

**Minnetonka Planning Commission  
Minutes**

**Sept. 10, 2020**

**1. Call to Order**

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

**2. Roll Call**

Commissioners Luke, Powers, Waterman, Henry, and Sewall were present. Maxwell and Hanson were absent.

Staff members present: Community Development Director Julie Wischnack, City Planner Loren Gordon, Assistant City Planner Susan Thomas, and IT Assistant Gary Wicks.

**3. Approval of Agenda:** The agenda was approved as submitted.

**4. Approval of Minutes:** Aug. 20, 2020

*Luke moved, second by Powers, to approve the Aug. 20, 2020 meeting minutes as submitted.*

*Luke, Powers, Waterman, Henry, and Sewall voted yes. Maxwell and Hanson were absent. Motion carried.*

**5. Report from Staff**

Gordon briefed the commission on land use applications considered by the city council at its meeting of Aug. 31, 2020:

- Adopted a resolution approving a licensed daycare facility at 2000 Plymouth Road.
- Adopted a resolution approving preliminary and final plat approval of Crest Ridge Corporate Center 2<sup>nd</sup> Addition with a setback variance at 10955 and 11055 Wayzata Blvd.
- Adopted a resolution approving items for a detached accessory structure with an accessory apartment at 17502 Co. Rd. 101.

The next regular, virtual planning commission meeting is scheduled for Sept. 24, 2020.

**6. Report from Planning Commission Members**

Henry was proud that Minnetonka earned the highest step in the Minnesota Green Cities Step Program.

Powers encouraged residents to support small businesses.

**7. Public Hearings: Consent Agenda**

No items were removed from the consent agenda for discussion or separate action.

***Waterman moved, second by Henry, to approve the items listed on the consent agenda as recommended in the respective staff reports as follows:***

**A. Conditional use permit for a 1,400-square-foot-accessory apartment at 17003 Sherwood Road.**

Recommend that the city council adopt the resolution approving a conditional use permit for a 1,400-square-foot-accessory apartment at 17003 Sherwood Road.

**B. Conditional use permit with a variance for a medical clinic at 10201 Wayzata Blvd.**

Recommend that the city council adopt the resolution approving a conditional use permit with variance for Choices Psychotherapy at 10201 Wayzata Blvd.

**C. Floodplain and wetland alteration permits for construction of a trail connection near Opportunity Court and Hwy. 169.**

Recommend that the city council adopt the resolution approving floodplain and wetland alteration permits for construction of a trail connection near Opportunity Court and Hwy. 169.

***Luke, Powers, Waterman, Henry, and Sewall voted yes. Maxwell and Hanson were absent. Motion carried and the items on the consent agenda were approved as submitted.***

These items are scheduled to be reviewed by the city council at its meeting on Sept. 21, 2020.

**8. Public Hearings**

**A. Front yard setback variance for a detached garage at 4811 Acorn Ridge Road.**

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

Thomas reported. She recommended approval of the application based on the findings and subject to the conditions listed in the staff report. Staff received a letter from a neighbor just before the meeting who supports the proposal.

Powers confirmed with Thomas that the proposal would meet hard surface cover requirements.

The public hearing was opened. Wicks noted that no callers were waiting to speak. No testimony was submitted and the hearing was closed.

Henry lives in this neighborhood. He supports the proposal. It is fun to see all of the improvements. He wishes the applicant the best.

Powers visited the neighborhood. The lot is beautiful. He hopes the garage improves the aesthetics of the property. He supports the proposal.

Waterman agrees. The proposal is cut and dry. The lot has some circumstances that predate the ordinance. The structure would be nice.

Luke concurs. She supports the proposal. It is very reasonable.

Chair Sewall agrees. The structure would feel bigger due to the reorientation to the road. It seems reasonable.

***Luke moved, second by Henry, to adopt the resolution approving a front yard setback variance from 20 feet to 15 feet for construction of a detached garage at 4811 Acorn Ridge Road.***

***Luke, Powers, Waterman, Henry, and Sewall voted yes. Maxwell and Hanson were absent. Motion carried.***

Chair Sewall stated that an appeal of the planning commission's decision must be made in writing to the planning division within 10 days.

## **9. Other Business**

### **A. Concept plan for Shady Oak Office Center at 10901 Red Circle Drive.**

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

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

Casey Dzieweczynski, of Wellington Management, representing the applicant, stated that:

- The company has owned the Shady Oak Office Center building since 2004. It is a great site. Leasing spaces slowed down a little even before Covid. It is currently 65 percent occupied.
- They are working with staff to change the use to residential and, potentially, provide an affordable housing component.
- They are meeting with the EDAC Thursday and city council Oct. 21, 2020.

