



City of Blaine Anoka County, Minnesota

Blaine City Hall
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Legislation Details (With Text)

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WORKSHOP ITEM - *Erik Thorvig, Community Development Director*

CONSIDER DEVELOPMENT PROPOSAL FOR EDA OWNED LAND NEXT TO FORMER K-MART

Since 2005, the Blaine EDA has been active in acquiring blighted properties around the former K-Mart building on 89th Ave in an effort to redevelop the area. A map is attached showing the two areas where properties are owned by the EDA. The EDA owns 2.15 acres along University Ave and 2.88 acres along 89th Ave. The EDA has been holding the land in hopes of it being part of a larger redevelopment of the K-Mart property. The former K-Mart site is going through a substantial internal and external remodel and will have Auto-Zone and Xperience Fitness as tenants. Another 20,000 sf. of space is also available for lease.

In January, the city council discussed what should occur with the two EDA/City owned properties now that the former K-Mart site has been improved. At that time, there were no specific interest from developers and the direction was to wait on both areas.

Staff have been approached by a developer that is interested in the 2.88 acre site to the east of Auto Zone and Xperience Fitness. This site is the former Frank's Nursery that the EDA purchased in 2005 for \$1.2mil. The property is zoned B-2 (Community Commercial) and has a land use designation of High Density Residential/Planning Commercial. The developer likes this particular site because of its access to walkable amenities and services.

The developer is proposing a 4-story (one-story parking, three-story residential), 90-unit market rate apartment building with 74 underground stalls and 107 surface stalls. The parking ratio

doesn't meet our current parking standards, however, given the number of studio and one-bedroom units, there could be flexibility in the requirement. A site plan is included that shows the general layout of the area with a minimum 35-foot setback to the east property line. Also attached are sample building elevations of what the building could look like. Amenities in the building would include a fitness center, community center, in-unit washer and dryer, balconies plus outdoor amenities.

The site plan shows 41 studio units, 29 one-bed units and 20 two-bed units. The two recent market rate apartment projects in Blaine (Emberwood and Berkshire Off Central) saw a high demand for studio and one-bedroom units. Rent would range from \$950-\$1100 for a studio, \$1,125-\$1,300 for a one-bedroom and \$1,600 - \$1,800 for a two-bedroom unit. These rates are similar to the above referenced apartment buildings.

The developer may also look into the possibility of having a portion of the units be made available to renters at a certain percentage of the area median income with a reduction in rental rates. If this occurs, there may be a financial request from the EDA to help off-set the reduced rental income.

The developer is requesting clear direction from the city council whether the city is interested in this type of use. If the developer moves forward with a proposal, a formal action and public hearing would be required by the EDA to sell the land along with a rezoning, conditional use permit and plat.