

## Resolution No. 19-156

### Approving record of decision and the negative declaration of need for an environmental impact statement for the Parkway Residences redevelopment

#### West 31st Street near Glenhurst Avenue South

**Whereas**, Sela Investments (“Proposer”) proposes to redevelop 12 parcels in St. Louis Park to create 224 new residential units and rehabilitate 24 apartment units for a total of 248 residential units to create Parkway Residences; and

**Whereas**, the Proposer requests an amendment to the city’s 2040 Comprehensive Plan to re-guide a portion of the site from medium density residential to high density residential; and

**Whereas**, the project crosses the threshold of a mandatory environmental assessment worksheet (“EAW”) by having a total of more than 150 attached units in a development that also requires a change to the comprehensive plan per MN Rules 4410.4300, subpart 19 C. Residential Development; and

**Whereas**, the project when combined with Parkway 25, falls within the mandatory EAW per MN Rules 4410.4300, subpart 1, 3-year look-back requirement; and

**Whereas**, the EAW was prepared by Loucks Inc., on behalf of the Proposer, who submitted completed data portions of the EAW to the City of St. Louis Park consistent with Minn. Rules Part 4410.1400; and

**Whereas**, the EAW was prepared using the form approved by the Minnesota Environmental Quality Board (EQB) for EAWs in accordance with Minn. Rules 4410.1300; and

**Whereas**, the City of St. Louis Park submitted a copy of the EAW to all public agencies on the EAW distribution list and published EAW availability in the EQB Monitor on October 21, 2019, in accordance with applicable State laws, rules, and regulations; and

**Whereas**, the EAW comment period lasted from October 21, 2019 to November 20, 2019 and four (4) regulatory agencies submitted written comments during the comment period; and

**Whereas**, the City of St. Louis Park acknowledges the comments received from the Metropolitan Council, the Minnesota Pollution Control Agency, the Office of the State Archeologist, and the Minnesota Department of Natural Resources; and

**Whereas**, city staff reviewed the proposed record of decision and finds it to be consistent with the evidence submitted to the city and the applicable statutes and regulations, to the best of their knowledge, and recommends the city council approve the findings of fact and record of decision dated December 2019 and determine that no environmental impact statement (“EIS”) is necessary, reasonable or warranted with respect to the Project under the circumstances; and

**Whereas**, the city council desires to make findings of fact and a record of decision that no EIS is required with respect to the Project (“Negative Declaration”).

**Now therefore be it resolved** that the city council does hereby:

1. Adopt and approve the findings of fact and record of decision on the Parkway Residences environmental assessment worksheet in the form which is attached hereto as Exhibit A and hereby makes the findings of fact and conclusions which are contained therein; and
2. Find and determine that, based upon the findings of fact and record of decision, no environmental impact statement is required for the Project pursuant to the Minnesota Environmental Policy Act or Minnesota Rules Parts 4410.0200 to 4410.6500.

Reviewed for administration:

Adopted by the City Council December 2, 2019

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Thomas K. Harmening, city manager

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Jake Spano, mayor

Attest:

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Melissa Kennedy, city clerk

EXHIBIT A

**PARKWAY RESIDENCES, ST. LOUIS PARK**  
**Findings of Fact and Record of Decision**

## 1. Administrative Background

At Parkway Residences, Sela Investments, Ltd. LLC, proposes to develop new multi-family buildings and restore three existing apartment buildings in the vicinity of West 31st Street near Glenhurst Avenue South. The project will consist of four new multi-family buildings creating 224 new units plus the restoration of three existing apartment buildings that contain 24 units for a total of 248 residential units. The project removes twelve existing buildings, including single-family homes and apartments.

The City of St. Louis Park is the Responsible Governmental Unit (RGU) for this project. An Environmental Assessment Worksheet (EAW) has been prepared in accordance with Minnesota Rules Chapter 4410. The EAW was mandatory per Minnesota Rules 4410.4300, subpart 19 C. Residential Development and 4410.4300, subpart 1, 3- year look-back.

The EAW was filed with the Minnesota Environmental Quality Board (EQB) and circulated for review and comment to the required distribution list. A notice of availability was published in the EQB monitor on October 21, 2019. A notice was also published in the Sun Sailor newspaper. This notice included a description of the project, information on where copies of the EAW were available, and invited the public to provide comments.

