

EAST BETHEL PLANNING COMMISSION MEETING
March 22, 2016

The Planning Commission met for a regular meeting at 7:00 pm at East Bethel City Hall.

MEMBERS PRESENT: Randy Plaisance, Chair Lorraine Bonin Tanner Balfany
Eldon Holmes Lou Cornicelli Sherry Allenspach

ABSENT: Glenn Terry

ALSO PRESENT: Colleen Winter, Community Development Director
Jack Davis, City Administrator
Tim Harrington, City Council Liaison

1. Call to Order Chair Plaisance called the meeting to order at 7:05 pm.

2. Adopt **Mr. Balfany moved and Ms. Allenspach seconded to approve the agenda**
Agenda **with one amendment - change the Agenda Information sheet for Rimma**
 Medelberg to Item 4.0, from Item 3.0. Motion carried.

3. Approval of **Ms. Allenspach moved and Mr. Cornicelli seconded to approve the**
2/23/16 and **2/23/16 minutes as amended. Motion carried.**
3/22/16 Minutes **Mr. Balfany moved and Mr. Holmes seconded to approve the 3/22/16**
 minutes as written. Motion carried.

4. Concept Plat Owner: Rimma Medelberg
Minor Address: 20381 East Bethel Blvd., East Bethel, MN 55011
Subdivision PID: 223323110006
 Zoning: Rural Residential (RR)

Requested Action: Recommend approval of the concept plan and call for a public hearing.

Background Information:

Ms. Medelberg is interested in subdividing her property into two separate parcels for the purpose of selling. One property would include the existing residential home and two and half acres. The other property would be the remaining balance of the land which is almost 27 acres. If you will recall this property was brought before the Planning Commission last year and was recommended for approval to the City Council. At that time the property division was under the Metes and bounds rules and the City Council rejected the application due to lack of 300 feet of frontage for both lots along East Bethel Blvd. Ms. Medelberg is now interested in going through the subdivision process and before you is the Concept plan.

Ms. Winter confirmed that there is now 200' of frontage for both lots. **Mr. Holmes moved and Ms. Bonin seconded to recommend approval of the concept plan and to call for a public hearing at the May meeting. Motion carried.**

5. CST Update Chair Plaisance gave the following opening statement: “The City of East Bethel Planning Commission will begin the review of the CST Site Application Plan as required by City Code, Zoning, Appendix A, Section 4-22. As part of this review process, the Planning Commission will address the specific items contained in this Code section. As part of the formulation of a recommendation to City Council, the Planning Commission shall take into consideration the following: a) Consistency with City Comprehensive Plan, b) Compliance with City Ordinances, c) The preservation of the site in its natural state, to the extent practicable, by minimizing tree loss, soil removal and grading, d) The harmonious relationship between buildings, open space, natural site features, architectural details, and vehicular and pedestrian circulation, and e) The protection of neighboring and adjacent properties.

This meeting is intended for the deliberation of the CST Site Review Application and is not a public hearing. Comments will not be taken from the audience. Residents have had the opportunity to publicly comment on this matter at the February 23, 2016 Planning Commission meeting. In addition, public comment periods have been made available at the February 22, 2016 EDA meeting, the March 8, 2016 Roads Commission meeting, the March 9, 2016 Parks Commission meeting, the City Council meetings of March 2, 2016, March 16, April 6, and April 20, 2016, and the April 19, 2016 Town Hall meeting.

This statement is in no way meant to be insensitive or indifferent to those who have concerns with this issue, but is to inform those in attendance that the Planning Commission needs to focus its time to conduct the review and discussion of this items. The Commission may refer questions, if needed, from sources outside of City Staff for any additional information it deems necessary.

The Planning Commission has discussed this issue at length at its last two meetings and has had access to all information that has been submitted to the City Council. At this time, the Planning Commission is prepared to begin the review of this item.

To both the residents and the applicant, the Planning Commission will conduct a thorough examination of this matter and will continue the assessment until they have evaluated and received all facts and information necessary to consider a recommendation relating to this site plan and review.

The Planning Commission can take no action on this item tonight. The City received a notification from the Environmental Quality Board (EQB) today, that EQB has deemed the City as the appropriate unit to determine the need for completion of an Environmental Assessment Worksheet (EAW). Until this is addressed, no action can be taken on the CST’s application for a Site Plan Review. Until this review is completed by the City, any actions relative to this agenda item are suspended.

The Planning Commission thanks you in advance for your cooperation during the proceedings of this meeting.”

Requested Action: Review and comment relating to the CST Site Plan

Application Background Information:

In January 2016, City Staff met with Chad and Megan Toft, CST Companies, LLC and their Real Estate representative Dan Friedner (Colliers International) to express their interest in relocating and consolidating their business operations in East Bethel, Minnesota on the Mike Wyatt property, 23805 Highway 65 NE in an area zoned Light Industrial. Based on the information provided by CST the business fell under the following categories in the Light Industrial District:

- Office
- Warehouse and Distribution
- Manufacturing

Based on that initial meeting, City Staff provided CST an application for a Site Plan Review and outlined the pertinent ordinances contained within our Zoning code that would be applicable to the Site Plan Review process. Further, Staff advised CST that they cannot generate noise, odor, vibration, or other discharge discernable from areas outside the parcel on which the use is located.

Attached is the complete Site Plan submission and City Staff has deemed it a complete submission that has met the minimum requirements as outlined in the Site Plan Application under Appendix A, Section 4-12. Upon receipt of an application that contains all required information, city staff shall schedule the matter for review by the Planning Commission. From the date the city receives the completed application, the City Council must approve or deny the application within 60 days. The city may extend the 60-day period by providing written notice of the extension to the applicant before the end of the initial 60-day period. This notification must state the reason for the extension and its anticipated length, which may not exceed 60 days.

