



3880 Laverne Avenue North
Lake Elmo, MN 55042

(651) 747-3900
www.lakeelmo.org

NOTICE OF MEETING

The City of Lake Elmo

Planning Commission will conduct a meeting on

Monday April 22nd 2024 2024

at 7:00 p.m.

AGENDA

1. Pledge of Allegiance
2. Accept Commissioner Geffre Resignation
3. Approve Agenda
4. Approve Minutes of April 8th, 2024
5. Public Hearing
 - a) **Kramer Lake Comprehensive Plan Amendment.** Tamarack Land Development has submitted a comprehensive plan amendment to revise the MUSA Growth and Phasing Plan (Map 3-7) for PID 35.029.21.44.0012 and 35.029.21.43.0001 from the 2030-2040 (blue) phase to the 2020-2030 (pink) phase.
6. New/Unfinished Business
 - a) NA
7. Communications/Updates
 - a) City Council Updates – 4/9/2024
 - i. Old Village Moratorium Workshop
 - ii. Crosswalk Policy
 - b) City Council Updates – 4/16/2024
 - i. 10997 32nd Street Variances and Lot Division
 - ii. Animal Inn CUP Amendment and Variance
 - c) Upcoming Meetings
 - i. May 13th 2024
 - ii. May 28th 2024 - Tuesday
8. Adjourn

***Note: Every effort will be made to accommodate person or persons that need special considerations to attend this meeting due to a health condition or disability. Please contact the Lake Elmo City Clerk if you are in need of special accommodations.



**City of Lake Elmo Planning Commission
Meeting City Council Chambers – 3880 Laverne
Avenue North Minutes of Regular Meeting of
April 8, 2024**

CALL TO ORDER: Commission Chair Risner called to order the meeting of the Lake Elmo Planning Commission at 7:00 p.m.

COMMISSIONERS PRESENT: Risner, Bohlig, Dean, Geffre, Rehkamp, Steil, Vrieze

COMMISSIONERS ABSENT: None

STAFF PRESENT: City Planner Sophia Jensen, Nathan Fuerst with Bolton & Menk

Pledge of Allegiance at 7:00 PM

Welcome of new Planning Commissioner Samuel Dean.

Approve Agenda:

M/S/P: Rehkamp/ Bohlig made a motion to approve the amended agenda. **Vote: 7-0, motion carried unanimously**

Approve Minutes:

M/S/P: Geffre / Rehkamp made a motion to approve the 3-25-24 meeting minutes. **Vote: 7-0, motion carried unanimously.**

PUBLIC HEARING

- a) **PF Zoning District Text Amendment.** The City has initiated a zoning text amendment to article XVI Public and Semi-Public Districts to remove outdated comprehensive plan references and update district standards.

Consulting Planner, Nathan Fuerst with Bolton & Menk, gave presentation and answered questions.

M/S/P: Bohlig / Vrieze moved to open the public hearing at 7:14 PM. **Vote: 7-0, motion carried unanimously.**

Public Comments:

Bill Bartolic 5825 Kelvin Avenue North: Spoke in favor of this change.

M/S/P: Steil / Geffre moved to close the public hearing at 7:16 PM. **Vote: 7-0, motion carried unanimously.**

M/S/P: Geffre / Steil moved to recommend approval of the zoning text amendments to the PF Public and Quasi-Public Open Space zoning district as proposed by City Staff. **Vote: 7-0, motion carried unanimously.**

New/Unfinished Business

N/A

Communications/Updates:

a) City Council Updates: 4-2-2024

- i. Royal Golf 6th Addition Final Plat and PUD - Approved
- ii. Peanut Poppy Ranch Minor Subdivision and Easement Vacation - Approved

b) Upcoming Meetings

- i. April 22nd 2024
- ii. May 13th 2024

Meeting adjourned at 7:20 PM.

Respectfully submitted

Diane Wendt

Permit Technician



STAFF REPORT

DATE: 4/22/2024

Item#: 4a – Public Hearing

Motion

TO: Planning Commission
FROM: Nathan Fuerst, AICP, Consulting Planner
AGENDA ITEM: **PUBLIC HEARING - Comprehensive Plan Amendment – Kramer Lake Overlook**
REVIEWED BY: Sophia Jensen, City Planner
Jason Stopa, Community Development Director

BACKGROUND:

The City is in receipt of a Comprehensive Plan Amendment application from Tamarack Land Development for the proposed development on parcels north and west of Hudson Boulevard North and Lake Elmo Avenue North. The proposed development is currently in concept form. It would consist of 92 twin home units, 307 multiple family units across 2 buildings, and 60,000 square feet of commercial space. The development is proposed to be connected to city water and sewer and surrounds the property at 10746 3rd Street Place occupied by Pet Images Resort. No improvements to the Pet Images site is proposed as a part of this project. The Applicant aims to receive entitlements and begin work in 2025.

