



CITY OF BAYPORT
294 NORTH 3RD STREET
BAYPORT, MN 55003

**PLANNING COMMISSION AND CITY COUNCIL
JOINT WORKSHOP**
City Hall - Council Chambers
January 20, 2015
6:00 p.m.

***** Please note: There will be no public comment taken at the workshop. *****

CALL TO ORDER

**REVIEW OF PROPOSED CONCEPT PLAN FOR THE REMAINING SINGLE-FAMILY
HOMES IN PHASE III-B OF THE INSPIRATION DEVELOPMENT**

- **Introduction by Inspiration Homeowner's Association representative(s) (15-20 minutes)**
- **Presentation of concept plan by Land Development Manager/Builder Rick Packer, Mattamy Homes (25-30 minutes)**

DISCUSSION AND QUESTIONS

ADJOURN (By 7:30 p.m.)

MEMORANDUM

DATE: January 13, 2015

TO: Planning Commission and City Council (January 20, 2015 joint workshop)
Logan Martin, City Administrator

FROM: Sara Taylor, Assistant City Administrator/City Planner

SUBJECT: Consider a concept plan for single-family residential in Phase III-B of the Inspiration development

A. BACKGROUND

The Inspiration development was preliminary platted and approved by the city in 2004 as a Residential Planned Unit Development (R-PUD), which includes 328 residential housing units and 145 acres of restored native prairie open space. The purpose of a R-PUD is to allow mixed density and diversity of residential housing, as well as flexibility and deviation from the city's zoning code for certain elements of the development, such as lot dimensions, impervious surface coverage, parking, and setback requirements. Inspiration was designed to be developed in three phases. The composition and status of each phase is as follows:

	UNIT # / TYPE	FINAL PLAT APPROVAL	ACTION / STATUS
PHASE I	121 single-family	2005	2015 Build out is nearly complete; approximately 12 alley lots remain vacant
PHASE II	75 multi-family / condominium	2006	2006 62 multi-family senior cooperative units approved by city were never built (Gramercy Club); 2014 75 multi-family senior independent/assisted units proposed in concept to city, but no formal plat application has been received to date (J.G. Hause Construction Inc. et al); 2015 Phase remains vacant, for sale;
PHASE III-A	16 single-family	2013	2015 Build out is complete (D.R. Horton);
PHASE III-B	116 single-family	n/a	2013 109 single-family units/revised preliminary plat application denied by city (D.R. Horton); 2015 Phase remains vacant; 113 single-family units/revised preliminary plat concept to be presented to city in January (Mattamy Homes);

Unfortunately, due to the collapse of the housing market, the development has struggled financially over the past several years and seen multiple property owners, which has prolonged new home construction and completion of the development. Despite these challenges, the current owner Inspiration Holdings LLC, who purchased the property in December of 2013, in partnership with

builder Mattamy Homes, is committed to seeing the development grow and creating an attractive and viable neighborhood for both existing and future residents. As such, Mattamy Homes would like to move forward with developing the remaining single-family lots in Phase III-B.

The following informational items are attached:

- Narrative by applicant
- Market research report by Maxfield Research on behalf of applicant
- Preliminary plat map of Inspiration Phases I, II, III approved by the city in 2004
- Original Phase III-B neighborhood plan and new concept plan comparison
- Concept sketch plan by applicant
- Single-family home elevations proposed by Mattamy Homes and approved by the Inspiration Architecture Review Committee (ARC)

B. STAFF COMMENTS

As stated above, a preliminary plat for all phases of Inspiration was approved in 2004, which is a master plan for the overall development. The preliminary plat specifically for Phase III-B includes city approval for up to 116 single-family lots and related infrastructure, including a second access into the development from Stagecoach Trail, additional passive and active open space/recreation areas, and completion of the utility and storm water systems.

