller buildings than mid-block locations
 - Split results. The committee was somewhat supportive of higher intensity buildings on corners and lower-scale buildings in mid-block locations.
- Shopfronts with transparent windows and outdoor seating are critical to an active street
 - Consensus that this is a good practice. The committee talked about sidewalk seating and how this is impacted by setbacks and licensing.

4. Consensus and Decision-Making

- Michael briefly discussed consensus and the range of tolerance acceptable for committee members to generally agree on guiding principles, which will be developed at future meetings.
- A committee member expressed interest in discussing “relationality” and wants to be respectful of the totality of a development and how a decision impacts the neighborhood and surrounding properties.
- The committee talked about how there are many factors, advantages, and disadvantages to consider in developing guiding principles, and not everyone will get everything that they want.



East Grand Avenue Overlay Zoning District

Advisory Committee

January 23, 2023

- Development 101 presentation (with Beth Pfeiffer, Assembly MN)
- Discuss takeaways from presentation
- Review survey results (to-date)
- Review features of Grand Avenue character areas

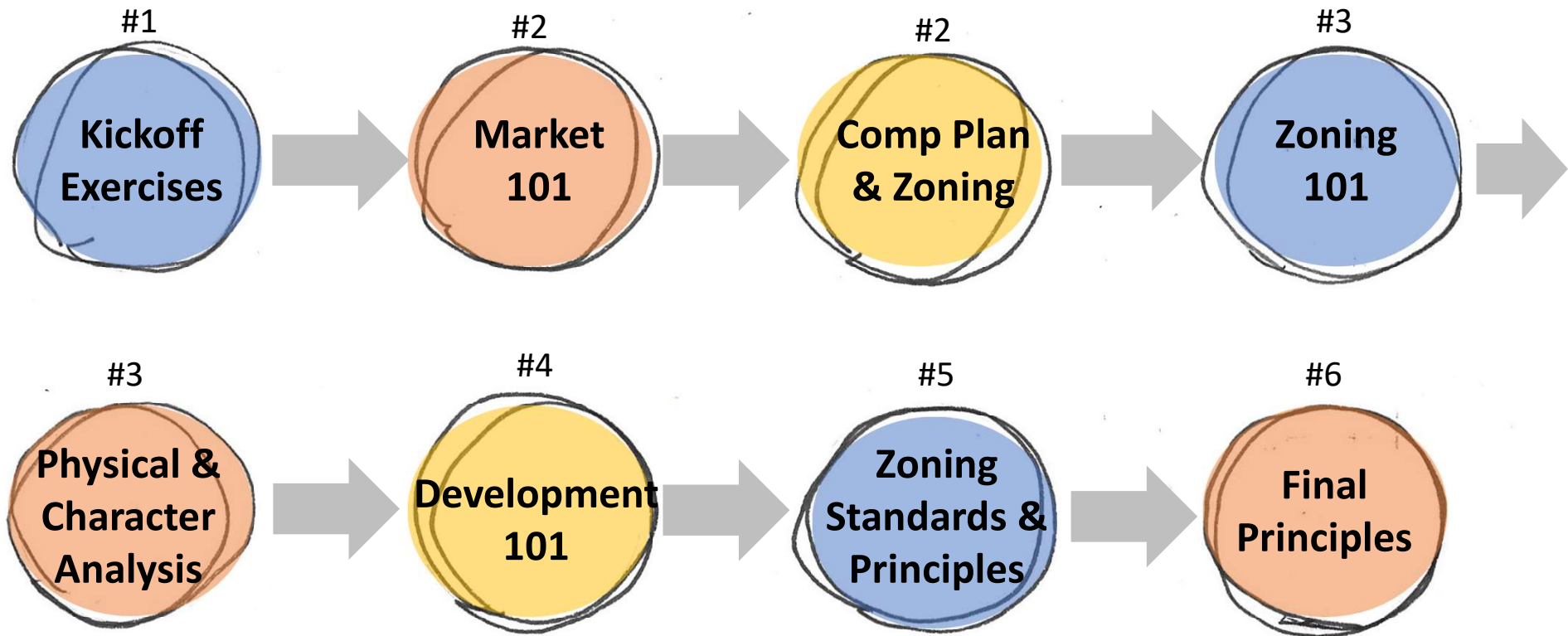
Schedule & Next Meetings

Meeting #5 (Feb 6)