The Applicant requested a sketch plan review in 2022 and provided a modified plan again in 2023 for concept plan review. The Lake Elmo City Council most recently reviewed this item at its December 12, 2023 workshop. Feedback was provided to the Applicant relating to the flexibility that would be required through an eventual shoreland variances and a Planned Unit Development. Concern was noted for flexibilities to the Shoreland Density. The Applicant has not addressed these concerns.

The development property is already located within the City's Metropolitan Urban Service Area (MUSA), however, the Comprehensive Plan Amendment to Map 3-7 is required for this area to be developed within the decade between 2020 and 2030. The property is currently in the 2030-2040 development period on Map 3-7, the City's MUSA Growth & Phasing Plan. Hence a Comprehensive Plan Amendment is required.

ISSUE BEFORE THE COMMISSION:

The Planning Commission should hold a public hearing and provide a recommendation to the City Council regarding the Applicant's request for a Comprehensive Plan amendment.

GENERAL INFORMATION:

Applicant: Tamarack Land Development,

Property Owner: Gene & Ann Peltier

Location: Parcel Northwest of intersection of Hudson Avenue N. and Lake Elmo Avenue N.

PID#s: 3502921430001 & 3502921440012
Deadline: Application Completed – 11/3/2023
60 Day Deadline – 01/02/24
Extension Letter – 11/13/2023
120 Day Deadline – 03/02/2024
Developer 90-day extension request – 01/11/2024
Review Deadline – 05/31/2024

ANALYSIS:

Land Use Guidance Overview

Comprehensive Plan Future Land Use Guidance – Mixed Use Commercial (MU-C)

- Required Residential Density 10 – 15 Units / Net Acre
- Existing MUSA Growth & Phasing Period – 2030-2040

Zoning District

- Existing – Rural Transition
- Requested – Mixed Use Commercial (MU-C)
- Located in Shoreland Overlay

Comprehensive Plan Amendment Review

The 2040 Comprehensive Plan MUSA Map 3-7, MUSA Phasing & Growth Plan does not show this area of the City developing until the time period between 2030-2040. The reason for the planned phasing of the area bound by Keats, 10th St. N, and Lake Elmo Avenue is generally because the area will be difficult to serve with public utilities. Required utility connections and alignments create a need for broad coordination amongst current and future property owners in this area. The City has plans and specifications to ensure adequate service for future development.

The Comprehensive Plan states the following regarding Map 3-7:

Map 3-7 identifies four staging areas consistent with existing and planned water, wastewater and transportation infrastructure. The City acknowledges that market conditions, as well as other external impacts may influence exactly where and when development occurs, and this map is intended to signal to the City that it must evaluate its infrastructure with respect to timing and development approvals. This is particularly important in the last phase denoted as post-2035. Property within this staging area should be monitored for capacity and potential improvements based on actual development in earlier phasing periods.

The City has sewer capacity to serve areas within the MUSA and plans to serve the property and the surrounding parcels within the time horizon of the 2040 plan. Importantly, this site development should not create a condition where the site is served by city utilities but the property that it surrounds (Pet Images Resort) is not. The Applicant has not indicated how the utility extension and required Hudson boulevard improvements will be addressed.

However, the decision to change or amend the Comprehensive Plan is a policy matter for the City. Any change to the Comprehensive Plan should be based on findings that show the change would be consistent with the goals and policies of the City.

Development Timeline:

The following timeline has been estimated and submitted by the Applicant.

