

NEW BUSINESS

SITE AND BUILDING PLAN REVIEW

FILE NO.: 2607-16-06
APPLICANT: FOURTEEN FOODS - DAIRY QUEEN
LOCATION: 4615 HODGSON ROAD

Presentation by Economic Development and Planning Associate Niki Hill

The application is a proposal to update the existing Dairy Queen building, including a new exterior facade. The property is zoned Planned Unit Development (PUD) with underlying zoning of C2, General Business allowing the restaurant as a permitted use.

Updated improvements include removing the red shake roof and straightening the parapet. The roof top units will be better screened. The straightened walls will be of a maintenance free material. A black band will stretch across the front portion of the building. The existing brick will be painted, and the existing vinyl siding will be replaced with EIFS in the same color as the brick. Colors will be earth tones with a dark brown on the bottom as a wainscot. The main body of the building will be a lighter beige color. The exterior improvements are consistent with the standards outlined in Section 206.050 (B) of the Code.

Existing wall signs will be replaced with two new signs that are smaller in total area. Landscaping will be the same but will be freshened. A fence will be added around the patio area. The proposal also includes updating the lighting with LED lights inside and outside the facility, including the parking lot lights to match the updated lighting on the Kowalski's site.

Staff finds that the commercial use of the property is consistent with the 2008 Comprehensive Plan, which guides the property for PUD use. The Comprehensive Plan encourages redevelopment of improvements to highway frontage properties. The site is part of Policy Development Area (PDA) #10. The proposed improvements are consistent with PDA #10 guidelines and will not impact adjacent properties or conflict with the planned uses in the area.

Property owners within 350 feet were notified of the proposal. One response was received in support of the improvements. Staff recommends that the Planning Commission recommend approval to the City Council.

Commissioner Ferrington asked if there has been a response from Kowalski's, as this property is part of their PUD. Ms. Hill answered that there has been no comment.

Commissioner Peterson asked if there would be a third container in the trash enclosure for food waste, as was done with the Raisin' Cane proposal, or if that is only done for new construction. Ms. Castle stated that there was a change in state law to provide an organic waste container. Staff will check to find out if that provision is retroactive. If it is required, it will be included with the City Council review.

Mr. Paul Schmidt, Vice President for Fourteen Foods/Owner of Dairy Queen, stated that this has been a good location for many years, and they are looking forward to making these improvements in conjunction with the Kowalski Market development. If an organic waste container is required, that would not be a problem, although he is not familiar with specific requirements for such containers.

Commissioners stated their support for the proposal and agreed that the reinvestment for these improvements will be good for the community.

Commissioner Wolfe agreed and stated that he supports the project, although he questioned painting the brick and how that would hold up in weather.

MOTION: by Commissioner Solomonson, seconded by Commissioner Ferrington to recommend the City Council approve the Site and Building Plan review application submitted by Fourteen Foods on behalf of Fraunshuh Hospitality Group, 4615 Hodgson Road. Said approval is subject to the following:

1. The property shall be developed in accordance with the plans submitted.
2. Final lighting plan shall be approved by staff prior to the replacement of the existing.
3. A landscaping plan shall be submitted showing proposed changes/enhancements.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the designated C2 – General Business land use in the Comprehensive Plan.
2. The proposed development complies with the standards of the City’s Development Code.
3. The proposed improvements will not conflict with or impede the planned use of adjoining property.

VOTE: Ayes - 5 Nays - 0

VARIANCE/RESIDENTIAL DESIGN REVIEW

FILE NO: **2608-16-07**
APPLICANT: **Karin Hamerston**
LOCATION: **771 Larson Lane**

Presentation by Senior Planner Rob Warwick

The property is a riparian lot on the south shore of Turtle Lake. The lot is substandard with a width of 75 feet; the standard is 100 feet. Lot area is 12,519 square feet; the standard is 15,000 square feet. The lot slopes to the lake with a drop of approximately 25 feet from the street to the lakeshore with several retaining walls. The house was originally a seasonal cabin that was constructed in 1928. A number of additions have been made.

The proposal is to enlarge the existing home and detached garage. The existing house is 1.5 stories with a foundation area of 1,500 square feet. The existing garage is 621 square feet. There is also a boathouse that is 207 square feet. The house would be expanded on the second floor by raising the roof with side walls to increase head room and provide a living space. The height of the house would increase by 5 feet to 31 feet, which will comply with the maximum height of 35 feet. The floor area of the house is uneven with steps up and down across the home. The planned remodeling will address that problem and make the floor even.

