



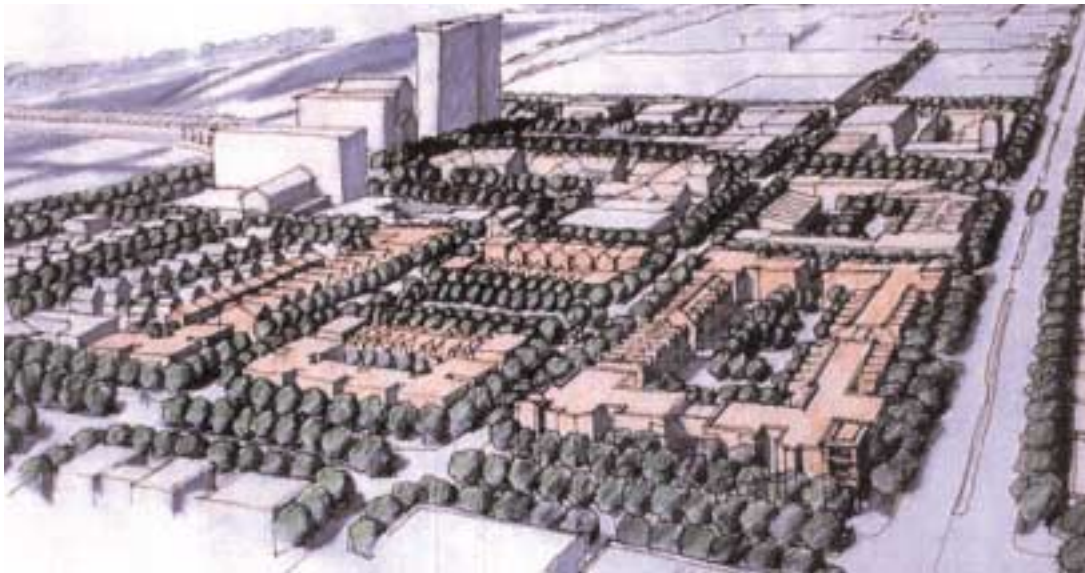
Potential Housing
.....► Sites on
University Avenue

A REPORT BY UNIVERSITY UNITED

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Adopted by University UNITED on October 21, 2002



Lexington Park, proposed by Central Community Housing Trust, rendering by Peter Musty

University UNITED is most appreciative of the efforts of its Housing Task Force, member organizations, and the many community residents who took the time to attend meetings and make suggestions about this report. While over one hundred people had a hand in the preparation of this report, University UNITED is solely responsible for its content.

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Background and Rationale

University UNITED'S Housing Task Force has identified potential sites along the University Avenue corridor that would be suitable for the development of 3,000 new residential units to be constructed by the year 2030. In May, 2002, a group of community stakeholders, developers, and architects met to review previous planning efforts including those found in the 1988 University Avenue Corridor Study by Dahlgren, Shardlow, and Uban, Inc, and Maxfield Research Group, as well as the recommendations of the University Avenue Corridor Initiative Housing Task Force from 2000. In addition, comprehensive plans of the city and individual neighborhoods were studied. Using these reports as a starting point, the Housing Task Force analyzed maps and



Housing Task Force meeting at University UNITED Planning Center.

aerial photographs of the entire corridor and developed a list of potential sites. A draft report was submitted to the Board of UNITED on August 19, 2002, and was approved for circulation throughout the community for comment and feedback. Staff of UNITED made presentations to a number of community organizations and individuals. A well-attended public meeting was held on October 7. A number of revisions were subsequently made to the draft plan, which was then resubmitted to the Board of UNITED on October 21, 2002 and approved.

This report identifies priority sites that could be converted to housing to meet the projected population increase of over 10,000 people along the University Avenue corridor that will occur over the next thirty years. It is not an endorsement of any particular housing project or proposed development, but rather is intended to serve as the basis for developing a community consensus around preferred housing locations. Specific development proposals would continue to receive a full and complete community review.

1. Midway Housing Initiative:

The Board of University UNITED adopted a resolution creating the Midway Housing Initiative on July 11, 2001, making the development of new housing one of our major organizational priorities. UNITED has been an active supporter of Housing Minnesota, the Saint Paul Housing Campaign, and other housing advocacy efforts.

2. City Projections:

Housing is a major priority for the City of St. Paul as Mayor Randy Kelly has called for the creation of 5,000 new housing units within the next four years. The St. Paul Department of Planning and Economic Development has requested the assistance of University UNITED in identifying potential sites for housing along the University Avenue Corridor. This plan is being submitted to the City as our response.

