

## PLANNING COMMISSION MINUTES - CITY OF INVER GROVE HEIGHTS

Tuesday, November 18, 2014 – 7:00 p.m.  
City Hall Chambers - 8150 Barbara Avenue

Chair Hark called the Planning Commission meeting to order at 7:00 p.m.

Commissioners Present: Armando Lissarrague  
Joan Robertson  
Annette Maggi  
Paul Hark  
Pat Simon  
Tony Scales  
Harold Gooch  
Bill Klein  
Dennis Wippermann

Commissioners Absent:

Others Present: Tom Link, Director of Community Development  
Allan Hunting, City Planner

### **APPROVAL OF MINUTES**

The minutes from the November 5, 2014 Planning Commission meeting were approved as submitted.

### **IMH SPECIAL ASSET 175-IGH, LLC – CASE NO. 14-34PA**

#### **Reading of Notice**

Commissioner Simon read the public hearing notice to consider the request for a Comprehensive Plan Amendment to change the land use designation on the northeast corner of the site from MU, Mixed Use to LMDR, Low-Medium Density Residential, for the property located at the northeast corner of the intersection of Highway 3 and County Road 26. 14 notices were mailed.

#### **Presentation of Request**

Allan Hunting, City Planner, introduced Brad Scheib, the consultant who wrote the planning report.

Brad Scheib, HKGI, 123 North Third Street, Minneapolis, explained the request as detailed in the report. Mr. Scheib advised that the comprehensive plan amendment request was for a portion of the 40 acre parcel on the northeast corner of South Robert Trail and 70<sup>th</sup> Street. He summarized the planning efforts for the Northwest Area, stating they looked at creating an alternative development pattern that would preserve more open space to allow for infiltration. In doing that, the City looked at various different land use patterns to try to achieve a diversity of housing types and enough density to support financing strategies for public sewer and water services in the Northwest Area. The challenge the City faces on a number of projects is that the market has changed and the larger driver of today's market place is single-family residential. The challenge is that if the City keeps pushing that down the road at some point they are going to have a hard time balancing the economics. In regard to this specific request, the applicant is proposing to develop 16 acres in the northeast portion of the 40 acre parcel with single-family homes. The remainder of the property would be retained as Mixed Use, which was originally assumed here. One of the reasons this area was identified as mixed use was to establish a neighborhood hub that integrates higher density residential uses with neighborhood commercial services. The property is located on two major road corridors with heavy traffic volumes which could accommodate some level of

neighborhood retail. The properties to the north and east are designated as medium density residential, such as an attached product or small single-family. If the subject property were to be re-guided to single-family, challenges would be created for future developments coming in; it would either create a donut hole of low density residential or continue to compound a financial challenge. The applicants are showing a concept of how this property might develop with the single-family residential, as well as stack apartments and attached townhouse products, which would ultimately exceed the original density the City had assumed. They are also retaining 5,000 square feet of retail whereas the City had assumed 40,000 to 100,000 square feet of retail. The challenge is that the marketplace today does not support that. The proposal would start generating revenues which would help pay back the debt that was incurred to provide services, but at the same time would diminish the opportunity to provide commercial services at this major intersection. Staff believes it is important to retain the mixed use guiding both for land use reasons as well as the infrastructure financing assumptions.

Mr. Hunting advised that staff is concerned about the change in density and recommends denial of the request.

Chair Hark stated that the proposal seemed to be fairly close to what was recommended by ULI for this specific site.

Mr. Hunting explained that when the City had ULI do the housing analysis, one portion of that was that they would look at one specific parcel to evaluate development patterns. This site was chosen. ULI looked at it in the short term; however, the concern is that the City needs to look long-term.

Chair Hark stated the applicant's proposal was very similar to the comprehensive plan.

Mr. Hunting replied they are close in the sense that they left the mixed use on the perimeter; however, they are proposing single-family on what staff feels is the prime developable area, which should have a higher density.

Mr. Scheib advised that another issue with the proposed development pattern was the potential for them to request a less intense use on the other parts of the parcel, as well as making it more likely that the parcels to the north and east would want to be single-family also.

Commissioner Scales advised that in his opinion developers should be responding to the current market, especially since it may not change. He stated that with the amount of retail sitting vacant in the City, he did not believe any additional retail was needed at this point. He asked if the City would prefer to have the land sit vacant until the market turns.

Mr. Link replied that housing patterns typically change every five years and he would be surprised if single-family would be the preferred land use in the coming decades. He noted that ten years ago there was a market for townhomes, then the recession hit and nothing was being built, and now there is a demand for single-family.