The city's subdivision ordinance states that any deviation from a preliminary plat approved by the city shall require formal action by the Planning Commission and City Council. Because the applicant is proposing modifications to the original plat for Phase III-B, city staff felt it would be best to first introduce and explain these conceptual modifications, prior to the applicant submitting a formal revised preliminary plat application to the city for consideration. This will give city staff and officials an opportunity to ask questions, discuss any potential issues, and gain an understanding as to why the applicant is seeking modifications. Based on input provided during the concept plan review workshop, the applicant will then proceed with a formal revised preliminary plat application. Assuming the applicant proceeds, the Planning Commission would hold a public hearing and provide a recommendation to the City Council. The City Council would then consider and make a final determination on the application. If approved, this process would be followed by a final plat application which would also be processed through the Planning Commission and City Council.

It should be noted that prior to submittal of this concept plan to the city for review, the owner conducted three neighborhood meetings over the past year to help residents better understand the covenants, architectural standards, homeowner's association, master developer obligations, and related governing documents specifically created for Inspiration, as well as the current financial status of the development. One of these meetings included a presentation and discussion of the concept plan proposed by Mattamy Homes. Per the applicant, approximately 70 residents attended this meeting and there was no opposition to the concept plan nor the architecture of single-family homes proposed. The owner has also appointed two residents to serve on the Inspiration Homeowner's Association and the Architectural Review Committee (ARC). This outreach has not only helped foster a partnership between the owner/developer and the residents, but has also created an opportunity for residents to provide input and participate in making important decisions that affect the development.

C. CONCEPT PLAN ANALYSIS

Based on the concept information provided by the applicant, staff finds the proposal to be generally consistent with the original master plan created for the overall development, which emphasizes clustering of residential housing units to allow for the conservation and restoration of native prairie areas and open space. Staff also finds the concept to be in harmony with the city's comprehensive land use plan, zoning, and the planned unit development (PUD) permit approved for Inspiration.

The number of lots proposed in the concept has been reduced from the original plat by three, leaving 113 single-family lots within this phase of the development. Lot sizes have also been modified to allow for a minimum of 65 and 75 foot wide lots instead of 50 and 80 foot wide lots. This modification is primarily a result of an elimination of the alley lots, which allows for a more uniform lot width throughout Phase III-B. The traffic circulation and street patterns mimic the original plat, with the exception of the alleys, which have been eliminated, as noted. The 145 acres of native prairie open space designated within the conservation easement will not be impacted. Storm water treatment areas will also be consistent with the original plat.

The applicant's project narrative highlights key similarities and differences between the original 2004 Phase III-B plan and the concept proposal. In addition, the applicant provides both market research and several reasons why this plan includes elimination of the alley lots, a concept that was previously a concern, but which now has support from the neighborhood. The narrative also notes that the exterior building elevations/architecture and landscaping for the single-family homes proposed by Mattamy have received approval from both the ARC and HOA, which were also areas of concern previously expressed by the community.

Because this is only a concept plan, the Planning Commission and City Council should keep in mind that limited information has been provided by the applicant for the purpose of gaining the city's input regarding the concept. Should the applicant decide to proceed with a formal revised preliminary plat application, detailed development and engineering plans will be required, as well as other information deemed necessary for city staff to complete a thorough review of the proposal, to ensure compliance with general development standards and city ordinances.

D. RECOMMENDATION

Staff recommends the Planning Commission and City Council provide input on the overall concept plan for single-family residential in Phase III-B of the Inspiration development submitted by the applicant.



Project Narrative

Inspiration 3rd Addition

Bayport, Minnesota

History

Inspiration was originally proposed as a conservation development in 2004 by Homer Thompkins of CPDC. The principal guiding design element was the clustering of home sites which allowed the preservation of significant open spaces and ecosystems. A victim of the real estate crash in 2008, the development has undergone several ownership changes and development attempts in the last six years. The project is presently under the ownership of Inspiration Holdings, LLC and under contract with Mattamy (Minneapolis) Partnership (Mattamy Homes).

Existing Conditions

The portion of Inspiration being proposed for development by Mattamy has no buildings on the site and has, to some extent, been disturbed by previous development. There are some scattered trees along the north boundary of the site; these are being preserved. The "Prairie Area" is not being purchased by Mattamy and is currently undergoing restoration efforts by Inspiration Holdings. All other significant historical landscapes and features have been identified and preserved during the original development process.

