



## MAYOR & COUNCIL COMMUNICATION

**DATE: 12/3/13**  
**REGULAR**  
**ITEM #9**  
**RESOLUTION 2013-103**

**AGENDA ITEM:** United Properties/Northeast Metro ISD 916 PUD Amendment and Conditional Use Permit for a New School Facility

**SUBMITTED BY:** Kyle Klatt, Community Development Director

**THROUGH:** Dean Zuleger, City Administrator

**REVIEWED BY:** Planning Commission  
Nick Johnson, City Planner  
Jack Griffin, City Engineer  
Greg Malmquist, Fire Chief  
Mike Bouthilet, Public Works Director  
Jim Sachs, Public Works/Water

### **SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item .....Community Development Director
- Report/Presentation.....Community Development Director
- Questions from Council to Staff..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion..... Mayor & City Council
- Action on Motion..... Mayor Facilitates

**POLICY RECCOMENDER:** At the time preliminary plans were approved for the Eagle Point Business Park Planned Unit Development (PUD), the City adopted a set of development standards for the park that apply to all new building activity with this particular PUD. These standards were based on the previous BP – Business Park zoning district that has since been updated as part ongoing City Code revisions. The standards still apply in conjunction underlying zoning requirements, and as part of the current request by Northeast Metro 916 Intermediate School District and United Properties, the City has received a request to amend the PUD standards to allow public schools within the Business Park.

If the requested PUD amendment is approved, the applicant would be able to proceed with a Conditional Use Permit (CUP) for the proposed school facility. A CUP must be approved by the City if the project meets all required findings for approval.

**FISCAL IMPACT:** TBD – the Planning Commission has noted that approval of this request would remove an existing commercial parcel from the tax rolls because the proposed owner would be a public entity. Staff has recommended that a public services agreement could be used to offset any potential loss of tax revenue. There has been no analysis performed that tries to quantify the economic benefits associated with the proposed building, including the creation of jobs and ancillary future activity on the applicant’s site.

**SUMMARY AND ACTION REQUESTED:** The City Council is being asked to consider a request from BWBR Architects on behalf of United Properties and Northeast Metro 916 Intermediate School District to amend the Planned Unit Development for the Eagle Point Business Park to allow a public school as a conditional use within the park. In addition, the applicant is formally requesting a Conditional Use Permit to allow the construction of a new public school serving disabled students in grades kindergarten through eighth grade. The applicant is seeking approval of the proposed use at this time and will be submitting detailed site development plans along with its platting request at a future date. Planning Commission recommend denial of the PUD amendment, and based on this recommendation, the conditional use permit cannot proceed since it the public school would not be allowed under the terms of the Eagle Point Business Park PUD.

*The suggested motion to adopt the Planning Commission recommendation is as follows:*

***“Move to adopt Resolution No. 2013-103 denying a request to amend the Eagle Point Business Park PUD Development Standards.”***

**LEGISLATIVE HISTORY/PLANNING COMMISSION REPORT:** The attached staff report to the Planning Commission includes a brief summary regarding the history of the Eagle Point Business Park, in addition to the staff analysis and recommendation to the Planning Commission concerning the application from BWBR Architects. A more detailed timeline of the Business Park is as follows:

<b>Date</b>	<b>Action</b>
1992	Comprehensive Plan Amendment to guide land for a business park
1997	Rezoning of 120 acres of land in the southwest corner of Lake Elmo from RR to Business Park
August 1998	Eagle Point Business Park PUD Concept Stage Plan
May 1999	General Development Plan Stage
April 2000	Final Plat and first final development stage plan for the Eagle Point Business Park
2000-2006	Approval of final development plans for various projects within the business park

November 2006	Final plat and final development plan approval for Eagle Point Business Park 7 <sup>th</sup> Addition (creation of Outlot A)
June 2011	Bremer Financial Services PUD amendment (parking lot expansion)
Current	Northeast Metro 916 Intermediate School District PUD amendment and CUP application

The Planning Commission considered the application for a PUD amendment and CUP at its November 25, 2013 meeting and conducted a public hearing on this request at this time. Representatives from the Northeast Metro 916 Intermediate School District addressed the Commission to further explain the project and answer questions. A representative from one of the neighboring property owners, Bremer Financial Services, also addressed the Commission and stated her concerns that the proposed school building could disrupt traffic flow into and out of their site and throughout the business park in general. Staff noted that the final development plans would be reviewed for impacts to the existing road system, and the applicant stated that they would be willing to meet with Bremer Financial Services to address their concerns.

In general, the Planning Commission's review of the PUD amendment and CUP focused on the economic impact to the City that would occur if the Northeast Metro 916 ISD as a public entity (that does not pay property taxes) were allowed to move forward with its plans to build within the Eagle Point Business Park. The Commission's discussion on this matter noted that the business park was created in order to generate economic activity in the community, and that the conversion of Outlot A within the park to a non-tax-paying entity could potentially result in a large amount of lost tax revenue that would otherwise be paid by a private business use. The Commission also noted that there were other locations that would be more appropriate for the school district project, specifically within the areas that are guided for future sewerred commercial and business park development in the Comprehensive Plan.