This process began in January 2016. There have been a number of meetings, emails and discussions between representatives from CST and City Staff. City Staff has been to both the Rogers and Elk River locations of the current CST operations. Over that time period site plan comments have been provided to CST.

Included in this packet are submissions, including the formal site plan and narrative. The major points of this material are as follows:

Existing Land Use

- The site is 39.2 acres in size and is currently a farm field, with two delineated wetlands.

- Current access is through a frontage road off of 237th and turns into a private driveway
- Adjacent land uses – North – agriculture (farm fields), East - Single family residential home, West - Convenience store/gas station, liquor store and a home, South – 237th Avenue NE (CSAH 24)

Proposed Use – CST Companies, CST Distribution and CST Transportation and are proposing to build and utilize 56.85% of the property for business operations, and outdoor storage. The remaining acreage will be used for stormwater ponding, preservation of the existing wetlands, berming (screening) and drainage swales. The breakdown is as follows:

- 26,745 sq. ft. Office, warehouse and maintenance facility with room for a future 6,000 sq. ft. future addition
- 10,720 sq. ft. mulch bagging facility
- Truck parking for up to 20 trucks
- Outdoor Storage area – under 30% of the rear yard

CST Distribution is a wholesale distributor of softener salt, mulch, ice melt, firewood, washer fluid and bottled water and a contract packager of mulch. Customers include SuperAmerica, Holiday Station Stores, Menards, Cub Foods and Home Depot. They have 22 employees. CST Distribution has two shifts – M-F 7 am to 3:30 pm and M-TH 4 pm to 2:30 am. Exterior equipment used includes rubber tired loaders, forklifts, a truck fleet and coloring machine.

CST Transportation is a local/regional trucking company specializing in forklift mounted flatbed trucks. They have 33 employees. Drivers may start as early as 4:30 am and finish by 6 pm.

Site Requirements:

CST was required to address the following and must comply with city code regarding: Lighting; parking; screening; signage; building; utilities; grading, and landscaping.

Additional requirements included:

- a) Right of way dedication for a future service road
- b) Accommodations for expansion and on site growth, particularly as it relates to outside storage
- c) Dust and particulate matter control
- d) Noise impacts and mitigation process
- e) Water use and water quality issues
- f) Fire mitigation
- g) Anoka Co. Hwy. Dept. requirements
- h) Joint Application affecting waterways

Public Input – There has not been a public hearing on this project. However, there have been a number of neighbors that have been present at the Feb. 23 and March 22 Planning Commission meetings and many City Council meetings. Further comments were heard by the residents opposed to the

project at the Town Hall meeting on April 19, 2016. The neighbors have also presented a petition to the City stating their opposition to CST locating in East Bethel and at the proposed site. The owners of CST and their representatives met with the neighbors and residents on April 14, 2016. The City provided the facility only for the meeting and did not participate in the proceedings.

Site Plan Comments:

- Screening and Security – there is a proposed berm that extends along the length of the south property line and to the west. CST is also required to put in fencing along all other property lines. The proposed landscape materials are still under review and the trees that will be used for the screening are subject to City approval. CST will also have entrance gates on their access roads into the property. Additional berming/screening would be required along the proposed service road outside a dedicated 80' right of way/easement.
- Lighting – LED downward facing lighting is proposed for the site and there will be six (6) outside lights located on the office/warehouse building and four (4) outside lights located on the bagging facility. The lighting intensity proposed does not illuminate beyond the boundaries of the site.
- Parking – meets the required allocated parking spaces for office and warehouse.
- Truck parking – there is proposed truck parking designated on the site plan for up to 20 trucks. These trucks are used in the operations to deliver mulch and other products. General maintenance of the trucks is done on site at the main building.
- Landscaping, sign plans, architectural standards, and grading plans have been reviewed and comments have been forwarded to CST.
- Building plans have been submitted as required. However full building plans will be submitted at the time of application for the building permits should the Site Plan Review be approved by City Council.

Other Requirement/Comments:

Wood chip (Mulch) piles – The proposed site plan indicates that there will be four mulch storage piles. Mulch is colored utilizing a machine that sits outside on a paved surface and then bagged inside a building on the site. There is no processing or grinding of trees on the site. The mulch is delivered ready to be colored. Rubber tired loaders and forklifts are used in the mulch operation. The mulch bagging operation is April 1 through mid-November, depending on the weather. August is typically the slowest time and winter months are used for stocking raw material. Per the Fire code mulch piles cannot exceed 25 feet in height, 150 feet in width and 250 feet in length.

Fire suppression – In addition to the access roads required for all outdoor storage areas, CST would be required to have an approved hydrant and hose system or portable system to deal with fires. As noted, there was a fire at CST's location in Elk River due to a malfunction of one of the loaders. CST has since put fire suppression system on the loaders that work around the mulch piles. Mulch piles in general are monitored for temperature to make sure they do not exceed a certain temperature. The City Fire Marshall

completes inspections of all businesses within the City every three years and could inspect this facility on a more frequent interval.

Growth of company – CST's projected growth, has raised concerns by Staff regarding their capacity to accommodate increased exterior storage needs on the site. CST has stated they propose to increase the efficiency of the mulch bagging operation to address this need. This, per CST, would allow for packaging inventory at a higher rate to eliminate the need for additional exterior storage. The proposed bagging facility is designed to accommodate an additional production line if required.

The trucking side of the business also has grown and currently there are 14 truck/trailers proposed to be parked on site with the ability to expand to the maximum of 20 trucks parked at the site. Currently there are approximately 40 truck trips per day (round trip). Expansion and growth of the business would increase that number.

Hours of operation – Staff and residents have expressed concern regarding the hours of operation and its potential impact on adjoining properties. CST's operations will also extend beyond what are considered normal business hours and could create noise issues that could interfere and be a nuisance to the surrounding neighborhoods.