The proposal also includes two foundation area expansions: 1) a front porch that would be 5.5 feet by 26 feet to extend the width of the house; and 2) an addition to the rear of the detached garage of 11.3 feet by 11.3 feet. A variance is needed to increase the foundation area by 273 square feet, which is the total for the porch and garage addition. The existing foundation of 2,328 square feet or 18% of lot area, is allowed by Code. To further increase the foundation area to 2,601 square feet (20.8% of lot area) requires a variance. The applicant has identified impervious surfaces on the property that can be removed to comply with the requirement that the existing lot area of 30% not be increased.

The applicant states that practical difficulty is her recent inheritance of the property. The garage addition will allow storage of vehicles and yard equipment. The porch will create a single finished floor level on the main living area of the house. The additions will modernize the home, improve accessibility and provide life-cycle housing on one level.

Staff finds that the improvements are consistent with the Housing and Land Use Chapters of the City's Comprehensive Plan. Practical difficulty is present to grant the variance. The unique circumstances are the age of the house and the fragmented, varying floor levels. The planned improvements will also improve the aesthetic appeal of the house.

The applicant has chosen infiltration and architectural mass as the two mitigation practices that will be used. Mitigation is required to reduce the impact of the development on lake quality. An infiltration area will be created at the southeast corner of the property, between the house and the street. This is appropriate because of the sandy soils on the site. Runoff to the lake will be reduced. Architectural mass will reduce the visual impact when viewed from the lake. Natural colors of brown, green and gray will be used on the house.

Notices were sent to property owners within 150 feet of the applicant's property. No comments have been received. Rice Creek Watershed District will not require a permit. The Department of Natural Resources (DNR) recommends infiltration as appropriate for the site. Both agencies noted the steep slope and need for erosion control and revegetation of disturbed areas.

Staff recommends approval of both the variance and residential design review, subject to the conditions listed in the motion sheet.

Commissioner Solomonson asked the reason for the reduction of the width of the porch from 6 feet to 5.5 feet. Mr. Warwick explained that the reduction complies with the 25-foot front setback for the house. Commissioner Solomonson asked if runoff from the porch would drain to the street. Mr. Warwick stated that the porch will slope toward the street. The runoff water from

the front will be directed to the southeast corner infiltration area. Commissioner Solomonson noted that the garage is closer to the street at 22 feet. He does not see any problem with a 6-foot porch, but acknowledged it would require another variance from the street setback.

Commissioner Ferrington noted that a statement from Jennifer Sorenson, East Metro Area Hydrologists, requires the OHW for this lot be established in order to determine whether the water structure is in the water impact zone. Mr. Warwick responded that the water oriented structure is a legal nonconforming structure. A copy of the recent survey of the property has been sent to Ms. Sorenson.

Commissioner Peterson asked if the infiltration area is shown on the plan. Mr. Warwick explained that while not yet shown on the plan, it was staff's recommendation that mitigation include an infiltration plan for approval. Commissioner Peterson asked why the porch is necessary to raise the level of the main floor.

Acting Chair McCool asked what impervious surface area is being removed in order for lot coverage to comply with 30%. Mr. Warwick stated that there are several sidewalks on the property that the applicant has identified to be eliminated. There is also a large patio on the back of the house that could be reduced.

Ms. Karin Hamerston, Applicant, explained that the difficulty with the uneven floor is accessibility and movement in the house. It will be leveled in the construction process.

Commissioner Ferrington suggested looking at other areas on the property for a possible rain garden because of the steep slope. Ms. Hamerston stated that she is open to looking at other possible locations for rain gardens.

MOTION: by Commissioner Solomonson, seconded by Commissioner Peterson to adopt Resolution No. 16-24, approving the variance request to increase the allowed foundation area from 2,252 sq. ft. to 2,601 sq. ft. and the residential design review application submitted by Karin Hamerston for the property located at 771 Larson Lane. This approval is subject to the following conditions:

1. The project must be completed in accordance with the plans submitted as part of the Variance application.
2. This approval will expire after one year if a building permit has not been issued and construction commenced.
3. The front porch shall be located a minimum of 25 feet from the front property line.
4. The garage addition shall result in a garage floor area less than 750 sq. ft.
5. Impervious surface lot coverage shall not exceed the existing area, which is 3,759 sq. ft. (30% of lot area). Prior to issuance of any permits, the applicant shall submit a removal plan showing existing impervious areas that will be removed. The plan is subject to review and approval by the City Planner.
6. A Mitigation Affidavit shall be executed prior to the issuance of a building permit for the addition. The mitigation practices shall include infiltration and architectural mass.