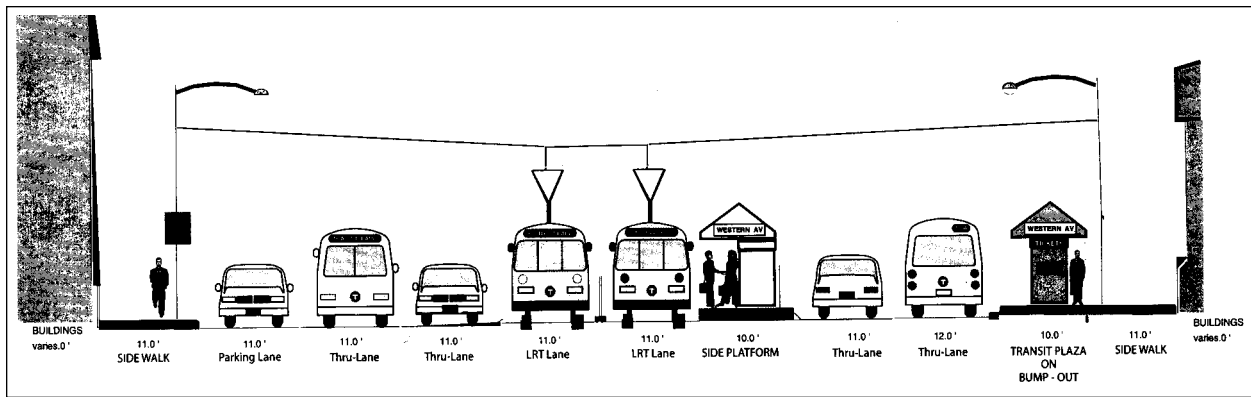
Population projections from the City of St. Paul indicate that the University Avenue Corridor could support an additional 10,000 residents by the year 2030. The Metropolitan Council estimates that the average new household size in the region will be approximately 2.1 people. Therefore, more than 4,700 new housing units would be needed in the University Avenue Corridor alone just to meet the needs of an expanding population. Part of the rationale for the Task Force choosing a goal of 3,000 rather than 4,700 new units is that between the recently opened 70 units at Episcopal Homes, and the 483-unit Emerald Gardens/ 808 Berry Place development under construction at Franklin and Emerald, there are already more than 550 new units. In addition, it is likely that up to 500 units of new, smaller scale infill housing will be built over the next thirty years, above and beyond the larger scale projects envisioned within this plan. If more than 3,000 units are needed to meet actual population growth, additional units could be attained by increasing the density at the recommended priority sites, or by expanding development to other potential sites listed in the report.

City of St. Paul indicate that the University Avenue Corridor could support an additional 10,000 residents by the year 2030.

In calling for 3,000 new housing units, this plan does not make a distinction as to building or ownership type. A mix is envisioned, with varying sizes, bedroom counts, and configurations, including apartments, townhomes, and flats above commercial. There would also be options for both ownership and rental. Currently, 36% of all housing units, and 48% of all rental units in St. Paul are occupied by single persons. In addition, almost half of all housing units in the city today are not traditional single family homes.

3. Transit-Oriented Development and the Potential for Light Rail:

The Central Corridor Coordinating Committee has made a preliminary recommendation that light rail be built down the middle of University Avenue. If light rail were to be constructed on the Avenue, it would likely act as a catalyst for considerable new transit-oriented development, which is defined as a compact, pedestrian-friendly, mixed-use pattern of development with high residential and employment density near transit stops. On May 20, 2002, University UNITED officially adopted the principles of transit-oriented development (TOD) as the recommended



framework for all future development along the corridor. A planning study to determine transit-oriented development opportunities at the key University Avenue intersections of Lexington Parkway and Snelling Avenue will be completed by the end of 2002. The Met Council, which has provided funding for this study, also awarded a grant to study the Dale Street intersection in early 2003.

The Land Use Plan of the City Of St. Paul encourages increasing the density of jobs and housing along major transit routes stating, “New urban housing, offices, retail, and industrial development should all contribute through density and site design to the ridership base for public transportation on the University Avenue and I-94 bus [and potential LRT] routes.”

Whether light rail becomes a reality or not, new housing units on University Avenue would be serviced by the best mass transit service in the region, with easy access to both downtowns, the University of Minnesota, shopping, community services, and other major employment centers and destinations.

Housing located on a major public transit corridor in the urban core offers economic benefits that make it inherently more affordable. Each car costs the average household approximately \$7,500 per year¹, including the amortized cost of purchasing the car, maintenance, insurance, and gasoline. Good public transit service will enable a household to reduce the number of required automobiles, significantly lowering transportation expenses. If each of the projected 3,000 new households were able to eliminate the need for one automobile, there would be an annual collective savings (or cost avoidance) of \$22.5 million, which could circulate in the local economy. In addition, housing on a transit corridor offers residents a transportation alternative that may benefit the entire region by reducing traffic congestion and air pollution. By staying below federal air pollution thresholds, the region can avoid costly mandatory mitigation measures. With the addition of new housing

¹www.ouraaa.com (website of American Automobile Association, AAA)

units, there may be an increase of local traffic in the University Avenue Corridor, although that could be offset by a substantial increase in transit ridership.

To enhance the economic benefit of living along transit corridors, the Metropolitan Council created a Smart Commute Mortgage program, working through two participating local lenders. This type of financing, called Location Efficient Mortgage, recognizes and rewards the savings achieved by buying a home near mass transit. As of 2002, the benefits include down payment thresholds of only 3%, up to an additional \$200 factored into the purchaser's monthly income in calculating loan approvals, and a free bus pass for two years (valued at \$2,000). Building housing on University Avenue will expand the housing market for people who want to take advantage of such programs.

In addition, Fannie Mae (the Federal National Mortgage Association) has started a pilot program offering larger mortgages to people who buy homes near train stations and bus stops and agree to limit the number of cars they own to no more than one per adult driver. Buyers who purchase a home within a one quarter-mile of a transit stop can qualify for a mortgage up to 8 percent larger than they could under a traditional loan. The program is based on studies showing that people who commute on public transportation can save \$200 to \$250 per month, compared to the cost of owning, maintaining and insuring an automobile.

Location Efficient
Mortgages recognize and
reward the savings
achieved by buying a
home near mass
transit.

4

With new, well-designed housing on University Avenue, there would be other lifestyle benefits as well. Retail services such as grocery stores could be a single bus ride or short walk away. The increase in residential density along the corridor is also likely to attract a wider variety of retailers and service providers to the area. The I-94 Express and #50 University Avenue Limited bus can deliver commuters to either downtown fairly quickly, eliminating the need for parking expenses. Downtown cultural and sporting events are within easy access.