The EAW was made available electronically on the City of St. Louis Park's website at <https://www.stlouispark.org/government/departments-divisions/community-development/development-projects/parkway-residences> and in hard copy at the following locations:

- St. Louis Park City Hall, 5005 Minnetonka Boulevard, St. Louis Park, MN 55416
- St. Louis Park Library, 3240 Library Lane, St. Louis Park, MN 55426

The EAW comment period extended from October 21 to November 20, 2019. Written comments were received from four agencies. No written comments were received from the public. All comments received were considered in determining the potential for significant environmental impacts.

Based on the information in the record, which is composed of the EAW for the proposed project, the comments submitted during the public comment period, the responses to comments, and other supporting documents, the City of St. Louis Park makes the following Findings of Fact and Conclusions.

## 2. Findings of Fact

### 2.1 Project Description

Sela Investments, Ltd. LLC, proposes to develop new multi-family buildings and restore three existing apartment buildings in the vicinity of West 31st Street near Glenhurst Avenue South. The project will consist of four new multi-family buildings creating 224 new units plus the restoration of three existing apartment buildings that contain 24 units for a total of 248 residential units.

The Parkway Residences project is a collection of 15 properties consisting of single-family homes and an assortment of smaller apartment buildings along both sides of West 31<sup>st</sup> Street between Inglewood Avenue South and Glenhurst Avenue South. The development properties are not all contiguous, thus the project will be built amongst other, existing buildings. The project will remove twelve of the existing buildings and will reinvest in the restoration of three apartment buildings. The development plan segments the project into the following four campuses to be built in phases:

- The west campus includes an existing strip center at the southeast corner of Inglewood Avenue South and County Road 25 that will be replaced with an 11-story apartment building. The apartment will consist of eight-floors of residential units (84 units) with parking and lobby space in the first two floors and the 11<sup>th</sup> floor dedicated to amenity space. There is one-level of underground parking.
- The north campus is toward the center of the site and includes six existing residential buildings north of West 31st Street. The homes will be replaced with a 4-story, 95-unit apartment building with two-levels of underground parking. This apartment building is expected to be the first phase of the project.
- The southwest campus is at the corner of Inglewood Avenue South and West 31st Street. It includes the removal of three existing single-family homes for the construction of a 4-story, 39-unit apartment building with one level of underground parking. The southwest campus is proposed to be a later phase of the project.
- The southeast campus consists of two single-family homes that will be developed as a 6-unit townhome. The townhome will be developed with affordable units as part of the city's inclusionary housing policy requirement to provide replacement housing for the naturally occurring affordable housing (NOAH) existing in the project area.
- The existing housing includes the three apartment buildings south of West 31st Street that will remain and be renovated. The apartments include a total of 24 units, of which 22 are considered naturally occurring affordable housing (NOAH), and are proposed to remain as affordable housing units.

## 2.2 Corrections to the EAW or Changes to the Project since the EAW was Published

There have been no changes to the proposed project design since the EAW was published.

## 2.3 Agency and Public Comments on the EAW

During the comment period, the City of St. Louis Park received no written comments from the public and written comments from the following four agencies:

- Minnesota Department of Administration –State Archaeologist
- Minnesota Department of Natural Resources (DNR)
- Minnesota Pollution Control Agency (MPCA)
- Metropolitan Council

Consistent with state environmental rules, responses have been prepared below for all substantive comments received during the comment period. Original comments in their entirety are included in Appendix A.

### 1) Minnesota Department of Administration – State Archaeologist, November 1, 2019

Comment: “A review of our files indicates that the project area is situated at or adjacent to the site of the former Minneapolis Quarantine Hospital and its associated cemetery. According to a local newspaper article published on November 7, 1988 (*Minnesota Suburban Newspapers* V.5 No. 32), human remains likely associated with the Minneapolis Quarantine Hospital cemetery were recovered during construction activities at the Diamond Hill Center, and it was reported that remains were recovered in the area during the construction of Highway 7...Although no archaeological site is current recorded in the project, given the location of the former hospital our office recommends a qualified archaeologist conduct a Phase 1a literature review and archaeological assessment, including historical archaeology. The literature search and archaeological assessment should include recommendations concerning the necessity of further archaeological field work for this project.”

Response: The city has requested the developer engage a qualified archaeologist to conduct the literature review and archaeological assessment. Outreach with the Office of the State Archaeologist will occur if there are any questions.

### 2) Minnesota Department of Natural Resources, November 18, 2019

Comment: “As a reminder, a DNR Water Appropriation Permit is required if there would be dewatering of ground, stream, lake, or pond water in volumes that exceed 10,000 gallons per day, or one million gallons per year. This applies to both permanent and temporary dewatering.”

