

EAST BETHEL PLANNING COMMISSION MEETING

September 24, 2019

MEMBERS PRESENT: Glenn Terry, Sharon Johnson, Lou Cornicelli, Sherry Allenspach, Tom Eich
Wanda McLaurin

ABSENT: Chair Tanner Balfany

ALSO PRESENT: Stephanie Hanson, Community Development Director
Erin McDermott, Zoning Administrator
Suzanne Erkel, City Council Liaison

1.0 Call to Order

The September 24, 2019 Planning Commission regular meeting was called to order by Vice Chair Johnson at 7:00 pm.

2.0 Adopt Agenda

Commissioner McLaurin moved and Commissioner Terry seconded to approve the agenda as presented. Motion passed unanimously.

3.0 Approve August 27, 2019 meeting minutes

Commissioner Allenspach moved and Commissioner Terry seconded to adopt the August 27, 2019 regular meeting minutes with two amendments: Page 6 of 8 correct spelling under 10.0 City Council Report bullet #3 change were to *where* and Page 7 of 8 last paragraph first sentence change say to *saying*. Motion passed unanimously.

4.0 Site Plan Review - Commercial Addition, 21127 Highway 65, Bethany Haugen

Commissioner Terry noted that on the aerial photos the City is called Eat Bethel and should be corrected to *East* Bethel. Ms. McDermott said that has already been addressed with the contractor who handles the City's GIS.

Background Information:

Jesse and Bethany Haugen purchased this property on a contract for deed from Eugene and Sandra McClain in July of 2019 with the intent of expanding the existing building for offices, the show room and display area are intended for a boutique called Thistle & Ivory, LLC. Thistle and Ivory, LLC. is a boutique that is open to the public once a month. There is also an office in the proposed addition that will be used by Twin Cities Water Treatment and will be occupied several days a week.

Presently, the property has a 24' x 35.5' building that was constructed in 1975. The owners are proposing a 15' x 33.5' addition to the south side of this structure as well as a 6.3' x 31.5' addition to the north side.

This property is zoned B-2, Central Business, and is 2.23 acres. Permitted uses within the B-2 uses as stated in Appendix A – Zoning, Section 46-2 and 46-4 are F. Office and I. Retail/office/multi-tenant structure, and Conditional Uses stated as G. Exterior storage associated with retail sales and services; so the planned use of this property is consistent with the Zoning Ordinance and the current Comprehensive Plan. Under the proposed 2040 Comprehensive Plan, this property will be zoned Commercial and is within the 2040 MUSA, so development of this property will still be consistent. The applicant will be submitting a Conditional Use permit application for the use of exterior storage for the next Planning Commission meeting.

There is one existing building within 100 feet of this property, which is Boat World to the north. To the west of the property there is MNDOT right of way, as well as Highway 65. The adjacent property to the

south is undeveloped land belonging to the City of East Bethel, and to the east is a residential neighborhood.

The site plan was sent to the City Engineer, as well as Building Official, Fire Chief, Public Works Director and Community Development Director for comments.

Vice Chair Johnson noted that this is not a public hearing, however, she did ask that the property owner(s) go to the podium to receive questions from the commissioners.

Bethany Haugen, 544 218th Ave. NE, East Bethel, reiterated her intent for the building and that she is hoping for construction to start this fall. Of the two plans provided, she has chosen to go with the plan that does not have the addition so close to Boat World, thus zoning requirements are not needed for that (which is a little different from the background information that was presented. The plan is to use part of the building as office space for their water treatment business and having a part-time employee present a few days a week. Commissioner Eich confirmed that the boutique will only be open one day a week with the intent of increasing the number of days being open. Ms. Haugen said the boutique will actually be open five days per month. She is following a similar concept as Past Perfect which is located south of her building, in being open Wednesday through Saturday the third week of the month. She may increase it to be open two weekends a month. At this time it is instore sales only, no online.

Commissioner Allenspach moved and Commissioner Cornicelli seconded to recommend to City Council approval of the site plan contingent to all requested documents being submitted to the City and requirements per staff comments being met by March 31, 2020, subject to the following conditions:

- 1. Grading and Drainage plans must be submitted to and approved by the City Engineer.**
- 2. Project must meet all State Building Code requirements.**
- 3. Property must maintain compliance with City Ordinance.**
- 4. Access to the property must come off of Davenport St, unless owners obtain MNDOT approval.**
- 5. The parking lot may be class 5 as proposed for up to one year following the construction of the building if escrow is submitted to the Building Department in the amount of 125% of a contractor estimates.**
- 6. Conditional Use Permit must be approved for any use of exterior storage.**

Motion passed unanimously.

