



**Planning Commission Regular Meeting
City Council Chambers, 2660 Civic Center Drive
Minutes – Wednesday, July 12, 2017 – 6:30 p.m.**

1. Call to Order

Vice Chair Bull called to order the regular meeting of the Planning Commission meeting at approximately 6:30 p.m. and reviewed the role and purpose of the Planning Commission.

2. Roll Call

At the request of Vice Chair Bull, City Planner Thomas Paschke called the Roll.

Members Present: Vice Chair James Bull; and Commissioners Sharon Brown, James Daire, Chuck Gitzen, Julie Kimble and Peter Sparby

Members Absent: Chair Robert Murphy

Staff Present: Community Development Director Kari Collins, and City Planner Thomas Paschke

3. Review of Minutes

a. June 7, 2017, Regular Meeting Minutes

MOTION

Member Gitzen moved, seconded by Member Sparby to approve the June 7, 2017 meeting minutes.

Ayes: 6

Nays: 0

Motion carried.

4. Communications and Recognitions:

a. From the Public: Public Comment to land use on issues not on this agenda, including the 2040 Comprehensive Plan Update

None.

b. From the Commission or Staff: Information about assorted business not already on this agenda, including a brief update on the 2040 Comprehensive Plan Update process.

Community Development Director Collins reported a Walkabout for the HarMar area will be held on July 20 from 4:30 p.m. to 6:00 p.m. Interested residents should meet at St. Rose of Lima church on Hamline Avenue. There will also be an Open House regarding the Transportation Plan on July 20 at 4:30 p.m. Ms. Collins stated she believes it will be held at City Hall, but will confirm the location via email.

City Planner Paschke reminded the Commission on July 24 at 6:00 p.m., they will have a joint meeting with the City Council and requested they provide potential topics for discussion to him.

5. Public Hearing

- a. Planning File 17-009: Request by Rose of Sharon, Inc. to change the Comprehensive Plan (Land Use) designation and Zoning classification on the property located at 23153 Chatsworth Avenue, and to subdivide the property into six townhome lots and a common outlot. Existing Land Use Designation would change from High Density Residential (HR) to Low Density Residential (LR) and Zoning classification would change from High Density Residential-1 district (HDR-1) to Low Density Residential-2 district (LDR-2)**

Vice Chair Bull opened the public hearing for Planning File 17-009 at approximately 6:36 p.m.

City Planner Paschke summarized the request as detailed in the staff report dated July 12, 2017. He reported the applicant, Rose of Sharon, Inc., seeks to change the Comprehensive Plan Land Use designation from the current High Density Residential (HDR) to Low Density Residential (LDR) to allow redevelopment into six townhomes in groups of two units, served by a private drive. The property would be rezoned to Low Density Residential-2 (LDR-2) District in order to support the units per acre. He reported at the Open House Meeting held on May 18, most of the concerns had to do with traffic.

Mr. Paschke reported there is a mix of uses in the area and this type of project has been identified as a need in the City. He highlighted the Residential Area Goals and Policies outlined in the staff report that this requested change in current land use designation would promote and the minimum standards for a subdivision. After hearing from Mn/DOT, some modifications were made which resulted in two outlots instead of one. All the lots meet the minimum standards and setbacks and staff supports the use of the private driveway for access. The applicant is currently working with the City Engineer on stormwater management.

Mr. Paschke advised based on community and neighborhood input, the Planning Division recommends the following for 2315 Chatsworth Street:

- a. The property be re-guided from a Comprehensive Land Use Map designation of High Density Residential (HDR) to Low Density Residential (LDR);
- b. The property be rezoned from an Official Map classification of High Density Residential-1 (HDR-1) District to Low Density Residential-2 (LDR-2) District; and,
- c. Recommend approval of the preliminary six town home plat and two outlot subdivision plat for the property.

Member Daire inquired what the development potential would be under HDR and HDR-2. Mr. Paschke responded under HDR-1, there is a minimum of 12 units per acre, and under HDR-2, there is a minimum of 24 units per acre. The height

maximum would be 45 feet and the natural drainage would be to the southwest corner.

