

# Downtown Development Thought and Concept Progression

**Mound City Council**  
June 11, 2019



# Agenda

- Mound Visions
- Mound Harbor Renaissance
- 2007 - 2016
- Lessons Learned
- 2017 Concepts included in 2040 Comp Plan
- Going Forward





Mound Downtown Development Concept Progression

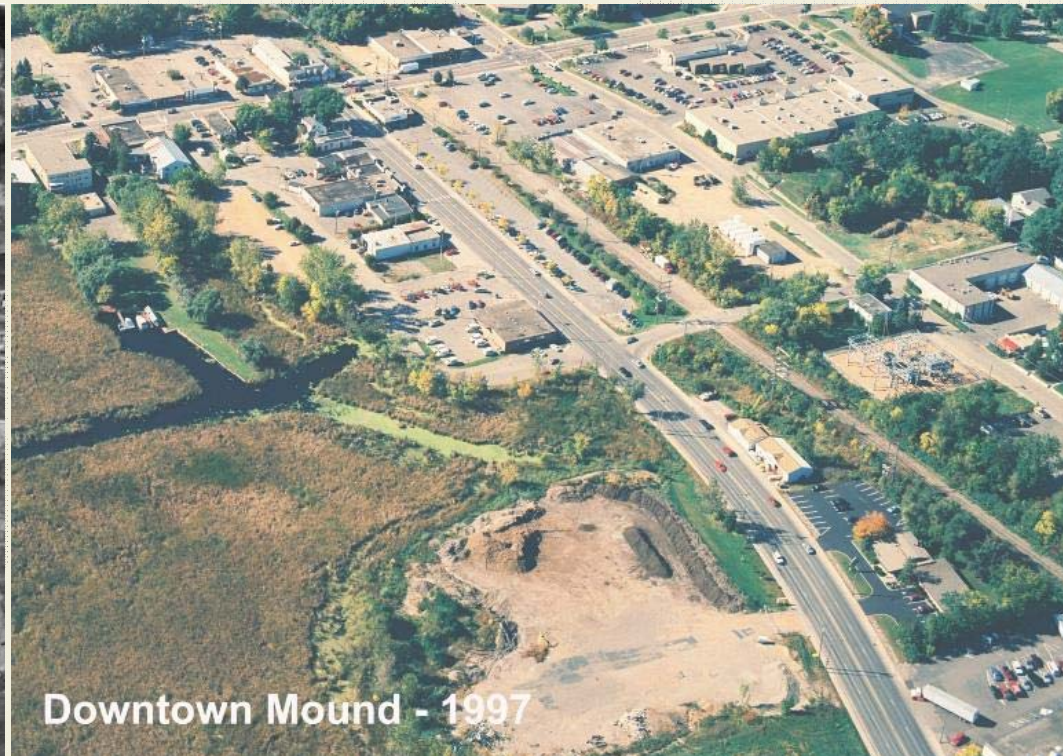


# Mound Visions

- Began in 1991 when City began to explore ways to strengthen the downtown business community
- Initial efforts focused on general beautification, facade improvements and limited streetscape improvements
- Community learned more than aesthetics needed for successful downtown
- Four major public improvements identified
  - Dredging of Lost Lake canal -- COMPLETE 2000
  - Relocation of Post Office -- COMPLETE 2002
  - Creation of Lost Lake Greenway – COMPLETE 2004
  - Relocation of Auditors Road and County Road 15 -- COMPLETE 2005



# Before the work got started



Mound Downtown Development Concept Progression







# MHR Phase 1... in two parts



2009



2018

Mound Downtown Development Concept Progression



# 2006 Mound Visions AUAR (concept)

- 86 attached condos/apartments
- 113,625 square feet of retail
- 79,800 square feet of office
- 80 unit hotel



Mound Downtown Development Concept Progression



# 2006 Mound Harbor Renaissance

- 4 phases East - West
- 5 townhomes
- 327 attached condos/apartments
- 114,025 square feet of retail
- 25,400 square feet of office
- 19,600 square feet of service
- 78 unit hotel



