



**City of Lake Elmo
Planning Commission Meeting
Minutes of February 13, 2017**

Chairman Kreimer called to order the meeting of the Lake Elmo Planning Commission at 7:00 p.m.

COMMISSIONERS PRESENT: Kreimer, Dodson, Dorschner, Williams, Lundquist and Hartley

COMMISSIONERS ABSENT: Fields, and Larson

STAFF PRESENT: Planning Director Wensman

Approve Agenda:

M/S/P: Williams/Dodson, move to approve the agenda as amended, adding picking a member of the Planning Commission to be on the Comprehensive Plan Advisory Board as item 5b, ***Vote: 6-0, motion carried, unanimously.***

Approve Minutes: January 9, 2017

M/S/P: Williams/Lundquist, move to approve the January 9, 2017 minutes as amended, ***Vote: 6-0, motion carried unanimously.***

Approve Minutes: January 23, 2017

M/S/P: Dodson/Dorschner, move to postpone consideration of the January 23, 2017 minutes until the next meeting, ***Vote: 6-0, motion carried unanimously.***

Public Hearing – Zoning Text Amendment and Conditional Use Permit – 3549 Lake Elmo Ave

Wensman started his presentation for the Zoning Map Amendment and CUP for 3549 Lake Elmo Ave. Christ Lutheran Church owns this property and now has a buyer for the property. The Church would like to separate part of the parking lot and keep that portion of the property. In 2013 the Church had approval for a variance and lot split. They did not proceed with the lot split as they did not have a buyer for the bank building. The variance is now expired, as they are only good for 1 year. This property is currently guided Village Mixed Use. Wensman stated that a variance is not the way to go forward at this point. It would be more appropriate to rezone the property to Village Mixed Use. There is no minimum lot size in this district which would allow the property owner to subdivide. A parking lot is a conditional use in this zoning district.

Lake Elmo Planning Commission Minutes; 2-13-17

The City is suggesting 3 conditions of approval. 1) that there be a shared parking agreement between the church and new property owner 2) a drainage easement be provided along the storm water infiltration area that collects storm water runoff from both parcels 3) a formalized document for a drainage and utility easement for the storm sewer pipe reinstalled as part of downtown project executed and recorded.

Williams asked if the minor lot split was administrative. Wensman stated that it is administrative, but cannot be done until the property is rezoned to Village Mixed Use. (statement corrected on page 4)

Dorschner asked why the City would ask for the shared parking agreement if VMX does not have required parking. Wensman stated that it is to ensure that both users will have access to that parking lot. Dorschner stated that he thinks that should just be a private agreement between property owners and not a condition of approval. Wensman stated that was a condition for the variance and they just brought it forward, but the Planning Commission can remove if they desire. Dorschner is wondering if the drainage and utility easement is the same thing. Wensman stated that it is 2 different things. One is for the pipe and one is for the shared drainage area in the parking lot. Hartley asked if either property is sold, will they have to come back to the City to change the use on the property. Wensman stated that if it is a conditional use, it would have to come back through the process. If it is a permitted use, it would be a certificate of zoning compliance and the staff would review it for compliance administratively.

Jim Kelly, for Christ Lutheran Church, stated the Church purchased this property primarily for use of the parking lot, but they have also maintained the building and have rented it in the past. They are ready to sell the building and get it back on the tax rolls.

M/S/P: Williams/Dodson, move to hold the 2 public hearings simultaneous for the Zoning Map Amendment and CUP, **Vote: 6-0, motion carried unanimously.**

Public Hearing opened at 7:21 pm

No one spoke and there were no written comments

Public Hearing closed at 7:22 pm

M/S/P: Lundquist/Williams, move to recommend approval of the zoning map amendment to rezone the property located at 3549 Lake Elmo Avenue from GB – General Business to VMX – Village Mixed Use, **Vote: 6-0, motion carried unanimously.**

M/S/P: Williams/Lundquist, move to recommend approval of a Conditional Use Permit for a parking facility on the property legally describes as “Lot 29 except the south 40 feet thereof, County Auditor’s Plat No. 8, Washington County, MN” with the findings and recommended conditions of approval, **Vote: 6-0, motion carried unanimously.**

M//P: Dorschner/Dodson, move to make an amendment to remove condition #2, requiring an easement for shared parking, **Vote: 3-3, motion fails.**

Dorschner feels the shared parking agreement should be between the 2 business owners as it is not a requirement of the VMX zoning district. Wensman stated that it might be worth touching base with applicant to see what their preference would be.