Date	Activity
April 22, 2024	Planning Commission Meeting for Comp Plan Amendment
May 7, 2024	City Council Meeting for Comp Plan Amendment
May 10, 2024	Start update on EAW
June 2024	Submit EAW to City for review.
July 2024	Submit EAW for publication.
November 2024	EAW Approval
December 2024	Preliminary plat submittal
March/April 2025	Preliminary Plat Approvals
May 2025	Final Plat Approvals
June 2025	Site Construction
October 2025	Apartment Building Construction starts.
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August 2026	1 st Single-Family occupancy
Summer/Fall 2027	Apartment construction complete
Spring 2029	Final residential occupancy

Environmental Review Required

The number of attached units (399) in this residential development is over the threshold (375) triggering for a Mandatory Environmental Assessment Worksheet (EAW) established by MN Rules Sec. 4410.4300. The City must determine that further review of the project through an Environmental Impact Statement (EIS) is not necessary. This must occur prior to approval of the subdivision. It is not typical to accept a subdivision application as complete until after the environmental review process has concluded.

Entitlements Required:

Staff have reviewed the concept level plan against the adopted 2040 Comprehensive Plan and the City's Zoning and Subdivision standards. The Density of the property appears to meet the requirements of the Comprehensive Plan but not the City's Shoreland Overlay, this will necessitate a Shoreland Variance.

The following approvals will be required for this project to be permitted:

1. Comprehensive Plan Amendment – An amendment to the development period for the subject parcels on Map 3-7 in the City's Comprehensive Plan is required.
2. Mandatory Environmental Review – The number of attached units (399) in this residential development is over the threshold (375) triggering for a Mandatory Environmental Assessment Worksheet (EAW) established by MN Rules Sec. 4410.4300.
3. Rezone – From Rural Transition (RT) to Mixed Use Commercial (MU-C).
4. Major Subdivision – Required by the City's ordinance to subdivide the property and allow for dedication of easements and Rights of Way.
5. Planned Unit Development (PUD) – Provide flexibility to allow the developer to deviate from the City Code requirements of the base zoning district, Mixed Use Commercial.
6. Variance(s) to Shoreland Overlay – Flexibility to requirements of the City's Shoreland Overlay Ordinance cannot be granted through a PUD. It is possible that flexibility to requirements such as density, building height, or impervious surface could be requested. If needed, flexibility must be granted through the variance process.

Planned Unit Development Flexibility Requests

It is likely that the Applicant will require flexibility to City Standards, the flexibilities that will ultimately be requested are not known at this time. It appears that the multifamily building parcels will be smaller than required by City Code.

Shoreland Variances

Flexibility to the City's Shoreland Overlay requirements may only be granted through a variance review. The following variances to the City's ordinance are anticipated with the concept layout currently on file:

- Maximum Tiered Density – There are too many twinhome units within each of the three tiers. With a maximum density bonus of 20% applied to each tier, the proposed units exceed the maximum permitted by the Shoreland PUD ordinance.
- Minimum Setback for Twin Home – Proposed twinhomes do not meet the minimum setback which is increased from 200 to 250 feet for PUD's with shoreland preservation.
- Impervious Surface – Each platted lot within the shoreland must be under 30% impervious. A majority of the twinhome lots do not appear to comply with this requirement.

Next Steps if Approved:

If approved, the Applicant will seek to initiate the EAW process with the project as currently shown in the proposed concept. If the environmental review is completed, and the project changes, the environmental review process may need to be repeated.

Next Steps if Denied:

The 2050 Comp Plan will be due to the Met Council in December 2028. The city will likely be evaluating development and development potential city wide as part of that update. Its possible the Comp Plan land use or MUSA timeframe be updated by the city then. If no changes are made in 2028, the Applicant could come forward on January 1, 2030 to request the development to occur on the site. At which time, the city will make a determination if the site is ready to be developed and proper infrastructure readily available. If the City determines the project may be more desirable if modified, the Applicant could seek to change the project plans and reapply.

FISCAL IMPACT:

Approval of the Applicant's requests has no fiscal impact to the City at this time. Subdivision entitlement review will be required along with a Development Agreement which will detail public improvements and address fiscal impacts. When developed, the property will have urban services and will require associated development fees.

FINDINGS AND CONDITIONS:

The decision to change or amend the Comprehensive Plan is a policy matter for the City. However, at this time, staff is recommending that the City deny this proposed Comprehensive Plan Amendment. The City Council has recently approved only two modifications to Map 3-7. One time for the North Star development, which had already received Final Plat approval. The other to allow the proposed Lake Elmo Elementary to move forward. In this case, the parcel was not in the MUSA, and the change brought it into the MUSA. The applicant has not addressed the concerns provided by the City Council related to the variances needed to the shoreland ordinance. Staff therefore propose the following findings:

Comprehensive Plan Amendment Findings.

