

SOUTHBRIDGE CROSSINGS MIXED USE DEVELOPMENT DEVELOPMENT NARRATIVE

Application Summary

Shakopee Housing Group, LLC and Shakopee Crossings Limited Partnership request a PUD Amendment for Outlot A of Southbridge Crossings East Fifth Addition for a proposed mixed-use development. The proposed development will include a 27,636 SF small box grocery, 61-unit multifamily building, a 4,000 SF outlot retail building, and a 19,600 SF retail strip style building. Along with the PUD amendment, the site will be re-platted into two lots to allow for the phased development which will include Lot 1 for the housing and the remaining portion of the site will temporarily be Outlot A covering the grocery and retail building. As the grocery and retail developments are further developed, there will be additional platting applications.

Mixed Use Concept

Southbridge Crossings is a 700,000 square foot, open-air regional shopping center located on the south side of Highway 169 at County Road 21. It is a regional destination with daily drive-by traffic averaging more than 60,000 cars per day. The lifestyle center is home to many restaurants, shopping, transit, services and entertainment.

Mixed use developments have many community benefits including encouraging development within a more compact footprint and creating pedestrian-friendly environments with short distances between living, work and commercial destinations. The approved PUD will provide this mixed-use concept to combine the existing commercial development with new housing along with new commercial uses including grocery and retail services – all within a short distance of transit.

The proposed development is also compatible and well-matched with the surrounding land uses and provides for a zoning transition from retail and commercial uses, to high-density multifamily, to medium-density multifamily and finally to single family housing. Additionally, the development will create additional housing within walking distance of the Southbridge Crossings Park & Ride which will provide more opportunity for expanded growth and use of public transportation while creating a connection from the transit station to retail and neighborhood businesses.

Much of the infrastructure for the development is already in place including the roadway network to accommodate the new development. The Southbridge Crossings area is part of an AUAR Environmental review document completed in 2001 for the future build-out of this area which included an extensive traffic study of the local and regional roadways. The June 8, 2020 traffic study by Swing Traffic Solutions concluded that the proposed development will generate less peak hour traffic than initially anticipated for the area and has appropriate access to the site and to the existing surrounding roadway network. In other words, the roadway network serving the proposed development will function well with the addition of the Southbridge Crossings Mixed Use development.

Commercial – Grocery & Retail Strip Center

The grocery market is every changing following on the heels of “super-stores” from mega-chains such as Wal-Mart, Target and Costco. The grocery super-store landscape has become hyper competitive with main focuses on low-price models. The small grocery concept which provides specialty products is finding a strong niche in the grocery market. These smaller stores, including co-ops, promote sustainable agriculture, support local makers, sustain communities, and protect the planet.

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Up to the COVID-19 emergency, Shakopee Crossings Limited Partnership was in negotiations with a specialty grocery for the proposed building and the current design is based on those negotiations. In addition, discussions took place with a number of potential tenants of the retail center. Since COVID-19, there has been a pause in new retail development so the exact timing of these components is not yet defined. Because markets are cyclical and commercial demand at this location exists, we anticipate this moving forward within the next couple of years – potentially late 2021 or early 2022.

Multifamily – Core Crossings

The Southbridge Crossings Mixed Use development is consistent with Envision Shakopee. The proposed multifamily, Core Crossings, will be a workforce housing development that will provide housing opportunities for employees of Shakopee businesses along with units designated for Veterans.

The adoption of Envision Shakopee was a concerted effort between the City and the community to create a clear vision and blueprint for City planning over the next 20 years. The planning process included community engagement to ensure the final plan represented community aspirations. The Plan includes strategies for physical connections such as streets, trails and parks and housing options that are attainable for the average family. As part of the City's 2040 Comprehensive Plan for diversity in its housing base, the city approved Resolution No. R2019-56 in support of Core Crossings at this location.

Core Crossings is being developed by an affiliated entity of Sand Companies, Inc. (Sand). Sand has earned a reputation for professionalism, thoroughness and proven results. Since inception in 1991, Sand has successfully completed 86 multifamily housing developments (4,338 units), 31 hotels (2,594 guest rooms), 19 commercial projects, 6 residential subdivisions (239 lots) and various other projects. Sand also manages over \$400 million in assets including 44 residential housing developments (1,933 units), 18 hotels (1,762 guest rooms) and 5 commercial/restaurant/conference facilities.

Sand has a long standing of successful multifamily in Shakopee. It developed Boulder Ridge Townhomes in 2000 and Boulder Ridge Townhomes II in 2003 (affordable projects). Sand still owns and manages Boulder Ridge today and is currently finishing a \$1.3M renovation of Phase I. Most recently, Sand developed TRIO at southbridge (luxury market project) which includes a 100-unit first phase with build-out plans for an additional 244 units.

Core Crossings will consist of 61 units in a four-story building with ground level, enclosed parking. Because of a concern for a high-water table at the site, the covered parking will be at ground level. The unit mix will include 1, 2- and 3-bedroom apartment homes with in-unit laundry, individually-controlled heating and cooling and private decks. Core Crossings will be a 100% smoke-free building and will incorporate design features for Enterprise Green Communities and Universal Design. The property will have an on-site manager, elevator, secure access, heated parking garage, community room, fitness room, and outdoor children's play area.

Core Crossings will be an affordable development will all units serving residents and family with incomes at 60% or less of area median income (currently \$62,000 or less for 4-person family in Scott County). The focus of this housing will be to meet the significant housing needs of the Shakopee generated by the increase in people moving to the area for jobs, new and expanding employers, proximity to

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Minneapolis/Saint Paul, and the increasing housing costs in the area that place financial burdens on many households in the area.

In addition, Core Crossings has secured eight rental vouchers from Metro HRA for Veterans. Though they differ in age, gender, and experience, all, as Veterans, face similar obstacles to finding affordable housing. These obstacles often come on top of already trying conditions for ex-service men and women, such as post-traumatic stress disorder and the difficulty of adjusting to life outside the military. To assist our Veterans with these housing challenges, Core Crossings will have eight units designated for Veterans.

Funding for affordable housing is extremely competitive in the Twin Cities. Core Crossing was awarded funding in the fall of 2019 from the Minnesota Housing Finance Agency along with a low interest loan from the Scott County CDA. With the approval of the PUD amendment, Core Crossings plans to start construction in late 2020 with an anticipated opening in late 2021 or early 2022.

Livable Communities Transit-Oriented Development

The Livable Communities Transit-Oriented Development (TOD) grants are a category within the Met Council LCDA program which funds innovative development projects that efficiently link housing, jobs, and services with a greater emphasis on transit use, walkability, and development intensity in order to catalyze transit-oriented development along transit corridors throughout the metropolitan area. TOD projects diversify uses and provide a higher concentration of amenities in a compact built environment within transit station areas contributing to high-quality, pedestrian-oriented streets and public spaces encouraging the use of transit service. The focus on transit-oriented development aims to integrate transportation, jobs and housing, leverage private investment, advance equity, and increase transit ridership.

On July 1, 2020, the city submitted a LCA TOD grant application to the Met Council which, if funded, will offer local enhancements that will coincide with the Southbridge Crossings Mixed Use development. Some of the enhancements will include pedestrian improvements for the neighborhood including an artwalk connecting the park and ride to the Southbridge Crossings mixed-use development, additional sidewalks, trails, traffic enhancements, bike stations and a pedestrian pavilion.