Commissioner Scales stated that when townhomes were popular we built townhomes and now that the market calls for single-family he thinks that is what should be built.

Mr. Link advised that the City has to ask itself if single-family would be an appropriate use in the long term for this busy intersection.

Commissioner Robertson asked for clarification that staff was concerned that approval of a single-family development in this area would increase the potential for the areas north and east of this

property to also seek to be single-family, and that having too much single-family would make it difficult to recoup the costs of sewer and water infrastructure.

Chair Hark replied in the affirmative, but noted that financial considerations were the purview of the City Council rather than the Planning Commission.

Commissioner Lissarrague asked how much of the retail space near Target was vacant.

Mr. Link replied there was only one tenant at this point.

Commissioner Klein advised he was in favor of the request, stating the higher density area was at the corner of South Robert Trail and 70<sup>th</sup> Street with a housing development tucked back in.

Chair Hark stated that while he understood staff's concerns, he also agreed with Commissioner Scales that they should respond to what the market was demanding.

Commissioner Robertson stated that if single-family homes were an attractor to the City she wanted to put some weight on that.

Commissioner Simon asked for clarification that one of the City's concerns was that single-family homes, infrastructure, roadways, etc. would come in, but it may be years before the mixed use occurred.

Mr. Link replied that single-family development could start paying some of the connection fees now; however, it may make mixed use and multiple family residential harder to do later on and result in lost connections over the long run.

Commissioner Gooch stated that through his years on the Planning Commission there have been many instances in which people have invested in single-family homes and then are unhappy when a multiple-family project is proposed next to them. He is concerned about the potential for that to happen in this instance.

Commissioner Klein stated the developers would have to make it very clear that the abutting property was zoned for apartment buildings.

Commissioner Wippermann asked if mixed use included single-family housing.

Mr. Hunting replied that typically mixed use would be intended for a higher density, with perhaps a small component of single-family.

Mr. Scheib advised that his concern is that if the City starts to develop in this pattern, they may lose the opportunity to do the greater density.

Commissioner Wippermann stated that although alterations may be made occasionally to a comprehensive plan when market conditions change, sometimes it is worthwhile waiting to get what you want the community to look like. He advised that although he was an advocate of single-family homes, he was concerned about losing the opportunity for mixed use in the future.

Commissioner Klein stated he was confident that this area would develop, and that this would be a good place to start.

Commissioner Robertson stated she was concerned about holding onto land for potential retail space when so many existing retail spaces near 80<sup>th</sup> Street and Robert were vacant.

Mr. Link replied that planning staff and HKGI believe there is a need to revisit land use in the Northwest Area in the next few years. The land use pattern shown in the comprehensive plan was established about 10 years ago and there have been many changes in the transportation planning since then. Robert and 70<sup>th</sup> Street is anticipated to be a very busy intersection, and heavy traffic is expected on Argenta Trail as well. If this proposal is set aside staff will continue to look at more intense development at this corner and may ultimately consider a reduction in retail and the addition of density elsewhere on parts of Argenta Trail.

Chair Hark asked if it was accurate to say that density would essentially be increased if retail was reduced.

Mr. Link replied that the financial calculations used one formula for residential connections and another for retail. Therefore, comparing commercial connections to residential was somewhat like comparing apples to oranges.

Mr. Scheib advised that the land use plan being proposed does not negate the ability to have commercial.

Commissioner Klein asked for clarification that with a mixed use designation there were many options for the remainder of this parcel, including commercial, multi-family, etc.

Mr. Link replied that this proposal would start limiting the options because the remaining mixed use area was small and narrow, which would make development difficult, and also the single-family homes would result in built-in opposition to a higher use going onto the remaining mixed use area.

Commissioner Klein asked how much of the 40 acres would remain as mixed use.

Mr. Scheib replied that approximately 60% would remain mixed use. The assumptions in the land use plan refer to mixed use being two-thirds residential and one-third commercial.

Commissioner Klein stated that with a mixed use designation there were no guarantees there would be any commercial; it could all be apartments.

### **Opening of Public Hearing**

Tom Goodrum, Westwood Professional Services, 7699 Anagram Drive, Eden Prairie, advised that he was representing the applicant and was available to answer any questions.

Chair Hark asked Mr. Goodrum if he read and understood the report.

