CITY OF ST. PAUL

HIGHLAND BRIDGE

BLOCK 2C – COMMERCIAL Ryan Companies US, Inc.

VARIANCE NARRATIVE November 18, 2024

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Project Summary

The Block 2C Commercial Project is a Ryan Companies (Ryan) owned and developed project located in the northern portion of the Highland Bridge development, west of Cretin Ave and south of Outlot B (also known as the Civic Square). The 0.77 acre site is one of four parcels split from the original Block 2 within the F5 Business Mixed Zoning District. Block 2 was initially divided between Lot 1 and Lot 2 through the original FORD plat by a diagonal line between Outlot B and Outlot C, but the Northern Highland Bridge plat was recorded in 2023 to split Block 2 into four separate parcels, Lots 1-4:

- 1. Lot 1, Block 2 (or "Block 2A"), will be developed at a future date, anticipated to be a Mixed-Use Project or Commercial Project.
- 2. Lot 2, Block 2 (or "Block 2B"), is proposed to be developed into a Mixed-Use Project.
- 3. Lot 3, Block 2 (or "Block 2C"), is proposed to be developed into a Commercial Project.
- 4. Lot 4, Block 2 (or "Block 2D"), is currently under construction with a senior housing development anticipated to open in Spring of 2025.

The Block 2C project is proposing a one-story commercial building with approximately 13,000 square feet of retail. Private street parking exists along the private Hillcrest Drive roadway to the south. Vehicular access to the site is directly along Hillcrest Drive from Cretin Ave to the east or through Outlot C to the west. The commercial component of the building is consistent with the business mixed focused goals of the F5 Zoning District. Construction is expected to start in the Spring of 2025 with project completion in the Fall of 2026.

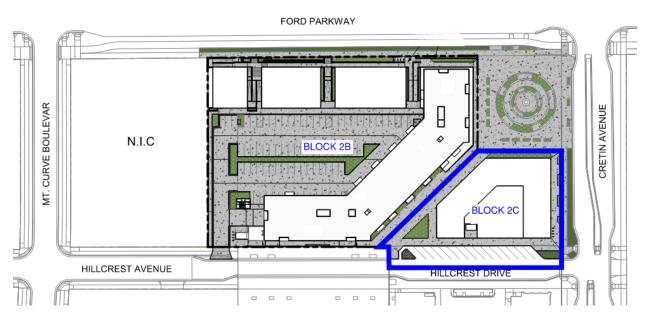


Figure 1: Highland Bridge Block 2C Layout

Variance Request 1: Floor Area Ratio (FAR)

The Block 2C project is located within the F5 Business Mixed Zoning district which requires the project to provide between a 2.0-4.0 Floor Area Ratio (FAR) within its project boundary. The Block 2C project is pursuing a variance to be under the minimum FAR requirement with a 0.3 FAR, a difference of 1.7 FAR.

Note that the Block 2B project to the west is requesting a similar FAR variance as a part of its respective entitlement approvals. The Block 2D project that is under construction has an FAR of 3.1, which is within the allowable FAR range for the F5 district, but the Block 2A project FAR is unknown at this time as the specific development programming for that lot is undetermined. When viewing the known Block 2 projects together (excluding Block 2A) the FAR equates to approximately 1.7 which is much closer to the allowable range of the F5 district. The collective Block 2 FAR may exceed the 2.0 minimum FAR depending on what specific development programming is brought forth on Block 2A in the future. However, dimensional standards are applied to each lot, rather than block, so each individual parcel needs to be calculated for FAR instead of the entire block. Figure 1.1 depicts the project boundaries with their respective FAR values along with the total Block 2 boundary and FAR calculation denoted.

