

CITY OF ST. PAUL

HIGHLAND BRIDGE
BLOCK 2B – MIXED-USE
Ryan Companies US, Inc.

VARIANCE NARRATIVE
November 18, 2024

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Project Summary

The Block 2B Mixed-Use Project is a Ryan Companies (Ryan) owned and developed project located in the northern portion of the Highland Bridge development, south of Ford Pkwy and west of Outlot B (also known as the Civic Square). The 2.19 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 55+ active adult development anticipated to open in Spring of 2025.

The Block 2B project is proposing a four-story, 97 unit mixed-use residential building with approximately 23,500 square feet of retail spread beneath the residential portion of the four-story massing and within three one-story buildings. Two levels of structured parking are provided interior to the site, the second level providing parking for the retail users and the lower level providing secured parking for the residential tenants. Vehicular access to the site is directly from Hillcrest Ave to the south which provides access to both levels of the structured parking. The mixed-use components of the building are 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.

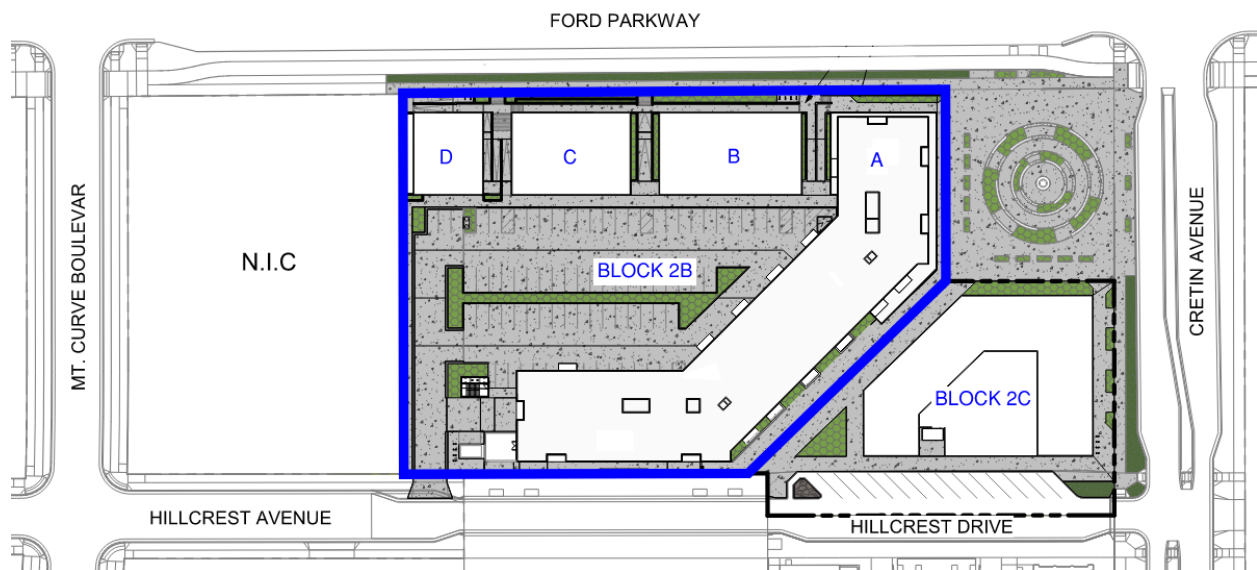


Figure 1: Highland Bridge Block 2B Layout

The design of Block 2 is significantly affected by various grade changes, the need to create ADA compliant connections that also work within grade changes, and the desire to create a pedestrian friendly scale of development along Ford Pkwy. The current sidewalk along Ford Pkwy is not ADA compliant and the proposed buildings are seeking to improve access for all abilities on this parcel. Grade changes along Ford Pkwy for the lot are approximately 16 feet from the east to west corners, grade changes from Hillcrest Ave to Ford Pkwy on the west side of the parcel are approximately 9 feet, and grade changes along Hillcrest Drive and Hillcrest Ave from east to west are approximately 5 feet. These various slopes throughout the parcel further complicate ADA pedestrian access as well as market-required parking for the site. A series of ramps, stairs and changes of building heights work within these constraints (with very little tolerance) to create a vibrant, mixed use development proposal.