1. That the applicant has submitted a request to the City of Lake Elmo to amend the Comprehensive Plan in accordance with the procedures as established by the Lake Elmo Planning Department and the Lake Elmo Planning Commission; and
2. The Subject Property is within the City's MUSA boundary and currently guided by the City's adopted 2040 Comprehensive Plan to develop after the year 2030.
3. That the request is to amend the MUSA Phasing and Growth Plan, Map 3-7, to allow development of the subject property within the decade between 2020 and 2030; and
4. That the request is to allow a development in the current decade that would not adhere to the City's shoreland overlay ordinance and other flexibilities will be needed, the extent to which is not completely known.
5. The proposed project does not take into account providing utilities to adjacent properties in a cohesive and planned manner.
6. It is not in the best interest of the City to amend its Comprehensive Plan to allow a development not meeting the City's shoreland overlay ordinance.

WATER APPROPRIATIONS:

Staff acknowledge concerns regarding water appropriations. The City does have the ability to approve or deny requests for comprehensive plan amendments, but must make findings which consider the goals and vision of the 2040 Comprehensive Plan.

The impacts of the proposed development on this site are not specifically known at this time. Those impacts could be reviewed with greater detail at the time of an EAW.

The City's Premature Subdivision ordinance is found in LEC 103.00.025, however, since the Applicant is not proposing a subdivision at this time, that section does not provide guidance on the findings relevant to a denial. The City Attorney has advised that the City treat developments consistently concerning the water issue.

PUBLIC COMMENT:**Affected Jurisdictions:**

As required with Comprehensive Plan Amendments, the City provided adjacent and affected jurisdictions with an opportunity, beginning on November 8, 2023 to provide a comment on the request. The following adjacent and affected jurisdictions were identified, with comments summarized:

- Woodbury – Noted No Comments
- Mn DOT – Noted No Comments
- Mn DNR – No Comments Received
- West Lakeland Township – No Comments Received
- Valley Branch Watershed District – Recommendation not to approve Comprehensive Plan Amendment, and to consider more vertical development to meet the required density range. This is due to anticipated adverse impacts of impervious surfaces on ground and surface water resources.

Public Hearing:

A public hearing notice has been mailed to surrounding properties and posted in the City's newspaper of record. At the time this report was written no comments were received.

RECOMMENDATION:

Comprehensive Plan Amendments normally require a 4/5 vote of the City Council to be approved. However, pursuant to Minnesota State Statute 462.355, amendments that would permit affordable housing only require a simple majority, or 3/5 vote.

Staff is suggesting a recommendation to deny based on the findings listed above. However, the Planning Commission should hold a public hearing and make a determination to recommend approval or denial.

Example Motion Recommending Denial:

“Motion to recommend the City Council deny the request of Tamarack Land Development for a Comprehensive Plan amendment with the findings proposed by the Planning Commission and condition proposed by staff.”

ATTACHMENTS:

- Application Materials – Narrative and Concept
- Valley Branch Watershed District Comments
- December 12, 2023 Sketch Plan Review Staff Report – Link Only
- Lake Elmo 2040 Comprehensive Plan – [Link Only](#)

**KRAMER LAKE OVERLOOK
MIXED-USE DEVELOPMENT
LAKE ELMO, MN
COMPREHENSIVE PLAN AMENDMENT
UPDATED APRIL 8, 2024**

The Gene and Anne Peltier Trust as property owners and Tamarack Land Development as Developer request an amendment to Lake Elmo's 2040 Comprehensive Plan. Our request is to move the MUSA Development Growth time frame for these parcels located in the NW Quadrant of Lake Elmo Blvd and Hudson Road up to 2024 from 2030.

The Kramer Lake Overlook Mixed-Use Development project is proposed on approximately 57 acres of land on the south-central border of the City of Lake Elmo in Washington County. The project will include 92 single-family twin homes, one 121-unit multi-family apartment building and one 186 multi-family apartment building, and 60,000 square feet of commercial space. Development of the project area will include installation of public and private infrastructure including streets, municipal water and sanitary sewer, stormwater systems, electrical, gas, and telephone lines, as well as mass grading, stormwater management practices, and new home construction. Hudson Road will also be upgraded to current design standards and will include a multi-use path along the project frontage.

The proposed development will also require a change in zoning from Rural Transitional to Mixed Use Commercial. This zoning change is consistent with the 2040 Comprehensive Plan zoning guidelines.