Building housing along University Avenue also has the potential to improve the physical health of the community. Making it easy and attractive to walk or bicycle to transit, services, and work, encourages people to build exercise into their daily routine.

With increased density, new transit facilities and customized services become possible. Public or private transit shuttles serving college campuses or large grocery stores, for example, become feasible as population is increased along the University Avenue corridor.

Finally, more housing on University Avenue offers many Midway workers the option of living close enough to work to walk, bike or bus

conveniently, with many of the benefits mentioned above. This is also a major benefit to local employers. University UNITED is actively promoting the concept of Employer Assisted Housing and is working with a local business to establish a pilot project.

4. Economic Benefits of Building 3,000 Units of Housing:

A report done last year by Maxfield Research, Inc., and GVA Marquette Advisors, entitled *Workforce Housing: The Key to Ongoing Regional Prosperity*, documented the economic impact of building new housing units. It estimates that 69% of household income is spent locally. Median household income in St. Paul is \$45,423 (contrasted with the Twin Cities metropolitan area median income of \$76,700). Expenditures in the local economy generated by 3,000 new households would total approximately \$93 million annually, which would recur year after year.

There would be substantial economic benefits to the community generated by the construction process itself. The National Association of Homebuilders estimates one new job is created during the construction of each new multi-family unit, paying an average of \$33,500 in wages (Maxfield Research Report 2001). Over \$100 million dollars in wages would be pumped into the local economy by constructing 3,000 new units.

Finally, 3,000 new housing units, with an average valuation of \$150,000, would increase property assessments by \$450 million dollars, and add substantially to the local real estate tax base.

5. Strengthen and Buffer Existing Residential Communities:

The National Association of Homebuilders estimates one new job is created during the construction of each new multi-family unit, paying an average of \$33,500 in wages. (Maxfield Research Report 2001)

The residential communities adjoining the University Avenue corridor are dominated by attractive and predominantly well-maintained single-family homes that have served the needs of families for generations. The character of these detached, single-family home neighborhoods should be protected as an asset. However, there is a shortage of other “life-cycle” housing options in the community that could meet the needs of seniors, empty-nesters, students, singles, young adults, and others. In the 1990’s, the number of older adults (65+) living in the City of St. Paul declined by 21%, while the number of people in the same age group living in the Twin Cities Metropolitan Area increased by 17%². It is reasonable to conclude that part of the explanation of this trend is a lack of attractive senior housing options in St. Paul. A recent report by

²www.census.gov

Minnesota Planning predicted that by 2030 the number of residents 65 or older will more than double, and reach 1.6 million, or 25% of the States' population. New housing developments on the Avenue will likely include apartments, condominiums, town-homes, cooperatives, student housing, and senior independent and assisted living developments, enabling long-term residents to stay within the community.



Episcopal Homes (senior housing), Trossen Wright, Architects

**6. *Plan/Direct
Development That Will
Likely
Occur Anyway:***

In undertaking this Housing Plan, UNITED is responding to an incredible upsurge in interest from the real estate development community. For the first time in decades, housing is being built along the corridor, including the 70-unit Episcopal Homes project at Fairview Avenue, and the 483-unit Emerald Gardens/ 808 Berry Place project at Franklin and Emerald Avenues. It has become apparent that there is a need for the community to “get out in front” of a development boom that is already underway. The goal is to channel housing development to locations that the community feels are appropriate, and to avoid locations that are problematic. Developers have also made it clear that they prefer having some sense of community preferences before they commit to an expensive, speculative process for sites that may not be acceptable.

A recent report by Minnesota Planning predicted that by 2030 the number of residents 65 or older will more than double, and reach 1.6 million, or 25% of the State’s population.

Premises and Criteria

The Housing Task Force generally focused on large sites, typically in excess of seven acres. Neighborhood preferences, the development community's requirement for economies of scale, and UNITED's need to strategically utilize our resources on fewer (but larger) projects led to this assumption. The large scale, central location, and intense use of University Avenue as a transit corridor, make it appropriate that higher density be achieved at selected points, particularly adjoining key transit stops. Some of the sites included in the Plan are as large as 40 acres, and could be developed in several stages over time. For these larger sites, the Housing Task Force recommends that more than one developer and design firm be involved to insure a more organic, diverse and attractive project. It is also recommended that larger, higher density projects consider incorporating on-site services, perhaps in conjunction with neighborhood social service providers, to meet the multiple needs of new tenants. Notwithstanding UNITED's decision to focus on larger development sites, it is envisioned that smaller scale in-fill projects will also occur along the corridor, perhaps in conjunction with local community development corporations. Collectively, these could add hundreds of new units.

Special priority has also been given to sites that are adjacent to existing residential neighborhoods, in the belief that new housing should build upon and expand existing neighborhoods. Many of these locations are currently occupied by large industrial or trucking businesses with relatively few property owners. A change in zoning would be required to convert these sites to housing. It must be underscored that this report envisions a 30-year implementation period. University UNITED recognizes the need to maintain a strong industrial and commercial base in the Corridor, and is currently initiating a planning process to address the space and transportation needs of this sector. Wholesale dislocation of existing occupancies is not envisioned, but rather a gradual and well-planned implementation of a community vision. Many firms will, over time, decide to end operations or move to alternative locations, freeing up potential housing sites. If relocation of existing businesses proves necessary, it must be done with great care and sensitivity. UNITED has a strong preference for relocating businesses to alternative locations in the City of St. Paul, ideally in the Midway. There are currently a number of vacancies in the industrial real estate market, including some very attractive sites developed by the St. Paul Port Authority, which could possibly absorb relocated firms.

It must be underscored that this report envisions a 30-year implementation period.