Hours of operation and activities that can be conducted during hours of operation may need to be addressed as conditions to a Developers Agreement should this review be approved by City Council.

Dust and Particulate matter – CST utilized the MPCA Air Emission Calculation worksheet for Fugitive Emission to determine if they were required to obtain a permit. The permitting threshold for total particulate matter (dust) is 100 tons per year. The proposed number emitted by CST is 12 tons per year per their calculations. MPCA confirmed that CST was not required to obtain an emissions permit based on information submitted to MPCA staff. CST has provided the City with a proposed dust control plan. This plan would require modifications should this project move forward.

Even though the MPCA does not require CST to obtain an emissions permit, this does not indicate that dust issues and particulate matter will be contained on site. There exists the potential for dust to affect adjoining and surrounding properties. The City Comprehensive Plan states that Light Industrial activities are limited to those that do not generate noise, odor, vibration, or other discharge discernable from other areas outside the parcel on which the use (CST) is located.

There have been three reported observances of dust issues from the CST site in Elk River. These reports claim to have witnessed excessive amounts of wind-blown particulate matter emanating from that site. It is reasonable to assume that large piles of mulch could release dust material as the surface mulch dries which could be blown off-site when wind speeds become capable of

transporting these types of materials. There is also concern about dust issues from internal service roads and any of the 500,000 SF pallet storage area that has an exposed surface from the proposed site in East Bethel.

Noise impacts and mitigation process – CST completed a noise assessment report for the proposed East Bethel location. The noise generated from this activity is primarily due to back up alarms on equipment and trucks, the operation of heavy equipment and the use of other equipment for movement and processing of mulch. This study concluded that the noise generated by CST's operations would be negligible.

This is an area of great concern and one that has been expressed by many residents. There are several measures that can be taken to mitigate noise including the use of broadband backup alarms that can be heard by employees but merge with background noise at a distance. There is also non-audible backup lights that can be used that meet OSHA requirements. There is also a proposed berm that will mitigate noise coming from the site.

While CST claims that back up alarms can be modified to reduce noise, the City has not received any OSHA material that indicates approval for these modifications or their impact on noise reduction. In addition, modifications would, if approved, only apply to those pieces of equipment that are dedicated to and used exclusively on site. This would not apply to trucks that transport to multiple offsite locations.

City Staff would recommend that CST's noise study be reviewed by an independent consultant to ensure that the studies assumptions are not flawed, mitigation measures would be effective, OSHA requirements relating to back-up alarms would meet compliance standards and noise measurements included all equipment utilized in the operation, including trucks, and that noise measurements included peak production times.

The City Comprehensive Plan states that Light Industrial activities are limited to those that do not generate odor discernable from other areas outside the parcel on which the use (CST) is located. While information has been provided to address this concern, Staff recommends additional supporting documentation be provided to definitively confirm CST's response.

Odors – CST has stated that their mulch piles are turned over quickly and do not have the same odor as non-processed wood. CST claims that the odor of cedar is potentially the strongest smell coming from the site and is equivalent to what you would smell if you were to go to any garden center that has bulk mulch bins.

The City Comprehensive Plan states that Light Industrial activities are limited to those that do not generate odor discernable from other areas outside the parcel on which the use (CST) is located. The City has no baseline for measuring or determining the insignificance or magnitude of this concern. Observation of their existing facility over the course of their April through

October operations would provide some indication as to the claim of odor as offensive by-product of CST. In addition, no information has been provided that addresses any type of odor from CST's truck fleet.

Water use and water quality – CST is proposing to utilize an estimated total of 2,157,800 gallons per year and will be required to go through the MN DNR appropriation permit. Prior to constructing a well, the applicant will be required to complete a preliminary water appropriation assessment from the DNR. According to the DNR 2.1 gallons per year is roughly the equivalent of 28 residential households.

On site discharge of water used in the production process is also a major concern of this operation. Drainage and on-site runoff are designed to be collected in storm water holding ponds.

CST will be required to obtain an NPDES permit for on-site storm water ponds. City staff is still reviewing the runoff issues from the mulch piles as to negative impacts on the ground water, particularly during heavy storm events. City Staff is also evaluating CST's plan to ensure that the wetlands are not negatively impacted.

There are studies that have been done for other mulching operations in other states that claim that mulch production facilities have been found to have an impact on ground water as a result of these operations. While these studies are site specific and may not be comparable to this particular situation, this could be a concern and may require additional documentation to insure there are no problems with ground water contamination from site run-off and dyeing discharge.

Joint Application affecting waterways - CST has complied with requirements to delineate the wetlands. The delineation was reviewed by the local TEP (Technical Evaluation Panel) who concurred with the delineation.

Increased traffic and safety concerns on 237th – CST was required to submit their plans to Anoka County Highway Department (ACHD) for review and comment. 237th Ave. (County Road 24) is a County road and ACHD has responsibility and jurisdiction over this route. The ACHD has identified no significant concerns with the CST Project. Ms. Winter noted that ACHD is requiring CST to install some turn lanes.

Potential Health Issues- Concerns have been expressed relating to potential airborne mold, respiratory irritants and dust issues that could originate from mulch operations. Residents have provided several articles to the City that identify this as a potential issue as related to mulch operations in other states. This material has been provided to the legal firm that represents CST. The findings provided in these studies have not been linked to CST's operation, may or may not be comparable to this particular operation but may be a concern that bears further investigation.

Right of Way/Easement Dedication - While the City cannot require a dedication of a right of way/easement for a proposed City service road in this case, the City can request and encourage that this commitment be memorialized in an agreement approved by both parties. The City would be negligent if they did not secure an agreement for the right of way/easement for a future road through the CST site prior to any development. The requested dedication would be an extension of Davenport Street north of 237th Ave. and through the CST site.