This development supports the goals of the comprehensive plan that relates to land development. We are:

- Developing an area for new businesses
- Installing municipal infrastructure at this site allowing future extensions to the west
 - Land owner sold to the city, at a reduced price, land to construct the new water tower which is now fully constructed.
- Providing trails and improving Hudson Road
- Preserving view sheds and maintaining open spaces
- Adapting the site plan to meet the changing guidance of staff and zoning regulations
- Providing mixed housing stock
- Providing affordable housing, a significant increase over what currently exists

The 57-acre site is situated within the Kramer Lake Shoreland Overlay zone. Thirty-one acres falls within this zone. The residential portion of this project has a density requirement of 10 units per acre. This requires approximately 385 residential units. The proposed site plan meets this density requirement and complies with several of the restrictive codes such as reduced unit densities per Shoreland Tiers, Increased buffer zones, lower limits of impervious surface and lower building heights. To fully comply with the density requirements of this zoning district, a PUD may be the best solution.

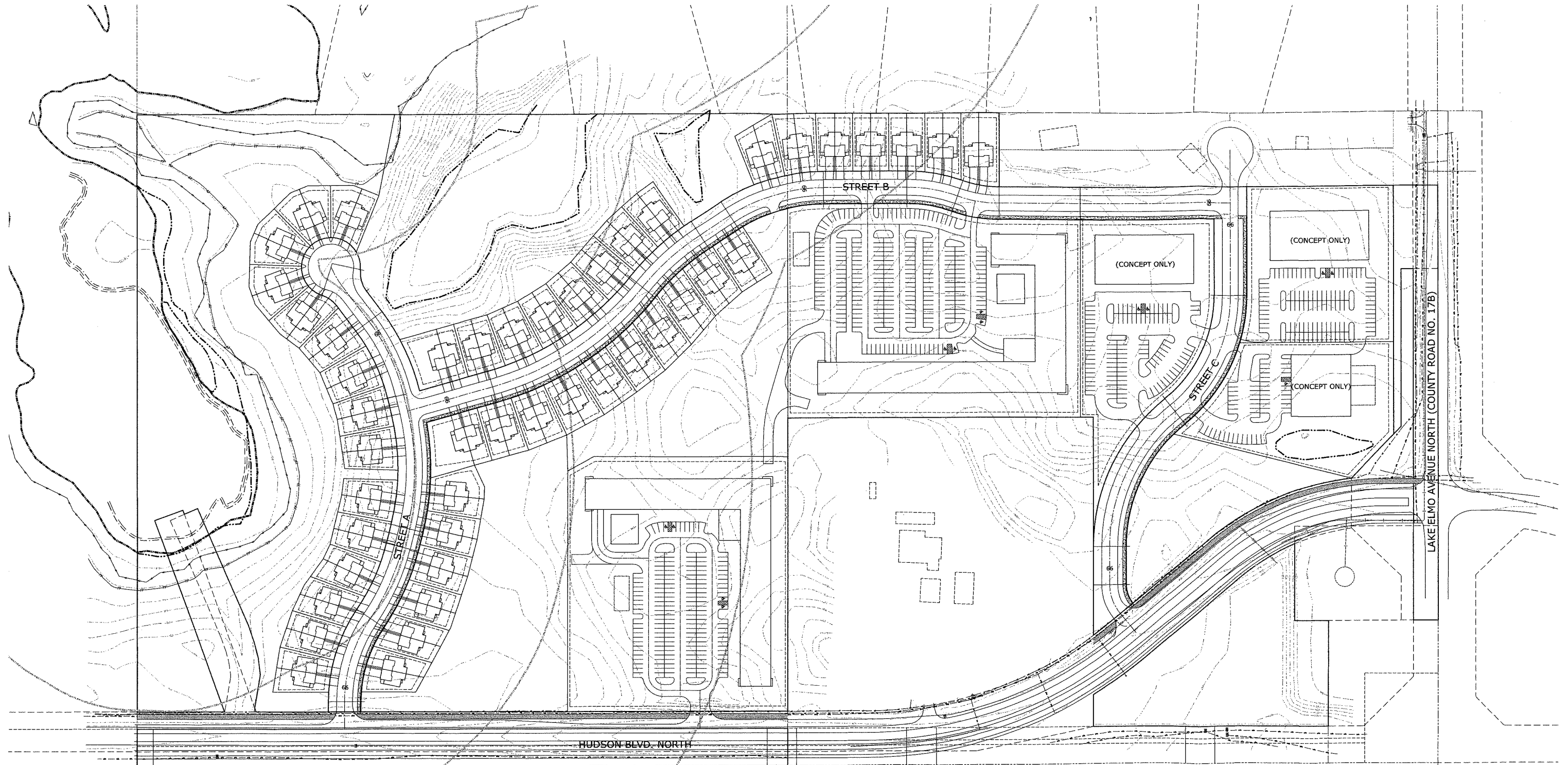
Granting this amendment request will help the City of Lake Elmo get closer to its goals of housing diversity and affordability much sooner. *As it stands today, "young people starting out their careers are distinctly missing from the community because there are few, if any, options for them to live affordably in the community"* (Comp Plan page 4-17). Approval will also allow this development to move forward through the city's approval process. It is the goal of the property owners to sell the property once the developer obtains city and other jurisdictional approvals. It is the developer's goal to start construction in 2025.