Mr. Kelly, representing Christ Lutheran Church stated that it was a requirement of the variance at the request of City Staff. The Church feels that that fewer agreements that go into the future would be preferable from a property standpoint. They would be in support of the amendment as described.

Wensman asked the Commission to reaffirm their recommendation of approval for the lot split and corrected a previous statement that the lot split did require Commission and Council approval which was granted by Resolution 2013-46.

John Whitcomb, representing the buyer of the property, stated that the easement will be in place regardless of the action tonight. There is an agreement in place between the buyer and the seller that this easement will be put in place.

Dorschner stated that his reason for recommending removing this condition is because VMX does not require parking and he does not want to see the City setting a precedent to require commercial to find parking.

Williams would like to speak against the motion because even though it isn't required in the VMX, parking is very valuable downtown and at a premium. He thinks the shared easement will benefit both properties as well as the City. Kreimer agrees with Williams and would like to see the easement put in place. Dorschner agrees that parking is at a premium, but he feels it is something the Planning Commission needs to think about, not putting that burden on the business owners that currently have that asset. If parking is required, it should be required and not done piece meal.

Hartley agrees with Dorschner from the standpoint that if parking is important to businesses in the VMX district, than it should be required of all businesses. He feels that the City needs to look down the road and consider what could happen in the future on those two properties. This creates an oddity in the VMX zone. He feels this is somewhat of a backdoor requirement for parking. Dodson asked what would happen if they want to change the number of parking spaces. Would that violate the easement? John Whitcomb stated that the easement is a benefit to both property owners and the only way that the easement can be changed is if both parties agree to the change.

Hartley stated that both of the parties have agreed to an easement agreement that they are comfortable with. He does not feel that the City needs to be involved with the

private agreement. He feels that since VMX does not have a parking requirement, if the City requires the agreement, it is creating an awkward situation for the future. If something changes with the properties, with the City requiring an agreement, it would have to come back to the City vs. the property owners working out a different agreement.

Williams stated that the conditions are for the Conditional Use for parking. Parking is a Conditional Use in the VMX zoning and therefore he feels that it is very appropriate for the City to put conditions on the parking that are useful for the City and the property owners. Nothing that he has heard so far has indicated to him that anybody is losing anything by having this condition retained. He feels it does not set a precedent as it is specifically related to this CUP, not the general zoning district.

Dorschner feels that by putting this condition in place for the parking lot, it is not treating the old bank building property like a VMX property. It is placing a condition on it that they have to have an easement with the church for the parking.

M/S/P: Williams/Kreimer, move to recommend re-affirming approval of Minor Subdivision granted by Resolution 2013-46, ***Vote: 6-0, motion carried unanimously.***

Public Hearing – Zoning Text Amendment to repeal OP-ALT District

Wensman started his presentation giving background about OP-Alt District that was created in 2010. This was repealed from the Comprehensive Plan, but it still exists in the zoning code. There is nothing guided for this zoning, so staff has prepared a Zoning Text Amendment to repeal it from the zoning code.

Public Hearing opened at 7:43 pm

No one spoke and there were no written comments

Public Hearing closed at 7:43 pm

M/S/P: Williams/Dodson, move to recommend approval of repealing Article XV – OP-Alt District from the Zoning Code, ***Vote: 6-0, motion carried unanimously.***

Business Item – Village District Zoning Discussion

Wensman started his presentation by stating that there are some projects coming forward that are guided for Village LDR, but there are no standards set forth for this district. There are a couple of the Village developments that were approved using the LDR guidelines, but he thinks that was more of a convenience utilizing a loophole in the zoning language. Staff has created draft Village LDR and Village MDR regulations. At the

end of the last meeting, it was discussed about having staff prepare a basic, streamlined ordinance that could be worked on over time. It is important to get this in place now as there are a couple of developments likely to come forward that this would apply to.

There were some things looked at and taken out, such as the requirement for sidewalks on both sides of the street. There has to be some kind of balance between density and requirements for infrastructure.

Lundquist asked which properties this would apply to. Wensman put up a map showing which areas of land this pertained to. Williams asked what the densities are for the LDR that was approved. Wensman stated that it has a density of 2.5 and the V-LDR is guided up to 2.49 du/ac in the Comprehensive Plan. Part of the discussion at the last Planning Commission centered on the densities for the Village area being lower than South of 10th Street.