- Affordable Housing 101 presentation (Dominic Mitchell, Saint Paul Public Housing; 30 minutes)
- Draft recommendations for updating zoning

Meeting #6 (Feb 27)

- Refine principles and publish recommendations



Committee Milestone Path



Renovation and/or adaptation of older (historic) buildings for new uses/purposes - is this a good practice? Grab the circle and place on your answer:

● ● ● ● ● ●

● ● agree.....somewhat agree.....neutral.....somewhat disagree.....disagree

●

Comment on anything you like or dislike about the example: _____



Avenue fronting surface parking and loading dock access on the avenue - is this a good practice? Grab the circle and place on your answer:

agree.....somewhat agree.....neutral.....somewhat disagree.....disagree



Comment on anything you like or dislike about the



Shop windows with obscured transparency and storefront bays finished as blank walls - is this a good practice? Grab the circle and place on your answer:

agree.....somewhat agree.....neutral.....somewhat disagree.....disagree



Comment on anything you like or dislike about the



1. Well defined landscaped edges are preferred when auto-oriented uses and surface lots front onto the Avenue - is this a good practice? Grab the circle and place on your answer:

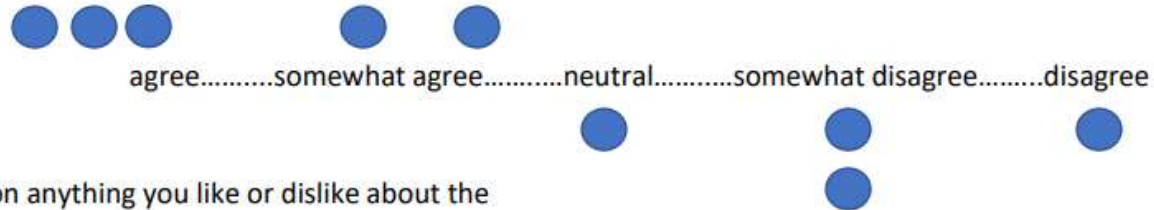
agree.....somewhat agree.....neutral.....somewhat disagree.....disagree

2. Auto oriented and drive thru uses should not be allowed on Grand Avenue – is this a good practice? Grab the circle and place on your answer:

agree.....somewhat agree.....neutral.....somewhat disagree.....disagree



Surface parking with direct access from the avenue should not exceed a single bay width (approx. 60 feet) - is this a good practice? Grab the circle and place on your answer:



Comment on anything you like or dislike about the examples:



A variety of color palettes and materials are appropriate if the building fronts the avenue with active, transparent shopfronts - is this a good practice? Grab the circle and place on your answer:

agree.....somewhat agree.....neutral.....somewhat disagree.....disagree

Comment on anything you like or dislike about the examples: _____



Building heights above three stories are appropriate if setbacks and design features are used? Grab the circle and place on your answer:



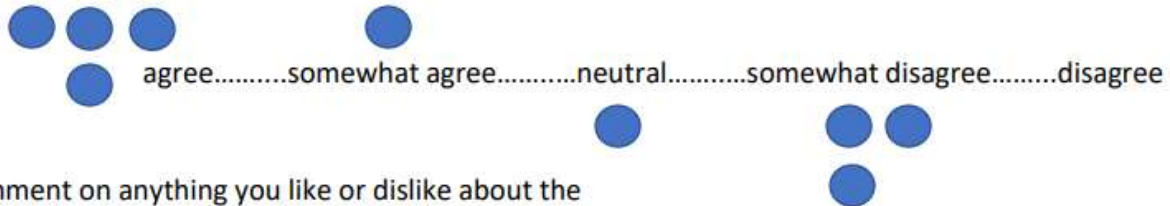
agree.....somewhat agree.....neutral.....somewhat disagree.....disagree



Comment on anything you like or dislike about the examples:



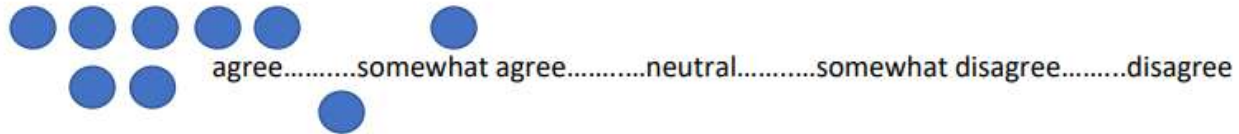
Key intersections can accommodate more intense development, mix of uses, larger and taller buildings than mid-block locations – is this a good practice? Grab the circle and place on your answer:



Comment on anything you like or dislike about the examples:



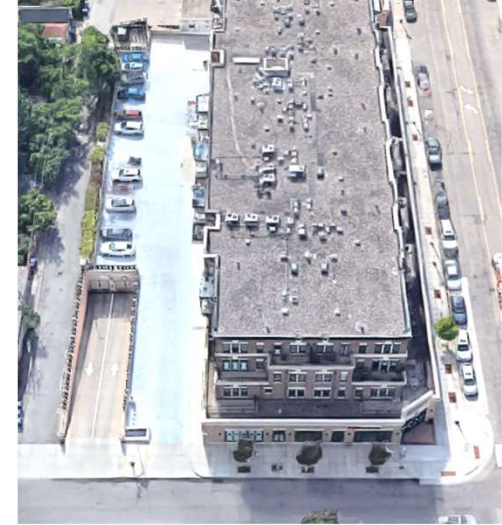
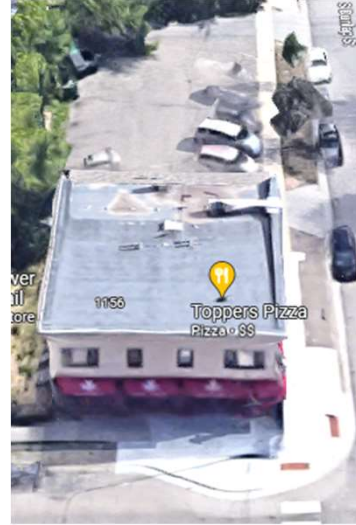
Shopfronts with transparent windows and outdoor seating are critical to an active street - is this a good practice?
Grab the circle and place on your answer:





S. Dunlap Lexington Oxford S. Chatsworth S. Milton Victoria S. Avon S. Grotto St. Albans S. Dale





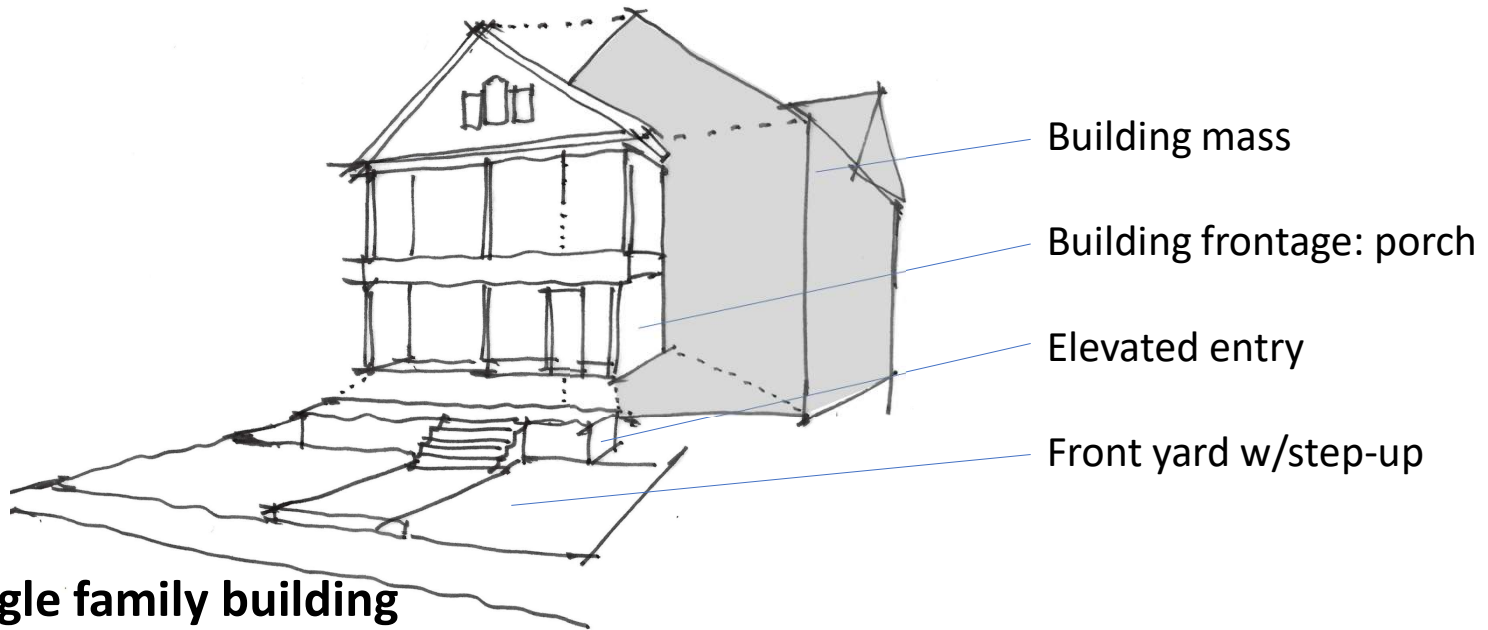
Yards: deep, shallow, urban

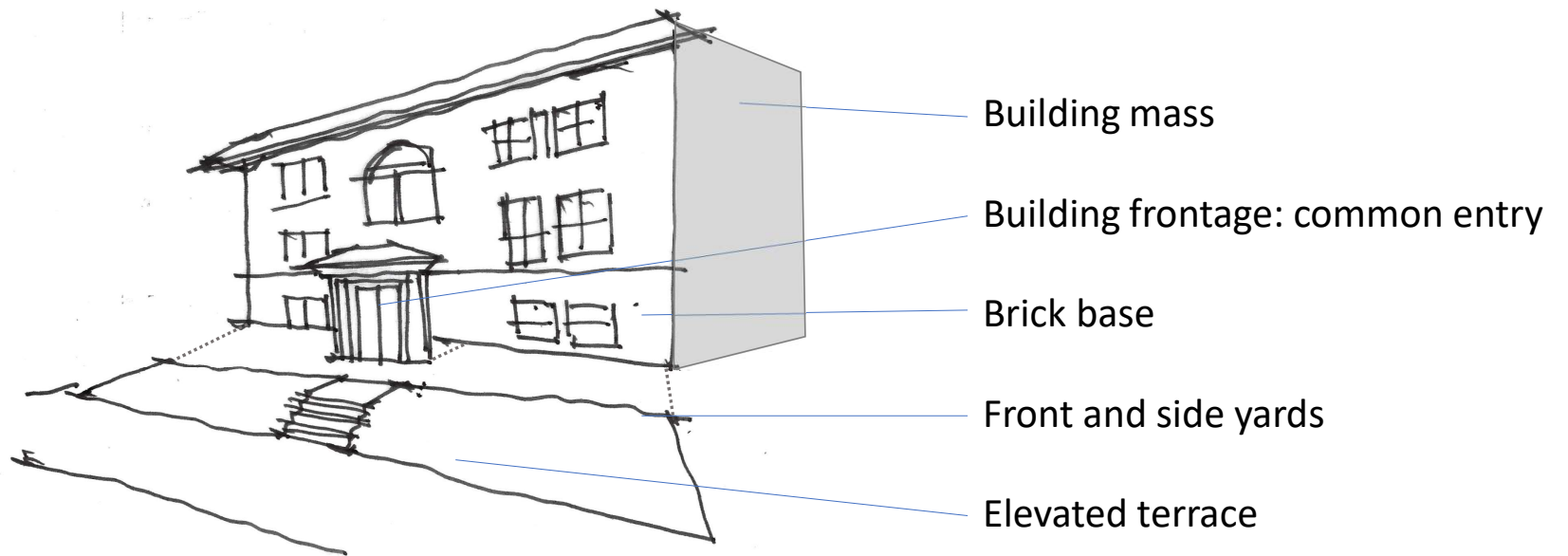
Street Frontage: turf, turf/terrace, dooryard, patio/walk

