

LAND USE AND ZONE CHANGE NARRATIVE

TO: City of Coon Rapids – Department of Community Development
Attn: Scott Harlicker, Planner

FROM: TCA Real Estate, LLC (“TCA”)

DATE: January 12, 2015

RE: Lot 1, Block 3, Carla De Addition- Vacant Property at Southeast Corner of Woodcrest Drive and Egret Boulevard (“Property”)

I. **REQUEST**

We request that the City amend land use guidance for the Property and rezone the Property from Moderate Density Residential to General Commercial, contingent on our acquisition of the Property.

II. **BACKGROUND**

TCA owns the Coon Rapids Chrysler Dodge Jeep Ram dealership (“Dealership”) located east of and adjacent to the Property. We have entered into an Option Agreement to purchase the Property from Patricia Jordan. If the City of Coon Rapids rezones the Property to General Commercial, we intend to acquire the Property, combine the Property with the Dealership property and use the Property to expand our Dealership operations onto the Property and put this long-time vacant land into productive use. This expansion will improve inventory parking and exchange at the Dealership. Additionally, we anticipate that this expansion will allow us to add approximately 17 new jobs at the Dealership totaling nearly \$1,000,000 in annual employee compensation.

III. **LAND USE DESIGNATIONS AND ZONING CLASSIFICATIONS OF PROPERTY AND SURROUNDING PROPERTIES**

	<u>Existing Use</u>	<u>Comprehensive Plan</u>	<u>Zoning</u>
Subject Property	Vacant	Moderate Density Residential	Moderate Density Residential
North	Egret Boulevard, a convenience store and vacant land	Neighborhood Commercial / Moderate Density Residential	Neighborhood Commercial / Moderate Density Residential
South and West	Woodcrest Drive and Townhomes	Low Density Residential	Low Density Residential 1 / PUD
East (adjacent to Subject Property)	The Dealership	General Commercial	General Commercial

Source: Memorandum dated July 17, 2012, from Scott Harlicker to the City Council.

IV. **ARGUMENT FOR REZONING**

(A) Zoning History

The Property was zoned for commercial and office use for 27 years. From 1985 – 1999, the Property was zoned for commercial use, but remained undeveloped. In 1999, as part of a City Comprehensive Plan update, the City rezoned the Property to Office. However, the Property remained undeveloped. For almost 30 years, the City sought commercial development on the Property and it never occurred.

In 2011, Ms. Jordan requested that the City rezone the property to High Density Residential. At that time, Steve Thorson, representing Ms. Jordan, commented that Office zoning hampered Ms. Jordan's ability to develop the Property and that there was a "strong need for apartment development in the metro area." (Planning Commission Minutes, September 15, 2011). However, council members were concerned about high density development and neighbors were concerned about traffic impacts. Councilmember Schulte believed the site would be "more viable as a commercial property." (City Council Meeting Minutes, October 18, 2011). The City denied Ms. Jordan's request.

In 2012, Ms. Jordan returned to the City with a request to rezone the Property to Moderate Density Residential, even though Mr. Thorson had stated in 2011 that he did not see Moderate Density Residential "being viable next to the auto dealership." (City Council Meeting Minutes, October 18, 2011). Desiring to provide Ms. Jordan with what it believed would be a better opportunity to develop the Property, the City granted Ms. Jordan's request.

(B) Mistake in Original Zoning / Changed Market Conditions.

In past zoning deliberations involving the Property, the City evaluated whether there was a mistake in the original zoning or whether the character of the neighborhood changed so that a reasonable use of the subject property could not be made under the existing zoning classification. (City Council Meeting Minutes, August 8, 2012). Our analysis of these considerations follows.

1. Mistake in Original Zoning.

In 2012, the City reasoned that commercial and office zoning were inappropriate because the Property is not visible from Highway 10 and the nearest access to Highway 10 is over a mile away. Therefore, the City concluded that the Office Zoning was a mistake and that the Property was a better candidate for a use, such as residential use, that is independent of such visibility. (City Council Meeting Minutes, August 8, 2012).

Ms. Jordan wanted to build apartments on the Property, but the City did not approve High Density Residential development of the Property in 2011. At that time, Mr. Thorson was concerned that Moderate Density Residential, such as a townhome development, would not be viable on the Property. Nevertheless, in 2012, believing

Moderate Density Residential was the only zoning change she could achieve, Ms. Jordan requested, and the City approved, Moderate Density Residential zoning.

