



## **STAFF REPORT**

DATE: April 1<sup>st</sup>, 2025

### **CONSENT**

**TO: Mayor and Councilmembers**

**FROM: Sophia Jensen, Senior City Planner**

**AGENDA ITEM: Animal Inn Conditional Use Permit and Variance Extension**

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### **CORE STRATEGIES:**

- |   |   |
|---|---|
| <input type="checkbox"/> Vibrant, inclusive, connected community      | <input type="checkbox"/> Efficient, reliable, innovative services |
| <input type="checkbox"/> Responsive, transparent, adaptive governance | <input type="checkbox"/> Balanced Finances now and future         |
| <input checked="" type="checkbox"/> Managed Growth                    | <input checked="" type="checkbox"/> Resilient Infrastructure      |

### **BACKGROUND:**

The City Council adopted Resolution 2014-044 and Resolution 2024-043 on April 16<sup>th</sup>, 2024, approving a structure setback variance and conditional use permit amendment for the expansion of the Animal Inn facilities. The ordinance requires substantial construction within 12 months of the date on which the conditional use permit and variance was granted. Otherwise, the council, after receiving recommendation from the planning commission, may extend the permit for such additional period, as it deems appropriate. The current conditional use permit deadline is April 16<sup>th</sup>, 2025.

Katie and Corwin Cheng of Animal Inn (the “Applicants”) are making progress on the conditions of approval but will require additional time to achieve the substantial construction requirement. The applicants submitted a 24-month extension request to the City on February 26<sup>th</sup>, 2025. The applicants have had to delay their project implementation due to construction costs. The logistics of connecting new and existing buildings has also proven to be time consuming. The extension will allow the small business additional time to prepare for project expenses and to create water connection plans with contractors.

### **ISSUE BEFORE THE CITY COUNCIL**

The City Council is being asked to make a determination on the extension for the conditional use permit deadline to April 16<sup>th</sup> 2027?

### **PROPOSAL DETAILS/ANALYSIS:**

The applicants are requesting a 24-month extension of their conditional use permit to work through the conditional use permit conditions. As part of the conditional use permit extension the variance must also be extended.

### **PLANNING COMMISSION**

The Planning Commission reviewed this request at their March 24<sup>th</sup> 2025 meeting. The Commission voted to recommend approval of the extension (Vote 4-0).

### **FISCAL IMPACT**

None.

### **OPTIONS**

- 1) Approve the conditional use permit extension deadline to April 16<sup>th</sup> 2027
- 2) Deny the extension request.

### **RECOMMENDATION:**

*As part of the consent agenda* Staff is recommending the City Council approve the request to extend the Conditional Use Permit and Variance Deadline. If removed from the consent agenda Staff recommends the following motion:

***“Move to approve Resolution 2025-032 approving an extension of the conditional use permit and variance deadline for the Animal Inn project to April 16<sup>th</sup> 2027.”***

### **ATTACHMENTS:**

1. Draft Resolution 2025-032
2. Original Approvals - Resolutions 2014-044 and Resolution 2024-043
3. Extension Letter Request

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

**RESOLUTION NO. 2025-032**

*A RESOLUTION APPROVING AN EXTENSION OF THE CONDITIONAL USE PERMIT AND  
VARIANCE FOR ANIMAL INN*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Corwin and Katie Cheng of Animal Inn Pet Resort and Spa Inc 8633 34<sup>th</sup> St Lake Elmo MN 55042 (the “Applicant”), submitted an application to the City of Lake Elmo (the “City”) for an amendment to their existing conditional use permit and variance to expand their facility capacity on the property located at 8611 24<sup>th</sup> St (PID 16.209.21.43.0013, 16.029.21.43.0001, and 16.029.21.42.0011) (the “Property), a copy of which is on file in the City of Lake Elmo Community Development Department; and

**WHEREAS**, on April 16<sup>th</sup> 2024, the Lake Elmo City Council adopted Resolution 2014-044 approving the conditional use permit and Resolution 2024-043 for a variance; and

**WHEREAS**, City Code also requires substantial completion of the project within twelve months of approval to remain valid; and

**WHEREAS**, the Applicant has submitted a request for an extension to the conditional use permit and variance deadline to allow for additional time to address remaining conditions of the conditional use permit;

**NOW, THEREFORE, BE IT RESOLVED THAT** the City Council does hereby approve an extension for the substantial construction deadline for the conditional use permit and variance deadline to April 16<sup>th</sup> 2027

Passed and duly adopted this 1<sup>st</sup> day of April 2025, by the City Council of the City of Lake Elmo, Minnesota.

