

**Minnetonka Planning Commission
Minutes**

February 16, 2017

1. Call to Order

Chair Kirk called the meeting to order at 6:30 p.m.

2. Roll Call

Commissioners Knight, O'Connell, Powers, Sewell, Calvert, and Kirk were present.

Staff members present: Community Development Director Julie Wischnack, City Planner Loren Gordon, and Planner Drew Ingvalson.

3. Approval of Agenda: The agenda was approved as submitted with the additional comments provided in the change memo dated February 16, 2017.

4. Approval of Minutes: February 2, 2017

Calvert moved, second by Powers, to approve the February 2, 2017 meeting minutes as submitted.

Knight, O'Connell, Powers, Calvert, and Kirk voted yes. Sewell abstained. Motion carried.

5. Report from Staff

Gordon briefed the commission on land use applications considered by the city council at its meeting of February 6, 2017:

- Adopted a resolution approving the Wilson Ridge 6th Addition subdivision.
- Reviewed a concept plan for a 110-unit senior project for Mesaba Capital on Old Excelsior Road.

Gordon welcomed Josh Sewell to the planning commission.

6. Report from Planning Commission Members

Calvert stated that she attended the State of the City address and learned about the evolution of the city and the nature of change.

7. **Public Hearings: Consent Agenda: None**

8. **Public Hearings**

A. **Conditional use permit for accessory structures exceeding 1,000 square feet and 12 feet in height and a variance to add a second curb cut at 4124 Avondale Street.**

Chair Kirk introduced the proposal and called for the staff report.

Ingvalson reported. He recommended approval of the application based on the findings and subject to the conditions listed in the staff report.

Chad Vugteveen, 4142 Avondale Street, applicant, stated that staff did a thorough job. He was available for questions. He explained that in order to extend the driveway to the proposed accessory structure, four trees would have to be removed and the contours of the site would not work well. The proposal would require removal of no more than two trees.

Powers supported saving two additional trees. Calvert agreed, even though the proposal would create a lot of impervious surface.

O'Connell thought staff did a good job. He supports staff's recommendation.

Chair Kirk thought the additional curb cut would work because of the width of the lot. He would hate to see other lots adding a second curb cut. The lot is large enough for the accessory structure.

Calvert noted that the site already uses an unofficial second curb cut.

The public hearing was opened. No testimony was submitted and the hearing was closed.

O'Connell moved, second by Powers, to recommend that the city council adopt the attached resolution. This resolution approves a conditional use permit for 1,841 square feet of accessory structures that exceed 12 feet in height and a variance to add a second curb cut at 4142 Avondale Street.

Knight, O'Connell, Powers, Sewell, Calvert, and Kirk voted yes. Motion carried.

Chair Kirk stated that this item is tentatively scheduled to be reviewed by the city council March 6, 2017.

9. Other Business

A. Concept plan review for Newport Midwest at 10400, 10500, and 10550 Bren Road East.

Chair Kirk introduced the proposal and called for the staff report.

Gordon reported. He recommended that the planning commissioners provide comments and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Powers asked for the ratio of parking stalls to units. Gordon referred the question to the applicant.

O'Connell asked if there is a design overlay for the site. Gordon explained that there is a trip generation overlay for Opus. Wischnack noted that the SWLRT placed an overlay on the site. Chair Kirk thought that an overall design plan would be beneficial.

In response to Chair Kirk's question, Wischnack explained that both sections of the SWLRT would go over Bren Road West on the south side. There would be a lot of bridge replacements with the SWLRT project. The lite rail would travel underground at Feltl Road and Smetana Road.

Becky Landon, with Newport Midwest, and Pete Keeley, of Collage Architects, introduced themselves. Ms. Landon stated that she is looking for input before creating the plan for the aesthetic look of the building. She hopes to set a standard. The proposal would include 240 units of which 55 units would be affordable at 50 percent and 60 percent median-income levels. The market-rate units would be just below luxury level. The applicant is looking at two buildings which would be broken up.