Applicant

The applicant is Mattamy Homes or Mattamy (Minneapolis) Partnership. Mattamy is a privately owned company based in Toronto, Canada where it is Canada's largest homebuilder. Mattamy (Minneapolis) is Minnesota's largest privately held builder its 5th largest builder overall. We have projects and/or large holdings in Minnetrista, Medina, Lakeville, Lino Lakes, Otsego, Waconia, Victoria, North Oaks, Carver, Maple Grove, and Blaine. As mentioned above, Inspirations Holdings, who's managing partner is Terry Forbord is currently the owner of the property.

Development Proposal

Mattamy is proposing to develop the remaining portion of Outlot A with 113 detached single family homes with eighty 65' and thirty-three 75' wide lots. The plan respects the

principal intent of Inspiration in that it preserves the open spaces originally proposed and keeps home sites in roughly the same areas. A private neighborhood park is proposed (and will be built by the Mattamy) for use by the residents of Inspiration. An important aspect of the proposal is that it will provide an additional access to Stagecoach Trail, minimizing congestion at its intersection with Inspiration Parkway and providing for added fire and safety vehicle access to the neighborhood.

Original Inspiration Proposal

Mattamy's proposal is reflective not only of the conservation development theme of Inspiration but also in the way that it responds to the site themes. Similarities between the original proposal for Inspiration and the Mattamy proposal are as follows:

1. Very similar amounts of open space and areas devoted to home sites.
2. Road patterns and traffic flow, including proposed round-about.
3. Landscaping
4. Storm water treatment
5. Open space improvements
6. Density

Differences between the original proposal for Inspiration are as follows:

1. Mattamy proposal has 3 fewer lots.
2. Mattamy proposal emphasizes views to open spaces from public streets. CPDC contained open spaces that could not be seen and limited viewsheds, restricted pedestrian access from many streets, and made the streetscape seem more contained.
3. The Mattamy proposal provides space for a neighborhood park devoted to open space games and neighborhood gatherings. The entire space is useable; none of it is devoted to stormwater treatment.
4. Elimination of the "alley loaded" home offerings. I have included a brief white paper by Maxfield Research regarding this product. This highlights the many market responses to the alley loaded homes and why this product is no longer being proposed by developers in the Twin Cities. Mattamy, as a Canadian builder who builds in very dense urban and suburban locations, has rear loaded home product in our repertoire. Like other parts of the country, some urban planners in Canada believe it gives a much nicer streetscape than one dominated by "snout houses" (garage dominant). As a result, we are more or less forced to have this home product in our offerings.

Unfortunately, rather than this neighborhood design producing a pedestrian oriented space where neighbors interact, the result is a landscape entirely devoted to the auto in both the front and rear yard; the front yard is very small with a public street close to the home and a rear yard devoted entirely to the garage and alley. There is a very high impervious surface coverage ratio, the owner's personal space is encroached on, and development costs are very high due to all the streets, alleys, and other automobile accommodations. Maintenance costs and snow plowing difficulties also make these units a burden for the Homeowners Associations.

An additional aspect of the alley loaded product needs to be discussed with respect to Inspiration today. While studies vary, at the height of the "New Urbanist" craze, there was only 10-15% of the total U.S. market that was buying this style of home. It needs to be noted that there are still 12 vacant alley loaded lots left in Inspiration. To bring more alley loaded lots onto the market in this location would depreciate the values of existing homes of this type (supply vs. demand) and likely extend the period of time the existing lots remain vacant. Building more rear loaded product would not only be a bad market decision but would drive the value of the existing homes down; many of which have still not recovered their original value.