Change is a normal part of life, occurring as part of the regular dynamic of urban development. The benefit of having a Housing Plan is that great effort can be made to minimize the adverse consequences of

change and dislocation. UNITED will work to preserve existing residential properties, although in some cases, a small number of units may be considered for removal, with prior consultation with owners and/or renters, if there would be a substantial net gain in the quantity and quality of new housing units.

A successful Housing Plan will create a framework that will help attract the best possible development and insure the best possible outcome for community stakeholders.

It is necessary to balance competing interests — commercial, industrial, and residential — all of which are vital to the well being of a community. Jobs are important, and housing is equally important. Ultimately, each segment of the economy benefits from a thriving mix of uses. In this regard, every effort should be made to create better connections among the different land uses. For example, workforce housing can be built in proximity to industrial areas, senior housing can be built near medical and retail facilities, and student housing can be centrally located to the cluster of college campuses. Another possible connection would be to locate housing on the eastern end of University Avenue targeted to the nearly 15,000 employees of the State of Minnesota who work in downtown St. Paul and the Capitol area. Rather than subsidize employee parking lots, the state could help underwrite housing costs as an employee benefit.

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The City has a policy requiring 20% of new housing units to be affordable, which UNITED strongly supports as a minimum goal. The adjoining information on housing affordability is taken from Saint Paul's Housing Production Plan 2002-2005.

Housing Affordability

Housing is considered affordable when gross housing costs do not exceed 30% of gross household income. Most governmental programs—including the City—use the HUD established metropolitan area median income to measure affordability. Currently, the Twin Cities metropolitan area median income is \$76,700.

The City's adopted housing policy is that a minimum of 20% of housing unit production be affordable to households with incomes below 50% of the area median income, with half or 10% of the units be affordable at 30% of the median income.

It is acknowledged that the production of ownership units affordable to households at the 30% of area median income level and below is extremely difficult and likely requires high public subsidies. In addition, home ownership is oftentimes too costly for families at this income. Therefore, it is anticipated that the production of units affordable to families at 30% of the area median income will be primarily rental housing.

Income Limits, Maximum Gross Rents, & Estimated Purchase Prices

Income Limits ⁽¹⁾		Current Area Median Income = 76,700			
% of Median	1 person	2 person	3 person	4 person	
30%	16,100	18,400	20,700	23,000	
50%	26,850	30,700	34,500	38,350	
60%	32,220	36,840	41,400	46,020	
80%	38,100	43,500	48,950	54,400	
100%	53,690	61,360	69,030	76,700	

Maximum Gross Rents ⁽²⁾						
LIHTC ⁽⁴⁾	EFF	1 BR	2BR		3BR	
% of Median	1 person	1.5 person	2 person	3 person	4 person	4.5 person
30%	402	431	460	518	575	598
FMR ⁽⁵⁾	524	674		862		1,166
50%	671	717	767	862	958	997
60%	806	861	921	1,035	1,150	1,197
80%	952	1,020	1,088	1,224	1,360	1,415
100%	1,342	1,438	1,534	1,726	1,918	1,994

Estimated Purchase Prices ⁽³⁾					
% of Median	1 person	2 person	3 person	4 person	
30%	51,500	58,800	66,200	73,500	
50%	85,800	98,100	110,300	122,600	
80%	121,800	139,000	156,400	173,900	
100%	171,600	196,100	220,600	245,100	

(1) Income limits for 50%, 60% & 80% of median income are rounded to nearest \$50, all other limits are not.
(2) Maximum gross rents, including contract rents and tenant paid utilities, based on 30% of gross household income.
(3) Estimated purchase prices assume CityLiving 2001 mortgage program and FHA mortgage financing @ 6.20%. All figures rounded to nearest \$100.
(4) For low income housing tax credit (LIHTC) projects since 1990, rent calculations assume 1.5 person/BR; 1 person = 0BR or efficiency.
(5) FMR = HUD established Fair Market Rents as of 08/31/2001.

From St. Paul's Housing Production Plan, 2002-2005

Role of the City

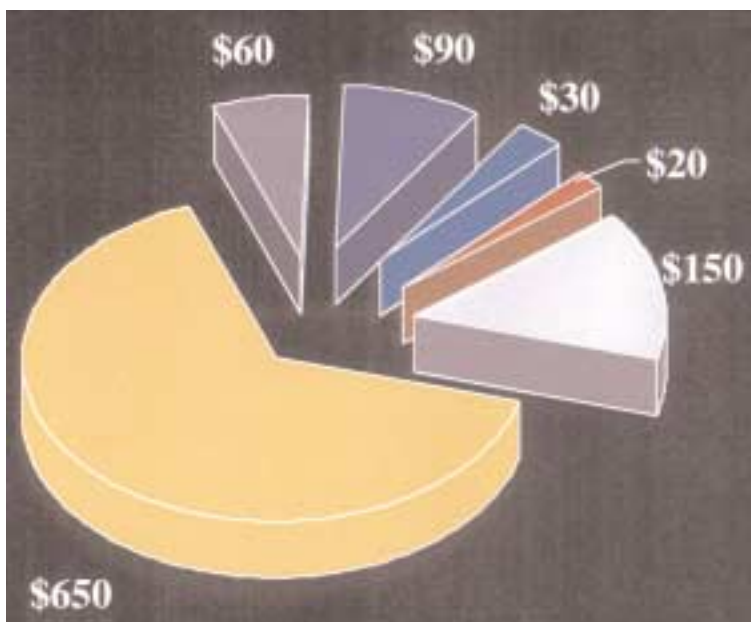
To accomplish the goal of constructing 3,000 new units of housing, there must be considerable involvement by the City of St. Paul. Under Mayor Randy Kelly, the City has already made a major commitment with the adoption of its four-year, billion-dollar housing plan, with special emphasis on development along commercial and transit corridors such as University Avenue.