Response: The city acknowledges the responsibility of the city and developer regarding required permits. The DNR Water Appropriation Permit is identified as one of the permits that must be obtained if determined it is needed.

Comment: DNR information indicates that the project site is located within the City of Edina drinking water supply management area. Potential pollutants of ground water should be handled with care to protect the City of Saint Louis Park's water supply (page 10).

Response: The city and developer acknowledge the site's location relative to the City of Edina's drinking water supply management area. Implementation of best management practices pertaining to stormwater management, erosion control, and hazardous materials is intended to protect the area.

### **3) Minnesota Pollution Control Agency (MPCA), November 19, 2019**

Comment: "Minnesota Pollution Agency (MPCA) staff has reviewed the EAW and has no comments at this time...Please be aware that this letter does not constitute approval by the MPCA of any or all elements of the Project for the purpose of pending or future permit action(s) by the MPCA. Ultimately, it is the responsibility of the Project proposer to secure any required permits and to comply with any requisite permit conditions."

Response: The city acknowledges the responsibility of the city and developer regarding required permits.

### **4) Metropolitan Council, November 20, 2019**

Comment: "The Council's Engineering Service Engineering program staff will need to review, comment, and issue a non-objection decision relative to the issuance of the construction permit by the MPCA before connection can be made to the City's wastewater disposal system."

Response: The city acknowledges the need to coordinate with the Metropolitan Council regarding the proposed local sanitary sewer for the site. The need for plan submittal has been added to Section 2.4.3 below and Table 8.1 in the EAW.

Comment: "Council staff suggest the City consider alternative courses of action with respect to reguiding..."

Response: The city has considered the suggested alternative approach to land use and determined that the plan for reguiding to high density residential is the most appropriate.

Comment: "The EAW describes a proposed project that may have an impact on multiple Metropolitan Council Interceptors in multiple locations...To assess the potential impacts to our interceptor system; prior to initiating this project, preliminary plans should be sent..."

Response: The city acknowledges the need to coordinate with the Metropolitan Council regarding the wastewater system. The need for plan submittal has been added to Section 2.4.3 below and Table 8.1 in the EAW.

Comment: For item 11.b.ii - “The EAW should be corrected by referring to the National Oceanic & Atmospheric Administration’s (NOAA) National Weather Service Atlas 14 precipitation frequency estimates. These superseded the 1961 TP-40 estimates in 2013.”

Response: The EAW has been amended in Item 11.b.ii to reference to the National Weather Service Atlas 14.

## **2.4 Decision Regarding Need for an Environmental Impact Statement**

The City of St. Louis Park finds that the analysis completed for the EAW and the additional information considered in this document of findings of fact and conclusions are adequate to determine whether the project has the potential for significant environmental effects based on consideration of the four criteria identified in Minnesota Rules, part 4410, subpart 7.

### **2.4.1 Type, Extent and Reversibility of Impacts**

The City of St. Louis Park finds that the analysis completed for the EAW is adequate to determine whether the project has the potential for significant environmental effects. The EAW described the type and extent of impacts to the natural and built environment anticipated to result from the proposed project. Based on the EAW analysis and mitigation commitments, the proposed project is not anticipated to result in substantial impacts. Below is a summary of the findings regarding the potential environmental impacts of the project are as follows:

- Land Use – The project will be compatible with nearby land uses and land uses planned in anticipation of the opening of the Southwest Light Rail Transit. A portion of the project is already guided for transit-oriented development (TOD). The remaining portion would need to be re-guided from medium-density to high-density residential. This change would be supportive of the designated TOD area and nearby station area development objectives.
- Geology – No susceptible features were identified through the EAW.
- Soils and Topography – Soil borings indicate the site is suitable for development. Gentle slopes will result in relatively low erosion potential during construction.
- Water Resources – The project area does not include any surface waters and no wetlands are indicated in mapping. The proposed project activities and planned land uses are believed to pose a low threat to bedrock aquifers that supply the city’s drinking water wells.
- Wastewater - The city’s and regional wastewater system have the capacity to accept and treat the proposed wastewater from the project.
- Water - The city’s water system can adequately serve the project.
- Stormwater management - Stormwater management will be designed to meet the city and Minnehaha Creek Watershed District requirements. Stormwater discharges from the project will be cleaner than current water discharges and rates will be at or below existing discharge rates.
- Wildlife and habitat - The site contains no fish or wildlife resources or habitats, nor any threatened or endangered species. It is not anticipated that rare features will be impacted. Greenspace, trees, and assorted shrubs and plants will be added to the project to improve the habitat for urban wildlife.