Mr. Goodrum replied in the affirmative. Mr. Goodrum addressed some of the previous comments. He stated they are bringing forward a proposal that meets the City's requirements for the site; they are meeting the density allotments and are proposing several housing types. They are talking with Dakota County, who is interested in the site for potential apartment-type housing. The land use plan shows three corners of this intersection guided for mixed use, yet no one has come in yet with a plan, so there are many remaining opportunities for mixed use. The southwest corner is guided low-medium density, which is what they are proposing. He advised that the roundabout planned for the corner of this half intersection would be located on the subject property. For that roundabout to occur the City would either have to take it from them or development would have to occur on this property for them to dedicate the land for the roundabout, as well as the widening of 70<sup>th</sup> Street and South Robert Trail.

Chair Hark asked for clarification that the roundabout would not be square to the intersection.

Mr. Goodrum replied in the affirmative. He advised that the drainage and utility easements currently come to their south property line, ready to be extended to the rest of the Northwest Area to serve future development. That does not go through unless this property gets developed and easements are provided. A north-south collector street is also being proposed, which the City is looking for. In regard to commercial, due to the proposed road realignments and how the site is laid out, there is limited commercial access off 70<sup>th</sup> Street. The only other access for commercial for this site is 2,000 feet north of their property, which they would not have control of. They believe that the small commercial piece being proposed is all this site could handle. Regarding the ULI report, he advised that the Urban Land Institute is a non-profit organization made up of local experts in the field of planning, finance, development, and land use regional planning that helps serve communities. Mr. Goodrum distributed an appendices of the ULI report, which was a one page summary of the ULI report specifically for this site. In that summary they state it would likely be 20 years before the City sees the type of development that they are proposing. They also state they should start with single-family. In regard to the concerns that this will open up the flood gates for single-family, they do not see it that way but rather more as a standard transition of land use within a community. As far as the concern regarding single-family creeping to the east and north, Mr. Goodrum stated that could not occur as they are restricted by the existing lake to the east and the road alignment to the north.

Tim Keenan, 7001 North Scottsdale Road, Scottsdale, AZ, stated they have four builders looking at the single-family portion of this project. Dakota County helped him plan out this area for workforce housing and at future hearings he will bring a representative from Dakota County to discuss their support of this project. They were asked to show at least 230 residential units; they are showing 290 units. He has users that want to build this project in order to fill the commercial area by Target. He advised that he only recently found out that staff was not recommending approval of their proposal and he would prefer not to move forward like that. He advised that he planned to work with staff to come together as a team before going to City Council.

Chair Hark closed the public hearing.

### **Planning Commission Discussion**

Chair Hark stated he was in favor of the request and wanted to get development started, was concerned about the potential for development to leapfrog over this area, was aware that the market demand was for single-family, and saw only a minimal difference between the concept plan and what the comprehensive plan was suggesting.

Commissioner Lissarrague stated that the comprehensive plan should be flexible enough to respond to current situations and market demands. He noted that residential has done well in Inver Grove Heights while commercial has struggled. He supported the request and hoped the additional residential properties would support the retail area at 80<sup>th</sup> and Robert and reduce the amount of vacancies.

Commissioner Klein stated he was in favor of the request, especially since water and sewer was already stubbed to the property entrance.

### **Planning Commission Recommendation**

Motion by Commissioner Klein, second by Commissioner Scales, to approve the request for a Comprehensive Plan Amendment to change the land use designation on the northeast corner of the site from MU, Mixed Use to LMDR, Low-Medium Density Residential, for the property located at the northeast corner of the intersection of Highway 3 and County Road 26.

Motion carried (8/1 - Simon).

Mr. Hunting advised that this item is scheduled to go to City Council on December 8; however, it may be delayed as the applicant has indicated he would like further discussion.

Chair Hark asked if there were any time concerns.

Mr. Hunting replied that the applicant would need to give staff permission to extend the second 60 days.

Mr. Keenan advised that he would like to have further discussions with staff to work towards a recommendation of approval. He understood this may take some time and he was agreeable to that.

Chair Hark asked if the applicant could ask for an extension outside of this hearing.

Mr. Hunting replied in the affirmative.

## **OTHER BUSINESS**

### **Election of Planning Commission Chair**

Chair Hark advised that he was resigning as Chairman and he opened the floor for nominations.

Motion by Commissioner Simon, second by Commissioner Wippermann, to nominate Annette Maggi for Chair of the Planning Commission.

Motion by Commissioner Maggi, second by Commissioner Gooch, to nominate Tony Scales for Chair of the Planning Commission.

Motion by Commissioner Lissarrague to nominate Bill Klein for Chair of the Planning Commission.

For lack of a second, Commissioner Lissarrague withdrew his nomination.

Motion to elect Annette Maggi as Chair of the Planning Commission carried.

The meeting was adjourned by unanimous vote at 8:07 p.m.

Respectfully submitted,

Kim Fox  
Recording Secretary