The Planning Commission adopted a motion to recommend denial of the PUD amendment request with the findings as noted in the attached Resolution No. 2013-103. The vote on the motion was 5-2. The Commission did not take any action on the Conditional Use Permit request since the PUD Amendment is needed to move the CUP forward. Commissioners did indicate that the proposed school facility would not be consistent nor compatible with other uses within the business park.

Since the Planning Commission meeting Staff has received a letter and supporting materials from Connie Hayes, the Superintendent of Northeast Metro 916 Intermediate School District, which is attached to this report. This letter provides additional information concerning the services offered by the district and how these services benefit the surrounding communities. The City Council will also be receiving a letter of support from Stillwater School District. Each of these letters note (or will note) that the proposed facility will have financial benefits to the surrounding school districts because Northeast Metro 916 ISD is able to better and more efficiently provide education services to special needs students who would otherwise need to be accommodated within their respective school districts.

Although the Planning Commission may consider the economic impacts of a project as part of a conditional use permit review, the Commission does not have any direct fiduciary responsibility to the community as part of its land use review responsibilities. If the Council would like to further consider the economic impacts of the proposal based on additional information that may come forward, or if it believes that these impacts may be adequately addressed through a special services agreement with the applicant, the City Council should send this application in its entirety back to the Planning Commission for further review and discussion. This would also allow the Planning Commission to incorporate a more complete review of the Conditional Use Permit (on which the Commission did not make a specific recommendation) for consideration by the Council.

Please also note that if the Council does not support the Planning Commission recommendation, at a minimum Staff will need to revise the attached resolution and would also suggest that a separate resolution for the conditional use permit also be drafted for consideration.

### **BACKGROUND INFORMATION (SWOT):**

#### **Strengths**

- The NE Metro Intermediate 916 School District project represents a \$15 million investment in the community
- The project will provide a minimum of 60 jobs, and this number will likely increase over time
- The district provides services that benefit the surrounding communities and will provide an improved learning environment for families with special needs children
- The proposed location will help minimize transportation costs
- A new facility will provide a financial benefit to surrounding school districts that would otherwise need to make special accommodations for special needs students
- The applicant will be required to pay sewer, water, and storm water fees to the City like any other private business
- The applicant will also contribute towards the City's park dedication fund based on the amount of land that would be developed within the business park
- The project provides for an active use of land that was not been developed since the business park was created in 1999
- The land for the project is available with United Properties as a willing seller
- The proposed facility would be a very high quality building and would be able to meet the design standards for the business park

#### **Weaknesses**

- As a public entity, the NE Metro Intermediate 916 School District does not pay property taxes
- After reviewing comparable sites within the business park, Staff is estimating that a similar private facility would generate \$35,000 to \$50,000 of property tax revenue for the City

- The proposed site is located in the middle of a business park and would be surrounded by office buildings
  - There is not a lot of available land in the City that is zoned for commercial or industrial development (this will change with the implementation of new zoning along the I-94 corridor)
  - A portion of the development fees within the business park (SAC, WAC) would go to the City of Oakdale
- Opportunities**
- The proposed project will create 60-100 good-paying jobs within the City
  - The facility will provide an economic benefit to the community by bringing employees and visitors into the City
  - The project will contribute towards the City's park fund, which can be used to fund park and trail improvements within the I-94 corridor
  - Depending on the time of the project, the City payments related to WAC/SAC and other charges will likely occur after the City of Lake Elmo has completed public improvement projects in the area and has disconnected from the Oakdale system.
  - A larger water user will help justify and pay for the planned Inwood Avenue water project
  - The applicant has stated that they are willing to enter into a public services agreement with the City to help address any expected increase in public services needed for the project
  - The project site is located near planned transit improvements along the Gateway Corridor planning area
- Threats**
- An increased demand for public services without a corresponding revenue source
  - Less commercial land available within a busy highway corridor
  - Potential conflicts with other users (access and traffic)

**RECOMMENDATION:** The Planning Commission is recommending that the City Council deny the request by BWBR Architects, acting on behalf of United Properties and Northeast Metro 916 Intermediate School District, to amend the Planned Unit Development for the Eagle Point Business Park to allow a public school as a conditional use within the park. The suggested motion to adopt the Planning Commission recommendation is as follows:

***“Move to adopt Resolution No. 2013-103 denying a request to amend the Eagle Point Business Park PUD Development Standards.”***

If the City Council does not adopt the draft resolution, Staff recommends that the Council send this matter back to the Planning Commission for further discussion. Staff would also recommend that the Council clarify whether or not the Commission should consider economic factors concerning property taxes as part of any further review.

**ATTACHMENTS:**

1. Resolution No. 2013-103
2. Planning Commission Staff Report – 11/25/13
3. Application Form
4. Application Contacts and Project Narrative
5. Proposed Eagle Point Business Park Development Standards
6. Review Comments – SWWD
7. Letter from Northeast Metro 916 Intermediate School District (11/26/13)
8. Existing Conditions Plan
9. General Site Development Plan
10. Building Interior Layout
11. Architectural Drawings (Building Elevations)