



**JOINT CITY COUNCIL, HRA AND PLANNING COMMISSION WORK SESSION
VIRTUAL MEETING HELD VIA WEBEX
APRIL 19, 2021
6:00 PM**

Call to order

1. Discussion of the sale of 7700 Pillsbury Avenue South to Richfield Bloomington Honda, and the Zoning Code and Comprehensive Plan changes required to allow its use as an off-site surface parking lot.

Adjournment

Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.



STAFF REPORT NO. 12
WORK SESSION
4/19/2021

REPORT PREPARED BY: Ryan Krzos, Planner / Melissa Poehlman, Asst. Community Development Director

DEPARTMENT DIRECTOR REVIEW: John Stark, Executive Director
4/13/2021

OTHER DEPARTMENT REVIEW:

CITYMANAGER REVIEW: Katie Rodriguez, City Manager
4/14/2021

ITEM FOR WORK SESSION:

Discussion of the sale of 7700 Pillsbury Avenue South to Richfield Bloomington Honda, and the Zoning Code and Comprehensive Plan changes required to allow its use as an off-site surface parking lot.

EXECUTIVE SUMMARY:

Richfield Bloomington Honda (Applicant/RB Honda) is proposing to purchase the property at 7700 Pillsbury Avenue South for use as an employee parking lot. The property formerly housed the offices for the City garage. Following the construction of the new Public Works facility, the building was demolished (2014) and ownership of the site was transferred to the Housing and Redevelopment Authority (HRA) to develop the site. While the HRA has worked to find a permanent development, the Applicant has leased the site on an interim basis for employee parking. Current approvals for the RB Honda campus at 501 - 77th Street East include an agreement to begin construction of an on-site parking ramp by 2020.

The Applicant submitted a conceptual site plan depicting how the proposed use would be arranged on site. As depicted, the site would contain 77 designated employee stalls on a repaired paved surface. The Applicant also proposes additional landscaping and lighting.

To move forward with the sale of the property, formal approval by the HRA is needed. Additionally, several amendments to City policy documents (Comprehensive Plan and Zoning Ordinance) would be required. The site is currently guided for housing and the Zoning Ordinance does not allow parking lots as a principal use of a property in any district.

Staff continues to discuss the redevelopment of this site with other parties. At this time there is interest from a housing developer and a commercial party. Staff has several concerns about a policy change that would allow parking as a principal use; particularly given the City's proximity to the airport and the lack of developable land in the City.

Tim Carter of RB Honda will present a general proposal for the purchase of the property.

DIRECTION NEEDED:

Staff and the Applicant are seeking feedback regarding the following:

- Is off-site (stand-alone) parking a desired land use in the community?
- Is an off-site parking facility a desired use of this site?
- Should staff explore:
 - Sale of 7700 Pillsbury Avenue South to RB Honda for use as an off-site parking facility?
 - Necessary Zoning and Comprehensive Plan amendments to allow private parking lots as a principal use?
- Should existing approvals for the RB Honda campus be modified in regard to the required parking ramp?

BACKGROUND INFORMATION:

A. HISTORICAL CONTEXT

- A new RB Honda campus was approved by the City Council 2013. The I-494 Corridor zoning regulations call for maximizing development and in order to comply with minimum building coverage requirements, the Applicant agreed to begin construction of a parking ramp by 2020.
- The Applicant requested an Interim Use Permit to use the property at 7700 Pillsbury Avenue South for overflow parking from the campus in 2013.
- The former City garage building was demolished in 2014.
- In 2017, Nicolai Apartments proposed 21 units of market-rate housing. Nicolai Apartments decided not to move forward with the development.
- In 2019, the HRA approved a Development Agreement with MWF Properties for 55 units of affordable workforce housing. The project did not receive the requested tax credits and the development was paused. MWF Properties remains interested in pursuing the project.
- Staff was recently contacted by a local commercial business that is interested in redeveloping the site.

B. POLICIES (resolutions, ordinances, regulations, statutes, etc):

- The subject property is zoned Mixed-Use Neighborhood (MU-N) and a private parking lot as a standalone use is not permitted.
- The sketch plan was reviewed by the City's Administrative Review Committee. The majority of the comments are related to procedural and policy matters and are summarized below. Additional landscaping would be required to comply with the screening and buffering requirements pertaining to all parking areas as described in the Zoning Code.
- The Comprehensive Plan guides this property, and several others in the immediate vicinity, for medium or high-density housing. An amendment to this designation would be required and would need to involve evaluation of the surrounding parcels as well.
- A Comprehensive Plan amendment requires approval by a "super-majority" or 4/5 of the City Council. The amendment also requires review/approval by the Metropolitan Council.
- Zoning amendments will also be required. If the Council wants to allow private parking as a principal use, the following would need to be undertaken:
 - Evaluation of appropriate districts in which to allow the use;
 - Evaluation of appropriate design regulations; and
 - Text amendment to Zoning Ordinance.
- Conveyance of the property requires formal action by the HRA.
- The existing campus at 501 - 77th Street East is not compliant with current approvals related to the construction of a parking ramp.

C. CRITICAL TIMING ISSUES:

None at this time.

D. FINANCIAL IMPACT:

The required application processing fees for concept plan review have been paid.

E. LEGAL CONSIDERATION:

None at this time.

ALTERNATIVE(S):

None.

PRINCIPAL PARTIES EXPECTED AT MEETING:

Tim Carter, Richfield Bloomington Honda

ATTACHMENTS:

Description	Type
□ Applicant Narrative and Concept Plan	Backup Material



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www.rbhonda.com

501 W. 77th Street, Richfield, MN 55423

March 5, 2021

Katie Rodriguez, City Manager
City of Richfield
6700 Portland Avenue
Richfield, MN 55423

Re: Proposal to Purchase City Garage

Dear Ms. Rodriguez:

Thank you for the opportunity to submit a proposal from Richfield-Bloomington Honda ("Richfield Honda") to the City of Richfield to purchase the City parcel located at 7700 Pillsbury Avenue South. Richfield Honda has leased the undeveloped City parcel since May 2018 for offsite vehicle parking. We have prepared an appraisal of the City parcel and will pay fair market value. Assuming no title issues, we are prepared to close as soon as appropriate title conveyance documents are created. We do not anticipate there would be any contingencies to closing based on the long-standing use of the parcel by Richfield Honda.

I am attaching a site plan depicting the layout of the parcel as used by Richfield Honda. We propose to add lighting for the safety of our employees and new landscaping. Other aspects of our proposal are set out below:

- Use for employee parking only, no inventory units or customer cars, during business hours only.
- No overnight parking.
- 77 spaces will be striped.
- Improvements to black top and landscaping will be provided and maintained.
- Lighting will be added as indicated.
- Use and flow will be similar to the past six years during the lease of the property.
- No deliveries or truck drop-offs will be permitted.

Sincerely,

Tim Carter, General Manager
Richfield Bloomington Honda

cc: Mayor Maria Regan Gonzalez
John Stark

