

Level 7 Development, LLC

# AVIENDA

Chanhassen, MN



## APPLICATION FOR CONCEPT PLAN REVIEW

September 30, 2016



## **INTRODUCTION**

On behalf of Level 7 Development, Landform is pleased to submit this application for concept plan review for “Avienda”, a mixed use Regional/Lifestyle Center at the southwest corner of intersection of Powers Boulevard and Lyman Boulevard.

The property is dual guided Office or Regional Commercial and zoned Agriculture Estate west of Powers Boulevard and is guided Medium Density Residential and zoned Agriculture Estate for the 1.66 acres east of Powers Boulevard.

The Comprehensive Plan anticipates development of this site as “Regional/Lifestyle Center Commercial”. The plan notes that the vision for the site is:

*“A mixed commercial district with retail and entertainment uses of a scale and function that serves a regional market. The physical environment emphasizes an attractive, comfortable walking experience for shoppers and visitors and is designed to serve trail users and mass transit as well as automobile traffic. Centers of this type have at least two major retail anchors and are characterized by the diversity and mix of retail and service uses within their boundaries. Uses within this district should complement existing retail users in the other commercial districts. Development of these centers shall be planned as a group of organized uses and structures to accommodate a sensitive transition between commercial activities such as loading, parking of automobiles, lighting and trash collection and surrounding residential uses. Such centers shall be designed with one theme, with similar architectural style, similar exterior building materials and a coordinated landscaping theme. Vehicle and pedestrian access is coordinated and logically linked to provide a comprehensive circulation system.*”

### **Goods and Services Examples**

- *Entertainment*
- *Department Store*
- *Comparison Shopping*
- *Specialty Retail/Boutique*
- *Restaurants*
- *Hotels*
- *Residential*

*A new zoning district Regional Commercial (RC) will be created in the City Code to implement this land use. The city has given a dual land use of the 118 acres at the southeast corner of Powers and Lyman Boulevards to accommodate this use.”*

## CONCEPT PLAN REVIEW

In 2015, the City reviewed a similar concept plan from Carlston Development for a portion of this site. The City provided feedback on the concept plan and ordered an AUAR update. Before the AUAR could begin, Level 7 Development acquired the property and decided to pause and take a fresh look at the site. The new development team completed the site analysis and reviewed the feedback that was received during that process.

The design team has also reviewed a number of City documents before beginning development of our concept, including:

- Chanhassen 2005 AUAR (dated December 8, 2003) prepared for the City by HKGi
- The “Chanhassen Retail, Office and Residential Market Analysis and Development Potential” report (dated June 2006) prepared for the City by McComb Group, Ltd.
- The 2007 City Survey
- The 2010 City Survey
- The 2013 City Survey
- The Chanhassen Zoning Ordinance
- The Chanhassen Subdivision Ordinance
- The 2030 Comprehensive Plan (adopted November 10, 2008)
- The comments provided during the 2015 review of the Carlston Development proposal

Level 7 Development has been working to refine the plans for a mixed-use development concept that is market-ready and consistent with the City’s adopted Comprehensive Plan. We are excited to provide a concept with a mix of potential uses that may include townhomes, apartments, office, medical and professional services, retail, entertainment and hospitality.

The proposed mixed-use development will help the City achieve its goals of providing a variety of housing types for all people in all stages of the life cycle, providing a mixed commercial district with retail and entertainment uses of a scale and function that serves a regional market, preserving natural resources through the protection of the Bluff Overlay district, and providing regional shopping options for existing residents and new residents as anticipated by the Comprehensive Plan. This plan incorporates a mix of office, retail and residential space in an underserved area of the City.

The project will be designed with one theme, with a similar high-end architectural style, similar exterior building materials and a coordinated landscaping theme as directed by the Comprehensive Plan. While we have not yet defined all of these details, our submittal package includes a schematic concept plan to give some idea of the concepts we are currently evaluating.

### *Design Concept*

The provided concept plan meets your Comprehensive Plan goals and includes approximately:

- 50 acres of Regional Commercial (approximately 435,000 square feet)
- 15 acres of Office (approximately 40,000 square feet)
- 12 acres of higher density housing including with a potential for Market Rate Apartments (300 units) and Senior Living (100 units)
- 6 acres of Hospitality/Hotel uses (250 rooms)
- 4 acres of Stormwater ponding
- 16 acres of Conservation land
- 1.6 acres of land at the southeast corner of Powers and Lyman Boulevard that is not proposed for development, but could be used in conjunction with the adjacent city land for regional or local stormwater/wetland improvements.

The design vision for the Avienda development will be an integration of both traditional and contemporary elements that will ultimately establish a “timeless” character. Both visually and physically, architecture will play a major role in the overall design character for the development. High-quality materials including authentic stone, brick and masonry, architectural metal panels, and glass will be key elements that will establish this character. The pedestrian experience will establish the overall scale of the buildings and spaces, with interesting facades and carefully designed architectural elements, lighting, awnings and other unique features.

Ample landscaping will be incorporated to create an inviting environment. We have worked to preserve the trees in the buffer area in the southwest portion of the site to provide a buffer between the proposed development and the existing homes on the south and west. We have also designed a plan that locates the medium and high density housing in these areas to provide a transition between the existing homes and the planned commercial uses. A comprehensive landscape plan will be developed to supplement the existing trees and support the design theme throughout the development. We expect different land uses in the development to have different landscape and architecture details, but many of the core design concepts will be threaded throughout the development.

The landscaping plans will likely also include private amenities and street furniture that helps activate the streetscape and enhances the pedestrian experience by providing places to relax, rest, or meet friends. The streetscapes will be designed to reflect the different street characteristics within the development from local residential streets to collector streets intended to move traffic through the project.