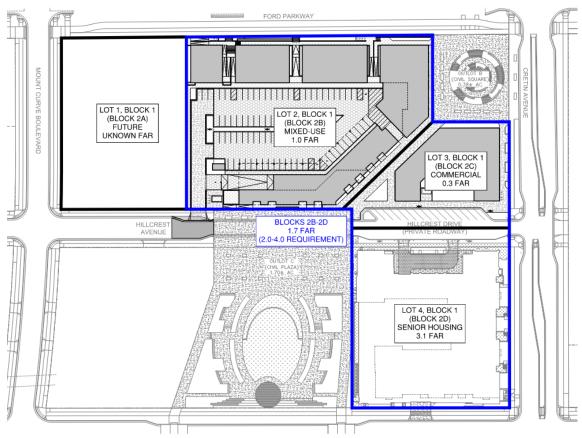


Figure 2: Highland Bridge Block 2 FAR Values

- 1. Circumstances unique to the property (not created by the landowner) that create practical difficulties in complying with the provision of the code from which a variance is requested.
 - a. The presence of the two civic spaces, Outlot B (Civic Square) and Outlot C (Civic Plaza) as identified in the Ford Site Master Plan, constrains the alignment of the roadway network surrounding Block 2 which results in a large, awkward shaped land area to be developed. Angled property lines along the northwest corner of Block 2C, created due to the City required pedestrian access easement, create inefficiencies within the proposed building resulting in less building square footage. The City requirements to connect the two civic spaces with a pedestrian pathway and to connect Cretin Ave to Hillcrest Ave with a private roadway, called Hillcrest Drive, increases the undevelopable space on the block. If the roadway network and parcel lines for Block 2 reflected a more standard block and there were no site requirements for connections of adjacent parcels, additional density could be added to increase the FAR.
 - b. Existing site conditions such as perched water table, shallow bedrock, and an approximately 5 ft grade change across Block 2C limits the developable area within the lot. The various conditions constrain the layout of the building and ultimately how large the different building components can be, thus limiting achievable FAR.
 - c. There are various micro- and macro-economic factors that have delayed the development of Block 2 over the past five years. A worldwide health pandemic leading to increased material costs and supply chain issues, a local rent stabilization policy deterring typical development capital sources, federal tightening of monetary policy, and other factors have resulted in multiple iterations of this development to stall. The proposed development is a financially feasible development that complies with the spirit of the Ford Site Master Plan, will bring jobs and tax base to the City of St. Paul, and will provide a vibrant front door to the Highland Bridge development for years should this variance be approved.
- 2. The property is proposed to be used in a reasonable manner, consistent with the intent and purpose of the provision of the code from which a variance is requested.
 - a. The Ford Site Master Plan manages density with various requirements such as FAR, setbacks, building height, and various lot coverage requirements. While the Block 2C project is under the minimum FAR requirement, the project does meet the setback and lot coverage requirements. The Block 2C project is also seeking a variance for building height to be below the minimum building height.
 - b. The Master Plan emphasizes holding street corners and major roadway edges with building facades, as well as creating a pedestrian scale development, which the Block 2C project design has achieved.

- 3. The variance will not permit any use that is not allowed in the zoning district in which the property is located.
 - a. The commercial project is an allowed use within the F5 Business Mixed District.
- 4. The variance is consistent with the comprehensive plan and will not alter the essential character of the surrounding area.
 - a. One of the guiding principles of the Ford Site Master Plan is Jobs and Tax Base in which the mixed-use building provides business and employment opportunities for the development.
 - b. The Comprehensive Plan includes a Land Use section that lists Goal 3 as "access to employment and housing choice", Goal 7 as "quality full-time jobs and livable wages", Policy LU-5 of "Encourage flexible building design to ensure ongoing functionality and viability, and to respond to new market opportunities", and Policy LU-7 of "Use land use and zoning flexibility to respond to social, economic, technological, market and environmental changes, conditions and opportunities." The Block 2C project supports the various Land Use goals of the comprehensive plan by providing employment opportunities through a unique development layout that adapts to a constrained site and economic conditions.

Variance Request 2: Building Height

The Block 2C project is located within the F5 Business Mixed Zoning district which requires the project to provide between 40-65 feet of building height. The Block 2C project is developed in conjunction with the Block 2B project and is designed similar to the single story retail buildings on the north side of Block 2B. However, density requirements are applied to each lot, rather than block, so a variance is needed for the building height on Block 2C. The Block 2C building is designed to integrate with the lower massing of the four story massing on Block 2C to provide a consistent retail aesthetic, but the Block 2C building does not have a residential component above like the four story Block 2C building does. The Block 2C project is pursuing a variance to be under the minimum building height requirement with an 18 ft building height, a difference of 22 ft below the minimum height required.



Figure 3: Highland Bridge Block 2C Southeast Perspective View

- 1. Circumstances unique to the property (not created by the landowner) that create practical difficulties in complying with the provision of the code from which a variance is requested.
 - a. The presence of the two civic spaces, Outlot B (Civic Square) and Outlot C (Civic Plaza) as identified in the Ford Site Master Plan, constrains the alignment of the roadway network surrounding Block 2 which results in a large, awkward shaped land area to be developed. Angled property lines along the northwest corner of Block 2C, due to the City required pedestrian access easement, create inefficiencies within the proposed building resulting in less building square footage. The City requirement to connect the two civic spaces with a pedestrian pathway and to connect Cretin Ave to Hillcrest Ave with a private roadway, called Hillcrest Drive, increases the undevelopable space on the block and makes a small scale vertical mixed-use building inefficient from a design and cost perspective. The lot is best

served as a single-story retail building to match those on Block 2B and hold the prominent frontages of Cretin Ave, Outlot B, and the diagonal pedestrian way.