Mound Downtown Development Concept Progression



# MHR... What Happened Instead

- 2003 Mound Market Place constructed at former High School site w/ 65,000 SF commercial, 99 “market” multi-fam units
- 2008 – 2009 City assembles various properties for future re-development (incomplete)
- 2006 – 2009 MHR builds 3-pad commercial and 11 multi-fam townhomes at Villas site (Phase 1)
- 2007 – 2009 real estate market crashes
- 2008/9 Mound Harbor Renaissance llc goes bankrupt
- 2011 Walgreens buys Thrifty White, relocates in 2014; Ridgeview clinic already gone... Commerce Place Center no longer “anchored”
- 2012 MHR Phase 1 site bought out, re-structured, completed w/ 27 total multi fam units in 2016
- 2013 Maxwell Study
- 2013 – 2015 on-line retail begins to impact small-business and franchise-outlet retail
- 2013 – 2018 intervening, unimproved uses established in Harbor District
- 2016 long term vacancy distress at Commerce Place (70% vacant)
- 2016 AEON assumes Indian Knoll Manor, adds 10 townhomes (affordable component)
- 2015 City formally terminates MHR llc Development Agreements
- 2016 Trident buys former Anthony’s site for 72-unit Sr Living project (affordable component)
- 2017 moderate vacancy distress at Mound Marketplace (3 unrented pads, 2 exceeding 48 months)
- 2018 on-line retail approaches 20% total retail nationwide – projected >25% by 2020
  - Significant small-town, small-business franchise offerings “disappear” from marketplace
  - Small business generational succession becomes less prevalent
  - New starts lag rate-of-closures in existing ventures; reducing the demand for new retail spaces
- Since 2013... multiple concept proposals, various sites reviewed/evaluated by Development Committee

Mound Downtown Development Concept Progression



# Developer Engagement Lessons Learned

- Vacancy profile/market conditions...Commercial pads not likely to ever fill
- 160 – 180 units multi-fam housing to carry main floor business pad write offs
- Project mass, parking, height sever existing value clusters from lakefront
- Incomplete assembly...City can't sell what it doesn't own (Phases 3 and 4)
- Assembly/re-development harmful to current lease-occupants/business
- City land for \$1 and remaining TIF assumed in most proposal estimates
- Intervening uses in the Harbor District area had expanded... favorably to community character...proposals left no space for community uses
- Mound Visions → scale the market can't deliver; questionable compatibility

# Trend Analysis

## Market Trends ~ Retail

- Higher vacancy rates historically than both the overall metro and the west suburban area
- Average lease rates consistently trail other markets
- Everyday goods coming from online or other western suburbs
- Mound tends to serve day-to-day needs (*groceries, pharmacies, fuel, hardware, eating/drinking*)
- Conversation with property owners in Mound indicate
  - Too much retail space available
  - Interest in converting to other land uses
- National trend of retail sector consolidation and a reduction of retail square footage will continue to impact Mound

## Market Trends ~ Multi-Family Residential

- Inventory remained stable over last decade at 317 units
- Consistent with local and national trends
  - Rents increased over last several years
  - Vacancy decreased significantly as people turned to renting
- Additional demand anticipated due to
  - Changing household composition (e.g. more individuals living alone, single parent households)
  - Aging of households
  - Affordability of single family units decrease
  - Metro population growth trend exceeding "starts" 10:1

## Market Overview & Trends ~ Directions

- Continues to be potential for population and household growth
  - Limited area for new development, so most will be redevelopment
  - Need for variety of housing types to accommodate changing household composition and aging of household
  - Redevelopment areas appropriate locations to explore townhomes and multi-family residential
- Retail footprint should decrease over time
- Limited potential for significant office or industrial development
- While redevelopment areas may include a small amount of retail, focus should be on building residential base of the community

Mound Downtown Development Concept Progression



# 2040 Concept Underlying Priorities

- Preserve existing business prospects and opportunities
- Preserve community spaces and uses to the extent functional and practical
- Preserve connections/circulation corridors between existing business clusters, lake, and carved-in public spaces
- Maximize character, value in use-interaction across district
- Maximize balance/tradeoff between current land value and project tax base created



# Other Considerations in 2040 Concepts

- No immediate demand for additional commercial/retail spaces
- Scale of future un-met commercial/retail demand (if any) allows re-organization of use-clusters in long range planning
- Residential-over-commercial (vertical mixed-use) achieving mixed results in Metro
- Smaller scale building formats to preserve pedestrian scale/connections
- Focus near-term activities on assembled parcels (Phase 2)
- Initiating residential components may generate commercial interest or activity
- Enable/incorporate intentional improvements to remaining public spaces
- Auditors Road only adds value if anchoring a commercial strip... 15/110 “sliproad” traffic incompatible with pedestrian format; for all other uses it is a liability
- Transient dockage underperforming; significant value as project site amenity



# Mixed Uses – Mound Visions

## Vertical Mixed Use Across the Site

**Mixed  
Product  
Residential**

**Mixed Use  
Residential over  
Cmcl/Retail**

**Mixed  
Product  
Residential**

**Retail**

Harbor	"Mound Visions"
Single Family Detached Units	0
Townhome Units	0
Multifamily Units	100+
Commercial (sf)	250,000+
Mixed Use (sf)	Retail, Office, Hotel
Parking	MF: Underground & Surface Parking

Langdon	"Mound Visions"
Single Family Detached Units	0
Townhome Units	5
Multifamily Units	60
Commercial (sf)	15,000
Mixed Use (sf)	0
Parking	TH: Tuck Under MF: 60 underground & 40 surface (1.7 sp/unit)

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# Future (2040) Mixed Use Alignment