Financial: Financial subsidies continue to be required for virtually all types of new housing, particularly in heavily developed urban areas. The City and other public entities need to continue their efforts to provide financial incentives for development. The chart below from the City Housing Plan demonstrate the City's commitment to increasing funding available to housing. A 2001 Maxfield Research report determined that each dollar of subsidy investment would stimulate a net gain of \$8.13 in economic benefits to the region.

Site Assembly: The City's ability to condemn property, while a last resort, is sometimes needed for a project that has clear public benefit. Because this is such a powerful tool, great care must be taken with its exercise.

A 2001 Maxfield Research report determined that each dollar of subsidy investment would stimulate a net gain of \$8.13 in economic benefits to the region.

\$1 Billion Dollars!



- ▶ City/HRA Funds
\$6 Million
- ▶ TIF,
\$90 Million
- ▶ Partners (existing),
\$30 Million
- ▶ Partners (new),
\$20 Million
- ▶ Housing Bonds/Tax Credits
\$150 Million
- ▶ Private Sector Leverage
\$650 Million

Zoning: All of the potential housing sites identified in this plan would require rezoning, as most of the land is currently zoned either B-3 or I-1. In many cases, appropriate new zoning will be TN 1-3, the "traditional neighborhood" zoning category currently being proposed by the City for "urban villages". In the meantime, OS 1-2 zoning may be used to allow for a mix of uses that includes residential.

Planning: Finally, the City needs to step up its planning efforts. Implementation of a long-term Housing Plan requires many steps, large and small. Rather than addressing issues on a parcel-by-parcel approach, it is important to look at the big picture, analyzing and responding to economic trends, sector analysis and development synergies. Good planning recognizes relationships and linkages among projects. For example, to free up some of the large truck warehouse sites included in our plan, there must be an analysis of the long-term needs of this industry. Such inefficient land use, with low job densities and considerable environmental and aesthetic drawbacks, should be phased out of a major transit corridor like University Avenue. This is the time to start exploring alternative options for the trucking industry, and the City should take the lead.

The City should also make a special effort to create incentives promoting live/work alternatives. Small retail owners who live above or near their shops have had a tremendously important stabilizing influence on their neighborhoods. Many credit a drop in the crime rates along the Avenue to the arrival of Asian businesses who brought "eyes and ears" to the street after business hours. Many European countries and cities offer special tax incentives as part of a "Live Above the Shop" (LOTS) program. The City should consider initiating similar programs.

Role of University UNITED

University UNITED is committed to seeing that member organizations are involved in both planning and implementing future housing development. Special care will be taken to adhere to existing neighborhood plans. This report is not seen as the end of a planning process, but rather the framework for an ongoing planning process. We believe it is preferable to analyze development possibilities for various sites as part of a comprehensive visioning process well in advance of a specific and imminent proposal.

Most of the housing projects envisioned for the corridor, including all of the proposed locations in this Housing Report, are fairly large and would likely impact multiple neighborhoods. As such, UNITED is ideally suited to facilitating a review process with the various neighborhoods and district councils, and will continue to play that convening role.



Given the Board's commitment to housing production, UNITED has for some time been taking a proactive role in encouraging housing development along the corridor. For a site at Lexington Parkway and University Avenue, for example, UNITED has participated in a number of architectural explorations that ultimately led to proposals from several developers. UNITED is also actively exploring participating as a co-developer on an Employer Assisted Housing project. In addition, UNITED has made special efforts to research and promote housing development that is appropriate for the mix of land uses along the corridor. We undertook a feasibility study of intercollegiate student housing projects, and issued a report on this topic, which can be seen on our web page at www.universityunited.com. UNITED also conducted a study of the health, educational and social service cluster around Lexington and University, showing how housing could be integrated into this node.

UNITED is continuing to explore the feasibility of a variety of special projects and enhancements throughout the corridor that would help attract new housing. Among these are a high amenity bike and pedestrian trail that could link the State Capitol with the University of Minnesota campus, and a public art and sculpture garden that is being

Lexington Park, proposed by
Central Community Housing
Trust, rendering by Peter
Musty

linked to housing and community services at the eastern end of the corridor by Public Art Saint Paul.

UNITED expects to continue playing a major role in marketing the corridor, and facilitating any development that meets the guidelines of this Housing Plan. We will continue our educational role by organizing programs, lectures, exhibits and a variety of outreach efforts that introduce people to the enormous potential of the corridor. To that end we will make intensive use of our Planning Center at 712 University Avenue.

UNITED expects to continue advocating for high quality transit-oriented development (TOD) that meets the criteria established in the Met Council guidebook. (For a copy of this guidebook call the Met Council at (651) 602-1140, or refer to the UNITED webpage at **www.universityunited.com** for a summary.) Our goal is to create a development framework that is broadly accepted and consistently applied. Projects that do not meet TOD standards will be challenged as inappropriate. To help accomplish this goal, UNITED has established a Project Design Advisory Group consisting of design professionals and community representatives, who will review development proposals to insure they meet TOD guidelines, and make recommendations to the UNITED Board. In addition, an annual awards program has been initiated to showcase high quality transit oriented development projects.

Finally, UNITED will continue to work with our member organizations in promoting an informed discussion in our neighborhoods about the need for more housing—particularly affordable housing. UNITED will also continue to play a supportive role to the local Community Development Corporations in their efforts to maintain and expand our housing stock.

Proposed Housing Sites in the University Avenue Corridor

The following are preliminary analyses of four sites deemed high priority. In each case, further planning (possibly including small area plans initiated by the district councils) would be required to adequately answer questions about:

- ▶ How the site relates to the surrounding area and land uses;
- ▶ The appropriate zoning and mix of uses on the site;
- ▶ Traffic, flow, access, and transit.