- b. There are various micro- and macro-economic factors that have delayed the development of Block 2 over the past five years. A worldwide health pandemic leading to increased material costs and supply chain issues, a local rent stabilization policy deterring typical development capital sources, federal tightening of monetary policy, and other factors have resulted in multiple iterations of this development to stall. The proposed development is a financially feasible development that complies with the spirit of the Ford Site Master Plan, will bring jobs and tax base to the City of St. Paul, and will provide a vibrant front door to the Highland Bridge development for years to come should this variance be approved.
- 2. The property is proposed to be used in a reasonable manner, consistent with the intent and purpose of the provision of the code from which a variance is requested.
 - a. The Ford Site Master Plan manages density with various requirements such as FAR, setbacks, building height, and various lot coverage requirements. While the Block 2C project is under the minimum building height requirement, the project does meet the setback and lot coverage requirements. The Block 2C project is also seeking a variance for FAR to be below the FAR.
 - b. The Master Plan emphasizes holding street corners and major roadway edges with building facades, and creating a vibrant, pedestrian-scale development, which the Block 2C project design has achieved.
- 3. The variance will not permit any use that is not allowed in the zoning district in which the property is located.
 - a. The commercial project is an allowed use within the F5 Business Mixed District.
- 4. The variance is consistent with the comprehensive plan and will not alter the essential character of the surrounding area.
 - a. One of the guiding principles of the Ford Site Master Plan is Jobs and Tax Base in which the mixed-use building provides business and employment opportunities for the development.
 - b. The Comprehensive Plan includes a Land Use section that lists Goal 3 as "access to employment and housing choice", Goal 7 as "quality full-time jobs and livable wages", Policy LU-5 of "Encourage flexible building design to ensure ongoing functionality and viability, and to respond to new market opportunities", and Policy LU-7 of "Use land use and zoning flexibility to respond to social, economic, technological, market and environmental changes, conditions and opportunities." The Block 2C project supports the various Land Use goals of the comprehensive plan by providing employment opportunities through a unique development layout that adapts to a constrained site and economic conditions.

Variance Request 3: Window & Door/Opening Percentage

The Block 2C project is subject to the Design Standards of the Ford Site Master Plan, which apply to specific frontages for each block within the Highland Bridge development. Design Standard section G15 requires that "For new Live/Work, Mixed Residential and Commercial, Civic and Institutional, and Commercial & Employment buildings, windows and doors or openings shall comprise at least fifty (50) percent of the length and at least thirty (30) percent of the area of the ground floor along addressed sides of the building and sides that face open space." This standard applies to the south (address side of the building) and north (adjacent to Outlot B open space) sides of the building.

The unique attributes of this parcel, with essentially four highly-visible, active sides, make the design more complex, particularly given the need for functional back-of house spaces which deserve less visibility in order to enhance both business operations and the pedestrian experience.

The Block 2C project is pursuing variances from G15 for:

• The south side with a 40% length and 15% area of windows and doors/openings for the ground floor, a difference of 10% and 15% from the length and area requirements.

The Block 2C project is compliant with G15 for:

• The north side for the length and area of windows and doors/openings required for the ground floor.

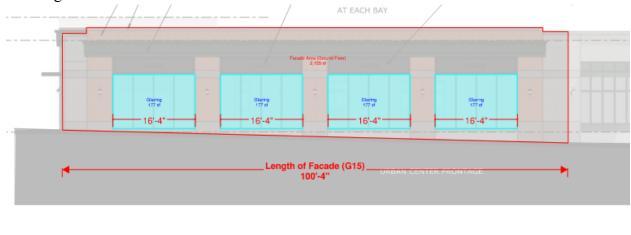




Figure 4: Example Window & Door/Opening Percentage Calculation

- 1. Circumstances unique to the property (not created by the landowner) that create practical difficulties in complying with the provision of the code from which a variance is requested.
 - a. There are various micro- and macro-economic factors that have delayed the development of Block 2 over the past five years. A worldwide health pandemic leading to increased material costs and supply chain issues, a local rent stabilization policy deterring typical development capital sources, federal tightening of monetary policy, and other factors have resulted in multiple iterations of this development to stall. The proposed development is a financially feasible development that complies with the spirit of the Ford Site Master Plan, will bring jobs and tax base to the City of St. Paul, and will provide a vibrant front door to the Highland Bridge development for years to come should this variance be approved.
 - b. The facade design for the North, East, and West facades are visually consistent with the proposed neighboring Block 2B standalone retail buildings, however the programmatic needs of the interior of the building limit the amount of glazing to some degree, for the sake of safety and privacy for the intended use. This language wraps around the southern facade at the main building entry as well and resolves the massing with a consistent experience. The facade area in the SW corner is fronting back of house spaces that are not conducive to cladding with glazing.
- 2. The property is proposed to be used in a reasonable manner, consistent with the intent and purpose of the provision of the code from which a variance is requested.
 - a. The Master Plan emphasizes holding street corners and major roadway edges with building facades, along with providing well-designed urban neighborhood buildings, which the Block 2C project design has achieved.
- 3. The variance will not permit any use that is not allowed in the zoning district in which the property is located.
 - a. The commercial project is an allowed use within the F5 Business Mixed District.
- 4. The variance is consistent with the comprehensive plan and will not alter the essential character of the surrounding area.
 - a. One of the guiding principles of the Ford Site Master Plan is Jobs and Tax Base in which the mixed-use building provides business and employment opportunities for the development.
 - b. The Comprehensive Plan includes a Land Use section that lists Goal 3 as "access to employment and housing choice", Goal 7 as "quality full-time jobs and livable wages", Policy LU-5 of "Encourage flexible building design to ensure ongoing functionality and viability, and to respond to new market opportunities", and Policy LU-7 of "Use land use and zoning flexibility to respond to social, economic, technological, market and environmental changes, conditions and opportunities."