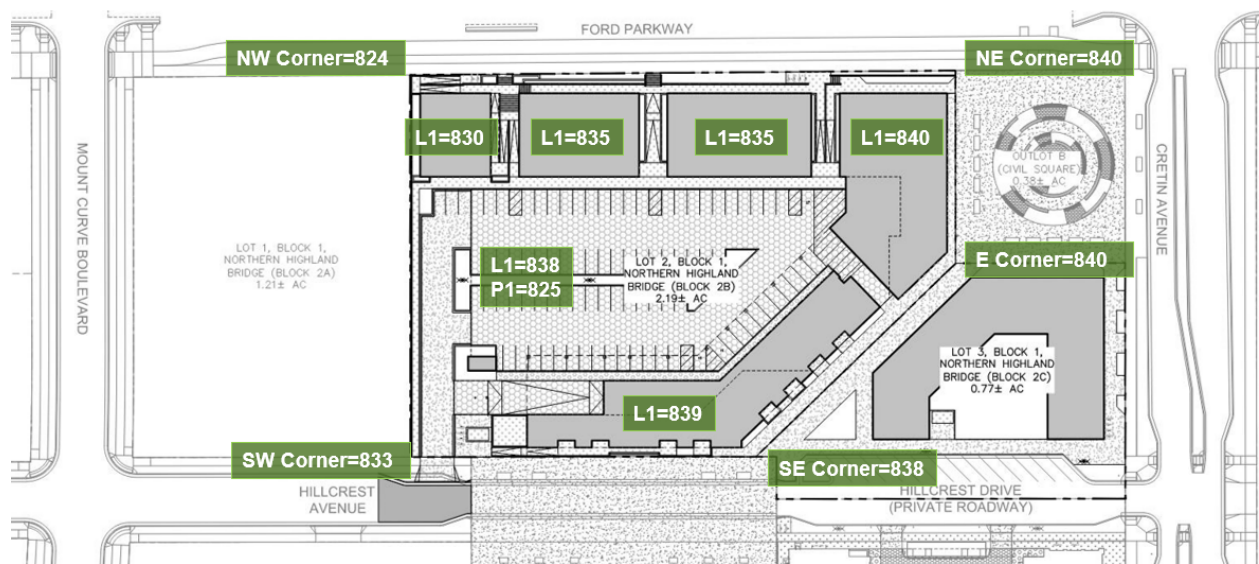


Figure 2: Highland Bridge Block 2B Grade Change

Variance Request 1: Floor Area Ratio (FAR)

The Block 2B 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 2B project is pursuing a variance to be under the minimum FAR requirement with a 1.0 FAR, a difference of 1.0 FAR.

Note that the Block 2C project to the east 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.