Furthermore, with any specific development proposal for these sites, University UNITED and its member organization(s)/district council(s) and partners would need to see a detailed analysis of the site plan, architectural design, and other important aspects in order to make an unqualified recommendation for approval. Given the right development proposal, however, we believe the following sites are good locations for new housing units in the University Avenue Corridor.

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Four Priority Sites

1. *Lexington Parkway Site:*

This approximately 33.5-acre area in the Lexington-Hamline neighborhood covers a majority of the three super-blocks bounded by Lexington Parkway, I-94, Syndicate Avenue, and University Avenue. Central Community Housing Trust and Legacy Management have separately proposed mixed-use housing developments for a nine-acre portion of the site, each of which would have approximately 300-350 units. The Wirth Companies, owners of the Central Medical Building, have also expressed an interest in developing senior housing on this site. Parcels include the blighted shopping center at Lexington and University, White Castle, Keys Well Drilling, Bally's, Abra, the Landfill Bldg, the 3M Bldg, inventory storage lots owned by Whitaker Buick, Rayven Manufacturing, the BCA Building, Star Supply, and Heppner's Auto Body. Some of these businesses could likely be



Lexington Park, proposed by Central Community Housing Trust, rendering by Peter Musty

incorporated into a new development, while other would have to be relocated. This new neighborhood would be built to the north of Skyline Towers, the single-family homes on Central Avenue, and the medical cluster that includes Central Medical, Model Cities Health Center, and Health Partners Midway Clinic. The Lexington Outreach Branch Library is slated to be rebuilt at or near its current location, and has the potential to become a signature building in any larger development project.

The Lexington Parkway site is adjacent to a proposed light rail station. This project would also strengthen the residential character of Lexington Parkway, that has been greatly enhanced by recent landscape improvements to the boulevard. An added benefit is that housing on this site would essentially build a neighborhood around Skyline Towers, which is currently quite isolated from other residential land uses.

If housing were developed on 25 acres of this site, at an average density of 40 units per acre, the site could support approximately 1,000 new units. By comparison, the Emerald Gardens/ 808 Berry project, described later in this report, will have a density of about 70 units per acre.

2. Johnson Brothers/Raymond Avenue Site:

This approximately 10-acre site in the St. Anthony Park neighborhood is



Image provided by Johnson Brothers

between Hampden and Raymond Avenues, on the north side of University Avenue. Most of the site is owned by Johnson Brothers, who vacated it last year and have been leasing it out piecemeal. From that brick warehouse complex, the site extends several blocks to the west to the US Bank building on Raymond Avenue. Development at this site would greatly enhance the burgeoning, mixed-use urban village centered at University and Raymond. It contains some older, multi-story brick buildings that could be restored and converted to residential (possibly artists' lofts or

student housing), and other buildings on the site could be cleared for new construction, parking, green space, etc. Some of the older buildings may be eligible for rehabilitation tax credits as qualifying historic structures. The site is adjacent to the proposed light rail stop at Raymond.

Planning for this site would need to take into consideration the entire Raymond/University node, and the potential for Traditional Neighborhood zoning both on this site and to the west of Raymond.

If a mixed-use project was developed on 10 acres, at an average housing density of 40 units/acre, then this development would total about 400 units. An expanded site could possibly include the parking lot on the south side of University Avenue that is also owned by Johnson Brothers.

3. Highway 280/Interstate 94 site:

This 40+acre area in the St. Anthony Park neighborhood is just north of I-94 and just west of highway 280, directly south of the 483-unit Emerald Gardens/808 Berry Place housing project (construction under-

way). It includes the Case Equipment Bldg fronting Eustis St./280, the Weyerhaeuser Lumber Co., the now vacant Hartzell Manufacturing Bldg, Scaffold Services, Johnstone Supply, Minnesota Industrial Battery, Reser's Foods, and 23 existing single-family and duplex residential homes on Curfew Street. Weyerhaeuser and Case are the two largest parcels, totaling 23.5 acres. The Franklin-Emerald Area Plan, completed in 2000, states that if Weyerhaeuser is sold, medium-higher density residential and the re-introduction of the street grid would be encouraged.



**I-94/280
Site**

This site meets our criteria for housing in that it borders the desirable Prospect Park neighborhood of Minneapolis and the new Emerald Gardens/808 Berry Place development in St. Paul. However, being at the intersection of two freeways, significant noise mitigation measures would be needed in order to enhance the site for housing. In addition, a buffering use such as greenspace, light industrial, or office could be added on the freeway frontages. The site is also within walking distance

of the proposed light rail stop at Westgate.

The Prospect Park and St. Anthony Park neighborhoods already have concerns about the impact of the Emerald Gardens project on traffic, particularly on Franklin Avenue. Due to the somewhat isolated nature of this site, and its proximity to adjoining residential neighborhoods, access and traffic solutions will probably need to be undertaken before any substantial new development can occur. No redevelopment of this site should be undertaken until an objective analysis can be done of the traffic implications, both for Franklin Avenue and for access to/from the site onto Interstate 94 and Highway 280.

If housing were developed on 25 acres of the 40+ acre site, at an average of 40 units/acre, then this development would total about 1,000 units.



Photograph by
Bordner Aerials, Inc.