Building frontage: stoop, porch, entryway, shopfront, common entry

Building type: detached residential, small and larger compartment flats, shared corridor, commercial, mixed-use

Character givers on the Avenue





Small compartment building



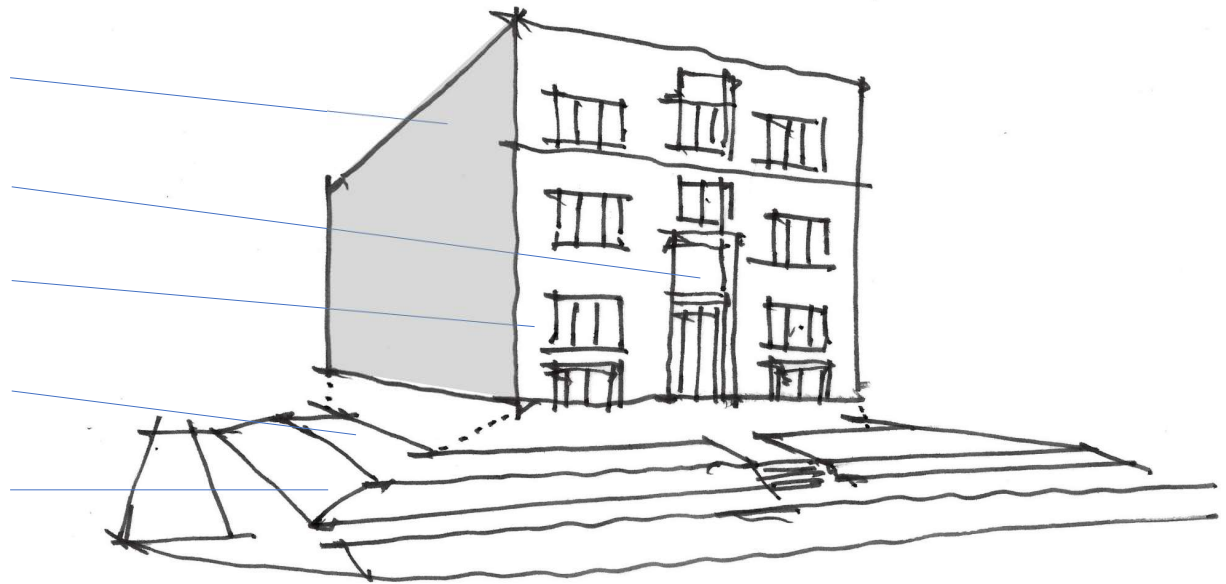
Building mass

Building frontage: common entry

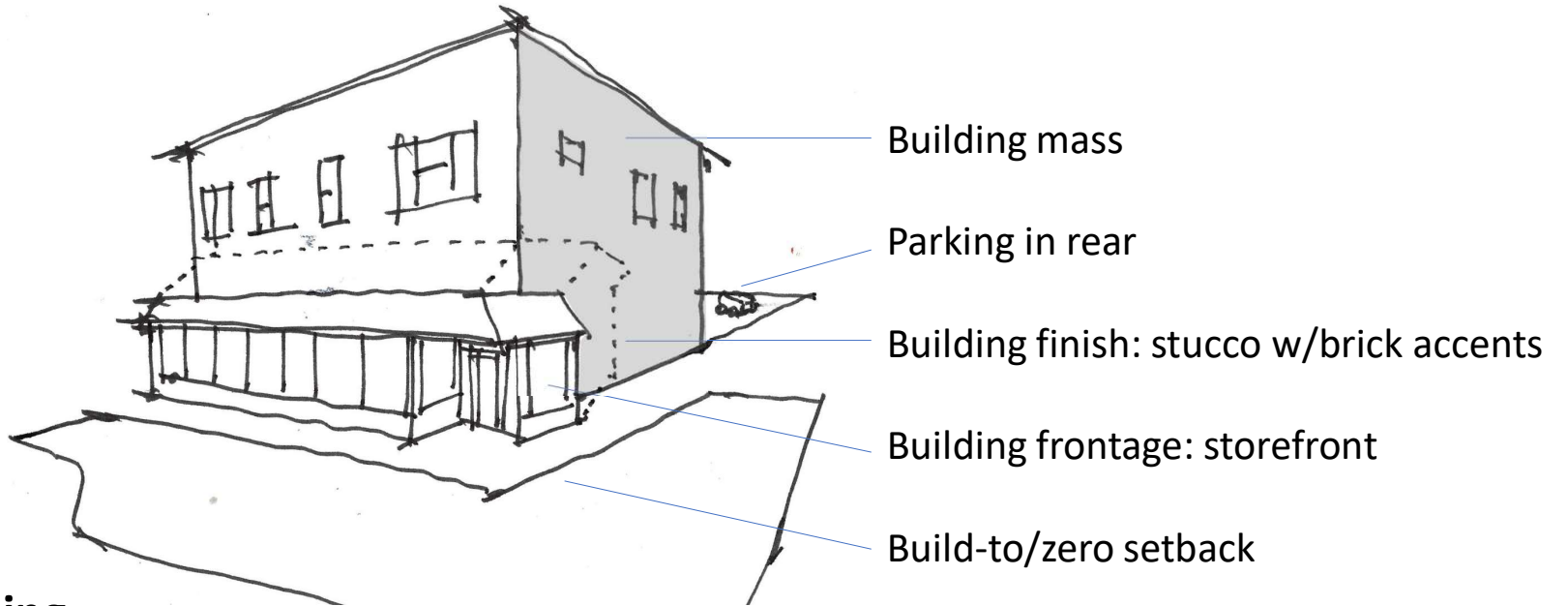
Brick façade w/precast details

Front and side yards

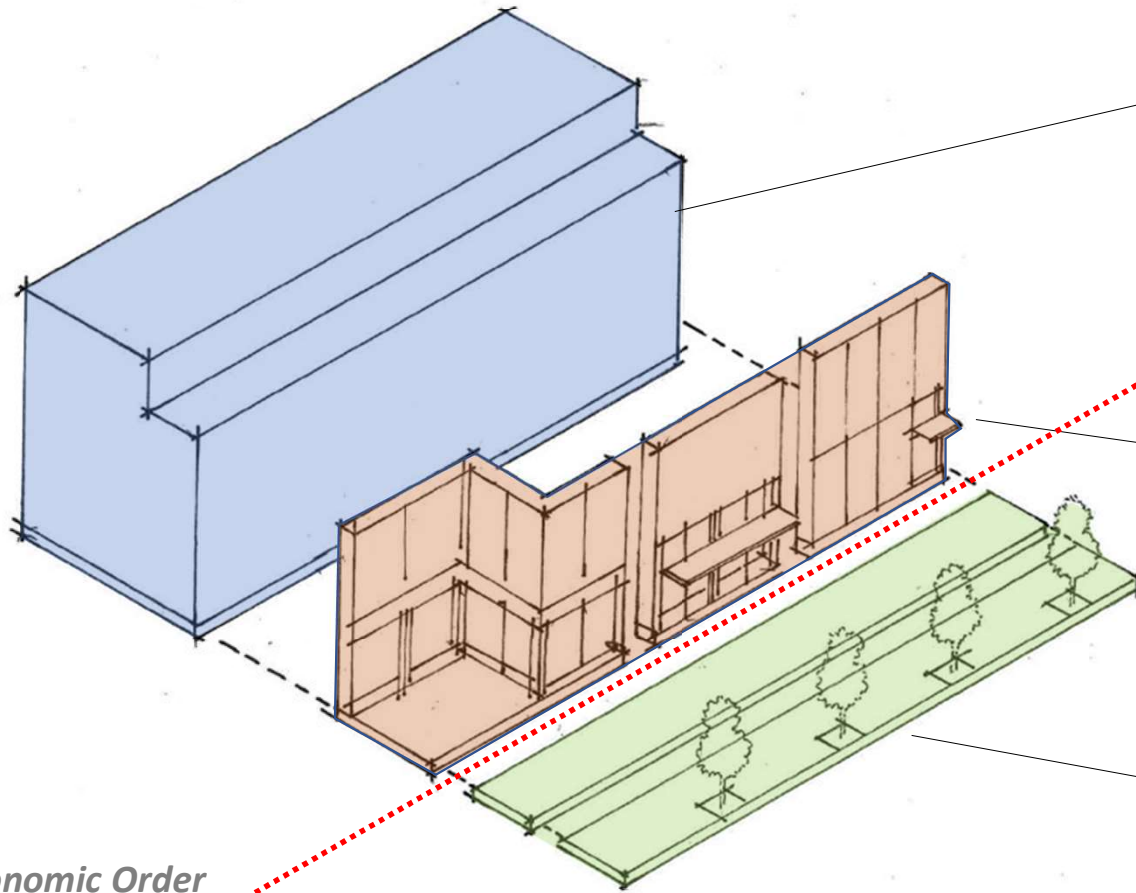
Elevated terrace



Large compartment building



Mixed-use building



Zoning – controls lot arrangement such as lot size, use, building height, floor area ratio, yard/setbacks, some design and parking standards

Frontage – defines how a building (storefront, stoop, porch, etc.) relates to the street & public realm; typically not regulated by the zoning code

Street & Streetscape – is not regulated by the zoning; variety of funding sources that Public Works/City Forester maintains

Economic Order

Political Order

Rate each statement and rank to the level you agree with: 3 = agree; 2 = mostly agree; 1= somewhat agree

Money is more important than happiness	3L	● 2L	● 1L	● 1R	●● 2R	●●● 3R	Happiness is more important than money