Mr. Keeley said that the proposal hopes to have a lot of outdoor spaces and ways for the residents to engage with the trails and pedestrian paths. There would be a front, direct access to each unit with porches that would be set a few feet up from the grade to offset the lights from vehicles on Bren Road and the train. He explained the trail and sidewalk locations. There would be a commons

area with fitness room, party room, and office spaces available to be rented. The access would be from the one-way road system. There would be a private road to the underground parking access. The inside road would be a loop. The proposal went to great lengths to not have surface parking without a cover, but to build the building over the top of the surface parking area. There would be visibility throughout the site. Vehicles would be able to circulate under, behind the building, and back out. This would be family housing. The affordable housing would be utilized mostly for two and three-bedroom units. There would be a defined play area and family lounge. There would be a drop off access adjacent to Bren Road. He asked for comments on whether a second access would work at that location to provide a drop off. The look of the building would be a modern, contemporary building with front porches, balconies, and some animation along the train side. It would be more subdued the further it got from the SWLRT. The base being considered would be brick and stone with a fair amount of siding and metal paneling. There would be a roof deck overlooking a courtyard. The building would be broken up in different areas with two, three, and five stories. There would be bike and dog spas.

Mr. Keely stated that a one-bedroom unit would have one parking stall and two and three-bedroom units would have two parking stalls which is how the ratio ended up at 1.35 stalls per unit.

Knight asked how close a U-Haul truck could get to access the building. Mr. Keely explained that there would be an 8.5-foot area underground for a vehicle to reach the elevator. Otherwise, there would be 70 feet to the door. Stalls near the elevator would be able to be reserved for a period of time. There would be trash and recycling chutes.

Powers asked if noise reduction measures would be taken. Mr. Keely answered affirmatively. A laminated piece of glass would be added to increase the STC of the window frame. The new construction codes and energy codes would provide a 2' x 8' wall and a lot more insulation. The trains are actually pretty quiet. The bells and station noises would be louder than the lite rail train. Vibration has not been an issue on any of the lines.

Landon noted that the units that face the lite rail are the first to be rented. That has held true for family and senior housing.

Commissioners discussed the proposed parking with Mr. Keely. Mr. Keely stated that the trends are showing that vehicle ownership is dropping dramatically. He noted that there would be the availability to sign leases for off-hour use of surrounding businesses' parking lots.

Powers asked about safety for pedestrians. Mr. Keely stated that having many eyes on the site by residents having porches and front stoops along with lighting and safe walkways would be beneficial. Wischnack noted that lighting of the Opus trails is part of the city's capital improvement plan.

In response to Chair Kirk's question, Wischnack stated that there would be a fence. The type of fence is being reviewed. Pedestrians would only be able to cross the track at the station.

Gordon confirmed with commissioners that they seemed comfortable with a change in land use from office to residential.

Chair Kirk invited anyone present to comment. There was no response.

Calvert thought that the site is ready for redevelopment. She liked the proposed high-density use. Access to the building that would provide affordable housing has some issues that may need to be resolved. She was glad there would be one, two, and three-bedroom units provided. The proposal would be a visual improvement and be an asset so close to the station.

Knight likes the look of the buildings. Gordon provided that the original plans for Opus included 700 residential units. In the 2030 comprehensive plan, the goal is to add at least 500 units. Major roadwork would be included as part of the lite rail project.

Knight liked the play area for little kids. He asked if there was a designated area for older kids. Gordon noted that the trail area would connect the whole area. Shady Oak Beach, Lone Lake, or Hopkins would provide the closest teen areas. The six miles in Opus would be perfect for bikers and scooter users.

Powers thought adding a large number of affordable units and pricing the market rate units just below luxury rates would be smart.

Chair Kirk thought that an awful lot would be going on. He thought scaling it back might provide more of a comfort zone with the parking and access points. He was initially concerned with the affordable units providing a buffer to the lite rail for the market-rate units. He liked the common spaces. He supported looking at connecting the site with the walkability of the surrounding area. He favored more visitor parking near the building that would provide affordable housing. He was not as concerned with the access point to the site. He thought that it would be good to have a controlled area and traffic queuing within its own space.

Calvert thought that it would be important that the project appear homogenous and not have the affordable housing building appear different than the other building.

Sewell thought that the project looks great. He favored managing the height. As the starting point for development in the area, it looks great and has a lot of great features.

This concept plan is tentatively scheduled to be reviewed by the city council at its meeting on March 6, 2017.

B. Concept plan review for the Shady Oak Redevelopment located at 4312 Shady Oak Road.

Chair Kirk introduced the proposal and called for the staff report.

Gordon and Wischnack reported. They recommended that the planning commissioners provide comments and feedback on the identified key issues and others the planning commission deems appropriate. The discussion is intended to assist the applicant with future direction that may lead to the preparation of more detailed development plans.