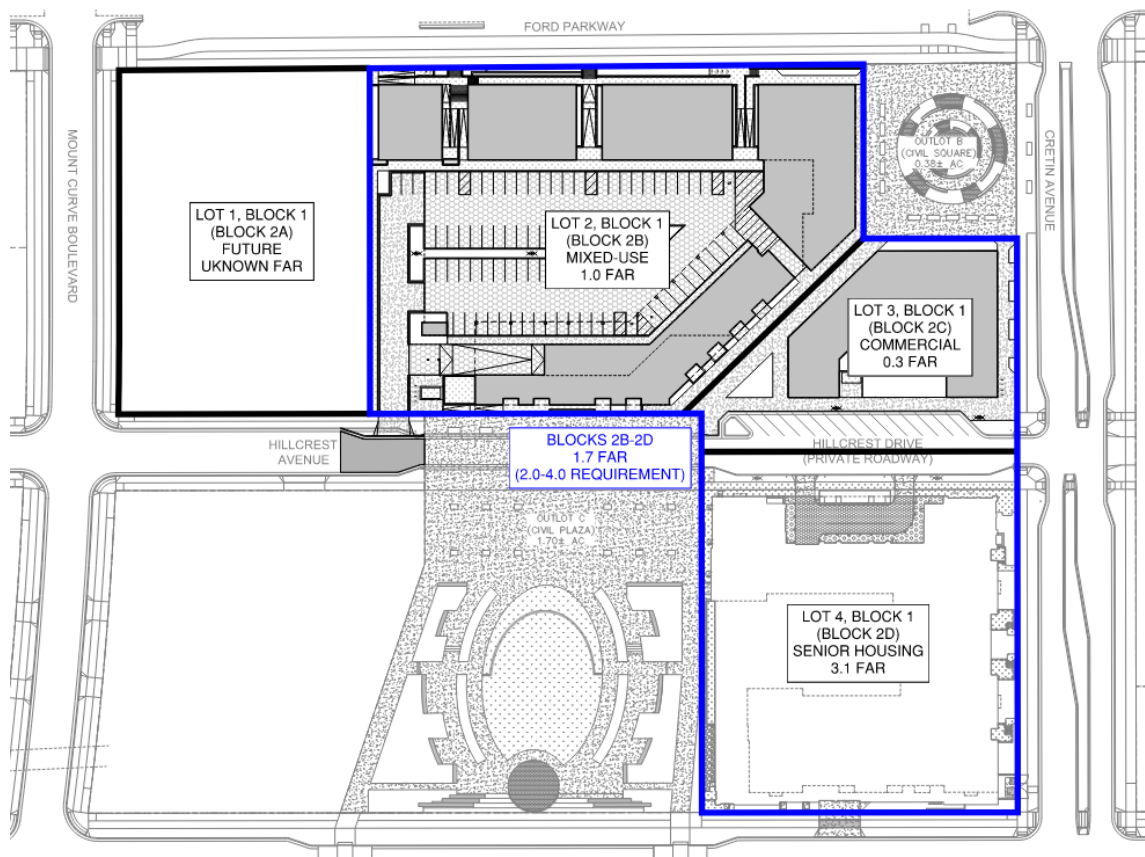


Figure 3: Highland Bridge Block 2 FAR Values

Supporting Information

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 southeast corner of Block 2B, created in order to accommodate the required public pedestrian pathway easement, result in inefficiencies within the proposed building resulting in less building square footage. The pathway easement requirement also 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 16 ft grade change across Block 2B limits the developable area within the lot. The various conditions constrain the layout of the buildings and ultimately how large the different building components can be, thus limiting achievable FAR.
 - c. Delivering a variety of viable commercial and employment uses at Highland Bridge to contribute to economic development is a goal of the Master Plan. The commercial component of the mixed-use project includes higher parking demands than most projects expected within Highland Bridge due to myriad tenants and market demands for commercial tenant operations. The higher demand for parking increases the amount of site area necessary compared to the size of the building, which impacts the FAR calculation. Note that the FAR calculation excludes structured parking even though it is a part of the physical building structure. If structured parking were included in the calculation, the minimum 2.0 FAR would be achieved.
 - d. 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 granted.

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 2B project is under the minimum FAR requirement, the project does meet the setback requirements. The Block 2B project is also seeking variances for building height to be below the minimum building height and for building lot coverage to be above the maximum lot coverage.
 - b. The Master Plan emphasizes holding street corners and major roadway edges with building facades, and activating pedestrian pathways, which the Block 2B 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 mixed-use 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 Mix of Uses and Activities in which the mixed-used building provides a vibrant place to live and work. Another guiding principle of the 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 2B project supports the various Land Use goals of the comprehensive plan by providing a housing and employment opportunity through a unique development layout that adapts to a constrained site and economic conditions.

Variance Request 2-4: Building Height

The Block 2B project is located within the F5 Business Mixed Zoning district which requires the project to provide between 40-65 ft of building height. The Block 2B project is compliant with the minimum building height requirement for the four story mixed-use building (Building A). However, zoning dimensional standards are applied to each building within the same lot, so the other three buildings within the lot that are shorter than 40 ft require individual variances. The standalone retail buildings are designed to integrate with the lower massing of the four story massing to provide a consistent retail aesthetic and provide an active and vibrant pedestrian experience along Ford Parkway. The standalone retail buildings do not have a residential component above like the four story building does due to both site design goals and economic factors beyond the applicant's control.