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Charles Cadenhead, Mayor

ATTEST:

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Julie Johnson, City Clerk

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

**RESOLUTION NO. 2024-043**

***A RESOLUTION APPROVING A STRUCTURE SETBACK AND OFF STREET PARKING  
VARIANCE FOR THE PROPERTYS AFFILIATED WITH AMINAL INN. (8611 34<sup>th</sup>  
STREET N. PIDs 16.029.21.43.0013, 16.029.21.43.0001, 16.029.21.42.0011)***

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Corwin and Katie Cheng of Animal Inn. Pet Resort and Spa Inc., 8633 34<sup>th</sup>, Lake Elmo, MN 55042, (the “Applicant”) has submitted an application to the City of Lake Elmo (the “City”) for a variance to the structure setback requirements of the limited commercial zoning district and off street parking requirements for commercial kennels for the property located at 8611 34<sup>th</sup> Street North (PIDs 16.029.21.43.0013, 16.029.21.43.0001, 16.029.21.42.0011) (the “Property”); and

**WHEREAS**, notice has been published, mailed, and posted pursuant to the Lake Elmo Zoning Code, Section 105.12.250; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on March 25<sup>th</sup> 2024; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report and recommendation to the City Council as part of a Staff Memorandum dated May 7<sup>th</sup> 2024; and

**WHEREAS**, the City Council considered said matter at its May 7<sup>th</sup> 2024 meeting and directed City staff to draft a resolution approving the variance for its consideration; and

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

1. That the procedures for obtaining a variance are found in Section 105.12.320 of the Lake Elmo Zoning Code.
2. That all submission requirements of Section 105.12.320 and 105.12.1260 of the Lake Elmo Zoning Code have been met by the Applicant.
3. That the request includes the following components:

- a. A structure setback variance from 50 feet to 25 feet for the building addition and new animal daycare building.
  - b. An off-street parking variance for 38 stalls where 63 are required.
4. **Practical Difficulties.** A variance to the provision of this chapter may be granted by the Board of Adjustment upon the application by the owner of the affected property where the strict enforcement of this chapter would cause practical difficulties because of circumstances unique to the individual property under consideration and then only when it is demonstrated that such actions will be in keeping with the spirit and intent of this chapter. Definition of practical difficulties - "Practical difficulties" as used in connection with the granting of a variance, means that the property owner proposes to use the property in a reasonable manner not permitted by an official control.

**SETBACK FINDING:** The property has constraints with the septic location, pet cemetery, and floodplain. The proposed location is the only feasible location for an addition. Existing facilities are at capacity and the applicant states expansion is required to remain a viable business.

**OFF STREET PARKING FINDING:** The applicant is not proposing any additional parking with the facility addition. The undeveloped property has significant slopes that are not suitable for parking and adding additional impervious surface and drainage.
5. **Unique Circumstances.** The plight of the landowner is due to circumstances unique to the property not created by the landowner.

**SETBACK FINDING:** The applicants are not responsible for the layout of the current facility. Expansion is not viable in areas that meet setbacks due to grades, wetlands, septic location, and the pet cemetery.

**OFF STREET PARKING FINDING:** The applicant does not utilize all the parking currently in place due to the drop off/pick up structure of the business. The grading of the property is not conducive to additional parking and parking is not permitted in the fire lane. Additional parking would cause increased runoff and flooding of the structures.
6. **Character of Locality.** The proposed variance will not alter the essential character of the locality in which the property in question is located.

**SETBACK FINDING:** The variance should not impact essential character; the use of the facilities is to remain the same. The request meets the overall design intent of this area.