At a point in the future, the service road will be needed to access the property north of the CST project. The location requested by the City is the most logical alignment in terms of access to 237th Avenue and to serve the projected future traffic patterns through the Light Industrial zoned acreage. Provision of this road is also consistent with the City's Comprehensive Plan. CST has proposed to dedicate the right of way/easement, but their conditions are unacceptable to the City.

Summary:

While CST has submitted the information identified by the City's April 11, 2016 letter requesting additional information for the application and the application is considered complete terms of requirements of City Ordinance, there remain Staff concerns relating to the matters of noise, dust and water discharge. The need for further review and verification of some of these materials are beyond staff's expertise and may require a consultant to review their submittals.

It is the opinion of City Staff that the resolution of the right of way for a future frontage/backage road should be resolved prior to the approval of the Site Review Plan. This Staff recommendation is based on the need for future access to the properties north of the CST site and to remain consistent with the City's Comprehensive Plan.

A petition requesting an EAW for the project was submitted by a group representing the neighbors along 237th Ave.

As previously talked about this evening, Ms. Winter confirmed that the City did receive the petition and that a letter was received today from the Environmental Quality Board regarding the petition. Ms. Winter read, "The Environmental Quality Board has received a petition requesting that an EAW be prepared on the project described in the petition and has determined that the City of East Bethel is the appropriate governmental unit to decide the need for an EAW. The requirements for an environmental review, including the preparation of an EAW can be found in MN Rules Chapter 4410. The procedure to be followed in making an EAW decision are set forth in part 4410-1100." Ms. Winter said the letter went on to say that, "you're allowed up to 30 working days, Saturdays, Sundays, and holidays do not count, for your decision if it will be made by a council board or other body which meets only periodically or 15 working days if it will be made by a single individual. You may request an extra 15 days from the Environmental Quality Board if the

decision will be made by an individual.” Ms. Winter stated that the City Council will be making that decision, not an individual. Chair Plaisance asked when the next City Council meeting would be that the Council would address needing an EAW. Ms. Winter did not know if the date was determined yet, as the letter was just received today.

Staff is of the opinion that the issues relating to on-site containment of activities generated by CST, noise, odor and particulate matter, potential for ground water contamination in regards to storm water run-off and discharge and spills of product used in the dying process and compliance with the City’s Comprehensive Plan relative to service roads may require further review before a recommendation can be offered for this request.

In addition, there may be other questions raised by the Planning Commission or the City Council regarding the Site Plan Review Application. These will be addressed as they are presented.

There were a multitude of attachments included in the packets: Site Plan, CST narrative, air emission calculation, dust control plan, noise assessment plan, Anoka County Highway Department review, comment and requirements, and Review request 2-16.

The Planning Commission has been sent all the information that City Council has received over the course of the last six weeks. This includes reports, videos, and photographs from interested residents.

The Planning Commission also received public comment on a concept plan for this project at its February 23, 2016 meeting and was provided an update of this matter at its March 22, 2016 meeting. Ms. Winter noted that at the March 22, 2016 meeting the Planning Commission did not take public comment, however, residents remained after meeting to talk with the commissioners.

Recommendation(s):

The Planning Commission may request additional time to analyze the material related to their charge of presenting a recommendation to City Council on this matter and may request additional meeting(s) and/or information necessary to conduct their review and develop a recommendation;

OR

The Planning Commission may conclude after deliberation of the matter at this meeting that there is adequate information available to act on this request.

Ms. Winter stated that based on the information received this morning, the first recommendation written above is the route the Planning Commission will have to take.

Staff requests that the Planning Commission complete a review of the material related to the CST Site Plan Review and provide a recommendation.

Ms. Winter displayed and reviewed in detail the CST Site Plan and overall layout plan for the site. The CST site is roughly 39 acres. Ms. Winter pointed out where the main building will be located, the location of the bagging facility, the bins that are part of the bagging facility operation, and the coloring equipment (which will sit outside), mulch piles, where the trucks will park, where the fuel station for the trucks was moved (which must meet the standards of and comply with the Fire Code for outside fuel storage), internal fire lanes which must remain open, the proposed dedicated road which CST is showing as its primary path, the route trucks will take to enter the site, two areas of pallet storage, two ponds on the east side which are part of CST's storm sewage system which will address runoff for the main area of the property, and one smaller pond located on the west side of the property which is also part of the storm sewage system that will address the runoff from the northwest area of the property, and gravel areas. The mulch piles, bagging facility, coloring equipment, and truck parking will be bituminous. Ms. Winter pointed out where curb and gutter will run along the front of the building, where berms will be located, where there will be a fence, two delineated wetlands, and land that will remain as is. She also pointed out the location of the nearest house to the operation.

Chair Plaisance read the following memo from Mr. Terry concerning his thoughts regarding CST:

“As I am unable to attend tonight's P & Z meeting, here are some thoughts regarding the CST proposal:

I was a Planning Commission member when we did the land use designation review for the Comprehensive Plan that included labeling the parcel in question “Light Industrial”. As it is adjacent to a residential neighborhood, the understanding was that a compatible use would be something in the order of a warehouse type building inside of which an activity such as assembling, storing, or creating a product may occur. In such an activity, even if an operation were conducted 24/7, the noise, dust, lights, etc. would all occur inside an enclosed, soundproof space. Thus the impact on a residential neighborhood would be very minimal.

The proposed use of CST is an operation that is largely conducted outdoors. The indoor activity is a very small element of its visual presence. The material is stored and moved continuously from outdoor locations. The proposed business intends to run well past normal business hours, with inevitable noise generation, even if efforts are taken to minimize it, by the movement of loaders. While the owner may be able to retreat from the business to a quiet home for rest after a hard days work, the neighborhood residents are being asked to find rest and comfort across from a business that is not entirely quiet even at 2 A.M. An evaluation of noise levels is presented that shows these to be well below tolerable limits. Yes, no neighbor is going to risk hearing loss due to CST activities. But as a quality of life issue, the presence of continual random machine sounds in the dead of night is not a reasonable imposition on

a residential neighborhood. Just on that basis I don't see this fitting in with the thoughts behind the land use designation. The business plan for CST calls for continued expansion. The issue of noise and all other concerns are only likely to increase, and to what extent is not yet clear.