The Block 2B project is pursuing variances to be under the minimum building height requirement for:

- The Retail B building with a height of 15 ft, a difference of 25 ft below the minimum height requirement.
- The Retail C building with a height of 15 ft, a difference of 25 ft below the minimum height requirement.
- The Retail D building with a height of 12 ft, a difference of 28 ft below the minimum height requirement.



Figure 4: Highland Bridge Block 2B Northwest Perspective View

Supporting Information

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 long Ford Pkwy street frontage of the Block 2B parcel hinders pedestrian access from Ford Pkwy further into Highland Bridge- especially when combined with the substantial grade change in this area. Separate smaller buildings were provided in order to create pedestrian scaled development along Ford Pkwy, allowing for ample access and permeability between the primary frontage to the structured parking hidden at the rear of the retail buildings and further into the Highland Bridge development. The separate, smaller buildings are not feasibly developed into 40 ft buildings due to the smaller footprint of the buildings and the use as retail only.
 - b. Existing grade change of approximately 16 ft across Block 2B limits the building height when measured using the average grade of the lot. Buildings B & C are approximately 5 feet lower in first floor elevation than building A and building D is approximately 5 feet lower in first floor elevation than buildings B & C. While if on a flat lot the three buildings would still not meet the minimum building elevation of 40 ft, the building heights would be closer than to the minimum than what they are proposed at due to the sloped site conditions.
 - 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 to come if this variance is 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 2B project is under the minimum building height requirement for three of the buildings, the project does meet the minimum building height for the fourth building and all buildings meet the setback requirements. The Block 2B project is also seeking a variance for FAR to be below the FAR and for building lot coverage to be above the maximum lot coverage.
 - b. The Master Plan emphasizes holding street corners and major roadway edges with building facades, and activating pedestrian pathways, which the Block 2B 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 mixed-use 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 Mix of Uses and Activities in which the mixed-used building provides a vibrant place to live and work. Another guiding principle of the 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 2B project supports the various Land Use goals of the comprehensive plan by providing a housing and employment opportunity through a unique development layout that adapts to a constrained site and economic conditions.

Variance Request 5: Building Lot Coverage

The Block 2B project is a mixed residential and commercial project which the Master Plan requires the project to provide less than 70% building lot coverage. The Block 2B project is pursuing a variance to be over the maximum building lot coverage requirement up to a building lot coverage of 80%, a difference of 10% from the requirement.

The Block 2C project to the east is compliant with the maximum building lot coverage requirement for that lot. Note that when the Block 2B and Block 2C projects are viewed together they achieve a building lot coverage of approximately 63%, which is below the maximum requirement. Note also that the building lot coverage requirement is inclusive of structured parking that is greater than one-story above grade. Without the inclusion of structured parking, Block 2B would have approximately 43% building lot coverage, which would also be below the maximum requirement. Figure 4 below shows the building lot coverage contributions from buildings (43%) vs the building lot coverage contribution from parking structure (37%).

