MENARD, INC.




March 6, 2018

Via Overnight Mail

Mr. Tom Lovelace
City of Apple Valley
7100 147th Street West
Apple Valley, MN 55124

**Re: Menards Redevelopment of the Former Hanson Concrete Property**
**Apple Valley, Minnesota**

As we discussed, please consider this correspondence and attachments Menard, Inc.'s request that the City accept the Metropolitan Council determination to re-guide a portion of the former Hanson Concrete Property from "IND" to "C", approve the rezone to Planned Unit Development District, and move the project along to Site Plan Review / Building Permit Authorization. I believe the public hearing already occurred on this request. Accordingly, I would appreciate placement on the Wednesday, March 21st agenda of the Planning Commission.

We have been diligently working these many months to put together the best plan for the City of Apple Valley and Menards. HKGi has developed renderings for a number of different concepts on our behalf. Our concepts evolved further when it was collectively determined that the economics simply did not work with Scannell and JSD 196 on the proposed transportation hub at the southwest corner of Johnny Cake Ridge Road and 147th Street. In a further effort to control initial development costs and provide better flexibility for the for the development of the property immediately west of 148th Street, we believe it best to initially leave that intersection with Johnny Cake Ridge Road unimproved in the hopes of attracting a single, larger user to that property. All of these things have influenced the plans we are submitting to the City today.

The plans are largely in accordance with the site plans reviewed as part of the March 9, 2017 Metropolitan Council re-guidance of the property. In addition, Menard, Inc. is willing to commit that the redevelopment of the former Hanson Concrete Property is subject to the following development requirements:

- **Phase I** of the project shall consist of the development of the Menards store in the southwest corner of the property. As part of Phase I, Menard, Inc. shall
  - pay the City to design and construct the widening of Johnny Cake Ridge Road from CR 42 to 149th Street West, including the CR 42 intersection and signalized traffic control upgrades to the south; excepting, the City shall be responsible for one (1) southbound-to-eastbound left turning lane from Johnny Cake Ridge Road to County Road 42.
  - pay the City to design and construct the roundabout traffic control located at Johnny Cake Ridge Road and 149th Street

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- pay the City to design and construct the signalized traffic control at Johnny Cake Ridge Road and 147th Street West; excepting, the City shall apply the $250,000 Dakota County Redevelopment Project Grant to the overall cost and the parties shall be responsible for the remaining costs based on the following split: City two-thirds (2/3) / Menards one-third (1/3) of the signalized traffic control at 147th Street and Johnny Cake Ridge Road, including that work necessary to taper back into existing Johnny Cake Ridge Road north of 147th Street.
- design and construct a regional storm water detention facility sized to a capacity to meet the overall needs of the redevelopment of the Property , in accordance with City design guidelines
- reserve a 30' Greenway buffer and construct a portion of the North Creek Greenway Trail from CR 42 to 147th Street.
- pay the City to design and construct the 149th Street extension west of Johnny Cake Ridge Road, thence meandering north to 147th Street.
- pay the City to design and construct the right turn deceleration lane along eastbound 147th Street West to the new north-south street
- design and construct the CR 42 left-in / right-in / right-out median crossover improvements along CR 42 at the 1/4 mile point west of Johnny Cake Ridge Road intersection, at the new north-south street connection to CR 42
- design and construct the right-in / right-out improvements along CR 42 at the 1/8 mile point west of the Johnny Cake Ridge Road intersection
- contract with Great River Energy for the design and construction of the towers, poles, and electrical lines located adjacent to Johnny Cake Ridge Road to the east that are required to be relocated in order to facilitate roadway improvements set forth above, including the grant of any necessary easement(s) to Great River Energy
- install all public and private underground utilities necessary to serve the redevelopment of the Property, specifically including water, sanitary, storm, electrical, telephone, cable television and gas services
- covenant that the initial redevelopment of the existing Menards store located at 14960 Florence Trail in the City of Apple Valley shall be with tenants not currently located within the City, and may not result in the closure or consolidation of other location(s) within the City ("No Poaching"). These No Poaching provisions shall not apply to situations in which a user wants to operate multiple locations within the City or expand their employment base within the City.

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- Covenant that the remainder of the Property shall remain "IND" (Industrial) from a proposed land use perspective. During the course of the rezoning, the PUD language specific to the "IND" (Industrial) portion of the Property shall contain text limiting the land uses to medical office and office uses, requiring multi-story building construction, and creating a landmark corner at the northwest corner of Johnny Cake Ridge Road and CR 42; or, the City may allow the PUD language to be less rigid in order to permit a broader spectrum of industrial land use development, subject to City Council review and approval.

- **Phase II** of the project shall consist of the development of the office / medical office land uses on the remainder of the property. If necessary based on the final site plans to serve Phase II, the developer of Phase II shall:
  - pay the City to design and construct the roundabout traffic control located at Johnny Cake Ridge Road and 148th Street and Johnny Cake Ridge and 149th Street.
  - pay the City to design and construct the 148th Street extension west of Johnny Cake Ridge Road to the new north-south street connecting CR 42 to 147th Street.

I look forward to discussing this matter further with staff, the Planning Commission, and the City Council, and as a company we look forward to continuing our longstanding relationship with the City by constructing our 3rd store in Apple Valley.

I may be reached at 715-876-2810.

Sincerely,

Thomas O'Neil
Menard, Inc. Real Estate Acquisitions

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