There are environmental concerns regarding runoff water quality, airborne dust from heavy winds, the smell, and the effects on the water table. Locating this near a treasured ecological resource, The Cedar Creek Ecosystem Science Reserve is yet another cause for concern, and a reason to have an environmental assessment made prior to making a decision.

I do not know that we have come to an understanding of the safety concerns regarding the trucking presence and volume of traffic, and its impact on 237th St.

I had asked about the possibility of having the water supply taken from the holding pond rather than the ground water, as this would potentially alleviate some concerns. If this project were to move forward, I would like to see a serious plan developed to use that option, rather than crafted excuses as to why that may not be feasible.

Having visited the site, I found that a number of my concerns about noise levels and smell were not as bad as I had expected. However, for a large chunk of that visit the bagging operation had stopped apparently due to a machinery glitch, and so the main loader action had halted. Regardless, it was a short visit at one particular time of day and season, and prior to any proposed expansion of the business. I cannot say what the impact would be like day to day over months and years. I do know this; I would not want to have such an operation move in across the street from me.

If I were at the meeting, I don't think I could be convinced either that this is a good fit for that particular site, nor that enough reasonable concerns have been addressed yet to move forward with an approval. I think this business could work on a site that is away from residential properties and next to compatible uses, and that is already prepared for the increased truck traffic. The business and the service provided are a positive thing. It just needs to be done in a way that does not negatively impact the lives of those around it.

Thanks, Glenn Terry"

Ms. Winter noted that both Chad and Megan Toft, the owners of CST, were in attendance at tonight's meeting, along with Greg Stotko their general contractor, Todd Erickson their engineer, and Peter Coyle, their attorney.

Chair Plaisance said he did have questions, however, he preferred to hear initial reactions from the other commissioners' along with their comments, concerns, and questions first.

Mr. Holmes' comments, questions, concerns:

-The curb and gutter stops just north of the small pond then goes another 100' or so then starts again. Why isn't it connected? Ms. Winter noted that item was discussed earlier today as part of the review of staff comments and that there will probably be additional curb and gutter added. Mr. Holmes believes it should be connected.

- Fencing was to be on the south side and east side with no fencing on the north side, however, now it is on the north side only. Ms. Winter noted that on the south side it was always the berm that was the screening. Mr. Holmes said he knew that, but it still showed fencing on that side. Ms. Winter said that in the packet there was something that showed modeling for gates. Mr. Holmes brought it up because he believes the whole property should be fenced for safety reasons, especially if children were to get in and get stuck in a mulch pile. So for safety reasons Mr. Holmes would like the entire property fenced.

- On Sheet C4 on the northwest side of the gravel portion where pallets are stored, it shows runoff going north, but everything else goes toward the ponds. Why is that? Ms. Winter said the City Engineer looked at that and had concerns about the drainage and how that was going to be affected. Ms. Winter directed the commissioners' attention to the projected image showing catch basins that go south into the storm holding ponds.

- On the sheet C4, Key note #2 "Proposed rock construction entrance. Refer to detail 4/C5." There is no detail on 4/C5; Mr. Holmes would like to see that changed.

- On Sheet C5 it shows a pond outlet structure grate in the diagram, but doesn't show where it goes and what it entails. Ms. Winter again noted that the City Engineer has reviewed those plans and that they have gone back and forth several times with comments relative to the whole system. This is an outstanding issue in Ms. Winter's write-up.

- On Sheet D1 under notes it shows an infiltration rate of 0.8 in/hr. was used for the infiltration basin. This will be confirmed with a soil boring. Have soil borings have been done per sheet D1? Ms. Winter confirmed that borings have been done.

- When Mr. Holmes was at the existing facility, if he remembers correctly, the coloring bin was located closer to the bagging facility. So when the mulch was colored it went right onto a conveyor belt into the bagging facility. On sheet E1 it appears the bin is located further away from the bagging facility. How is the mulch going to be transported from the coloring bin to the bagging facility? Will a frontend loader be used; this is a concern to Mr. Holmes.

- Is the gravel that goes in the proposed future right of way or service road going to be the proper gravel for a service road? It should be class 5 or is it just going to be gravel? Ms. Winter stated that that is still in negotiation, however, CST has a requirement to meet for the type of gravel. In addition, the City is going to have minimum requirements for that to be an access.

Mr. Balfany's comments, questions, concerns:

- Concerns with noise emitted past the property. Yes, it was in the write-up, but there are ways around the trucking or their onsite equipment. If the trucks coming and going are going to have the back-up noises, it's still emitting noise

off the property as a part of the operations. It may be minor, but to Mr. Balfany it is still a part of emitted noise of the operations.

- If the right of way dedication is unacceptable, the Commission would like to see it made acceptable.
- Issue with hours of operation and running until 2:30 am outside. Mr. Balfany agrees with Glenn Terry that the City ordinances don't allow for it now and he doesn't see making an exception for it, let alone creating a precedence for anybody in the future. Ms. Winter stated that hours of operation are addressed in the City ordinances under construction only. The City refers back to the MPCA standard which is very generic. Mr. Balfany asked if that was in a previous packet that referred to certain hours. Ms. Winter said that may have been referring to the MPCA noise study for when they have decibels for daytime hours and nighttime hours.

Ms. Allenspach's comments, questions, concerns:

- The City Comprehensive Plan states that light industrial activities are limited to those that do not generate noise, odor, vibration or other discharge discernable from other areas. The noise, the odor...in her opinion this does not meet the light industrial ordinance.