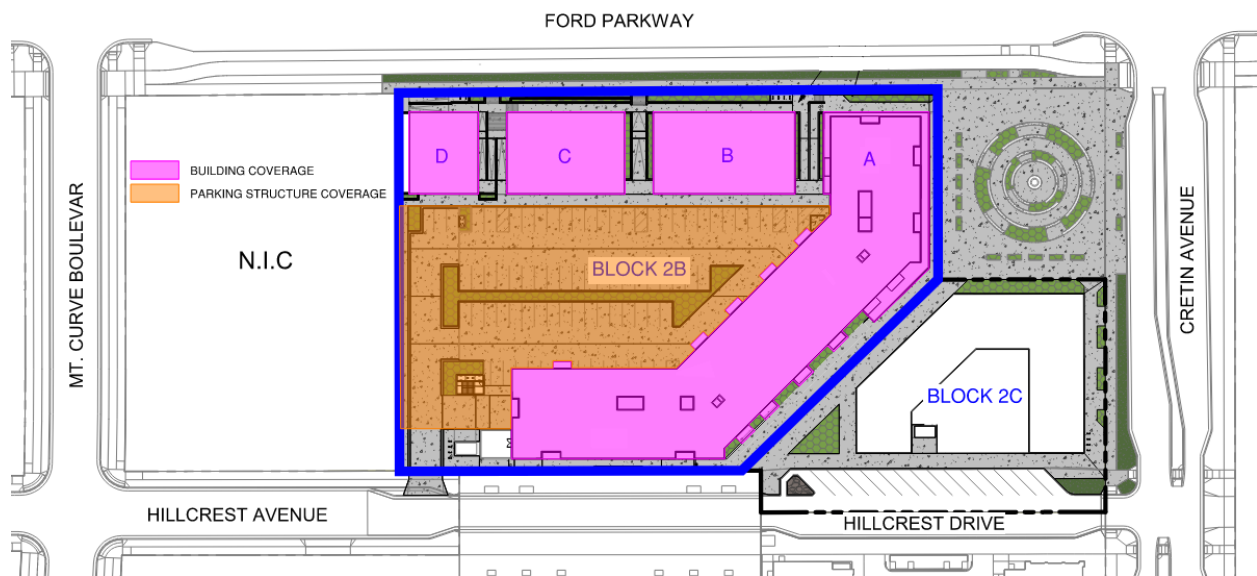


Figure 5: Highland Bridge Block 2B Building Lot Coverage

Supporting Information

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 long Ford Pkwy street frontage of the Block 2B, along with the significant grade change, hinders pedestrian access from Ford Pkwy further into Highland Bridge. Separate smaller buildings were provided in order to create pedestrian scaled development along Ford Pkwy, allowing for ample access and permeability between the primary frontage to the structured parking hidden at the rear of the retail buildings and further into the Highland Bridge development. The structured

parking to support the buildings was designed to be spread out across the lot to be able to connect pedestrians between the rear structured parking and the front access to the retail buildings along Ford Pkwy, as well as to minimize visibility from Ford Pkwy. The structured parking could be built with additional levels above grade to minimize the building lot coverage, but this configuration allows for better pedestrian connection from Ford Pkwy, to the rear parking, and further into Highland Bridge while also minimizing visibility of the parking structure from the pedestrian pathways.

- b. Existing site conditions such as perched water table, shallow bedrock, and an approximately 16 ft grade change across Block 2B limit the extent structured parking can be pushed below grade. If the structured parking were pushed below grade, it would not count towards the building lot coverage calculation. The various conditions constrain the depth of excavation and expose more of the structured parking building, thus increasing the building lot coverage within the site.
 - 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 control 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 if allowed to deviate from the FAR minimum requirement.
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 2B project is over the building lot coverage requirement, the project does meet the setback requirements. The Block 2B project is also seeking a variance for FAR to be below the FAR and for the building height to be below the minimum building height.
 - c. The Master Plan emphasizes holding street corners and major roadway edges with building facades, and activating pedestrian pathways, which the Block 2B 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 mixed-use 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 Mix of Uses and Activities in which the mixed-used building provides a vibrant place to live and work. Another guiding principle of the 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 2B project supports the various Land Use goals of the comprehensive plan by providing a housing and employment opportunity through a unique development layout that adapts to a constrained site and economic conditions.

Variance Requests 6-7: Window & Door/Opening Percentage

The Block 2B 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 north sides of each of the four buildings (address side of the buildings), east side of the Retail A building (adjacent to Outlot B open space), and the south side of the residential building (adjacent to Outlot C open space). The proposal exceeds these standards in most cases; however, there are certain portions of the block where variances are required.

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

- The north side of the Retail A building with a 20% area of windows and doors/openings for the ground floor, a difference of 10% from the area requirement.
- The north side of the Retail D building with a 25% area of windows and doors/openings for the ground floor, a difference of 5% from the area requirement.

The Block 2B project is COMPLIANT, in many cases meaningfully exceeding standards, and NOT seeking variances with G15 for:

- The north side of Retail A for the length of windows and doors/openings required for the ground floor.
- The north side of Retail B for the length and area of windows and doors/openings required for the ground floor.
- The north side of Retail C for the length and area of windows and doors/openings required for the ground floor.
- The north side of Retail D for the length of windows and doors/openings required for the ground floor.
- The east side of Retail A for the length and area of windows and doors/openings required for the ground floor.
- The south side of the residential for the length and area of windows and doors/openings required for the ground floor.