**OFF STREET PARKING FINDING:** The variance request should not impact essential character; the parking will remain as-is.
7. **Adjacent Properties and Traffic.** The proposed variance will not impair an adequate supply of light and air to properties adjacent to the property in question or substantially increase the congestion of the public streets or substantially diminish or impair property values within the neighborhood.

**SETBACK FINDING:** The request should not negatively impair adjacent properties or increase congestion on a public street. The area has natural buffers from residential areas.

**OFF STREET PARKING FINDING:** The variance should not impair adjacent properties or increase congestion on a public street. The parking will remain as-is.

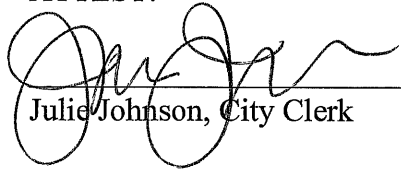
**DECISION**

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, and based upon the information received and the above Findings, that the City Council of the City of Lake Elmo hereby approves the request.

Passed and duly adopted this 16<sup>th</sup> day of April, 2024 by the City Council of the City of Lake Elmo, Minnesota.

  
\_\_\_\_\_  
Jeff Holtz, Acting Mayor

ATTEST:

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

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

**RESOLUTION 2014-044**

***A RESOLUTION APPROVING AN AMENDMENT TO THE CONDITIONAL USE  
PERMIT FOR A COMMERCIAL KENNEL FOR THE PROPERTYS AFFILIATED WITH  
AMINAL INN. (8611 34<sup>th</sup> STREET N. PIDs 16.029.21.43.0013, 16.029.21.43.0001,  
16.029.21.42.0011)***

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Corwin and Katie Cheng of Animal Inn. Pet Resort and Spa Inc., 8633 34<sup>th</sup>, Lake Elmo, MN 55042, (the “Applicant”) has submitted an application to the City of Lake Elmo (the “City”) for an amendment to the existing Conditional Use Permit to expand their facility capacity at the property located at 8611 34<sup>th</sup> Street North (PIDs 16.029.21.43.0013, 16.029.21.43.0001, 16.029.21.42.0011) (the “Property”); and

**WHEREAS**, notice has been published, mailed and posted pursuant to the Lake Elmo Zoning Ordinance, Section 105.12.250; and

**WHEREAS**, the Lake Elmo Planning Commission held a public hearing on said matter on March 25<sup>th</sup> 2024, recommended approval; and

**WHEREAS**, the Lake Elmo Planning Commission has submitted its report dated May 7<sup>th</sup>, 2024, to the City Council; and

**WHEREAS**, the City Council considered said matter at its May 7<sup>th</sup> 2024 meeting.

**NOW, THEREFORE**, based on the testimony elicited and information received, the City Council makes the following:

**FINDINGS**

1. That the procedures for obtaining said Conditional Use Permit are found in the Lake Elmo Zoning Ordinance, Section 105.12.290.
2. That all the submission requirements of said Section 105.12.290 have been met by the Applicant.
3. The conditional use permit amendment should not be detrimental to or endanger the public health, safety, comfort, convenience or general welfare of the neighborhood or City.
4. This use is anticipated in the Limited Business land use guidance.
5. The facility has been in existence since the early 1970’s. There also is a neighboring property that is operating as an obedience training facility.
6. The conditional use permit amendment meets all specific development standards of Article 15.

7. There is a pond on site which causes part of the property to fall within a flood zone. However, the land use table lists base district uses such as kennels as an allowed use with a Conditional Use Permit.
8. The proposed addition and new building are designed to be compatible with the existing structure character. The character of the general vicinity should not be changed.
9. There is a County highway to the north separating Animal Inn from the northern residential properties. The closest home to the north is over 850 ft. away from the property line. Along the southern property line there is an active rail line and large pond that separates the property and residential properties. The distance from the property line is conservatively measured at over 300 ft. Staff believe that the spacing is sufficient to assist in mitigating any nuisances. It is not anticipated for the use to become a nuisance.
10. The use will be adequately served by essential public facilities and services. A condition of approval has been included for the property to connect to the existing 16-inch Trunk Watermain.
11. The use should not create additional requirements at public cost, nor will it be detrimental to the economic welfare of the community.
12. The use will not produce excessive traffic, noise, smoke, fumes, glare or odors.
13. Vehicular approaches to the property are not proposed to be changed and should not create traffic congestion.
14. The proposed amendment and use will not result in the destruction, loss or damage of the natural environment.