Mr. Cornicelli's comments, questions, concerns:

Didn't have much to add beyond Mr. Terry's letter or what Sherry said. He appreciates Glenn's clarification on how that area was zoned originally and what the reason was; he had asked that question previously.

- One question was about the water use. Mr. Cornicelli did read the materials provided. One half million gallons of water used for bathroom and irrigation equates to the staff having almost 80 toilet flushes per day per person; so it seems that the water use is pretty high for individuals. One piece says it needs irrigation and another part says it doesn't need irrigation. Then there is the 1.7 million gallons a year against 1.3 million gallons a year. His real question was about the 20% annual growth that is predicted, is that annual growth in mulch, is that annual growth overall, so is that a 20% increase in water annually or is half the growth related to mulch and salt somewhere? Mr. Cornicelli is less concerned with the current use and more concerned with what it will be in 5-10 years as opposed to infiltrating naturally and realizing that crops take up x amount of water each. He thinks that the EAW will get to more questions that he has concerning water usage.

Ms. Bonin's comments, questions, concerns:

- Agrees with Glenn Terry's letter. She knows that this is a big issue. She doesn't know when the properties north of this area are going to be developed, but it seems to her that East Bethel does have land north of there that is not available right now, that would be a good fit for this business. But this particular parcel is not a good fit; it just doesn't fit north of a neighborhood.

Mr. Balfany agreed with Lorraine, however, he had one variation/comment to what she said – he agrees that it would be great not to be located next to a neighborhood, but a bigger concern is if that property to the north is zoned in the exact same way that this is, that locating there will be irrelevant. This

application needs to comply with the City ordinances and from what is being discussed, it doesn't sound like it is in compliance. As much as he'd like to see it located somewhere north and not next to neighborhood, if it doesn't fit here, it doesn't fit anywhere with that same zoning. Mr. Balfany wanted to clarify that point so it doesn't sound like they are saying, "Hey, just not in our backyard, not right next door, but..." Again, it has to fit the Code, that's really what the Commission is here to do to determine. He wants to give CST an honest chance and wants to make sure the residents understand that the Commission is taking what they have to say into consideration, but the Commission also has to be open minded to the future of the city. The Commission wants to be open minded to businesses, to let them know that the doors are open, and that East Bethel wants to work with them and work with companies like CST as long as they fit. That's the biggest key, if it fits.

Ms. Bonin stated that if East Bethel allows something that doesn't fit it is destroying the future of the city, because then they can't do what would fit there because it has already done something else. So East Bethel has to be very careful with making sure that it fits.

Chair Plaisance had thought that it would be nice if this was further north from where it's located. The fact of the matter is that there also has to be property up for sale in order for that to happen, and currently there is no property north of there that is for sale.

Chair Plaisance stated he was going to directly ask Mr. Toft some questions. He noted that Mr. Cornicelli did have an unanswered question if he'd like to address it to Mr. Toft or one of his representatives to do so. Mr. Cornicelli said he would wait until after the Chair asked his own questions.

Chair Plaisance's comments, questions, concerns:

- You state that you monitor temperatures of the mulch piles to insure they do not exceed limits that may promote spontaneous combustion. If these temperatures exceed these limits, what do you do to address this problem, what is the process and how often does this occur. Mr. Toft – Mulch piles are monitored in winter. Every other day a 6' rod is used to record the temperature in the morning before the shift starts. If the piles ever get too hot, they would be spread out to cool off. The only time the piles get big is in the winter when they are stockpiled. Chair Plaisance asked if a front loader is used to spread out the mulch pile in order to make it the right temperature. Mr. Toft - That is what would happen, that is what you would do to cool down the pile. However, he has never had to do that because he's never had a mulch pile hot enough.

- Road restrictions on County Road are 7 tons during the late winter-early spring period that regulate weight limitations. These restrictions can be imposed as early as the last of February-first of March and may not be lifted until mid-May, depending on the frost depths and weather conditions. How do you plan to handle your shipments of your product during this period which

can last for up to 2 months? Mr. Toft – This has been addressed with ACHD.

- You have stated that some of your pallets are chipped and processed as mulch. Mr. Toft – No. Chair Plaisance asked if they did that at all. Mr. Toft – No.

- Will there be a concentration of idling trucks at any time that can produce substantial diesel emissions and was this factored into your statement that addressed noise issues? Mr. Toft – Only have 14 trucks at this point. All the trucks are within three years old and meet California emissions standards. Trucks leave at different times varying from 5-8 in the morning. The trucks do not all leave at the same time.

- Are odor issues of the mulch piles directly related to outside temperatures and if so, what amounts of mulch storage are present on the site during May through September? Mr. Toft – No on the smell. Start time of dying the mulch is usually in spring and what month depends on the weather conditions. If it is warmer in March they will start then, or if it is cooler and there is snow in April, they will start later. Usually by the second or third week of June dying is pretty much down to zero; not completely zero, but material rotates in and out in the same week.

- There have been a number of reports prepared from other states that indicate of potential links between mulch operations and health issues, particularly those that relate to respiratory illnesses. Can you verify that your product and process poses no health concerns for the surrounding area of the proposed site in East Bethel? Mr. Toft – Can't speak for other companies. Chair Plaisance said fair enough, but that he is asking about CST. Mr. Toft – He has not had any issues or anything like that.

- Should this be approved, what is your maintenance schedule for the property regarding lawn and grounds maintenance on all the site, but particularly along County Road 24? Mr. Toft – Weekly? Mr. Todd Erickson, Project Engineer for EricksonCivil - The exterior of the site is planned with a slow growth fescue with an approximate 8" height growth that doesn't really have to be mowed more than 3-4 times per year. It is actually better if it is left natural so it looks like the first rough on a golf course, so it just lays over and naturally re-seeds itself. It's a nice, natural looking product.