This compromise was a mistake. The townhome and condominium markets have been weak for many years and remain weak. In addition to this, as Mr. Thorson suggested, Moderate Density Residential is not viable adjacent to a car dealership. Rezoning the Property back to its originally contemplated commercial use so that we, who have the necessary Highway 10 frontage, can expand our operations, corrects that mistake.

2. Change in Market Conditions.

While the area surrounding the Property is generally residential in character, the Property is immediately adjacent to the Dealership. In 2012, Ms. Jordan believed she could develop the Property for Moderate Density Residential use. Ms. Jordan has tried to sell the Property for such development, but has been unable to do so. Current market conditions and the Property's location do not support residential development of the Property. Market conditions now support our request to productively use this long vacant land for its original purpose – commercial.

(C) City Code Section 11-304 Criteria.

When considering a rezoning request, the City considers criteria listed in Section 11-304 of the City Code. Specifically, the City considers the effect of the rezoning on public health, safety, order, convenience and general welfare in the area; effect on present and potential surrounding land uses; conformance with the Comprehensive Land Use Plan and conformance with any applicable development district.

1. Public Health / General Welfare. Our proposed rezoning will not adversely affect the public health, safety, order, convenience or general welfare of the area. We will use the Property primarily for additional vehicle parking and our proposed use will not increase traffic to the Dealership. Our proposal will likely benefit the surrounding area because the Property will permit us to more efficiently exchange inventory in a manner that improves our current system.
2. Effect on Present and Potential Land Uses. Rezoning the Property to General Commercial will not adversely impact surrounding land uses. We do not anticipate any increase in traffic from our expansion. We will merely operate the Dealership on a larger footprint. Furthermore, in 2012, the City implicitly acknowledged that General Commercial use would not detrimentally impact a nearby residential use when it rezoned the Property, which is adjacent to the Dealership, to residential use. Finally, we intend to combine the Property with the Dealership property through the City's platting process. This will provide the City and surrounding properties greater control over future independent development of the Property.

3. Conformance with the Comprehensive Land Use Plan. We are requesting a land use amendment in addition to our zone change application. If approved, the zone change will be consistent with the Comprehensive Land Use Plan. Furthermore, during the City's 2030 Visioning Process, the City identified Comprehensive Plan goals of "maintaining a diversified economic base and a climate that encourages economic development, redevelopment and ongoing business activity" and "encourag[ing] redevelopment of underutilized lands" (Comprehensive Plan, Ch. 2, Land Use, pp. 46, 50). The City hopes to accomplish these goals by promoting "the retention and expansion of existing businesses" and updating zoning regulations to allow desired uses (Comprehensive Plan, Ch. 2, Land Use, pp. 46, 50 [emphasis added]). Granting our request promotes these goals.
4. Conformance with any Applicable Development District. No district plan applies to our knowledge.

(D) Potential City Concerns.

1. Traffic. We do not anticipate an increase in traffic to the area.
2. Aesthetics. We will respect existing wetlands on the Property and will screen the Property as required by the City Code.
3. Noise / Lighting. The Dealership currently complies with City noise and lighting requirements and will continue to do so.
4. Future Independent Development. We will combine the Property with the Dealership property so that they are one parcel going forward, giving the City more control over future development of the Property.

V. **CONCLUSION**

We request that the City approve our application for a Comprehensive Plan Amendment and rezoning of the Property from Moderate Density Residential to General Commercial for the following reasons:

- General Commercial zoning is consistent with the zoning of the adjacent Dealership property with which the Property will be combined and promotes the City's stated goals of promoting and expanding existing Coon Rapids businesses.
- The City sought commercial development of the Property for nearly 30 years and mistakenly agreed to a compromise zone. There is now an opportunity to develop the Property for commercial uses.
- We do not anticipate any detrimental impact on the surrounding neighborhood and believe that the expansion will permit us to exchange vehicle inventory in a manner that will benefit the surrounding neighborhood as an improvement to our current system.

- The Dealership has been a long-term Coon Rapids business. Rezoning the Property will permit us to grow our business in Coon Rapids and add well paying jobs to the City.

Thank you for your consideration of our request.