Since submitting redevelopment proposal, Elevage has purchased a fifth property to the north at 3527 Rice Street. That property is included in the TIF plan. Minnesota Statutes require that the Planning Commission review the TIF Plan and determine that it is in compliance with the City's Comprehensive Plan.

Development applications were approved by the City Council on March 7, 2016. At that time findings for approval included that the proposed development is consistent with the City's land use and housing policies, including housing maintenance, neighborhood reinvestment, life-cycle and affordable housing, residential infill and redevelopment. The City's Highway Corridors Transition Study identified this property as a redevelopment opportunity for possible mixed use zoning. The proposal is consistent with the City's Housing Action Plan.

Staff recommends the Planning Commission review the TIF Plan and find it consistent with the City's Comprehensive Plan. The TIF Plan will then be forwarded to the City Council for a formal public hearing at its April 18, 2016 meeting.

Commissioner Ferrington asked for clarification on the use of tax increment financing. Ms. Castle explained that TIF is an economic development tool authorized for use by municipalities by Minnesota law. The tax capacity of the redevelopment project is determined and then a determination is made on the future tax capacity once the property is redeveloped. The difference between the two is the tax capacity generated by the redevelopment project. That amount can be applied to certain costs of the project, such as parking lot, storm water management, public improvements associated with roads and trails. Shoreview's policy is for TIF to be paid on a pay-as-you-go basis. The City does not reimburse tax money from the project up front but as taxes are collected. Ms. Hill added that a "but for" condition must exist for TIF assistance. This means that there must be a gap in financing and the project would not happen without the City's assistance.

Commissioner Solomonson asked if the fifth property is now somehow incorporated into the plan. Ms. Castle stated that the fifth property is included in the TIF Plan so that if it is incorporated in the future, infrastructure improvements on that property would be eligible for TIF assistance.

Acting Chair McCool stated that he has concerns about the TIF Plan because it is a 25-year development district and a \$7 million increment contribution. He recalls the applicant saying that the project needs to be as big as it is in order for the developer to make money. The neighborhood was strongly against the size of the plan, and now the developer is saying the project can only be this big with City assistance. He would like to see the City contribution be smaller. Ms. Hill stated that the request is not for \$7 million; it is for \$2.95 million. The Economic Development Authority (EDA) set a 25-year term, but it is anticipated that the District will expire before that time.

MOTION: by Commissioner Ferrington, seconded by Commissioner Peterson to adopt Resolution No. 16-18, finding that the modification to Development District No. 2 and Tax Increment Financing Plan for the proposed creation of Tax Increment Financing District No. 10 (a Redevelopment District) for the mixed-use

Commissioner Ferrington raised the issue of pesticides and establishing safe areas where bees can be kept without being poisoned. She asked if certification would be necessary for licensing and suggested review of a possible ordinance by the University of Minnesota Extension.

Commissioner Wolfe stated that his brother is a professional beekeeper who would say 1/4 acre is adequate for beekeeping. About 60% of his hives die each year due to pesticides. He noted that his neighbor is allergic to bees, and those situations have to be taken into consideration.

Commissioner Solomonson stated that he would want to know more about reasons for swarming and when it occurs. He supports giving notice to neighbors and establishing setbacks from homes. He would like to know whether a fly-way barrier is needed if there is a certain setback. Commissioner Peterson stated there should be a generous policy to encourage beekeeping. He does not see bees as comparable to other undomesticated animals. He would agree to notification but not requiring a written consent from a neighbor. He suggested the Environmental Quality Committee review this issue.

Acting Chair McCool stated that he has three main concerns: 1) safety--what is swarming--how do fly-way barriers work; 2) setbacks on smaller lots will have to locate hives well away from lot lines; and 3) aesthetics--a lot of time is spent on what neighbors see and screening. Bee hives are not attractive and will need screening. If a hive dies, then the structure must be removed. How staff plans to enforce regulations needs to be determined. A certain setback should be required but if close to the neighbor, consent should be given. He suggested someone coming in from the Extension office to meet with the Commission.

Staff will use this feedback to draft a beekeeping ordinance.

ADJOURNMENT

MOTION: by Commissioner Solomonson, seconded by Commissioner Peterson to adjourn the meeting at 8:54 p.m.

VOTE: Ayes - 5 Nays - 0

ATTEST:

Kathleen Castle
City Planner