Member Kimble commented the area of the site is very congested and expressed concern regarding accessibility for emergency vehicles.

Applicant

Applicant Representative

- **Brent Thompson, Rose of Sharon/Vanguard Builders**

Mr. Thompson advised they plan to have these units owned, they will have basements, and it will be similar to the project located on Dale Street and Lovell Avenue, with a slightly lower price point.

Member Daire inquired if the townhomes will address affordable housing.

Mr. Thompson responded it will not be subsidized affordable housing, and prices will be in the low \$300,000.

Member Sparby inquired if additional screening is being considered on the sides of the property.

Mr. Thompson responded he is not currently planning on installing a fence. A neighbor to the east has expressed interest in taking down his fence if the proposed trees on the site meet the screening requirements. He explained they also intend to extend the same type of screening that is behind Units 1 and 2 up passed Lot 1 to the north.

Mr. Paschke advised the code would require some type of screen and staff will continue to work on this as it moves forward.

Vice Chair Bull inquired about screening or noise abatement along Highway 36.

Mr. Paschke commented it will be looked at as they move forward in the process.

Member Kimble inquired how many people attended the Open House Meeting.

Mr. Thompson stated there were about 10 to 12 residents in attendance.

Public Comment

With no one coming forward to speak for or against this request, Vice Chair Bull closed the public hearing at approximately 6:52 p.m.

Commission Deliberation

Member Gitzen commented he would support all three staff recommendations.

Member Daire commented Highway 36 appears to be 12 to 15 feet above the foundation line and inquired about sound mitigation.

Mr. Paschke responded there is only a chain link fence in that area. Along most of Highway 36, there is only sound mitigation around Rice Street.

Vice Chair Bull commented it is unusual they are looking to go from a higher density to lower density and it will be right next to a high-density area with no proposed buffer.

Mr. Paschke responded with this property being high density next to low density, it looks more like a medium density development due to the small size of the lot. Staff feels this is a great mix of densities, a great addition to the area, and would provide relief and reduced impacts to the neighborhood.

MOTION

Member Gitzen moved, seconded by Member Daire, to recommend to the City Council approval of a Comprehensive Land Use Plan Map from High Density Residential (HDR) to Low Density Residential (LDR) for the property located at 2353 Chatsworth Street.

Ayes: 6

Nays: 0

Motion carried.

MOTION

Member Gitzen moved, seconded by Member Daire, to recommend to the City Council approval of a Zoning Map Change from High Density Residential-1 (HDR-1) to Low Density Residential-2 (LDR-2) for the property located at 2353 Chatsworth Street.

Ayes: 6

Nays: 0

Motion carried.

MOTION

Member Kimble moved, seconded by Member Gitzen, to recommend to the City Council approval of the preliminary six town home and two outlot subdivision plat for the property located at 2353 Chatsworth Street.

Ayes: 6

Nays: 0

Motion carried.

Vice Chair Bull advised this item will be on the City Council Agenda on July 24, 2017.

- b. Planning File 17-010: Request by Center Point Solutions, LLC in cooperation with IPREP Acquisitions, LLC, to amend Centre Point Planned Unit Development (PUD) Agreement 1177 to expand the permitted uses within the PUD to include multi-story climate controlled self-storage and uses identified in the Office/Business Park zoning district.**

Vice Chair Bull opened the public hearing for Planning File 17-010 at approximately 7:00 p.m.

City Planner Paschke summarized the request as detailed in the staff report dated July 12, 2017. He reported Iron Point Real Estate Partners, LP in cooperation with Center Point Solutions, LLC seek to amend the PUD Agreement 1177 for the property located at 3015 Center Point Drive to allow for a multi-story, climate-controlled, self-storage facility.

Mr. Paschke highlighted the permitted uses within the PUD area per the Agreement and the uses permitted within each building type. He referred to the staff report, which contains a detailed history of previous amendments and difficulties related to tenants relocating into the site as well as limits associated with the development of this property. He stated there is also conflict with what people see on a map and versus the uses in the zoning code. A PUD amendment is one way to memorialize greater flexibility in the types of uses allowed. It will provide consistency with the guiding of the property with the Comprehensive Plan as well as with the specific zoning of the property.