4. South Prior Site:

This approximately 30-acre area on both sides of Prior Avenue on the south side of University Avenue is bounded by Feronia Avenue/I-94 on the south, University Avenue on the north, railroad tracks to the west, and Iris Park/W. Lynnhurst Avenue to the east. This site, in the Merriam Park neighborhood, has recently attracted considerable interest from developers of both student and conventional housing, due to the size of the parcels and the desirable location adjoining Iris Park and the attractive Episcopal Homes projects. In terms of student housing, this

site is at the geographic center of the cluster of colleges and universities in the area, and is particularly convenient to St. Thomas and the U of M. It also has good bus service as it is on the 67 bus line which connects to St. Thomas and Hamline Universities.

The area includes some high-quality and moderate quality single-family homes fronting Iris Park, some of which are historic and should be protected. There are also several existing multi-family residential buildings, containing a total of perhaps 50 units, and a 76-bed nursing home. The University Avenue frontage includes the Zimmerman building (a two story commercial structure), three adjoining buildings with one owner housing Laughlin Pest Control, Merriam Park Community Services, and Dixie Staffing; Twin Cities Saw; and some other commercial parcels. The area going south on Prior includes a number of commercial structures housing businesses such as Merriam Park Repair, E-Z Masonry, and Clean Response. The area on W. Lynnhurst includes the Lynnhurst Healthcare Center, the residential properties, and a building housing a recording studio. It is likely that any project on this site would need to protect most of the existing structures on Lynnhurst south of Oakley. There would need to be some displacement of existing occupants to make way for housing development. On the west side of Prior there is the Days Inn motel, Northwest Packaging, and a large trucking terminal/warehousing facility. These three parcels encompass approximately 20 acres.

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Development at this node would likely occur in stages. The first phase would probably be the block from University Avenue to Oakley, and W. Lynnhurst to Prior. The second phase would likely be the next block south, between Oakley and Feronia. Phase three, perhaps decades in the future, could be west of Prior, encompassing the trucking terminal site, and a possible phase four could involve the Days Inn and Northwest Packaging.

The University Avenue Corridor Study done in 1988 recommended housing on the block fronting University Avenue between Prior and W. Lynnhurst.

If housing were developed on 25 acres of this site, at an average density of 40 units/acre, then approximately 1,000 units could be created.

Other Potential Sites

1. North Prior:

This approximately 13-acre area in the Hamline Midway neighborhood is on the north side of University Avenue east of Prior Avenue. It includes an office/warehouse/trucking facility at 1907 Charles Ave., the back parking lot of 1919 University Avenue/Metro Transit staging area on Charles, the Pyramid Trim Products building at Prior and Charles, and three parcels on University Avenue: Wagers, The Midway Building at 1951 University, and the Eritrean Community Center of Minnesota. This site makes more sense for housing, long-term, if the south side of Prior is also developed as housing.

In addition, 1919 University Avenue has the structural capacity to support four or five more stories, which could be housing atop of the existing office uses. Iris Park Place, a quality office building at 1885 University Avenue, has some attractive construction and design qualities that would facilitate a possible conversion to housing. However, the office building is currently fully leased. Just to the east of Iris Park Place is a University Avenue site owned by Goodwill/Easter Seals, which is currently considering development options, including housing. Other neighboring parcels include Finn/Sisu, and Major Tire/Racy Printing. The Central Corridor Coordinating Committee has projected a light rail transit stop at Fairview that would actually be located directly in front of the Goodwill parcel and Iris Park Place.

Difficulties would include working around an NSP power facility, relocating viable businesses and non-profits, and finding additional parking for 1919 University.

2. Aldine-Wheeler:

This approximately 13-acre area in the Hamline Midway neighborhood could include the existing YMCA if it decides to build a new facility on another site. In addition, possible parcels include Metro Sound and Lighting on University Avenue; Western Graphics and Huot Manufacturing on Wheeler Avenue; Harcross Chemical, Excelsior Manufacturing, MacQueen Equipment, and 1736 Thomas Avenue.

Issues include relocating productive manufacturing businesses that have been in the area for a long time, and relocating businesses that have transit-dependent employees.

3. Snelling and University:

The newly re-named American Bank owns the former Dakota Bank on the northwest corner, and the former Midway National Bank on the southeast corner, where it has consolidated its operations. This has increased the likelihood of new development on the northwest corner. If additional property could be assembled, including the adjoining vacant or underdeveloped lots, there may be sufficient land available for a mixed-use development including housing.

4. Dale Street Intersection:

The proposed Pan Asian Village development on the southeast corner of University and Dale would include 50 senior housing units. It is located in the Summit-University neighborhood.

In addition, a group of community organizations and developers are currently looking at the southwest, northwest and northeast corners of Dale and University as a possible three-part development that would include 100-200 units of housing. Parcels in the Summit-University and Frogtown neighborhoods include several currently owned by the City of St. Paul HRA, particularly on the southwest corner, including the outdoor market. Other parcels include: Appliance Smart, Olson Liquors, A-1 Vacuum, and single-family residential on Aurora Avenue on the southwest corner; the police station, Lendways, Saigon Restaurant, Butch's Custom, Son Video, and the Hmong Building on the northeast corner; and some multi-family buildings on the north side of the northwest corner.

Western Bank may be interested in relocating and building a new structure within this node. Issues include relocating the police station, and working with the existing residential on Aurora and Sherburne.

5. Episcopal Homes:

Phase II of this development at Fairview and Feronia would include an additional 50 units of independent-living senior housing.

6. Other Dispersed Infill Sites:

There are a number of smaller sites along and adjacent to the Corridor that could be redeveloped as housing over the next 25-30 years. In total, these scattered sites could amount to an additional 500 units.

