



## STAFF REPORT

DATE: 7/19/2022

**REGULAR**

**TO:** City Council  
**FROM:** Molly Just, Planning Director  
**AGENDA ITEM:** Recommend minimum requirement for mixed-use in MU-C and MU-BP districts

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### **BACKGROUND:**

The City Council has directed the Planning Department to pursue amendments to the Mixed Use Commercial (MU-C) and Mixed Use Business Park (MU-BP) zoning districts. The purpose of the MU-C district is to promote mixed use development that supports a mix of retail, commercial and residential uses that benefit from their proximity to each other. Similarly, MU-BP promotes development in the city that will have a mix of general business, business park and residential uses which allows for better integration of uses and more flexibility to respond to market demands.

The current zoning code for the MU-C and MU-BP districts does not *require* a mix of uses within proposed developments. The city is seeing an abundance of 100% residential development proposals in these districts which is the opposite of what was anticipated when the districts were written. They were written to require at least 50% residential. The current development pattern is not in accordance with the spirit and intent of the MU-C and MU-BP zoning districts. The Planning Department is proposing the following changes to better align future development with the intent of these districts. This should better “market proof” the districts while still enabling flexibility for developers.

A hearing notice was published in the Stillwater Gazette on June 3, 2022. No public comment was received and no member of the public spoke during the public hearing. The Planning Commission discussed the intent of the mixed use districts and the larger planning objectives for the South Planning Area. Planning Commissioners voting in opposition to the proposal expressed concerns about restricting developer choice in this way. The motion to recommend adoption of the proposed amendments failed 2 – 3 (Risner, Graen, Vrieze – Nay).

At the June 21<sup>st</sup> City Council meeting the Council discussed ways to simplify the requirement and directed staff to revise the proposal to require at least 50% residential but not more than 80% residential. The proposed changes are depicted in the revised Ordinance 2022-09. This change is consistent with the public hearing notice and so no additional public hearing is required.

### **ISSUE BEFORE COUNCIL:**

Should the City Council adopt zoning code amendments to require a minimum of 50 percent residential but no more than 80 percent residential use in the Mixed Use-Commercial and Mixed-Use Business Park Districts?

### **FISCAL IMPACT:**

More non-residential development should have a positive fiscal impact.

**OPTIONS:**

The City Council may:

Adopt the zoning code amendments;  
Adopt the zoning code amendments with changes; or  
Deny the proposed zoning code amendments.

**RECOMMENDATION:**

Staff recommends that the City Council adopt the subject amendments to Section 105.12.850 Purpose And District Descriptions.

*“Motion to adopt the zoning text amendments to require a minimum mix of uses in the Mixed Use Commercial and Mixed Use Business Park zoning districts”*

*“Motion to approve summary publication of Ordinance 2202-09 (the Zoning Ordinance amendments) with approval of Resolution 2022-066”*

**ATTACHMENT:**

Ordinance 2022-09  
Resolution 2022-066

**CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA**

**ORDINANCE NO. 2022-09**

**AN ORDINANCE AMENDING THE LAKE ELMO CITY CODE BY AMENDING**

**SECTION 1. The City Council of the City of Lake Elmo hereby ordains that Title 105 Zoning; Chapter 105.12: Zoning Code, Article XIV Section 105.12.850 is hereby amended by changing the following section (Proposed language is underlined, deleted language is shown with ~~strikethrough~~):**

**105.12.850 Purpose And District Descriptions**

a) *MU-C Mixed-Use Commercial.*

1. The purpose of the mixed-use commercial district is to provide areas in the city for and promote mixed-use development that supports a sustainable mix of retail, commercial and residential uses that will benefit from proximity and adjacency to one another. It is the intent of the district to require a minimum mix of uses with each plat and PUD. The mixed-use commercial district will serve as a transitional district between more intense highway-oriented development and less intense rural or medium density residential uses. The intent of the mixed-use commercial district is to permit flexibility in the use of the land, while providing a set of minimum development standards in site design, spatial relationships, building architecture and landscape design that will allow property owners to design and construct development projects that respond both to market needs and to city goals and policies. The placement and treatment of buildings, parking, signage, landscaping and pedestrian spaces are essential elements in creating a livable environment in a mixed-use area. The transitional aspect of development in this district requires projects that are designed with a special focus on mitigating any negative impacts on existing and future development in the area. The city will evaluate new development proposals for their consistency with ~~this goal~~ these goals and the city may require developers to amend or change development proposals. The city may deny proposals when the city finds them to be inconsistent with the goals and policies of the city.
2. The district promotes attractive, inviting, high-quality retail shopping and service areas that are conveniently and safely accessible by multiple travel modes. Development shall incorporate creative design and buffering techniques to ensure smooth transitions between different types of development or different intensities of uses. At least 50 percent but no more than 80 percent of the net developable area of a proposed mixed-use commercial development is to be residential, and residential development within these areas shall occur at a density range of ten to 15 units per acre. If a proposed development does not include at least 50 percent but no more than 80 percent of the net developable land area in residential development, the city will require the applicant to provide a ghost plat (build-out plans) during sketch plan review that proposes how this residential requirement would be met. ~~how the parcel or area adjacent to the proposed development will be used in order to meet the requirement for at least 50 percent of the project site with residential land uses.~~ This method of subdivision (by showing future land use and subdivision) and development review is a front-loading process that preserves land for future residential use. The city will use the ghost plat or sketch plan as an official document to establish land use consistent with the comprehensive plan.