Mr. Paschke reported the self-storage facility would be four stories high, similar in appearance to an office building, and would abide by certain design standard requirements built into the site. It does not require a lot of parking and is a low-intensity use. He pointed out there currently is a day care center in the development, although it is not listed as a use under the PUD Agreement, and a health/fitness center could be considered a use as it supports a hotel use.

Mr. Paschke reported the Planning Division recommends the Planning Commission consider one of the following three options:

- a. Recommend approval of a PUD amendment that would modify the permitted uses on the subject property to include a multi-story, climate controlled self-storage facility, restaurant, hotel, health/fitness center, and day care center.
- b. Recommend denial of the request as suggested uses are deemed not appropriate for the Centre Point Business Park; or
- c. Recommend the Center Point PUD Agreement 1177 be cancelled and direct the Planning Division to undertake a review and modification of the design standards and use table of Chapter 1006 Employment Districts to better support office and business park uses and designs.

Member Kimble inquired if the PUD Agreement governs all the land included in Attachment C of the meeting packet and what other land is available in this area.

Mr. Paschke responded the PUD Agreement covers all that is considered part of Centre Pointe Business Park, excluding Xcel Energy's office building. The Agreement allows for 681,000 square feet of development and the remainder of the Veritas campus is still available for redevelopment, which is another 100,000+ square feet. He confirmed any changes to the PUD Agreement would affect the Veritas site and there currently are not any issues with traffic or parking demand with the development as it relates to parking requirements.

Member Kimble inquired if staff is looking to amend Chapter 1006 Employment Districts.

Mr. Paschke responded it would be part of a PUD cancellation and they would determine if it would need to be expanded or if the uses changed. It would need to be changed if self-storage units are supported. If Recommendation C was selected, they would go through a process to memorialize a new ordinance to cancel the former PUD and accept pre-existing nonconforming design standards, conduct a complete review of design standards, and modify the table to support office business park uses. Mr. Paschke advised it is part of the City Council's agenda to discuss the cancellation of this PUD.

Member Kimble inquired how previous work regarding the new PUD standards relate to this request.

Mr. Paschke commented the new PUD standards adopted in 2015 provide a process and allow for a cancellation.

Member Sparby inquired about the daycare center in the office park and if there are any enforcement mechanisms for uses not allowed.

Mr. Paschke stated when that use was approved, staff had determined it was an appropriate use. Based on the PUD requirements, it is difficult to determine and conclude uses, and staff would like to clear it up.

Member Sparby inquired how long it would take staff to move through Recommendation C.

Mr. Paschke responded Recommendation B would be the quickest, and Recommendations A and C would be similar in timeline and path. Recommendation C would take the longest because it would require working with the City Council to rewrite a new PUD Agreement to replace the existing one.

Member Kimble inquired who the parties would be with the amended PUD Agreement.

Mr. Paschke stated it would have to be discussed with the City Council, but it could include the entire business park or just this particular property. There is remaining

land on the Veritas property they may be interested in selling. If they did this, they would have to reconfigure their existing parking to meet requirements.

Community Development Director Collins stated the strength of a PUD is flexibility in amending it. A holistic approach can be taken and they could either modify the use table and identify whether self-storage is allowed for future parcels, or have an amendment to the agreement that is site specific. Regardless of PUD or office business park status, they need to determine if this use would be an appropriate fit.

Member Kimble inquired if they would be looking at the market in connection with the vision and Comprehensive Plan for Roseville if they were to move forward with Recommendation C.

Mr. Paschke stated they would look at everything. This would also include looking at the old Comprehensive Plan, and other office parks and their uses.

Member Daire commented the self-storage use seems like an odd fit for this particular PUD. While the renderings make it architecturally acceptable, it seems like a strange element for this PUD. This lot has been hard to sell, and because this use came up, it appears they are trying to find a way to make it fit in.