This item will go before the City Council on October 14, 2019.

5.0 Public Hearing - Sauter's Commercial Park Fourth Addition, 18XXX Buchanan St NE, Sauter and Sons

Requested Action: The Commission is asked to review the preliminary plat, hold a public hearing and make a recommendation to City Council.

Background Information:

The development consists of one (1) commercial lot and an outlot that will be buildable in the future. The first plat for this was approved in 2015 with property being pieced off to developers. This is will be the fourth addition.

Commercial Site Plan Review

A Commercial Site Plan must be reviewed and approved prior to the issuance of a building permit. Required submittal plans include, but are not limited to, the following: grading and drainage, architectural, landscaping, lighting, storm water, and utility plans.

Utilities

The lot will be served by municipal sewer and water. All fees associated with municipal services are required to be paid prior to the issuance of the building permit.

Park Dedication

Cash in lieu of land will be collected prior to the issuance of the building permit. Required park fees will reflect the most current fee schedule at the time the building permit is issued.

Staff has reviewed and provided comments to the developer. Staff comments were given to the commissioners for review.

Vice President Johnson opened the public hearing at 6:44 pm. Hearing no comments the hearing was closed at 6:44 pm.

Commissioner Terry moved and Commissioner Eich seconded to recommend to City Council the approval of the Preliminary Plat for Sauter's Commercial Park Fourth Addition, 18XXX Buchanan St NE, East Bethel with the conditions as stated by staff. Motion passed unanimously.

This item goes before City Council on October 14, 2019.

6.0 Final Plat - Sauter's Commercial Park Fourth Addition, 18XXX Buchanan St, NE, Sauter and Sons

Action Requested: The Commission is asked to review the final plat and make a recommendation to City Council.

Background Information:

The development consists of one (1) commercial lot and an outlot.

Staff and the City Attorney have reviewed the final plat and have no comments.

Ms. Hanson noted that the Preliminary Plat and Final Plat are usually reviewed at separate meetings, however, because this is a clear-cut Preliminary Plat requiring no changes they are both being reviewed at tonight's meeting.

Commissioner Terry moved and Commissioner Cornicelli seconded to recommend to City Council approval of the Final Plat for Sauter's Commercial Park Fourth Addition, 18XXX Buchanan St. NE, East Bethel with conditions as stated. Motion passed unanimously.

7.0 Public Hearing - Concept Plan/Planned Unit Development (PUD), Elevage Development Group - Highway 65/Viking Blvd., Elevage EB Holdings, LLC

Action Requested: The Commission is asked to hold a public hearing, take public feedback on the proposed concept plan/PUD and informally advise the developer on adjustments to the plan.

Discussion Information:

The Planning Commission is asked to review the concept plan for a mixed-use PUD as requested by Elevage EB Holdings, LLC. The developer submitted a narrative for the proposed PUD. This is a 62-acre development located on the southeast corner of Hwy 65 and Cty, Rd. 22.

What is a PUD Concept Plan?

A PUD Concept Plan is used to provide feedback to the developer through staff review, Planning Commission, Park Commission, Road Commission, and City Council review.

Purpose of a PUD?

The purpose of a PUD is to encourage more efficient allocation of density and intensity of land use where such arrangement is desirable and feasible by providing the means of greater creativity and flexibility in environmental design that provided under the strict application of the City code. It must be

demonstrated to the satisfaction of the City Council that a higher quality development will result than could be otherwise achieved through strict application of the zoning and subdivision codes.

Conformance with Local and Regional Plans and Ordinances

The property is located within the Metropolitan Service Area (MUSA) boundary; therefore, sewer and water are available to the properties.

The properties are located with the mixed-use land use district. Mixed-use allows for commercial, residential, parks and open space; the proposed PUD complies with the East Bethel Comprehensive Plan.

Background

The Concept/PUD Plan was submitted to staff on Tuesday, September 17, 2019. Staff (Planning, Building, Engineering, Fire, and Public Works) are in the process of reviewing the plan. Also, the Concept Plan has been placed on the agendas for the Park and Road Commissions. Comments will be provided to the Planning Commission, the City Council and the developer once the reviews are completed.

A Concept Plan has been submitted for the entire parcel. The developer has stated the development will be phased. The concept plan review should encompass the project, as a whole; however, during the platting process, the PUD standards will be determined for Phase 1. Later phases will require the PUD standards to be amended to include new standards for each phase.

Phase I that is being proposed will have a gas station and daycare facility. Phase II will be construction of the streets and single-family homes, and Phase III will be townhomes and apartment building area and commercial area.