### **CONCLUSIONS AND DECISION**

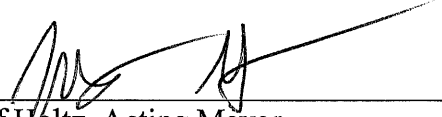
Based on the foregoing, the Applicant's application for an Amendment to the Conditional Use Permit is hereby approved subject to the following conditions:

1. The total number of dogs boarded at any point in time shall not exceed 300.
2. The total number of cats boarded at any point in time shall not exceed 30.
3. All past conditional use permits affiliated with the properties shall now be null and void.
4. The applicants must enter into a restrictive covenant agreement to ensure the three parcels remain under common ownership.
5. Primary buildings must connect to City Water prior to the issuance of a Certificate of Occupancy for the additions.
6. The applicant must provide plans for the water connection to the satisfaction of the City Engineer, Public Works Director, and Fire Chief prior to the release of the building permit.
7. All city, state, or other necessary permits must be obtained prior to the release of the building permit.
8. No construction may begin until the applicant has provided written documentation demonstrating adequate wastewater management facilities exist or are proposed to serve the proposed addition. This should include either a Washington County inspection compliance report for the existing on-site wastewater system or a wastewater management plan and permit approved by Washington County.
9. Address numbers must be plainly visible from the street and on the buildings. Primary buildings must be identified by their use.

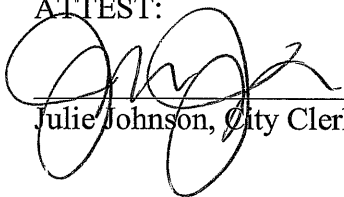


10. The Main buildings defined as Animal Inn, Animal Hospital, Kennel, and Animal Daycare may be used for boarding. The two storage buildings labeled as shed and storage shall not be used for boarding.
11. No outdoor kenneling shall be permitted on the property. This does not mean dogs cannot run freely in fenced areas.
12. All fencing as proposed shall remain in place. Any desire to expand or erect new fencing shall constitute the need for a CUP amendment. General repair and replacement of fencing does not need an amendment.
13. There shall not be more than 4 principal buildings and 2 accessory buildings on the property.
  - a. Principle buildings are labeled as Animal Inn, Animal Hospital, Kennel, and Animal Daycare.
  - b. Accessory buildings are labeled as shed and storage.
14. The caretaker quarters located in the main building, identified as the Animal Inn building on the Survey, can remain. Expansions of the dwelling space will require an amendment to the CUP, other zoning or building codes may also apply.
15. Uses are stated and defined:
  - a. Boarding – Daily stay (Not overnight) and Long term stay (defined as being overnight)
  - b. Grooming – Grooming services (baths, clipping, etc.) that do not extend into veterinary service.
  - c. Pet Cemetery – Shall be maintained and operated as a cemetery for deceased pets.
  - d. Obedience training - Standard training and socializing of dogs.
  - e. Storage – Storage for items or products associated with the Animal Inn business.

Passed and duly adopted this 16<sup>th</sup> day of April, 2024 by the City Council of the City of Lake Elmo, Minnesota.

  
\_\_\_\_\_  
Jeff Holtz, Acting Mayor

ATTEST:

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

**From:** [Katie Cheng](#)  
**To:** [Sophia Jensen](#)  
**Cc:** [Corwin Cheng](#); [Ashley Monterusso](#)  
**Subject:** Re: Animal Inn CUP and Variance Progress  
**Date:** Wednesday, February 26, 2025 11:33:34 AM  
**Attachments:** [image001.png](#)

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**Caution:** This email originated outside our organization; please use caution.

Hi Sophia,

Sorry, trying again!

With the current building materials pricing increase and with having to figure out the logistics of how to connect the entire facility to city water and not just the new build we would like to ask for a two year extension on our CUP and variance.

If you need anything else from me let me know! Thank you again for your help!

Katie