Mr. Paschke clarified the only uses that would be allowed going forward are the ones included in the PUD Agreement. They did not take a strong position on a recommendation because it is a very complicated area, site, and history, and they wanted the Commission to come to a conclusion on one of the three recommendations.

Vice Chair Bull inquired how the Council decided to make this PUD part of its Agenda.

Ms. Collins responded the Council has been made aware of requests to relocate to this development and the required PUD amendments. As the amendment requests started to build up, they decided to look more closely at the PUD. The conversation and recommendation of the Planning Commission could be helpful to the City Council and the action they take.

Member Gitzen inquired if the City Council could cancel this PUD at their meeting.

Mr. Paschke responded they could not cancel it, but could recommend staff begin the process.

Applicant

Applicant Representatives

- **Chris Puchalla, IPREP Acquisitions, LLC, Dallas, TX**
- **Todd Mohagen, Mohagen Hansen Architecture and Interiors, Wayzata, MN**

Messrs. Puchalla and Mohagen introduced themselves and provided a brief overview on the companies they represent.

Mr. Mohagen commented he is very familiar with Centre Pointe Business Park and how it works. He has been involved with 10 climate-controlled self-storage developments and it is a newer trend in development. This project is similar with others because it is near high traffic and highly visible areas near high density housing, office, and retail. The size of this project allows for a lot of square footage in a small area, but does not negatively impact the area. More people are working out of their homes and require storage space.

Mr. Puchalla stated they are developing storage in high density areas across the United States. He provided a history of storage facilities and their users, and how they have changed over the past 30 years. Today it is located in retail and high-density locations and today's user is sourced predominantly by women. It also accounts for 20 to 30 percent use by small business owners and retail businesses. On a national average, an adequately supplied self-storage is seven square feet per capita. The three facilities in a three-mile radius of this site are 30 years old and 95 percent occupied, and there is no storage support in the area for new businesses that come in. Mr. Puchalla requested the Commission consider this use because it supports economic business and growth, aesthetically fits in, and will generate significant tax revenue.

In response to Member Daire, Mr. Puchalla clarified statistically the decision-making process for storage is led by a woman. Eighty percent of business comes from individuals and 20 percent comes from businesses. Storage typically is located within three miles or a 10 to 15-minute drive. Based on the statistics given earlier, Mr. Puchalla advised the area is currently underserved for storage. Storage has become a retail product, and it is ideal to have their facilities in a retail area. Based on the supply and demand in a three-mile radius, this is an excellent location.

Mr. Mohagen stated the product they are proposing is superior in quality to The Lock-Up Self Storage located on Industrial Boulevard.

Member Brown requested to know which three facilities were identified in the three-mile radius and if it included the new Acorn Mini Storage on Cleveland Avenue.

Mr. Puchalla stated he would have to look at the study, but they include everything within three miles. However, having another facility within the three miles would not affect their opinion on this location or the need for the facility. All their facilities are managed by Extra Space Self Storage, which is the second largest in the United States.

Mr. Paschke commented it is possible their study missed Acorn Mini Storage because it was new.

Member Sparby inquired about the price per square foot for storage.

Mr. Puchalla responded it varies, but is about \$17 to \$18 dollars per square foot.

In response to Vice Chair Bull, Mr. Puchalla confirmed this is a fourth-generation facility. It will be a multi-story, climate controlled facility with only interior access. There is no outdoor storage and units vary in size from five feet by five feet to 10 feet by 30 feet. The most popular size is 10 feet by 10 feet, or 100 square feet. The facility includes a staffed small office to provide packing supplies for the consumer.

Public Comment

With no one coming forward to speak for or against this request, Vice Chair Bull closed the public hearing at approximately 8:02 p.m.

Commission Deliberation

Member Gitzen commented he likes how it will fit in architecturally and is not against the use. He is uncomfortable with amending the PUD and supports Recommendation C. This would then address the use of the whole site and provide more options for business allowed as part of the office park and vacant land.