Access

The development will be accessed from Highway 65; with the construction of a frontage road system and local streets. The Roads Commission, City Engineer and Public Works Director are in the process of reviewing the street plans and will provide comments.

As part of the preliminary review, staff has the following comments to be considered (this is not a complete list of staff comments – additional comments will be provided once the review is complete):

- Future Street A should be constructed to the eastern property line with a temporary cul-de-sac to provide access to future development. If Street A is not constructed, who is responsible for the construction of the street, at the time the properties to the east are ready to be developed?
- Future Street A alignment should be considered. The proposed placement of the street runs directly through a 1.02-acre parcel owned by Janis Nelson. Staff recommends the street alignment be shifted to the north to take advantage of the approximately 62-foot width of land owned by the developer.
- Street E should show a connection to the existing frontage road to the south.
- Staff recommends City maintained public streets throughout the development in lieu of being private streets as proposed by the developer. HOA funds for private street maintenance is extremely expensive. There are times when HOA funds cannot even fund street upgrades. Private streets seem to be a financial burden on HOA association.

Housing

The plan consists of a range of housing choices: apartments, townhomes, and single-family living. The Commission should discuss the options and consider what would be best for the location; whether it be all townhomes, all single family, or a mixed-use.

Staff has the following preliminary comments:

- The site may be best suited for townhomes. Townhomes would be a buffer between the commercial to the west and future single-family residential to the east. Townhomes would create a higher residential density for the area and would create enough units to support an association for exterior maintenance (mowing, snow removal, exterior). Townhomes would provide a housing choice not yet available to the area and may be more affordable than single-family homes.

Commission Reviews

The Roads Commission will review the plan at its regular meeting on October 8, 2019. The Parks Commission will review the plan at its regular meeting on October 10, 2019.

Next Steps

Based on the feedback received on the concept plan, the developer will modify the plans and make application for the preliminary plat/PUD. At the time of preliminary plat, the PUD standards for Phase 1 will be determined.

Ms. Hanson reviewed what the preliminary plat will most likely look like.

Vice President Johnson opened the public hearing at 7:30 pm.

Corey Burstad, Elevage Development Group, LLC said he has owned the property for a few years and his partner owned the property prior. The process was started about 1.5 years ago and they have been working with the City on the highest and best use for the property. Their business experience is in multi-family, residential, hotel, and hospitality. Kimley Horn is the engineering firm that they are working with on this project. There has been extensive research on this site, including wetland reviews. They believe what they are proposing will work well on this site. There is a lot to be done at the site and they are working closely with City staff on the new service road and how that will work through the area in connecting the properties and the requirements of the 2040 Comprehensive Plan. He believes what is being proposed is a good mixed-use development and that the PUD is important to allow for flexibility as the market will dictate what goes on. They have had great success doing PUDs with cities. Recently, they helped resurrect a site in Shoreview that has turned out wonderful for both parties. He was hoping to get this in concept plan/PUD in earlier but had points in which there was flooding in the site. They are planning to work in phases on this project. Beth Engum, PE Kimley-Horn was also available to answers questions.

Commissioner McLaurin asked the developer: 1) Is he looking to market the single-family houses at the golf course as 'golf course' houses? The developer said the property line runs along side of the golf course line. It is up for debate on what they will call the houses. That area is heavily wooded, so until the research analysis is completed, and as little clearing as possible is done, they do not know how they will market those houses. He assumes so, but it has not been the intent to make them golf course lots. In the original plan there were more houses in the development, but due to extensive wetland they are working on balancing the number of houses with the land. They will keep exploring and working with the City for the betterment of the whole area. Ms. McLaurin is impressed with how much development is planned for the site; she did not realize there was that much buildable land. She asked what the pricing ranges are anticipated for the houses and townhomes? Based on their recent townhome development, Mr. Burstad said townhomes are very expensive right now. His company is working diligently to do things correctly in this development, so based on the timing of everything the market will dictate the cost of townhomes and single-family homes. They are going to spend this winter designing the housing-type package. Ms. McLaurin asked if they are looking at higher-end homes? Mr. Burstad said you have to be careful with costs when building a home today so you do not end up with a 'lipstick on a pig'. What is most important to him first is the commercial aspect and trying to make sure that those fit with the development. They are working hard to get some of the key components that the City would like them to have. A grocery store is planned, which is a big deal in East Bethel as many people are asking