Pete Keely, of Collage Architects, representing the applicant, stated that:

- The applicant has explored utilizing the site for a commercial use, a hotel use, and a residential use.
- The office building no longer functions very well.
- A commercial use would be difficult to do with the one-way streets and elevations.
- The site has great visibility; is walkable to commercial uses; and has access to the SWLRT and trails.
- Adding multiple-family housing would complement the existing residential area.
- The proposal would enhance the walking system. A sidewalk would be added.
- There would be studio, one-bedroom, and two-bedroom apartments. There may be a penthouse on the top floor. The majority of units would be small, one-bedroom units to provide affordability.
- There would be green areas, potentially a dog area, and rain and pollinator garden areas.
- There may be a clubhouse added to break-up the façade between the buildings completed in Phase One and Phase Two. There would be a mix of heights going up to six stories. Brick would be used along the base. There would be a fair number of balconies.
- The buildings would be located nearer to the roads and the parking lot in the middle to create an environment that would be more pedestrian friendly and create green space.
- There would be a second floor amenity deck with grills and individual patios.
- There would be two full levels of parking.
- There would be a bike facility.
- There would be a separate pedestrian walkway from the bike trail.

Powers asked how Mr. Keely would describe the proposal in the context of Opus to someone unfamiliar with Opus. Mr. Keely stated that he would describe the Opus area as an office area set in a park. There is a circular street, paramount open green space, and commercial office spaces with large, block-buildings with contemporary style. Maintaining the park-like spaces is critically important. The pedestrian sidewalk area is part of the park system. The ability to do plantings and streetscapes along the buildings would be important. He was working with a contemporary style that would blend office and commercial uses. He would say that Opus is made up of 70 percent of businesses that have a lot of surface parking and it does not look like the rest of Minnetonka.

Luke asked if the proposed five-story and six-story buildings would compare to others in the city. Mr. Keely said that the Shady Oak Office Building is similar to a five-story building. The proposal would be consistent with Dominion's building. New multi-family residential apartment buildings usually have five stories.

In response to Waterman's questions, Mr. Keely explained that to convert the office building into a residential use would require mechanical systems to be redone since residences create much more humidity than office buildings, the addition of individual control of mechanical systems, and changes to meet fresh air requirements. It would be more expensive and result in poorer quality units to remodel the existing building rather than build a new one.

Joe Houseman, of Wellington Management, stated that he has been managing leasing the building for years. Two large tenants moved out of the building and into higher-class buildings. It is an economic challenge to have tenants pay high-enough rent to make improvements. There is a sister building to this one with an additional story. That one has a couple large tenants and is doing o.k. The newer buildings are doing better than the vintage buildings built in the 1970s and 1980s.

Wischnack stated that she would provide commissioners with data collected on uses located in Opus.

Powers asked how many of the units would have one bedroom and for the rent price point. Mr. Dziejewczynski explained that it would not be a luxury project. The proposal would target a broad demographic. The market-rate units would be comparable or a little below the market to make it a place that folks recently graduating from college could afford. The goal would be to make everyone feel comfortable and integrate the affordable units with market-rate units. Based on the market study feedback, he estimated that roughly 60 percent of the units would have one-bedroom, 20 percent would have two-bedrooms, and the remainder would be studio and three-bedroom units.

Wischnack provided that Opus currently has 534 condominium units, 409 townhomes, and 1,550 apartment units. Of the 1,550 apartment units, 800 are new units (Dominium and Rize). About 500 of the new apartment units meet affordable housing rent limits. Dominium and Rize were previous office buildings that were replaced with new residential apartment buildings. Cloud Nine was an office building converted into condominiums. There have been many challenges with the conversion.

In response to Henry's question, Mr. Keely stated that outdoor spaces are even more important now to help deal with Covid. People want to be connected to parks, trails, and outdoor spaces. The notion of working from home is prompting him to look into providing an office space with the appropriate ventilation and mechanical systems to provide units with the ability to individually control fresh air. He is looking at making a sustainable building.

Henry suggested he work with Partners in Energy for the project. Mr. Keely stated that the applicant works with Xcel's energy design assistance program and would be happy to work with the Partners in Energy program. Quality insulation is key to provide energy efficiency to reduce energy costs and provide high-efficiency units. Wellington Management uses LED lights in all of its project. A project being done currently in St.

Paul reuses stormwater and uses low-flow fixtures. Green community standards would be used.

Mr. Dzieweczynski explained that a project he is currently overseeing for Wellington Management captures runoff from the roof which then travels to an underground system that uses it to irrigate a community garden. The applicant has experience with applying for grants to cover the cost of sustainable items. Most of Wellington Management's projects follow green community standards. The proposal would provide electric-vehicle-charging stations. He would be happy to continue those conversations with staff.