University Avenue Housing Report

Priority Sites

<u>SITE</u>	<u>ACRES*</u>	<u>UNITS*</u>	<u>CONSISTENT WITH PLANS?</u>	<u>ISSUES</u>
1. Lexington	25	1,000	Expands on Lex-Ham Tomorrow	Meld with existing businesses
2. Johnson Bros.	10	400	No	Buffer from industrial; create urban village
3. 280/94	25	1,000	Expands on small area plan	Viable business/homes; freeways/traffic/access
4. S. Prior	25	1,000	Expands on Shardlow	Small parcels; existing home/apts; viable business
TOTAL	85	3,400		

*Rough Estimates

Case Study: Emerald Gardens and 808 Berry Place

Two housing projects, currently under construction at the Minneapolis city line, will add 483 new residential units to the University Avenue corridor. Located at the intersection of Franklin and Emerald Avenues in St. Paul, they are adjacent to the Prospect Park neighborhood.

Wellington Management, a locally owned real estate development/ management company, assembled a seven acre site that was formerly occupied by industrial and commercial properties as well as a small number of rental single-family homes. On a portion of this property, Wellington and Hunt Associates are jointly developing, Emerald Gardens, a for-sale project. On an adjoining parcel, Dominion, Incorporated, a national apartment developer, is building 808 Berry Place, a rental project. Total density for the two projects is approximately 69 units per acre.

Emerald Gardens consists of 216 ownership units, including a variety of one-story loft condominiums and 2-story townhomes. The condo units

range in price from \$170,000 to \$330,000, and the townhomes from \$232,000-\$357,000. Emerald Gardens was designed by Elness Swenson Graham, Architects and is being built by Hunt Associates. A few of the features of the new homes are large porches or balconies for every residence, ceramic kitchen floors, large windows designed for maximum natural light, heated underground parking and a central garden landscaped with perennials and a fountain. Some of the required parking



Breaking ground in November, 2002, the Emerald Gardens/808 Berry Place Housing development at Franklin and Emerald Avenues

capacity is met by surface parking located on the newly created streets, which are privately owned. The project required the condemnation and relocation of one commercial property. The leases of the other business tenants on the property were terminated by the former building owner. The development financing included \$4.25 million in Tax Increment Financing (TIF).

The rental project, 808 Berry Place, was designed by Walsh Bishop Architects, and includes 267 apartments of varying sizes, and rents ranging from \$875 to \$2,000. 808 Berry Place will have heated underground parking. The project meets the city's goal for affordable housing as 10% of the units (27) are affordable to those making 30% or less of the metropolitan area household median income, and another 20% of the units (54) are affordable to those making between 31% and 50% of area median income. Additionally, 17% of the units (46) will be affordable to those earning between 61% and 80% of area median income. The project required the condemnation of one commercial property, and the relocation of four businesses and the residential tenants in three single-family houses. Development financing included \$3.1 million in TIF, along with \$17 million and \$7 million in tax-exempt housing revenue bonds from the City of St. Paul and Ramsey County respectively. As can be seen by the chart below, the new residential developments greatly increased property valuations and projected tax revenues.

The two projects are part of a 25 year TIF District, which is expected to generate excess payments because the after-development value is so substantial. These surplus payments will be placed into a newly created Affordable Housing Fund. The developers of Emerald Gardens have also agreed to pay \$1,000 for each of the 216 ownership units to the Affordable Housing Fund, because none of their units are priced to meet the city's affordability guidelines.

	MARKET VALUE		ANNUAL TAXES	
	Old	New*	Old	New*
Emerald Gardens	\$664,900	\$47.8 mill.	\$34,152	\$622,542
808 Berry Place	\$1.8 mill.	\$22.2 mill.	\$63,668	\$361,740
TOTAL	\$2.45 mill.	\$70 mill.	\$97,820	\$984,282

*Estimated by the City of St. Paul

Design Criteria

While this housing report is primarily intended to develop a consensus around sites and locations, it should be noted that the community advocates that high quality urban and architectural design be incorporated into any development project. University UNITED endorses the following design principles of the Saint Paul on the Mississippi Design Center:

1. Evoke a sense of place.
2. Restore and establish the unique urban ecology.
3. Invest in the public realm.
4. Broaden the mix of uses.
5. Improve connectivity.
6. Ensure that buildings support broader city building goals.
7. Build on existing strengths.
8. Preserve and enhance heritage resources.
9. Provide a balanced network for movement.
10. Foster public safety.

University UNITED also supports the principles of Transit Oriented Development, as outlined in a guidebook published by the Metropolitan Council entitled, *Planning More Livable Communities with Transit Oriented Development*. This 160-page book, with its numerous illustrations, shows how high quality architectural and urban design can be incorporated into new developments.

UNITED also supports the Development Principles for University Avenue, adopted by the Midway Development Collaborative in January, 1999, which underscore the importance of good design.

Conclusion

University UNITED accepts the underlying premise of the need to house an additional 10,000 people along the University Avenue corridor within the next 30 years. This report is not based upon a “Build it and they will come” approach, but rather, the reverse — “They are coming, where shall we build?”

If the priority sites recommended in this report are not feasible, UNITED is committed to continuing the planning process. To those who challenge some or all of these recommendations, we ask that you join us

in an ongoing search for alternative sites that will enable us to meet our goal of 3,000 units.

We believe this report makes a persuasive case for action, but it must also be noted there is a substantial price to pay for inaction. If the population continues to expand at projected rates, adding 50,000 residents to the City of St. Paul by the year 2030, and if there is not a corresponding expansion of the city's housing stock, the housing shortfall will have both an economic and humanitarian impact. Property values, and rents will rise, in accordance with the laws of supply and demand, and many people will be priced out of the market. In addition, if we do not find a way to promote significant residential construction along transit corridors like University Avenue, the alternative is regional sprawl, pollution and congestion.

This is the time to transform University Avenue into the great urbane avenue that has long been envisioned.

Brian McMahon, Executive Director
Russ Stark, Program Director