- Historic resources - There are no historic resources known on site. However, in the nearby area, a historic site and cemetery have been noted. The city and developer will work with a qualified archaeologist to conduct a literature review and archeological assessment.
- Visual – The project will complement existing uses in the area.
- Air – Emissions will be typical of residential development.
- Noise – Noise levels will be typical of residential development.
- Transportation – The traffic and parking study concluded that there is expected to be minimal impact from the proposed project on the local and regional transportation system. Additional sidewalk connections will improve non-motorized transportation.
- Eruv – The site is noted to be within an Eruv, a boundary used by Orthodox Jews to expand the area where observants can carry objects on the Sabbath. The city and developer will coordinate with the Jewish community to discuss if any protocols are necessary during the construction of the project.

**2.4.2 Cumulative Potential Effects of Related or Anticipated Future Projects**

Cumulative effects result from the incremental impact of the proposed project when added to other past, present, and reasonably foreseeable future actions, regardless of what agency or person undertakes such other actions. No cumulative potential effects are anticipated for this project. Overall, the project fits within the existing neighborhood. Given that the site is already developed, and there are no wetlands, lakes, habitat, or wildlife, impacts are limited. The project can be served by existing utilities and transportation infrastructure.

**2.4.3 Extent to which the Environmental Effects are Subject to Mitigation by the Ongoing Public Regulatory Authority**

The mitigation of environmental impacts will be designed and implemented in coordination with regulatory agencies and will be subject to the plan approval and permitting process. Permits and approvals that have been obtained or may be required prior to project construction are shown below:

Unit of Government	Type of application	Status
Minnehaha Creek Watershed District	Stormwater management permit Erosion Control permit	Application not submitted Under a Memo of Understanding giving the city permitting authority
City of St. Louis Park	Preliminary Plat Final Plat Comprehensive Plan Amendment Rezoning to PUD Preliminary and Final PUD CUP for import/export of soils over 400 cubic yards Demolition permits Public right-of-way permit Sewer and Water permit Building permits (including building, electrical, mechanical,	Application submitted Nov 4, 2019 Application submitted Nov 4, 2019 Application submitted Nov 4, 2019 Application submitted Nov 4, 2019 Application submitted Nov 4, 2019 Application submitted Nov 4, 2019 Application not submitted Application not submitted Application not submitted Application not submitted

	plumbing) Sign permits Erosion Control permit (MOU with watershed) TIF, Tax Increment Financing Alley Vacation, only if alternative access to the lift station is provided Dewatering Permit	Application not submitted Application not submitted  Application not submitted Application submitted Nov 4, 2019  Application not submitted
MPCA	Notification of intent to perform a demolition Construction site stormwater permit Sewer connection permit	Application not submitted  Application not submitted  Application not submitted
Metropolitan Council	Plans for on-site local sanitary sewer submitted to Environmental Service Engineering Staff Project plans (methods and means of providing wastewater services) submitted to Interceptor Engineering	Plans not submitted   Plans not submitted
MDH	Water extension permit Asbestos Removal	Application not submitted Application not submitted
DNR	Water appropriation permit	Obtain if needed
MnDOT	Driveway access permits and utility permits Drainage permit Permit for use of or work on Highway 7	Obtain if needed  Obtain if needed Obtain if needed

#### **2.4.4 Extent to which Environmental Effects can be Anticipated and Controlled as a Result of Other Environmental Studies**

The City of St. Louis Park has previous multi-use development experience, and similar projects have been designed and constructed throughout the county. Design and construction staff are familiar with the project area. No problems are anticipated that city staff has not encountered or successfully solved previously in similar projects in or near the project area. The city finds that the environmental effects of the project can be anticipated and controlled as a result of environmental review and experience on similar projects.

### 3. Conclusions

1. All requirements for environmental review of the proposed project have been met.
2. The EAW and the permit development processes related to the project have generated information that is adequate to determine whether the project has the potential for significant environmental effects.
3. Areas where potential environmental effects have been identified will be addressed during the final design of the project. Mitigation will be provided where impacts are expected to result from project construction, operation, or maintenance. Mitigation measures are incorporated into project design and have been or will be coordinate with state and federal agencies during the permit process.
4. Based on the criteria in Minnesota Rules, part 4410,1700, the project does not have the potential for significant environmental effects.
5. An environmental impact statement is not required for the proposed project.

For the City of St. Louis Park

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Jake Spano, mayor

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Thomas K. Harmening, city manager