Hartley asked what the density is for a sewered area. Wensman stated that Met Council wants the average MUSA area to be a minimum of 3.0 throughout the City sewered area. Hartley asked if they redo this density, would the City still meet the required MUSA densities for sewered properties. Wensman stated that as the Village develops, the City will need to watch and manage the development below 3.0. Royal Golf will bring our average down, but not below 3.0. Hartley is wondering if the City is backing itself into a corner. Wensman stated that most developers are going to want to get the most density that they can get on a piece of property, based on what the market demand is. Wensman stated that the Comprehensive Plan currently guides the Gonyea West property as V-LDR & V-MDR. With the Comprehensive Plan update on the horizon, that may be something that the City might want to consider. Dodson asked how the density is calculated in the MUSA and if open spaces are included. Wensman stated that some of the developments seem denser as we allow smaller lot sizes. It is almost like a transfer of density which leaves some areas more open, and the lot area more dense.

Williams asked if any of the developers that are guided for low density have requested to be guided for higher density. Wensman stated that the only one that he is aware of is Easton Village. They would like to do the rest of the development as Villas and smaller lots, but cannot.

Dodson is wondering how the MUSA is calculated as far as the density goes. Staff explained that it is determined by how the land is guided in the Comprehensive Plan. Hartley stated that his point is that the City not set ourselves up by specifying low densities that get used and then we find out down the road that we have to put in a high density high rise to get out of issues with the Met Council. Wensman stated that the Met Council also has requirements for affordable housing and as a result of that, there needs to be a certain amount of land guided for medium and/or high density to

meet those requirements. The amount of medium and high density guided currently meets those requirements through 2040.

Williams stated that the residential developments that have been approved so far are at the low to middle density ranges, and he is concerned about the trend toward getting closer to going under the 3.0 units per acre. Williams stated that in other cities there are lots that are smaller and narrower, but you see a more modest home on the lot. He is not sure how the City can have proper urban development with these huge homes on the lots. Williams cannot recall why the density is lower in the V-LDR than it is for LDR. He is wondering if anyone else knows what the reasoning was as it seems counterproductive. Williams is wondering if they can postpone taking action on this until they can consider the density issue. Wensman stated that it would be something he would need to talk to the City Attorney about.

There is a precedent that the LDR zoning was used in the Village in the past. He is not sure how appropriate that was. Wensman stated that they can certainly postpone, but if a development comes forward, the developer will need to know how to proceed.

Dorschner asked if all of the medium and high density is south of 10th Street. Wensman stated that there are places in the Village area that allows VMX which is up to 10 units per acre. The VMDR is essentially the same density as the LDR found south of 10th Street.

Lundquist stated that she feels in the past, the City has not paid close enough attention to the terrain. The 2 developments north of Old Hwy 5, Village Preserve and Wildflower at Lake Elmo, has had flooding. The Gonyea West property is a field now that has regular ponds there regardless of if there are crops there. If houses go there, she is concerned that they will have water problems. Wensman stated that any new development is required to capture their runoff on-site so there will be extensive ponding to address the runoff.

Dodson asked about page 9 of the proposed ordinance talking about new housing types and why there can be no more than ¼ of lineal frontage of a developed block converted to townhouse units. Wensman stated that it was taken from the MDR language for townhouse as it is a conditional use. Wensman believes the language was intended more for redevelopment so that they do not tear down a whole block of existing homes for townhouses. Wensman suggested this should be rewritten to only address redevelopment.

Williams is interested in getting the City Attorney's opinion on whether what was done in the past was appropriate and how they should proceed to effectively increase the density in the V-LDR. Wensman stated that to increase the V-LDR density, a Comprehensive Plan Amendment is required. Williams would like to see a Comprehensive Plan Amendment to see the Gonyea West property changed to V-MDR

which would match LDR. Wensman stated the alternative is to see what Gonyea West proposes. If they propose something less than 2.5, the ordinance could be quickly adopted or if they are interested in higher density we can let them know that there is some support for it. Hartley doesn't feel it is appropriate to have the developer put money and effort into plans based on a certain density and then the City changes what it is looking for. Dorschner is wondering what the real concern is as we haven't even looked at south of 10th Street yet. He is wondering if the Comprehensive Plan is followed the way it is, would there be a problem? Wensman stated that the plan as it is now, is still above 3.0 units. Wensman stated that it isn't the issue of the numbers, but of the desire for connectivity and for the Village to be a viable commercial district. The more homes, the easier it is to achieve this. Dorschner feels that looking at changing densities needs to be looked at as a complete package including the south of 10th Street area. He doesn't think that residents want overall greater numbers throughout the City and does not want to see higher density somewhere it is not needed.