The concept plan shows construction of Bluff Creek Boulevard, a key east-west road connection between the existing neighborhood and Highway 212. Internal connections are provided within the development,

including a connection to Lyman Boulevard on the north. Access points on Lyman Boulevard have been designed based on County plans. The road alignments may be modified slightly as we continue to develop the design and determine specific user requirements for this regional destination center.

### *Market Study*

The concept plan was developed based on a 2014 market study prepared by McComb Group, Ltd, a consultant that the City has used in the past. The study reinforced the need for this development and the findings to support the Regional/Lifestyle Center anticipated by the City's Comprehensive Plan. The 2014 study showed that this area could support 825,000 square feet to 1,120,000 square feet of new retail/commercial. Key takeaways from the June 2014 McComb study are described by the following highlights from the executive summary:

- *Trade area population of 407,361 in 2014, which is expected to increase to 438,533 in 2019, an annual growth rate of 1.49 percent.*
- *Trade area households grew at an annual rate of 1.94 percent between 2000 and 2010. During a slow growth period caused by the great recession, household growth averaged 1.0 percent annually.*
- *Households are expected to increase at an annual growth rate of 1.5 percent from 157,810 in 2014 to 169,997 in 2019.*
- *The trade area includes Carver and Scott counties, the two fastest growing counties in Minnesota. Between 2010 and 2013, population in Carver and Scott counties grew at annual rates of 1.6 and 1.8 percent, respectively.*
- *Trade area average household income of \$103,006 in 2014 is 20 percent above the Minneapolis-St. Paul MSA average household income of \$85,611 and 41 percent above the United States average of \$72,869.*
- *Trade area median household income of \$83,841 in 2014 is 55 percent above the national median household income of \$53,958.*
- *Trade area average household income is expected to increase to \$110,603 in 2019, while median household income is expected to rise to \$91,761.*
- *In 2014, 60,100 households (38.1 percent) are estimated to have household income above \$100,000 and is expected to increase to 71,000 (41.8 percent) in 2019. One-quarter of the households (42,113) are expected to have incomes above \$150,000 in 2019.*

- *Families comprise 70 percent of all households in 2014 compared to 64.7 percent in the Minneapolis-St. Paul MSA and 66.6 percent in the United States.*
- *Trade area population age 25 plus is well educated with 30.4 and 13.1 percent that hold college and graduate degrees, respectively. This is well above the United States rates of 20.8 and 12.2 percent, respectively.*
- *Trade area population in 2014 is 89.9 percent Caucasian followed by Asian/Pacific Islander (4.0 percent), African American (2.3 percent), Native American (0.4 percent) and Other (3.4 percent). Hispanic (any race) is 4.3 percent.*
- *The trade area's many economic attributes, population, and upper income households provide support for retail stores, restaurants and services.*

This market study supports the need for this mixed use development on this property and details the unmet demand in the City. Our project will help the City of Chanhassen capture dollars that are currently leaving the City and provide services and amenities needed to support the existing and new residential development in this area. Our regional center will serve an unmet need in the community and will complement existing Chanhassen businesses.

#### *AUAR (Alternative Urban Areawide Review)*

The City completed the Chanhassen 2005 AUAR in 2003 for 624 acres, including this 114 acre site. MN Environmental Rules require that AUARs be updated every 5 years, but the AUAR has not been updated by the City despite the fact that much of the AUAR area have been developed since 2005. When the City updated the Comprehensive Plan in 2008, the City identified this property as a significant development opportunity within the City due in part to the residential development potential in the western portion of the City and the need to provide regional commercial for Chanhassen residents. While the AUAR was not updated with the Comprehensive Plan, the City did discuss land use changes from the residential land uses shown in the Chanhassen 2005 AUAR to the regional/lifestyle mixed use shown in the Comprehensive Plan.

We ask that the City order an update to the 2005 AUAR (dated December 2003) for this area. The AUAR project area includes an area of approximately 624 acres, much of which has already been developed. We understand that the AUAR area encompasses far more area than the regional/lifestyle mixed use area designated in the Comprehensive Plan or the area of our concept plan application, but we have agreed to fund the cost of the City's AUAR update. We believe the AUAR is important for the City to update in compliance with the Minnesota environmental rules and for us to better understand the development issues for our project.

We request that the City initiate this AUAR update to reflect the land use and infrastructure changes since the original AUAR was developed. We believe this will reflect the City's Comprehensive Plan goals and will support the develop concept we have prepared. We look forward to working with the City to prepare the update and incorporating any findings into our development proposal. We request that the City Council re-order the AUAR as soon as possible.

It is our understanding that a different developer approached the City in 2012 to discuss a potential mixed use development on this site and the City contracted with HKGi, at the developer's expense, to begin looking at development scenarios for an AUAR update. While the development did not proceed, and the AUAR was not updated, there were several development concepts prepared by HGKi for consideration. We have evaluated these alternatives as part of site analysis. We believe that our concept plan shares many of the same concepts developed by HKGi and responds to current market realities.

In 2015, the City Council ordered an update to the AUAR, but it was not started. We now request that the City begin that work to update the 2003 AUAR to reflect the land use and infrastructure changes since the AUAR was developed. We believe that the AUAR will reflect the City's Comprehensive Plan goals and will support the develop concept we have prepared. We look forward to working with the City to prepare the AUAR update and incorporating any findings into our development proposal.

## **SUMMARY**

We respectfully request review of our concept plan for this regional destination, lifestyle and mixed use center and we request that the City initiate the update of the AUAR. We look forward to the City Council work session on October 19, 2016, Planning Commission review on November 1, 2016 and City Council review on November 14, 2016.

## **CONTACT INFORMATION**

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