The Block 2C project supports the various Land Use goals of the comprehensive plan by providing employment opportunities through a unique development layout that adapts to a constrained site and economic conditions.

Variance Request 4-7: Transparent Glazing Percentage

The Block 2C project is subject to the Design Standards of the Ford Site Master Plan, which apply to specific frontages for each block within the Highland Bridge development. Design Standard section S15 requires that "*The building face shall include a minimum of 65% transparent glazing in the bottom 12 feet of the building for portions of the ground floor not dedicated to residential units.*" This standard applies to the northwest side of the building (adjacent to the pedestrian corridor), the north side of the building (adjacent to Outlot B open space), and the east side of the building (adjacent to the Cretin Ave).

The unique attributes of this parcel, with essentially four, highly-visible, active sides, make the design more complex, particularly given the need for functional back-of house spaces which deserve less visibility in order to enhance both business operations and the pedestrian experience.

The Block 2C project is pursuing variances from S12 for:

- The north side of the building with a 50% area of glazing for the bottom 12 feet of the building, a difference of 15% from the area requirement
- The east side of the building with a 45% area of glazing for the bottom 12 feet of the building, a difference of 20% from the area requirement
- The south side of the building with a 25% area of glazing for the bottom 12 feet of the building, a difference of 40% from the area requirement
- The northwest side of the building with a 25% area of glazing for the bottom 12 feet of the building, a difference of 40% from the area requirement



Figure 5: Example Ground Floor Glazing Calculation

- 1. Circumstances unique to the property (not created by the landowner) that create practical difficulties in complying with the provision of the code from which a variance is requested.
 - a. There are various micro- and macro-economic factors that have delayed the development of Block 2 over the past five years. A worldwide health pandemic

leading to increased material costs and supply chain issues, a local rent stabilization policy deterring typical development capital sources, federal tightening of monetary policy, and other factors have resulted in multiple iterations of this development to stall. The proposed development is a financially feasible development that complies with the spirit of the Ford Site Master Plan, will bring jobs and tax base to the City of St. Paul, and will provide a vibrant front door to the Highland Bridge development for years to come should the variance be approved.

- b. The facade design for the North, East, and West facades are visually consistent with the proposed neighboring Block 2B standalone retail buildings, however the programmatic needs of the interior of the building limit the amount of glazing to some degree, for the sake of safety and privacy for the intended use. This language wraps around the southern facade at the main building entry as well and resolves the massing with a consistent experience. The facade area in the SW corner is fronting back of house spaces that are not conducive to cladding with glazing. Additionally, a flat finished floor elevation for as much of the interior space as practical dictates that that some area that would otherwise be glazing will be nonglazed components of the window system to cover the slab edge between the floor and the pedestrian walkway surface.
- 2. The property is proposed to be used in a reasonable manner, consistent with the intent and purpose of the provision of the code from which a variance is requested.
 - a. The Master Plan emphasizes holding street corners and major roadway edges with building facades, along with providing well-designed urban neighborhood buildings, which the Block 2C project design has achieved.
- 3. The variance will not permit any use that is not allowed in the zoning district in which the property is located.
 - a. The commercial project is an allowed use within the F5 Business Mixed District.
- 4. The variance is consistent with the comprehensive plan and will not alter the essential character of the surrounding area.
 - a. One of the guiding principles of the Ford Site Master Plan is Jobs and Tax Base in which the mixed-use building provides business and employment opportunities for the development.
 - b. The Comprehensive Plan includes a Land Use section that lists Goal 3 as "access to employment and housing choice", Goal 7 as "quality full-time jobs and livable wages", Policy LU-5 of "Encourage flexible building design to ensure ongoing functionality and viability, and to respond to new market opportunities", and Policy LU-7 of "Use land use and zoning flexibility to respond to social, economic, technological, market and environmental changes, conditions and opportunities." The Block 2C project supports the various Land Use goals of the comprehensive

plan by providing employment opportunities through a unique development layout that adapts to a constrained site and economic conditions.