



1600 Utica Avenue South
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EXHIBIT A PROJECT NARRATIVE

**Conditional Use Permit Application
Gateway South 2101
2101 4th Avenue West
Shakopee, Minnesota**

Introduction:

Duke Realty Limited Partnership ("Duke Realty") is the owner and developer of a roughly 29 acre parcel located at the above address. The City previously issued permits allowing Duke Realty to construct a 203,424 square foot office/warehouse building with trailer parking on the subject site. Duke Realty began construction of the proposed building earlier this month, and recently executed a lease for a majority of the space. In order to accommodate our tenant's proposed use, Duke Realty is applying for a Conditional Use Permit to allow for manufacturing, fabricating, processing, and assembly uses within the building.

Project Summary:

The 29.15 acre property is currently zoned Light Industrial (I-1), and is a graded, "pad ready" site located within the Gateway South Business Park. Duke Realty hosted a required neighborhood open house for the proposed project on February 22nd, 2017. In March, the City approved a both final plat as well as a Conditional Use Permit (to allow trailer parking) for the subject site. Duke Realty then began construction of a 203,424 square feet (SF) warehouse distribution building. Construction is anticipated to be complete in the Fall of 2017, and this will be the second building developed by Duke Realty at Gateway South. When construction began, the building was speculative in nature, and included plans for a potential building expansion of 231,660 SF (for a total future building area of roughly 435,000 SF).

Duke Realty recently executed a lease with a tenant that will occupy approximately 173,000 SF of space within the initial proposed building. The proposed tenant is projected to create a minimum of 250 new jobs within the City of Shakopee. Their use includes some areas of light manufacturing, processing and assembly (a Conditional Use in the I-1 district). As a result, Duke Realty is seeking a Conditional Use Permit for the proposed building to allow for the uses identified in § 151.045 (C) (1): *"Manufacturing, fabrication, processing, and assembly operations conducted entirely within an enclosed building, except those involving a project that fits within one of the Mandatory EIS Categories under Min. Rules 410.40."*

Duke Realty has provided a preliminary depiction of our tenant's space and proposed uses as **Exhibit B**. Our tenant anticipates that roughly half of their light industrial (or non-office use) will be utilized for manufacturing and processing, however their final layout is still being designed and is subject to change. Note that we request that the Conditional Use Permit encompasses the entire Gateway South 2101 building to provide flexibility during the final design of the tenant space. We are also providing for reference an ALTA/NSPS Land Survey of the subject site as **Exhibit C**, and a copy of the recorded Gateway South Second Addition Plat as **Exhibit D**.



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Shakopee Municipal Code Section § 151.01 Compliance Statement:

The proposed conditional use will be in compliance with the Conditional Use Criteria as described below:

- (1) *The use will not be injurious to the use and enjoyment of other property in the immediate vicinity for the purposes already permitted, nor substantially diminish and impair property values within the immediate vicinity;*

Consistent with § 151.045 (C) (1), the proposed Conditional Use will be conducted entirely within the enclosed building. Additionally, the neighboring building to the east received approval for the same Conditional Use; therefore the granting of Duke Realty's request would be consistent with and in keeping with other development with Gateway South.

- (2) *The establishment of the conditional use will not impede the normal and orderly development and improvement of surrounding vacant property for uses allowed in the area;*

The primary relationship of the building to the surrounding properties and roadways remains unchanged from the originally approved site plan. The Conditional Use only applies to a tenant's use of the space within the building.

- (3) *Adequate utilities, access roads, drainage, and other necessary facilities have been or will be provided;*

The subject site is part of the master-planned Gateway South Business Park. The overall development provides for logical and consolidated access to the surrounding roadways through shared access drives, as well as adequate utility and drainage infrastructure. The requested Conditional Use will be adequately served by the existing and proposed roadway, utility, and drainage infrastructure, and will not excessively burden these systems.

- (4) *The use is consistent with the purposes of the zone in which the applicant intends to locate the proposed use;*

According to § 151.045 LIGHT INDUSTRY ZONE (I-1): "The purpose of the Light Industry Zone is to provide an area for industrial, light manufacturing, and office uses which are generally not obtrusive and which serve as a transition between more intensive industrial sites and residential and business land uses." Furthermore, the requested use is expressly listed as a contemplated Conditional Use within the I-1 zone (section § 151.045 (C) (1)). Duke Realty's petition to allow light manufacturing within the proposed building is consistent with and reflected in both the I-1 zone's purpose and its Conditional Uses.



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(5) *The use is not in conflict with the comprehensive plan.*

The City's 2030 Proposed Land Use Map designates the subject site as "Industrial"; therefore the proposed use is consistent with the comprehensive plan.

Conclusion:

Duke Realty respectfully requests approval of a Conditional Use Permit for the proposed building located at 2101 4th Avenue West in Shakopee, Minnesota. The requested Conditional Use Permit will allow for the uses identified in § 151.045 (C) (1): *"Manufacturing, fabrication, processing, and assembly operations conducted entirely within an enclosed building, except those involving a project that fits within one of the Mandatory EIS Categories under Min. Rules 410.40."* The requested approval will allow our proposed tenant to occupy approximately 173,000 SF of newly constructed, "Class A" industrial space, create new employment opportunities within Shakopee, and expand the real estate tax base.

We look forward to working with the City to continue the development of the Gateway South as a first-class Business Park so that all parties may realize the many benefits associated with this project. If Duke may provide any additional information to the City, kindly direct any questions regarding this project to Josh Budish at (952) 543-2926, or josh.budish@dukerealty.com.