for one. This property has been targeted as a potential grocery store site since early 2000, along with the other site on the corner of Cty. Rd. 22 and Hwy 65. If the market allows, his company would love to put something there. They are watching to see what the market does, as they believe this could also be a nice little medical hub in the area. However, the whole development needs to fit the look and the feel in order to attract the right business owner to invest on the site. 2) The proposed exit onto Hwy 65 is at the roundabout. Mr. Burstad said, yes. The proposed development is going to increase traffic so all of that will need to be discussed and coordinated with the City and MNDOT to work through what is best for the development there. So, yes, you would exit out onto Hwy 65 there; it kind of keeps it somewhat all internalized and then in the future it will connect onto Cty. Rd. 22. He believes this is the best-case scenario rather than having a third point to exit out onto Hwy 65. 3) Phase I is the daycare and gas station. Phase II are the single-family homes by the golf course. Mr. Burstad said the phases could be somewhat squished together a little bit because of the seasons. Originally, the hope to start construction this fall but due to culverts and the way it is laid out design-wise to get it right with the proper amount of traffic stack coming into the site and balance it all out that has not happened. They could work with the City to get one big chunk of Phase I road done starting the spring of 2020, then in conjunction with that, they could start Phase II which will be the residential road all the way through and doing that as part of the development. There will be quite a bit of activity on the corner. They already know what they want to do, they just have to figure out how best to do it. The phases could happen a lot faster with the seasonal start, plus it will be more cost-effective working with the City to do the roads.

Commissioner Terry said he does not feel right about the daycare and gas station being next to each other. Mr. Burstad understands Commissioner Terry's concern. He said they are calling it a daycare facility; however, it may be a retail component. This is more of a concept. He believes what will be put there will be done in a very thoughtful sense both physically and in conjunction with traffic flow. What they are trying to show is the square footage of what could possibly fit there and what could go there. It could be three tenants and a mix of things that compliment each other and may never be a daycare. Something Commissioner Terry finds most distressing about development in Blaine and this area in general is that everything looks the same with no sense of individuality and no thought to architecture and/or ornamentation; buildings appear to be as cheaply made as can be and everything is built to look similar. He does not believe it is a quality of living where your sense of ownership is missing, but rather you feel like part of a conglomerate. Mr. Burstad said he understands what is being said, however, there are two sides to the story. Townhomes are a way for college-level people to start with the purchase of a townhome then later the purchase a house. There is always a balance. As a developer he always wants to make character be the right thing; obviously the PUD will allow them to find the right thing. At the end of the day the market will dictate. His company plans to control the whole development as to what it wants it to look and feel like, rather than letting some builder determine these qualities. This will be a long-term project, rather than just kicking out 40 homes and calling it a day and moving on. Single-family houses are also important in this development. Is the company looking at incorporating different styles and materials and/or doing whatever it will take to give the houses unique characteristics so that one is not lost in the maze of the same looking house? Absolutely, that is why the company is going to spend the winter working on designing a package that will work here. If you look at the different types of lots that they have there are lookouts, walkouts, full basements, etc. they have different types of house designs based on the site. There might be slab on grade in some spots, so the mix will be thought out. House designs will come later in the process. Right now they are presenting a tentative layout for the site.

Commissioner Cornicelli asked City staff if there are any issues with the new traffic control structure on Hwy 65 and Viking Blvd. with this development? No, there are no issues.

Commissioner Eich likes the design and layout. He would like to see single-family houses and not townhomes. For tonight's meeting, is the Commission just considering the road layout? Mr. Burstad said tonight is for looking at the overall concept plan/PUD for feedback and the road in Phase I which is the commercial phase. The idea is to piggyback with the residential road at the same time. The middle area which is a sanctuary/wetland area does not warrant impact. Commissioner Eich is unaware of the park dedication for the apartment development on the west-side of Hwy 65. For this concept plan he sees an activity area of about 7-10 acres. Is that area being planned for residential use? Yes. The plan is to have trails/bike paths throughout which will be a key component. This will also be a connection to the Osborne property in the future, which will likely be a housing development. Looking at the big picture, things are being done to connect the two developments in the future. Rooftops will determine and impact what is built. Will properties be bordering Viking Meadows to the north and east? Yes. Mr. Burstad believes having houses by the golf course will bring energy to the golf course. Commissioner Eich sees tax dollars going to the school district and to the local businesses. He believes this is a beautiful thing. What is the projected timeline? Elevage Development Group, LLC is heavily invested in this development and is putting in the work needed to make this site a well-thought out development. This is a complicated site. The goal is to get their ducks-in-a-row this winter with the City and MNDOT and the partners they need to work with to start construction in the spring of 2020. Commissioner Eich asked if a particular grocery store is being marketed? Mr. Burstad has talked with a few, but right now this is just a concept plan. Once approval is given by the City they will start entertaining businesses.