Reasons for Approval

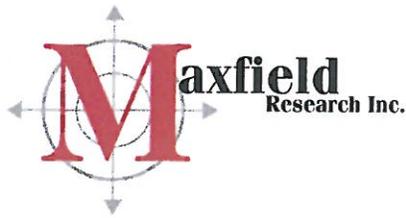
The current proposal for Inspiration is reflective of the original goals and tenets approved by the City in 2004-5 while making considerations for today's housing styles, the desires of the overall market and the values of homes directly adjacent to the proposed development. There are no increases in density proposed; landscaping, open spaces, street layout and traffic patterns are all substantially the same. Mattamy believes that the proposal refines and improves the integration of the proposed open spaces into the neighborhood and streetscape, will complement the existing development and complete the neighborhood in a manner respectful of the original concept.

While not a legal basis for approval or denial, our proposal is being brought to the City with the "blessing" of the neighborhood. We have received both ARC and Board approval for our home plans and landscaping plans; residents serve on both these groups. The neighborhood likes the plan and what it will bring to their community.

Mattamy believes that the respect our plan shows of the original plans for Inspiration, and the acceptance of the current residents and their community merit approval of the proposal as presented.

Respectfully Submitted,

Rick Packer
Land Development Manager



March 10, 2014

Mr. Terry Forbord
Inspiration Land Holdings LLC
4960 Sussex Place
Shorewood, MN

RE: Alley-Loaded Lots at Inspiration in Bayport, Minnesota

Alley-loaded lots became popular in the late 1990s and early 2000s, primarily in high-density communities in the Eastern United States where in-fill and redevelopment were occurring in areas that already had an established street grid pattern. As the in-fill and redevelopment occurred however, buyers' desires for an attached garage changed the traditional alley-loaded lot design into something new, basically taking away the yard and attaching the rear-facing garage to the backside of the home.

Some more fully-developed eastern communities mandated that new in-fill developments have alley-loaded lots citing increased safety, better pedestrian access and increased aesthetics. However, builders are taking issue with many of these benefits, saying that the buying public does not perceive these enhancements with alley-loaded lots. In addition, builders state that putting in alleys reduces the number of total lots in the development and reduces the price points and total revenue to be generated from the subdivision because buyers perceive that alley-loaded homes should be less expensive than other home types.

Comments have also been made by national design review consultants that you typically do not see alley-loaded lots in northern climates because alleys are more difficult and more expensive to maintain for snow removal purposes.

Most of the alley-loaded lots that were developed in the Twin Cities were the focus of one developer that developed these types of lots in several subdivisions throughout the Metro. The vision for the alley-loaded lots was that they would promote increased neighborhood interaction and an increased pedestrian environment for residents. Buyers however, were not convinced and continued to exhibit a strong preference for the traditional front-loaded lot.

Although lot sizes are decreasing overall, buyers still expect to see some type of usable yard space in the back of their homes. Placing an attached garage at the back of the house reduces or eliminates the amount of yard space that is available and the perceived value of the property to the potential buyer.

Buyers are highly conscious of potential resale value when they purchase a home. Many buyers are unwilling to purchase a home or lot design that is outside of the traditional form because they are concerned that their appreciation value may be negatively affected by a design that would only attract a limited pool of future buyers.

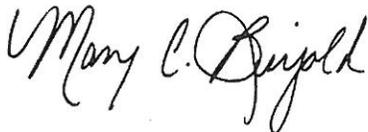
Most of the alley-loaded lots that were developed in these newer Metro Area subdivisions are maintained through association dues. Therefore, the upkeep and maintenance of the alleys are charged back to the homeowners through dues. The more alleys in the development, the higher the association dues needed to pay for their upkeep. In addition, homeowners that do not have alley lots in the same subdivision are likely to be reluctant to have their dues increased to pay for their upkeep and maintenance.

We strongly recommend that the Council consider changing the original plan for the Inspiration master-planned community to remove alley-loaded lots from the plan. Removing alley-loaded lots will enable the redesign of a lot and home product that will be highly attractive to future buyers and would result in increased absorption of lots in the Inspiration community.

If you have questions or need additional information, please contact me at (612) 904-7977.