Wischnack explained that "low income" housing refers to a resident with an annual income of less than 30 percent of the area median income. Median income is \$85,000 for this area. "Affordable housing" covers a range of up to 80 percent of the area median income. The proposed rent would be between \$800 and \$1,200 a unit which would be considered 60 percent of area median income. Wischnack refers to it as "workforce housing" and the worker typically earns between \$40,000 and \$50,000 a year. Tax credits would be used to offset the affordability of the project. The proposal would not be "Section 8 housing," but Section 8 vouchers may be used to subsidize the rent.

Knight noted that the site has a fair amount of pollution. He asked if the adjacent site on the south side would be part of the proposal. Wischnack answered in the negative.

Chair Kirk asked who pays to have the site cleaned up. Wischnack explained that there are grants available. The city would apply for a grant to fund the cleanup. The city likes to have the redevelopment grading coincide with the cleanup.

Tim Whitten, of Whitten Associates, and Mike Roebuck and Mike Waldo, of Ron Clark Construction and Design, the development team, introduced themselves. Mr. Whitten stated that he is excited to work on the site since it is located in Minnetonka. He pointed out a large stormwater management easement located on the site. The site has a grade challenge and access restricted to Oak Drive Lane. The most efficient way to access the proposed three-story building with 54 units and structured parking would be straight in from the end. The site today is mostly impervious surface. There would be 59 enclosed parking stalls and 32 surface parking stalls. The grade dictated the site's design. The proposal would reduce the site's amount of impervious surface. A lot of green would be added. Even though the amount of stormwater runoff would be decreased, a rain garden would still be added to clean the stormwater. The concept plan shows the mass and scale of the building. The architectural features would provide a transition from existing residential to a commercial area. The focus would be to keep the main roof at a low pitch and stay within scale. Landscaping details would be worked out. Ron Clark is known for exceeding landscaping requirements. He was available for questions.

Calvert confirmed with Mr. Whitten that brick in brown tones and cement-board detailing would be the idea for the exterior.

Mr. Waldo explained that 54 units would allow for a full-time caretaker on site and on-site manager. He would like more than 54 units, but that would be a little tight.

Chair Kirk invited anyone present to comment.

Andy Braun, 4408 Crawford Road, asked for the purchase price of the site, the selling price of the site, the cost of the development, and how much profit would be expected from the rent of the units. He thought residents of the three-story building would be able to see his residence. He was concerned for his property's value, public safety, and his wellbeing. "The record" shows that the comments were "less than three stories." He asked if "Section 8" could apply.

Elizabeth Miller, 4408 Crawford Road, stated that she spoke on behalf of four of her neighbors. Her landscape would be degraded by the scope of the project. They received the information a couple weeks ago. The homeowners are invested for the future. A park or green space was off the table for discussion. The neighbors would take the loss on their property values, happiness, and safety.

Ann Aanestad, 4255 Oak Drive Lane, stated that she was concerned with the height of the proposed building. The surrounding houses are ramblers, one-story,

and modest-style houses. The underground parking would make the building four stories. It would not fit the housing in the area. The nearest park is over a mile away. There is not enough green space to accommodate 54 units. The proposal would cause grid lock in the area. The apartment building would not be appropriate in the area. It would not fit.

Chris Aanestad, 4255 Oak Drive Lane, stated that the building looks like it is four stories with the roof. It does not fit with the character of the neighborhood at all. He preferred owner-occupied. He did not know why townhomes would not be considered. He asked for the size of the lot and how many townhomes would be feasible. He thought 10 townhomes would allow the city to recoup its money. Traffic is a huge issue. This is the only access out of the neighborhood.

Kyle Holm, 4234 Oak Drive Lane, was worried about the stress 54 units would put on the school systems. The size of the building would be doubled. He asked if lowering the number of units could decrease rent because an on-site manager would not be funded. The rent would still be high. He is investing in his house. He agreed that something needs to happen on the site, but he is worried about his resale value.

David Cousins, 4531 Greenwood Drive, stated that he did not see a complete line of justification. He asked what more needs to be done with the process and how urgent is the redevelopment. He asked for the tax consequences for the city and county.

Mr. Braun asked if the \$800 to \$1,200 range included subsidies. He was concerned with headlights hitting a house near the site. He questioned why all options were not on the board to begin with.