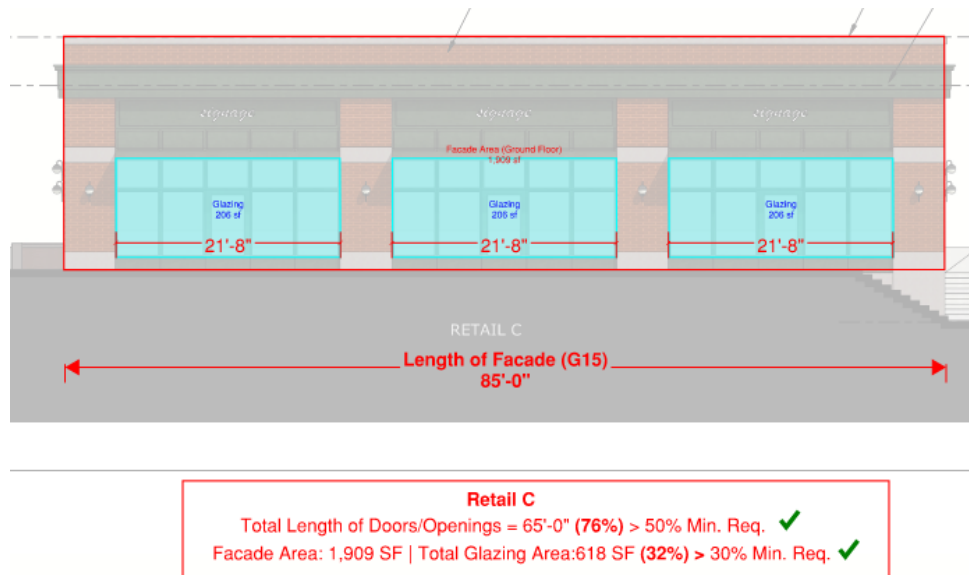


Figure 6: Example Window & Door/Opening Percentage Calculation

Supporting Information

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.
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 2B 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 mixed-use 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 Mix of Uses and Activities in which the mixed-used building provides a vibrant place to live and work. Another guiding principle of the 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 2B project supports the various Land Use goals of the comprehensive plan by providing a housing and employment opportunity through a unique development layout that adapts to a constrained site and economic conditions.

Variance Request 8-13: Transparent Glazing Percentage

The Block 2B 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 north sides of each of the four buildings (adjacent to Ford Pkwy), east side of the Retail A building (adjacent to Outlot B open space), southeast side of the residential building (adjacent to the pedestrian corridor), and the south side of the residential building (adjacent to Outlot C open space).

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

- The north side of the Retail A building with a 40% area of glazing for the bottom 12 feet of the building, a difference of 25% from the area requirement.
- The north side of the Retail B building with a 55% area of glazing for the bottom 12 feet of the building, a difference of 10% from the area requirement.
- The north side of the Retail C building with a 55% area of glazing for the bottom 12 feet of the building, a difference of 10% from the area requirement.
- The north side of the Retail D building with a 50% area of glazing for the bottom 12 feet of the building, a difference of 15% from the area requirement.
- The southeast side of the residential 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 residential building with a 45% area of glazing for the bottom 12 feet of the building, a difference of 20% from the area requirement

The Block 2B project is compliant with S12 for:

- The east side of Retail A for the area of glazing required for the bottom 12 feet of the building.



Figure 7: Example Ground Floor Glazing Calculation

Supporting Information

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 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 Master Plan emphasizes holding street corners and major roadway edges with building facades, along with providing well-designed urban neighborhood buildings, which the Block 2B 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 mixed-use 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 Mix of Uses and Activities in which the mixed-used building provides a vibrant place to live and work. Another guiding principle of the 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 2B project supports the various Land Use goals of the comprehensive plan by providing a housing and employment opportunity through a unique development layout that adapts to a constrained site and economic conditions.