Wensman stated that it is part of the larger Comprehensive Plan discussion that will take place over the next 6-8 months. The problem is that Gonyea West and Village Park Preserve will probably come in sooner than that. There is no action item before the Commission, but the City needs to get ready with a zoning district for when the projects come in. Hartley is wondering if he can tell them what the overall sewered density is compared to the Met Council requirements and if density changes somewhere, do we know where we will be at. Wensman stated that there is a worksheet from the Met Council that calculates that. Williams stated that he is not in favor of more development, however, he is trying to be realistic about the development patterns in the Village and what would be a good scheme to make it viable. He feels that if some of the Village properties are adjusted, there are ample opportunities south of 10th street to make adjustments. Dorschner feels that to the North of the Gonyea West property is open space and to make it higher density does not give that buffer zone. He thinks the higher densities should be closer to the central Village and they should be lower as it moves out as there are larger properties and open space developments as you move out. Williams agrees with that statement.

Dodson wanted to talk about the maximum setback requirements. At the last meeting there was a build to line and he would like to see what the rest of the Commission thinks. Wensman stated that a build to line makes more sense in an urban district like VMX, but not so much in the V-LDR/M-LDR district. If a build to line is put into VMX, they will need to decide what areas to put it in as it does not make sense in all places.

Kreimer feels that they should move forward with the zoning district so that the City has something in place if development comes forward. If the Council is interested in higher density on the Gonyea West property, the City could move forward with a Comprehensive Plan amendment.

Lundquist does not want to see this land developed higher than it is currently designated. She does not feel the terrain and the wetlands would support it without problems.

Wensman stated that he could put together the ordinance for V-LDR that would mimic LDR with a few differences and bring back a draft before holding the public hearing. The V-MDR can be addressed after the Comprehensive Plan update. The Planning Commission was agreeable to that. Williams asked that when the V-LDR ordinance is brought back could there be findings included. He would like the imminence of the Gonyea West development noted as well as the fact that the Planning Commission is interested in increasing the density of the VLDR, but it requires a Comprehensive Plan Amendment.

Comprehensive Plan Advisory Board

Wensman stated that they are kicking off the Comprehensive Plan process. They have met with the consultant SHC. They proposed the Comprehensive Plan Advisory Board which would include a representative from the Parks Commission, Planning Commission, possibly Environmental Committee and possibly at large community members. Tonight he is asking that the Planning Commission Member be appointed to the Board which is not a steering committee, but an advisory board. Wensman thinks this board would meet about 6 times between now and November. Jesse Hartley volunteered to be the Planning Commission representative, with Dale Dorschner willing to be an alternate if the dates and times do not work for Hartley.

City Council Updates – January 17, 2017 Meeting

- i) Zignego Minor Subdivision and Zoning Map – passed
- ii) Golf Course Community Zoning District – passed with amendments
- iii) Shoreland Management Overlay District Ordinance Amendment – tabled
- iv) Inwood 4th Addition Developers Agreement – passed
- v) Hammes Estates 2nd Addition Developers Agreement – passed
- vi) Work Plan – Approved with addition of adding secondary dwelling as allowed conditional uses in rural districts

Staff Updates

1. Upcoming Meetings
 - a. February 27, 2017
 - b. March 13, 2017
2. Appointment of Keith Bergmann as citizen representative to the MAC Citizen Engagement Process Committee.

Commission Concerns

Dodson stated that in regards to the upcoming solar ordinance discussion, that was a topic that was brought up at the class that he went to. They mentioned the need for

the ordinance to control where solar gardens can be as they can be quite large. He is also concerned about lighting standards for streets. He is not necessarily in favor of all new developments having street lights, but now the City requires them. He would like more information regarding the standards. He would like there to be a proven need for street lights, such as high speed. He does not feel that they are always necessary in residential developments. Wensman will do some research regarding where those standards came from and what those standards are and then the Commission can talk about it. Dorschner thinks that in conjunction with the solar, they should also think about wind turbines.

Meeting adjourned at 9:02 pm

Respectfully submitted,

Joan Ziertman
Planning Program Assistant