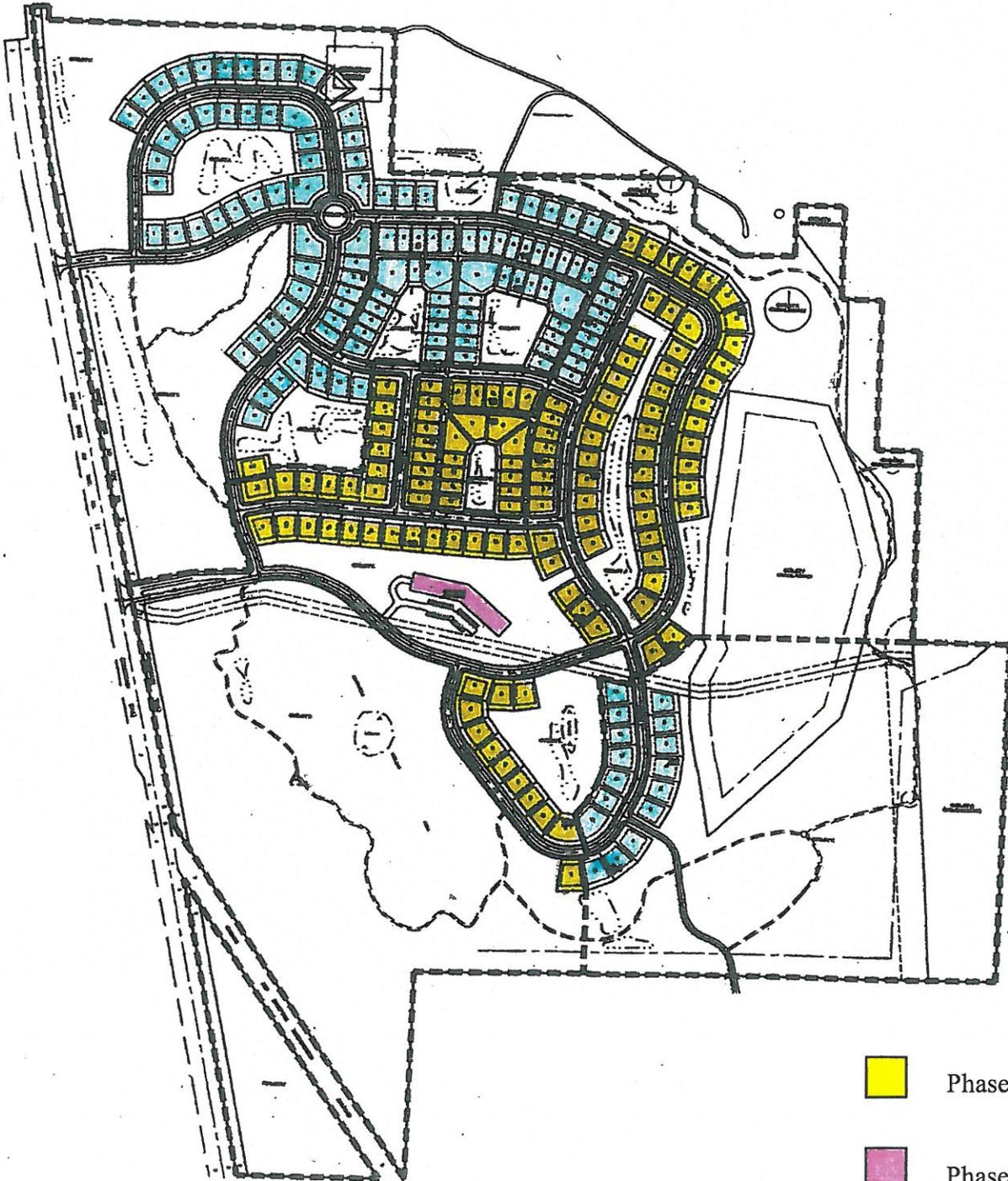
Sincerely,

MAXFIELD RESEARCH INC.



Mary C. Bujold
President

INSPIRATION OF BAYPORT



-  Phase I Single-family
-  Phase II Multi-family
-  Phase III Single-family



CONCEPT PLAN BY MATTAMY HOMES



NEIGHBORHOOD COMPARISON PLAN

ORIGINAL INSPIRATION PLAN



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the campden group
Campden
The Campden Group