Ms. Bonin asked how high the berm will be. Mr. Erickson - It is designed to be 8 feet tall. Mulch piles are 25 feet at their maximum height. The trees that they have planned are designated for planting on top of the berm, so it could exceed 30 feet eventually.

Mr. Balfany asked where the mulch piles would be moved to if it was necessary to cool them down and would that exceed the fire code for the height, width, length. Looking at the site plan there are four pads which he assumed are scaled to be the 25' height, 150' in width, and 250' in length. By spreading out a mulch pile would it exceed the fire code specifics? Mr.

Erickson – It would be a temporary condition at most, because (unclear what was said) interim period of time depending on the operations the winter mulch pile may or may not be (unclear what was said). Mr. Balfany said that was his question – if the mulch pile is already to the max, by expanding it doesn't it go beyond what the Fire Chief determined to be an adequate size. Mr. Erickson – The mulch piles are actually quite a bit smaller because they are surrounded by fire lanes. Mr. Balfany stated that is why he was asking because if down the road it came to that they would need to account for space for that and still be within code.

- You have stated that you would employ a second shift that operates from the hours of 4 pm to 2:30 am Monday through Thursday. How would you address the noise issues generated during this shift to ensure they are contained on the site and do not impact surrounding areas? Mr. Toft – All the noise by the production shift is done inside with one wheel loader running outside. Chair Plaisance said that is one of his concerns. The actual bagging itself is inside and when he went to the CST site he appreciated that fact that it was indoors and the sound was mitigated. However, the front loader was outside grabbing the mulch and that is, from his understanding, required in order to bring the mulch in to keep that bagging process running. Chair Plaisance asked if that was correct. Mr. Toft – They did a noise study and CST fell below noise levels. Chair Plaisance said true, but that CST was anticipating growth of the business and should it locate in East Bethel... Mr. Toft - The anticipated growth is not with the mulch part of the business. Chair Plaisance asked how they would handle the need for increased storage, as well for mulch piles and pallets if CST continues to grow. Mr. Toft – He has no further needs than what is already there. Chair Plaisance asked, “So then you don't anticipate growing?” Mr. Toft – CST just runs more efficient with another production line in. Chair Plaisance asked if Mr. Toft is talking about weekend and overnight shifts. Chair Plaisance said he likes to see businesses grow and succeed, but then he asked how CST is going to go about it. Will CST need more property to expand the business and if Mr. Toft is not talking about expanding, how would he increase that productivity? Is CST looking to increase production by adding a third shift? Mr. Toft – No. Mulch is not the biggest part of his future growth. He currently supplies almost everyone in the area with mulch, so there isn't too much business to add to his production. Warehousing salt will be his future growth. (Question was asked) Mr. Toft – Rogers, the front building.

- Aside from your need for your truck fleet to distribute your mulch product and other products described in your narrative report, what other general or contract trucking business is performed by CST Transportation, Inc.? Mr. Toft – CST does trucking for other customers also. Chair Plaisance understands that CST will mostly be running production in the summer, does that mean CST will be running trucks during the winter as well as be a trucking location spot from this location? Mr. Toft – Yes. (Unable to hear what someone else said.) Chair Plaisance said he understands that CST runs the bagging of mulch from March/April until late fall and that he assumes the trucks are used for business beyond that. Mr. Toft - Mulch is only 1/3 of the business with water softener

salt being the majority of his business. CST does trucking of salt for other companies and that goes year round, since people put salt in water softeners year round. Chair Plaisance asked if CST is leasing out its trucks. Mr. Toft – No, it is only CST salt.

- Will you be acceptable to the City's proposal for dedication of a right of way/easement for the service road that is proposed to extend the site along the Davenport Street alignment? Peter Coyle, Attorney for Larkin Hoffman Daly & Lindgren Ltd. - It has been confirmed to the City by letter that CST is willing to provide a firm contractual commitment to the City that the requested right of way would be provided to them, but the terms of that dedication that the City is referring to has not been finalized. Chair Plaisance asked for clarification that dedication is still be negotiated. Attorney Coyle – That is correct. It is worth noting for the Planning Commission's information that because CST is not going through a formal platting exercise, the most the City can do legally is make a request of this applicant. It is not a condition that can be legally imposed on an approval. If CST were going through a formal plat, then it would be a different discussion. But, nonetheless, CST is open to the idea of providing a commitment to the City that would preserve that right of way for its future use and that has been conveyed to the City in writing. Chair Plaisance said he was sure that they understand why the City would want to have that particular right of way because they are not just talking about this particular property, but if they were to consider the property that is to the north that is all light industrial...he thinks that as a city they should all be concerned the aesthetics of getting into that property and that is one of his biggest concerns. East Bethel is looking for growth in the City and he thinks that they would all like to see people share the tax base with them. In order to make that parcel attractive to other companies, he believes that is one of their concerns that this right of way would have to be a portion of this concern for the City to make this palatable for the City to go forward. That is why he asked his question. Attorney Coyle – CST is not opposing the request, they are negotiating what the terms of that request would look like and at the end of the day it would be CST's expectation that it would commit to the City contractually that that right of way would be available for its future use as a road when and if the City chooses to build that road.

Chair Plaisance had no further questions at that time.

Ms. Allenspach asked with regard future growth and the salt business, is the salt delivered to CST's site for storage and then it is trucked out to customers. Mr. Toft – It depends on certain customers; there are certain ways. Some of it is picked up by railheads at two different locations down in the cities. Only certain customers truck out of CST's facility and others out of where their railheads are located.

Mr. Holmes clarified that he is not on either side right now as it's too much to comprehend for the short time that they have had the information. Mr. Holmes made the statement that the City's light industrial definition probably fits this category. Does he think this is in the wrong spot? Probably. However, if it fits

the City's description the City needs to find what is right and what is wrong with that.