b) *MU-BP Mixed-Use Business Park.*

1. The purpose of the mixed-use business park district is to provide areas in the city that will have a mix of general business, business park and residential uses. Having a mixture of land uses within the district allows for better integration of uses and more flexibility to respond to market demands. It is the intent of the district to require a minimum mix of uses with each plat and PUD. The district promotes high standards of site design, spatial relationships, building architecture and landscape design that will foster compact developments with pedestrian convenience and human scale and will preserve and strengthen existing businesses and land uses. The placement and treatment of buildings, parking, signage, landscaping and pedestrian spaces are essential elements in creating a livable environment in a mixed-use area. The city will evaluate new development proposals for their consistency with ~~this goal~~ these goals and the city may require developers to amend or change development proposals. The city may deny proposals when the city finds them to be inconsistent with the goals and policies of the city.
2. The city allows light industrial and limited manufacturing in this district with the city approval of a conditional use permit. All business activities and storage in this district are to be conducted inside buildings that are of high quality and attractive. The city will require developers and builders in the district to provide open space, quality landscaping and berming as part of their projects. Development in this district shall incorporate creative design and buffering techniques to ensure smooth transitions between different types of development or different intensities of uses. At least 50 percent but no more than 80 percent of the net developable area of a proposed mixed-use business park development is to be residential, and residential development within these areas shall occur at a density range of six to ten units per acre. If a proposed development does not include at least 50 percent but no more than 80 percent of the net developable land area in residential development, the city will require the applicant to provide a ghost plat (build-out plans) during sketch plan review that proposes how this residential requirement will be met. ~~How the parcel or area adjacent to the proposed development will be used in order to meet the requirement for at least 50 percent of the project site with residential land uses.~~ This method of subdivision (by showing future land use and subdivision) and development review is a front-loading process that preserves land for future residential use. The city will use the ghost plat or sketch plan as an official document to establish land use consistent with the comprehensive plan.

**SECTION 2. Effective Date.** This ordinance shall become effective immediately upon adoption and publication in the official newspaper of the City of Lake Elmo.

**SECTION 3. Adoption Date.** This Ordinance 2022-09 was adopted on this 19<sup>th</sup> day of July, 2022, by a vote of \_\_\_ Ayes and \_\_\_ Nays.

**LAKE ELMO CITY COUNCIL**

\_\_\_\_\_  
Charles Cadenhead, Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson, City Clerk

This Ordinance 2022-09 was published on the \_\_\_\_ day of \_\_\_\_\_, 2022.

**CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA**

**RESOLUTION NO. 2022-066**

**RESOLUTION AUTHORIZING PUBLICATION OF A SUMMARY OF ORDINANCE  
2022-09**

**WHEREAS**, the Lake Elmo City Council has adopted Ordinance No. 2022-09, an ordinance that amends the City's Zoning Code Article XIV Section 105.12.850.

**WHEREAS**, the ordinance is lengthy; and

**WHEREAS**, Minnesota Statutes, section 412.191, subd. 4, allows publication by title and summary in the case of lengthy ordinances or those containing charts or maps; and

**WHEREAS**, the City Council believes that the following summary would clearly inform the public of the intent and effect of the ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Lake Elmo that the City Clerk shall cause the following summary of Ordinance No. 2022-09 to be published in the official newspaper in lieu of the entire ordinance:

**Public Notice**

The City Council of the City of Lake Elmo has adopted Ordinance No. 2022-09, an ordinance that amends the City Code language in the Zoning Ordinance. This ordinance alters language in the purpose statements of the Mixed Use Business Park and Mixed Use Commercial Districts. The following is a summary of the adopted ordinance language:

**Ordinance 2022-09 includes the following elements to amend Article XIV Mixed Use Commercial and Mixed Use Business Park Districts:**

The full text of Ordinance 2022-09 is available for inspection at Lake Elmo City Offices during regular business hours.

*105.12.850 Purpose and District Descriptions*

*a) Mixed Use Business Park.* It is the intent of the district to require a minimum mix of uses with each plat and PUD. At least 50 percent but no more than 80 percent of a proposed mixed use business park development is to be residential.

*b) Mixed Use Commercial.* It is the intent of the district to require a minimum mix of uses with each plat and PUD. At least 50 percent but no more than 80 percent of a proposed mixed use commercial development is to be residential.

**BE IT FURTHER RESOLVED** by the City Council of the City of Lake Elmo that the City Administrator keep a copy of the ordinance at City Hall for public inspection and that a full copy of the ordinance be placed in a public location within the City.

Dated: July 19, 2022

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Charles Cadenhead, Mayor

ATTEST:

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Julie Johnson, City Clerk

(SEAL)