Powers noted that the Ridgedale area is limited to upper-end rental units. The proposed site would provide for an entry-level worker to be able to afford to live in Minnetonka and want to stay living in the city. Anything to help this building be energy efficient is a positive. He likes that the developer is thinking along the lines of sustainability and wanting the site to integrate with the rest of Minnetonka.

Chair Sewall asked how dependent the success of the project would be tied to the ridership of the SWLRT. Mr. Dzieweczynski said that the SWLRT helps, but the area is still a very desirable location to live with the park-like setting and numerous trails. Ridership of the SWLRT would not make or break the project, but it is another feature of the proposal to be marketed. When Chair Sewall asked Wischnack the same question, she stated that she looks at how the SWLRT may decrease the amount of traffic and number of parking stalls needed for the proposed apartment building.

Powers asked if the exterior windows and walls near the street and pedestrian side of the building would have additional sound proofing compared to other parts of the building. Mr. Keely answered that the windows would be pretty well sealed. Red Circle Drive has a relatively low level of traffic. The traffic on County Road 62 creates an audible hum. He would not expect any noise concerns. Quality windows would be used. Wellington Management has an apartment building located closer to the Hiawatha lite rail than the proposed building would be located to Red Circle Drive and the developer has not received any complaints from residents regarding noise levels when the windows are shut.

Henry asked if individual entrances could cause a safety concern. Mr. Keely explained that having more people invested in the landscape and having eyes on the area is positive. The places that end up with more crime and issues are areas that are not visible by residents. The units are extremely popular with dog owners.

Henry asked if a shadow study would be done. Mr. Keely noted that parts of the bike trail in the southwest corner could be covered by a shadow in Sept. The majority of the year, the church would not be affected except for December. A shadow study could be provided.

Henry asked if all of the units would have balconies. Mr. Keely answered that 20 percent to 25 percent of the units would not have a balcony due to the layout of the building not

having enough separation between the balconies for some units and in an effort to keep some units more affordable.

Henry asked if providing home-office spaces that could be rented is being considered. Mr. Keely answered affirmatively. Making storage units into office units is being explored. The amenity package would gear more towards providing working from home spaces.

Henry liked the building focusing on contemporary styles. Opus has always been styled to look to the future. He encouraged a signature-design element be showcased. Mr. Keely said that simplicity and consistency of materials would be utilized.

Wicks reported that no one was waiting to provide comments on the concept plan.

Powers stated that:

- He likes the idea in general.
- He looks forward to seeing a more detailed plan of the building.
- He likes the rent structure and make up of units.
- The developer planning for the future is a good thing. He likes the developer taking Covid into consideration, but not letting the present crisis dominate the proposal.
- Minnetonka needs this type of housing at this price point.
- He supports the proposal.
- A shadow study would be nice.
- He supports anything to improve the energy efficiency of the site.
- Affordable, work-force housing would allow young workers to live and work in Minnetonka.

Waterman stated that:

- He agrees with Powers.
- The use makes a lot of sense for the area and the space.
- The city is getting closer to meeting its apartment-unit housing goal.
- He looks forward to reviewing a more detailed plan.
- He likes how the parking area is located in the middle with the buildings pushed to the outside.
- He likes the simple, outdoor amenities. He thought grills would be popular. The balconies would be smart.
- He likes the close proximity to bike trails.

Luke stated that:

- She appreciates the developer's presentation.
- The proposal would be a good use of the site.
- She concurs with Powers.

- The location would be excellent.
- The developers are being very thoughtful.

Henry stated that:

- He loves the idea. He is excited to see the future of Opus.
- The proposal would add density while preserving the single-family residential nature of the surrounding area.
- The proposal would provide an opportunity for new families and young workers to live in the city. Affordable housing is a huge necessity.
- The developer has taken a lot into consideration.
- He likes the inside-out nature with the parking lot in the middle of the buildings instead of located on the perimeter.
- There would be outdoor group spaces to promote social interaction.
- He was concerned with a potential increase in traffic and pedestrian safety.
- He was excited for the proposal to proceed.

Chair Sewall stated that:

- He supports the change of use from office to residential.
- He likes how the project would be affordable naturally by providing small units.
- He supports integrating affordable units with market-rate units. Everyone would share the amenities and function as a community.
- He would like a little more green space between the bike trail and the building.

Chair Sewall confirmed with Gordon that commissioners provided salient feedback on the proposal and that this item is scheduled to be reviewed by the city council at its meeting on Sept. 21, 2020.

## 10. **Adjournment**

***Henry moved, second by Waterman, to adjourn the meeting at 8:30 p.m. Motion carried unanimously.***

By: \_\_\_\_\_

Lois T. Mason  
Planning Secretary