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Suburbs Want Downtowns of Their Own

By KEVIN MALER

BURNSVILLE, Minn.

PAT AND JEFF JERDE raised their two sons in a 6,000-square-foot home in this booming suburb about 20 miles south of downtown Minneapolis. After the boys moved out, the Jerdes were ready for the big move downtown.

Downtown Burnsville, that is.

The latest thing in suburban development is something very old: city living. For a variety of reasons, a handful of suburban areas around Minneapolis-St. Paul have begun ambitious plans to create town centers, with pedestrian friendly sidewalks, condos, restaurants and shops. If it looks like a city, well, it is supposed to.

"We've always been intrigued by the urban environment, but I didn't want to raise my children in that," said Pat Jerde, a painter who has run a private art school with her husband for 15 years. "I wanted them to have a yard."

Yet a loft in the artists' enclaves of St. Paul or Minneapolis was not a real option, in part because their art school in Burnsville would lose students if they moved it downtown.

The mixed-use project in Burnsville called Heart of the City gave the Jerdes the chance to have an urban home in the suburbs, and in late 2004 they became the first to buy a unit in the development. Their new 2,500-square-foot, three-level unit cost \$342,000.

For city officials, Heart of the City is a response to concerns of its citizens that Burnsville lacked a community gathering place. The land had been slated for a downtown since the early 1970's, but the development of a regional mall, Burnsville Center, in 1977 shifted the retail center of gravity away, said Jenni Faulkner, the city's community development director.

The city has currently approved some 628 units, and about 196 have been completed. Another 191 are under construction. (Some of the units in the project are rentals, including some that are subsidized.)

The growing residential population makes the retail space — a big part of the project — more viable.

There is space in Heart of the City for an upscale restaurant, although it remains vacant. A proposed 1,000-seat arts and theater center, if approved by the City Council, might be the catalyst that brings a top restaurant, Ms. Faulkner said.

Other so-called outer-ring suburbs — about a half dozen around the Twin Cities — have undertaken development projects.

In nearby Apple Valley, for example, a swath of some 70 acres is slated for high-density housing, restaurants and a hotel, according to Tom Lawell, Apple Valley's city administrator. The city has planned for some 1,300 rental and condominium units in its Central Village; about 105 town homes have already been completed and are selling well, he said.

Downtown developments are not confined to the suburbs that took off in the 1960's and 70's, however. Like Burnsville, St. Louis Park first began the long process of creating its downtown by holding community meetings in the mid-1990's. But St. Louis Park, a first-ring suburb that shares a border with the city of Minneapolis, faced different issues.

"At the time, Excelsior Boulevard was an aging corridor that didn't look very good," said Jeff Jacobs, an attorney who is also the mayor of St. Louis Park. "It was a boulevard on the cusp. It wasn't blighted, but it was tired." The project, called Excelsior & Grand, has sparked both spin-off development and a remodeling boom.

While the risk that the project could falter was real, the risk of not doing anything was also great, according to Tom Harmening, the city manager for St. Louis Park.

"First-ring suburbs really have to fight to stay relevant and to stay vital," Mr. Harmening said. "There has to be constant attention to renewal to compete in a rigorous market. Cities like St. Louis Park have to do things to give people a reason to live and do business in our community."

One factor that is common to all the projects is demographics: empty-nesters who are tired of maintaining their suburban homes and do not need all that space anymore.

Phil Finkelstein and Barbara Bank raised three children in St. Louis Park in a large house next to wetlands and a yard that generated dozens of bags of leaves each fall. Their children were leaving the house (their youngest daughter, a high school senior, still lives with them), and they decided to move too.

"My wife and I would rather spend time with people and not dealing with weeds," Mr. Finkelstein said. He works as an attorney for the Minnesota Nurses Association, and his wife is a doctor.

They bought a corner unit in the Excelsior & Grand project in the new St. Louis Park downtown. The unit has 1,600 square feet, with three bathrooms and two bedrooms. "Our suburb was in search of a soul, and they wanted

a downtown," said Mr. Finkelstein, who is also a City Council member.

He admits that he gets some ribbing from his children. "My son teases me and calls it instant urbanism," he said.

Nonetheless, he and his wife say they find themselves walking more, to restaurants, coffee shops and movies. "It's hard to be stressed when you're walking."

Both city officials and developers emphasize that community backing is essential to a successful redevelopment. Both St. Louis Park and Burnsville spent years listening to residents about what they wanted and what they did not want before ground ever broke.

"When I say we had a hundred meetings, I mean we had more than 100 meetings," said Mr. Jacobs, the St. Louis Park mayor. That kind of participation makes the use of sometimes unpopular powers, like the threat or use of eminent domain, more palatable.

Both cities also had a bit of good luck: They were well positioned when the condominium market began to boom.

Indeed, the St. Louis Park project was reconfigured to greatly increase the number of owner-occupied units as trends shifted, said Bob Cunningham, principal of the TOLD Development Company, the lead developer.

Developers have also learned a thing or two about the urban-suburban condo market: Buyers generally want units that are all on one level. In one phase, for example, TOLD was marketing four units that had two levels, despite the advice against it by a national marketing firm.

"None were reserved; none were purchased," said Mr. Cunningham. The developer split them into eight units, each on one level.

It is also important for developers to price the units so that homeowners nearby — particularly empty-nesters — can buy them with the equity they have built up in their houses, said Wallace Johnson, president of the Stonebridge Companies in Apple Valley, which is developing units in Burnsville.

Indeed, Stonebridge came into the project after a previous developer pulled out — the firm had ambitious plans for a very upscale project. "You have to price where people are selling," he said. "I don't think Burnsville is ready for \$700,000 condo units."

Although the Twin Cities condo market is showing clear signs of a glut, other suburban cities will probably follow the path set by cities like Burnsville and St. Louis Park, developers say.

"We are the poster child of this new urbanism," Mr. Cunningham said. "We're proving it's doable. You'll see more and more communities" doing it.

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