We hope the Planning Commission and City Council take into consideration the timing of this development. Below is a schedule. If everything falls into place, full occupancy at this development will not happen until the Spring of 2029 at the earliest.

Schedule

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The actual growth acceleration is between 1 and 3 years. Tamarack requests approval of the comp plan amendment such that we can continue to complete the predevelopment work and submit for the preliminary plat process at the end of this year. The above schedule does not include the retail/commercial component of this development. Depending upon the market conditions, the ultimate buildout of this portion of the project could go beyond 2030.



KRAMER LAKE OVERLOOK
MIXED-USE DEVELOPMENT
LAKE ELMO, MN
COMPREHENSIVE PLAN AMENDMENT
Tamarack Land Development

January 5, 2024

Sophia Jensen
City of Lake Elmo Planner
SJensen@lakeelmo.org

Re: Comprehensive Plan Amendment—Kramer Lake Development

Dear Ms. Jensen:

Thank you for the opportunity to comment on the proposed City of Lake Elmo Comprehensive Plan amendment involving PID 35.029.31.43.0001 and 35.029.21.44.0012, located northwest of Lake Elmo Avenue and Hudson Road and east of Kramer Lake. Up until the adoption of the City's 2040 Comprehensive Plan (Comp Plan), these parcels had been zoned Rural Single Family, which limited to a development density of 0.66–2.0 dwellings/acre (see Map 3-1 and Table 3-1 of the Comp Plan). With the adoption of the Comp Plan, these parcels are now zoned Mixed Use Commercial, which allows 10–15 dwellings/acre (Map 3-4 and Table 3-2 of the Comp Plan). Furthermore, the Comp Plan (Map 3-7) shows these parcels in a 2030–2040 Staging/Phase. The current Comp Plan amendment request is to change the Metropolitan Urban Service Area (MUSA) growth and phasing plan (Map 3-7) from the 2030–2040 timeframe to the 2020–2030 timeframe.

Goal 1 of Chapter 8 of the Comp Plan says, "The City of Lake Elmo is committed to a goal of no adverse impacts to ground and surface water resources in the area."

As land cover changes, stormwater runoff rates and volumes need to be managed to have no adverse impacts on water resources. If the runoff volumes are not managed to mimic existing conditions at developments, flooding and negative water quality impacts can occur. Developers manage stormwater runoff volumes by constructing facilities that capture and infiltrate and/or capture and re-use (irrigation of greenspace or other uses) stormwater runoff. As development density increases, more impervious surfaces are created, and more stormwater runoff volumes are generated, so larger facilities are needed for management.

The developer for this site has done soil borings, which indicate very limited potential for above- or below-ground stormwater infiltration. Therefore, an additional method will likely be needed to manage the stormwater runoff volumes. However, because of the proposed density and associated large amount of impervious surface area outside of wetlands, there will be limited greenspace to irrigate. In general, it becomes nearly impossible to manage stormwater runoff volumes to mimic existing runoff volumes using only a capture and irrigation system once impervious surfaces exceed 47% of the site. Therefore, to

achieve the dwelling density listed in the City Comp Plan, the developer might need to develop more vertically to create larger areas that can be used for stormwater irrigation.

In conclusion, I suggest the City not approve the amendment and instead work with the developer and the VBWD to determine if development to the density listed in the Comp Plan is achievable without adversely impacting ground and surface water resources in the area.

Sincerely,



John P. Hanson, PE
District Engineer for Valley Branch Watershed District

c: Valley Branch Watershed District Board of Managers