Ellen Cousins, 4531 Greenwood Drive, requested that action be tabled for a couple years until the lite rail has been operating to see what would be the best use of the property. She saw no reason to develop the property. The proposal would ruin the neighborhood.

Mr. Braun said that the site is very visible on a main corridor. Something commercial that would be a public resource would be more appropriate than residential. Residential housing should be located further from the corridor.

Ms. Miller confirmed that commissioners had something that she previously submitted.

Nathan Toldts, 4231 Oak Drive Lane, stated that he was concerned with the size of the building, number of units, and traffic. He would prefer something smaller that would provide more of a transition to the single-family residences.

Receiving public comments was concluded.

Chair Kirk noted that this concept plan is tentatively scheduled to be reviewed by the city council at its meeting on February 27, 2017.

Chair Kirk explained that the planning commission looks at the land use issues of each proposal, not the financial aspects. Wischnack stated that the purchase price for both properties was \$1.9 million. The sale price is unknown and will not be public information until it is included in the agenda report and reviewed by the city council for approval of the sale at a city council meeting. Of the \$1.9 million paid for the Shady Oak project, \$900,000 was returned to the city. When the city council purchased the property, the purpose was to solve a road improvement issue. The city council has purchased other properties for parks, but not this site.

Mr. Waldo explained that apartment buildings financed with tax credits or any other source is required to allow a Section 8 voucher to be used based on the rent being charged. He estimated 5 to 12 percent of the units would have a renter utilizing a voucher. He noted voucher users are some of the best tenants because the participants do not want to risk losing the voucher.

Gordon noted that the site is located in the Hopkins School District. The school district would be better able to estimate the number of school-age children in the area. Bus routes are planned during the enrollment process. He estimated that a school bus would travel past the site.

Gordon explained that redevelopment has always improved surrounding property values in Minnetonka. A residential apartment building pays the highest rate of property taxes. There is a commercial use underperforming next door. An underperforming commercial use next door could decrease surrounding property values.

Chair Kirk reviewed comments from the public including concern with the size of the building and traffic issues related to Oak Drive Lane and Shady Oak Road.

Calvert clarified that the site is currently zoned for a commercial use. Gordon confirmed that the site is guided by the comprehensive guide plan for commercial and its zoning district is B-2, which would allow offices, gas stations, and fast-

food restaurants with a drive-through window. The proposed zoning change would be a less intensive district than a commercial district.

Calvert asked how a 54-unit apartment building would fit with the city's housing goals. Gordon reviewed the housing gaps analysis that projected 1,250 units would be located within a half mile of the Shady Oak SWLRT station.

Wischnack reviewed options considered for the site. The city's goal of purchasing the site was not to make money. It was necessary for the Shady Oak Road improvement project. The city hopes to break even when it is sold.

Powers confirmed with Wischnack that a commercial use could apply to be located on the site, but never did. Wischnack explained that staff met with developers representing each type of use and all of them determined that the location would not be good for retail or commercial. A pharmacy may be the only viable commercial use.

Calvert confirmed with Wischnack that the adjacent house would not be included in the proposal.

Knight thought that the proposal probably is too big, has too many units, and would add to the traffic problems.

Calvert was concerned with the mass. She was excited that the building would be moved away from the road and create green space. Having an on-site manager is important, but she thought that the building would be too big.

Powers did not think the proposal would fit into the neighborhood. Headlights into the house and traffic on Oak Drive Lane are serious issues. He did not like the concept plan.

Calvert clarified that the proposal would provide "affordable housing." She has no aversion to renters who utilize vouchers.

O'Connell stated that he knows of developments that provide Section 42 housing and the buildings are well maintained and attractive. He stated that multi-family housing should be located on a busy, arterial road. The issue with access to travel north is real and the proposal would increase that problem. The use of the site is better as multi-family residential than its current zoning. The site is an eyesore. It would benefit the neighborhood to fix it.

Sewell felt that apartments would be an appropriate use, but the scale of the building may not fit and could adversely impact the neighborhood.

Chair Kirk noted that the utility easement limits what can be done on the site. The proposed building would be too tall and long. There would be no transition from the proposed building to single-family residences. The entrance would need to be on the west side to provide better traffic flow. There should be no more than one driveway off of Oak Drive Lane.

Chair Kirk thanked the neighbors for their attendance.

9. Adjournment

***Sewell moved, second by Calvert, to adjourn the meeting at 9:33 p.m.
Motion carried unanimously.***

By: _____
Lois T. Mason
Planning Secretary