Member Brown agreed with Member Gitzen. Things have changed within the community, changes are being made with the Comprehensive Plan, and it provides the opportunity to look at a better use.

Member Kimble commented she has developed over 12 business parks in her career, it is not unusual for it to take this long to develop, and the last sites are the toughest. The building looks good, the tax analysis sounds positive, but she struggles with the use in this location.

Member Sparby commented he is less concerned with the use and more concerned with how the PUD has been working. Procedurally, there have been different processes applied to different uses, and unpermitted uses have been allowed. He supports Recommendation C in order to cancel the PUD and work with the developers to determine how to move the development forward.

Mr. Paschke clarified Recommendation C supports the proposed use on this particular property by going through the cancellation process of the PUD and adding this specific use to Table 1006-1, along with additional design standards and other uses.

Member Gitzen inquired if Recommendation C guarantees this permitted use will end up in the final result.

Ms. Collins pointed out the PUD cancellation does not presume the land use table will be amended to support self-storage.

Member Daire inquired about the differences between Recommendation A and Recommendation C.

Mr. Paschke commented Recommendation A would support a change specific to this application and site. The PUD would be kept in place, with a modification on what can go on this lot in this business park. The other sites would allow for specific modifications.

Member Daire commented he supports Recommendation A which restricts the change in use to this specific site, and to modify the PUD accordingly. He suggested in the future they discuss a generic approach to PUDs.

Vice Chair Bull stated they cannot look at any use that currently exists as a precedent. He has an issue with the use in the confines of the PUD. He heard from the applicant that self-storage is a retail product, and retail is not a permitted use in this PUD. There is a need for this type of facility and he supports Recommendation C.

Member Kimble commented more thought should be given before including restaurants, hotels, health/fitness centers, and day care centers.

Mr. Paschke stated they feel day care centers, fitness centers, and hotels are appropriate uses for a business parks. They also want to clear up uses that are already there so that if someone else wants to come and open one of these uses up, they are allowed to do so. It creates greater flexibility for what is in the park.

Vice Chair Bull commented it is very appropriate to take a look at this office park and how it relates to the Comprehensive Plan.

MOTION

Member Gitzen moved, seconded by Member Brown, to recommend to the City Council that the Center Point PUD Agreement 1177 be cancelled and direct the Planning Division to undertake a review and modification of the design standards and use table of Chapter 1006 Employment Districts to better support office and business park uses/designs.

Member Daire inquired about the timeframe for Recommendation C.

Mr. Paschke responded it could take two to three months. The soonest it could get back to the Planning Commission would be September. Recommendation A would take five or six weeks.

Vice Chair Bull stated Recommendation A would be an Ordinance change and there are additional publication requirements that are required before City Council approval.

Member Kimble inquired why Recommendation C restricts them to reviewing Centre Pointe against Employment Districts and not other Mixed Use Districts.

Mr. Paschke stated there is an applicant seeking action on a specific site with an application that they need to take action on and the Comprehensive Plan will not be

approved through the Metropolitan Council for another year. It can be talked about as a possibility in the future, but they cannot hold up the applicant.

Member Daire stated he sees Recommendation A as a more pragmatic solution and Recommendation C more in line with the Comprehensive Plan and land use designation and rezoning.

Member Gitzen commented reviewing the PUD and its appropriate uses can happen in a timely manner.

Ms. Collins pointed out the Alternative Actions identified in the staff report, which includes tabling to allow for more clarity, analysis, or information. Additional information and clarity could be available after the Council discusses this item on July 17, and it could be discussed at the joint Council meeting on July 24.

Member Kimble inquired if our recommendation as a Planning Commission is to cancel and direct the Planning Division to undertake a review solely for the purpose of amending the zoning such that it would allow this use anyway, then why would they not just vote on the action to support the use this evening.

Ayes: 5

Nays: 1 (Daire)

Motion carried.

6. Adjourn

MOTION

Member Daire moved, seconded by Member Gitzen adjournment of the meeting at approximately 8:29 p.m.

Ayes: 6

Nays: 0

Motion carried.