I feel safe walking along and crossing Grand Ave	3L	●● 2L	●● 1L	● 1R	●●● 2R	●● 3R	The Ave needs amenities to make walking safer
Grand Ave has a unique identity that should be valued and protected	●●● 3L	●● 2L	●●● 1L	●● 1R	●● 2R	● 3R	Grand Ave needs help with updating its image and identity
The physical character and charm of the Avenue is its biggest strength	●●● 3L	● 2L	●●● 1L	●● 1R	●● 2R	●● 3R	The mix of commercial and residential uses is its biggest strength
Walkability should be prioritized over vehicular traffic and parking	●●● 3L	● 2L	●●● 1L	●● 1R	2R	● 3R	Traffic speed and parking are problems that need attention
Grand needs more sensitive development	●● 3L	●●● 2L	●●● 1L	● 1R	2R	●●● 3R	Grand needs more development regulation
I wish there were more affordable housing Grand Ave	●●● 3L	●●● 2L	●● 1L	● 1R	●● 2R	3R	Housing choices and prices on Grand are good for the area



Take Aways

Key Broker and Developer Interview Themes from March 2021 Study

- Grand Avenue is a unique retail node with assets that will continue to make it successful
- Urban retailers are looking for creative ways to reach their customers, both through brick-and-mortar space and online
- **Parking on Grand Avenue works well, generally**
- **But changes in the way restaurants and retail conduct business will transform parking needs**
- **Developing stand-alone retail space is difficult financially—market rents do not support development**
- Consumers and landlords love small businesses and want them to succeed
- **Attracting and keeping small businesses on Grand Avenue can be a challenge**
- Other than serving as a cheerleader and coordinating stakeholders, there are no easy solutions for the district council
- **Mixed-use projects can be a way to create marketable restaurant and retail space on Grand Avenue**
- In some cases, cities have required multifamily projects to include commercial space, and filing that space can be difficult
- **More residential units and taller building heights are often necessary to make the financials work**
- **Providing parking for residents and businesses can be a challenge**
- **Mixed-use projects with affordable housing could be an option for smaller scale projects, but the financing these projects can be difficult**

Consensus: general agreement; the judgment arrived at by most of those concerned