Harbor	Preferred Concept
Single Family Detached Units	0
Townhome Units	21
Multifamily Units	36 or 48
Commercial (sf)	5,000 or 20,000
Mixed Use (sf)	Up to 15,000
Parking	TH: Tuck Under MF: Underground for Res

Langdon	Preferred Concept
Single Family Detached Units	0
Townhome Units	21
Multifamily Units	36 or 24
Commercial (sf)	3,600 or 17,600
Mixed Use (sf)	Up to 14,000
Parking	TH: Tuck Under MIX: Underground for Res (2.0 sp/unit)

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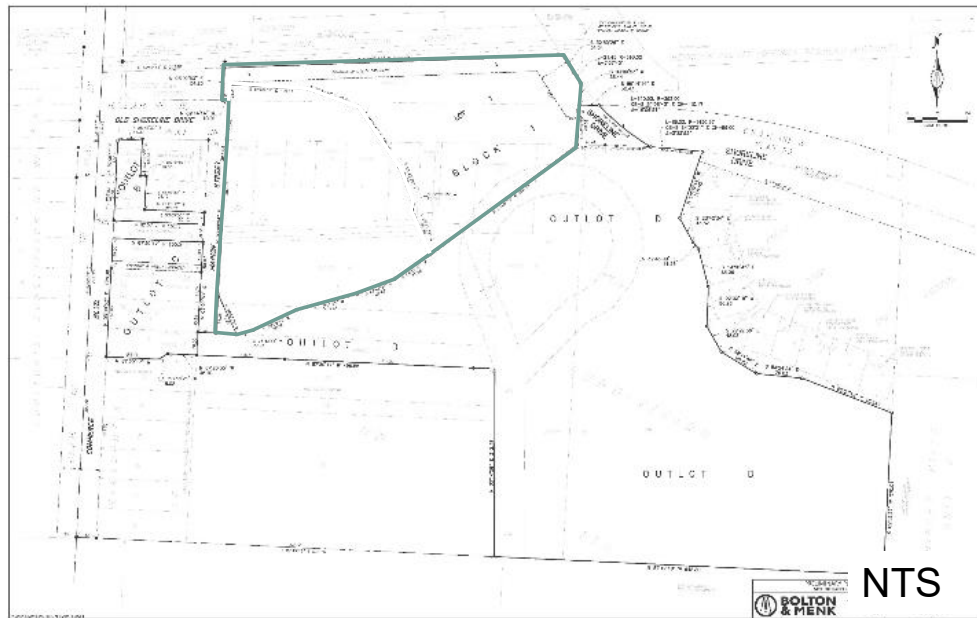


# Activities to Consider

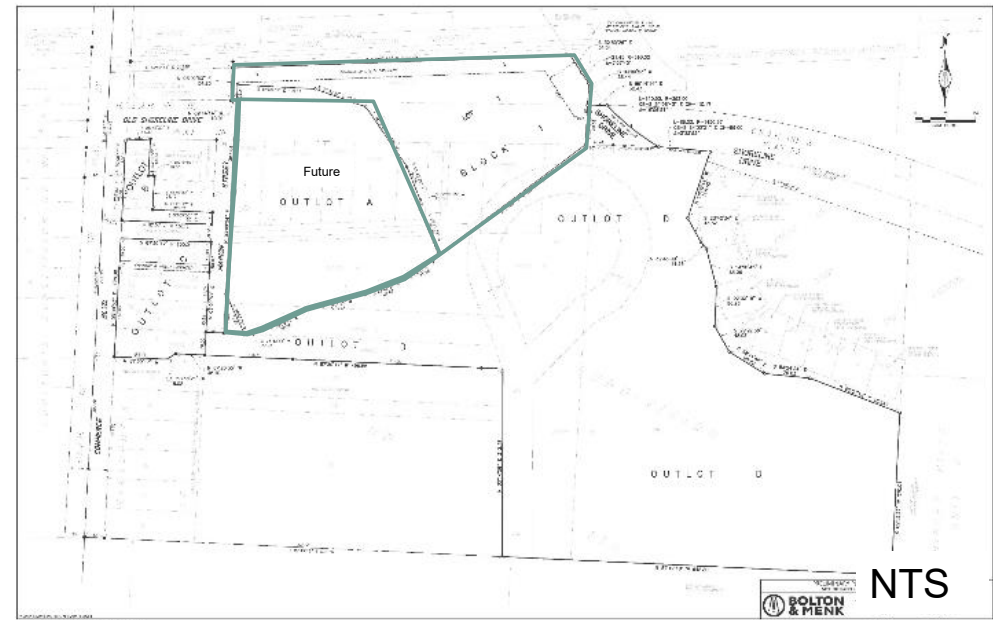
- Phase II Environmental Study of Harbor District
- Notify Centerpoint of future intent to vacate Auditors
- Finalize City preliminary/final plat actions
  - Examine northern limits of any “project area”



# Adjustments to DRAFT Preliminary Plat



NTS



NTS

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# Council Discussion