With regard to the noise, the Minnesota Noise Standards for an Industrial location for both day time and night time is between 75 and 80 decibels. He had a chart of miscellaneous items – a gas lawnmower is over 90, so if the City doesn't like the noise from a facility like this, don't run your lawnmowers. That seems asinine. Mr. Cornicelli said that people to run lawnmowers at 2:00 in the morning. Mr. Holmes said true, but during the day you shouldn't run your lawnmower and how goofy is that? Another chart that Mr. Holmes had showed CST's highest decibel level is about 77, so they are well within the industrial noise.

Mr. Holmes asked Mr. Toft where the wood mulch comes from and what other types of wood are used for the mulch. Mr. Toft - 1/3 of product comes from the Savannah Forest, which is composed of miscellaneous wood. The cypress wood used is from Florida, and the cedar wood is from British Columbia. Mr. Holmes asked because people are concerned about cancer and working with wood products. There are a lot of companies that do a lot of sawing and chipping and everything else and the guy standing right next to a saw eight hours a day and he doesn't get cancer. There are types of wood that people can't even touch.

Mr. Holmes talked about diesel fuel and how many trucks and trains use diesel fuel and all of a sudden CST is getting picked on because of the diesel fuel. He knows that CST went with the California specifications for emissions. Both sides are reaching and the City needs to look at it more logically than listening to the outreach of both sides.

Mr. Holmes asked Ms. Winter to verify that the construction working hours of 7 am to 8 pm are strictly construction hours. Ms. Winter will verify the Chapter Code for Mr. Holmes.

Mr. Balfany stated this is a lot of material for the Planning Commission to review and that it will look at all sides of it in terms of what is best for CST, the City, and residents.

Mr. Balfany did state that he knows noise does tend to be louder at night without any background noise, such as the highway and other traffic. Has there ever been a noise study done in evening hours? Ms. Winter noted there was a noise study included in the packet.

Mr. Cornicelli would like more clarification on the business growth plans and subsequent water use that would go with the growth. The way he reads the same paragraph says 20% yearly growth since starting in 2011 can't accommodate any future growth in either the mulch or distribution side. This explicitly implies that there is growth on the mulch side. They are talking about a static point in time when they need to be thinking about 10-15 years from now. The EAW will address this issue.

Mr. Holmes asked Mr. Toft about the coloring bin being further away on the site plan than at the Elk River location where the mulch went from the bin onto a conveyor belt into the bagging facility. Mr. Toft – No. Mulch is scooped up by a loader and put into a hopper bin on the backside of the building. Mr. Holmes verified that the plans show approximately the same distance. Mr. Toft – Yes.

Chair Plaisance stated that he realizes this is a sensitive subject and that the Commission is trying to comb through everything in order to be fair to the applicant and residents. He realizes that at some times it seems the questions are nitpicky, but on the other hand he thinks it would be failing the residents of East Bethel if the commissioners didn't ask the questions before making a decision. That is why the Commission goes through this process.

Chair Plaisance recommended the Planning Commission table this item until such time that the Commission has heard back from the City Council as to what is going to happen with an EAW then readdress this at a later time. By tabling this it will also give the Commission time to further review the packet and all the information presented; he would like additional time to review everything regardless of the EAW. **Chair Plaisance moved and Ms. Allenspach seconded to table this item.** Ms. Allenspach said she thought the recommendation was to request additional time to analyze the material. Ms. Winter said that this needs to be tabled due to the information that was received early in the day. Mr. Holmes said he thinks the Commission needs to come to a conclusion of the suspension of order of this item to within two weeks/three weeks/five weeks/20 weeks...there should be a time table of when the Commission meets back on this situation. Mr. Cornicelli said that is constrained by the 30 days. Ms. Winter clarified that it is constrained under the 60-100 days. Mr. Holmes understood that, but if they could do it within two weeks they should try and do it to try and speed up the process. Mr. Cornicelli stated he believes the City should take the time necessary to make the best decision. Mr. Cornicelli doesn't say that as a stalling tactic, but he sees things rushed all the time and it's never right. Mr. Holmes said he understood, but if the Commission does the 60 days, is it pushing the City Council into the same type of problem? Mr. Cornicelli could not answer that question. That is Mr. Holmes concern since the City Council makes the final decision. Mr. Cornicelli thought that as a precautionary measure the Commission should take as much time as needed, whether it be 20 days or 60 days. **Motion carried.**

6. City Council Report

Mr. Harrington, City Council liaison reported:

- Council passed the Sauter Commercial Park 2nd Addition Final Plat development agreement.
- The 2015 audit was presented to City Council and the City is in good financial shape.
- Parks Commission 2016-2020 Capital Improvement Plan passed.
- Council passed the EPA AV proposal. That is for new audio/visual

equipment in Council Chambers. The price is approximately \$96,000, however, there will be no cost to taxpayers because it is being paid for with cable TV funds.

- Two new firefighters finished their probation, and Todd Bennett will be retiring after 20 some years with the Fire Department.

- Saturday, April 30 is Recycling day at Coon Lake Beach area from 8-12.

Ms. Winter noted that a special City Council meeting is scheduled for 7:00 pm on Wednesday, April 27, 2016 for the business retention expansion commencement meeting. This is a project that started a year ago working with the University of Minnesota and Conexus Energy, along with the East Bethel Chamber of Commerce. Tomorrow night's meeting is a culmination of what was done, review of the 44 businesses that were interviewed, and the three projects that were identified as Economic Development projects that the City will be working on.

7. Other
Business

Mr. Holmes asked that the Planning Commission go through the City sign ordinance very soon, as there are some illegal items in the City.

Mr. Balfany confirmed with Ms. Winter that the last 10 pages in the packet were for information only based on last month's discussion on violations. Ms. Winter said that was correct.

8. Adjourn

Mr. Holmes moved and Mr. Balfany seconded to adjourn at 8:41 pm. Motion carried.

Respectfully submitted,

Gail Gessner, Recording Secretary
Submitted 5/3/16