Vice President Johnson asked how many other PUDs has this company done? Mr. Burstad said the most recent PUD was the McMillian apartment development in Shoreview at Interstate 694 and Rice St. He purchased a large dilapidated shopping center and four surrounding houses and combined them into a 5-acre parcel and built a \$50 million project apartment and 14 home development and restaurant, which is now 100% occupied. It was a partnership with the City of Shoreview on a difficult neighborhood. Vice Chair Johnson asked what difficulties they have encountered with large developments. Mr. Burstad said people have different ideas of what should be included. As a developer his goal is highest and best use of the property. A PUD allows for flexibility and the ability to maneuver with staff on the needs and changes required for the site as a whole, rather than developing piece-by-piece. Having a PUD is a definite positive when developing. Is his company working on any other developments right now or will this development be his main focus? Currently he is working on a major hotel project - 100-unit high rise with 20 condos on top, restaurant roof-top, eight stories at Lake Calhoun that they anticipate breaking ground on soon. A month ago he completed the Marriott Hotel in Blaine by the Sports Center. The key right now is to get in alignment with the City and MNDOT, what needs to take place, and the work the City needs to do to get everything engineered.

Commissioner Allenspach's only concern is that the Road Commission and Fire Department have not reviewed this yet and that any concerns they might have are not available to this commission tonight.

Vice President Johnson closed the public hearing at 7:55 pm.

Plenty of feedback was given on this Concept Plan/PUD that the developer can consider moving forward.

Ms. McLaurin commented that she agrees with Commissioner Eich's feedback of going with houses along the golf course in lieu of townhomes. Currently, that is something that the City does not have to offer anywhere in the city proper.

Vice Chair Johnson said she does like the townhouses for the high density because that has been an issue with the 2040 Comprehensive Plan and that high density is needed. The apartment complex is helping with density and so will townhomes.

Commissioner Terry likes the single houses and appreciates the little bit of a mix of the two, so it is not just all of one or the other.

Commissioner Eich believes increasing the senior living area will help to increase density. He asked if the senior living area could be increased in place of the townhomes? Mr. Burstad has and still struggles with the layout of this parcel. They are still studying it and are considering different suggestions provided by Kimley Horn. He said the senior housing aspect is very important to him and that is a very strong possibility. It is an important piece included for the area and must be the right fit and feel for the development. Commissioner Eich perceives the senior setting as quieter than a townhome setting. If beautiful houses are going to be built along a beautiful golf course, he would much rather see a quiet setting toward the north and east sides of the development. Mr. Burstad is also trying to create a buffer between the residential and commercial and Hwy 65, and the road goes down toward Hwy 65 so just trying to find a proper balance is going to take more studying.

8.0 City Council Report

Council Liaison Suzanne Erkel reported the following City Council actions:

- Discussed 245th Ave. located in Athens Township and Mr. Strandland has decided not to improve the whole road, improvements will be up to 6th Street from his development; not to the cul-de-sac nor from 6th Street to University. He expected the City to do those portions of improvements. The City sent Mr. Strandland back to Athens Township for them to pave those remaining areas. If not, there is no rule preventing Mr. Strandland developing onto an unpaved road.
- Recognized all of the East Bethel Royalty.
- Heard a dangerous dog hearing.
- Approved the Erskine setback variance.
- Fire Department open house is October 3rd at Fire Station #1 from 5:30-8:00 pm.
- Census people returned and are still hiring. Council voted against getting officially involved as the whole Council.
- Voted on a preliminary 2020 budget. Final budget hearing and dates were set which includes the preliminary HRA and EDA budgets.
- Approved the holding tank variance on 152 Juniper.
- Approved the septic drain field setback.
- Approved the side-yard setback at 23030 Erskine.
- Tabled the MN Built Harris LLC Self Service Storage CUP until their site plan is complete.
- Approved the IUP for the private kennel at 1655 Viking Blvd.
- Approved the IUP for the chickens at 22761 East Bethel Blvd.
- Next HRA meeting has been changed to October 14th.

9.0 Other Business

Ms. Hanson stated there is no other business from City staff.

Vice President Johnson welcomed Stephanie Hanson, Community Development Director.

Commissioner Terry shared an item of personal interest. He is one of five finalists on a nation-wide search to create a sculpture for Nellie Stone Johnson, a civil rights activist and union organizer of the 1940's and 1950's to be housed at the Minnesota State Capitol. He will be presenting at the end of September and will find out at the beginning of November if he has been chosen. Congratulations and wishes of good luck were voiced.

10.0 Adjournment

**Commissioner Allenspach moved and Commissioner Cornicelli seconded to adjourn at 8:06 pm.
Motion passed unanimously.**

Submitted by:
Gail Gessner
Recording Secretary