

PLANNING COMMISSION MINUTES - CITY OF INVER GROVE HEIGHTS

Tuesday, June 15, 2021 - 7:00 p.m.
City Council Chambers - 8150 Barbara Avenue

CALL TO ORDER

Chair Niemioja called the Planning Commission Meeting to order at 7:00 p.m. The Pledge of Allegiance was recited.

Commissioners Present: Elizabeth Niemioja
Robert Heidenreich
Dennis Wippermann
Pat Simon
Scott Clancy
Joan Robertson
Jonathan Weber
Anthony Scales
Kate Challeen

Others Present: Allan Hunting, City Planner
Heather Botten, Associate Planner
Kim Fox, Community Development Specialist
Heather Rand, Interim City Administrator/Community Dev. Director

APPROVAL OF MINUTES

The Planning Commission meeting minutes for May 18 and June 1, 2021 are not yet available. They will be distributed at the next meeting.

APPLICANT REQUESTS AND PUBLIC HEARINGS:

KEEHUN NAM - CASE NO. 21-38V

Reading of Public Notice

Commissioner Simon read the public hearing notice to consider the request for a variance from the shoreland setback for a deck addition for the property located at 4709 Babcock Trail. Notices were mailed to three property owners.

Presentation of Request

Heather Botten, Associate Planner, explained the request as detailed in the report. The proposed deck encroachment does not appear to have an impact to the shoreland. A deck is not considered impervious surface, putting patio or shard surface underneath would be considered impervious surface. Staff does not believe the deck improvement would alter the character of the neighborhood. Looking at other homes around the lake, several have encroachments closer to the body of water within shoreland setbacks than what this 5-foot encroachment would be. Based on information in the report and the two conditions listed, Staff recommends approval of the setback variance. Staff has not heard from any of the surrounding property owners.

Opening of Public Hearing

Keehun Nam, 4709 Babcock Trail, stated he has read and understands the report.

Commissioner Simon inquired about a riparian lot.

Ms. Botten responded it means directly abutting water.

Chair Niemioja closed the public hearing.

Planning Commission Recommendation

Motion by Commissioner Weber, second by Commissioner Scales, to approve the request for a variance to allow a deck to encroach within the 75' shoreland setback, for the property located at 4709 Babcock Trail, with the two conditions and rationale listed in the report.

Motion carried (8/1 - Simon). This item goes to City Council on June 28, 2021.

CHRIS ENSTROM - CASE NO. 21-35V

Reading of Public Notice

Commissioner Simon read the public hearing notice to consider the request for a variance to allow a porch addition to encroach into the rear yard setback for the property located at 6506 Arctic Court. Notices were mailed to six property owners.

Presentation of Request

Allan Hunting, City Planner, explained the request as detailed in the report. As Staff reviewed the report, they noted this lot is one of the shallowest lots along Arctic Court and in the subdivision. Due to its configuration around the cul de sac, it's about 20 feet narrower than most of the other lots in the subdivision and has less of a rear yard to work from. That is a unique physical constraint and a practical difficulty. He noted:

- This doesn't prevent someone from doing an addition that falls within the setbacks. The deck only has an eight-foot required setback. That isn't the issue, it is only the part of the porch.
- This is one of the first few in Argenta Hills.
- These are the smaller lots. There is concern of a precedent of approving variances on smaller lots in this part of the city. There are going to be some constraints on future additions on those lots.

Staff brings the possibility of the practical difficulty for the narrower/shallowness of the lot as a possible approval for the Planning Commission to consider.

Commissioner Robertson understood the rationale of the applicant. She said the Planning Commission has continually had conversations about the possibility of individuals knowing the size of their lot when they bought it. Then there is the possibility of requesting variances and the precedence that potentially creates. Given that this lot is unique in its narrowness, it might be reasonable to consider a variance even though when these were built, they were cognizant of the fact they would carefully consider any requests for variances due to the precedence they would set. She asked the City Planner if he could see this request being open for a variance or if they are setting a precedence.

Mr. Hunting responded the bigger concern with narrower lots was that people would try to add on to the sides as opposed to the rear yards. In most cases rear yards have enough room for additions. This one is unique in the way it was created at the end of a cul de sac, it was narrower. The lot behind it is open rear yard. It's not directly impacting the lot owner it abuts. He stated this one likely has enough unique characteristics to it.

Chair Niemioja clarified that there was still space on this piece of property within the confines that would not require a variance.

Mr. Hunting responded in the affirmative. There is still a backyard behind this. The rear yard

setback doesn't abut the back of the house.

Commissioner Heidenreich stated the porch is going to be considered impervious and the Applicant has a large driveway and a structure. He questioned if they were exceeding the amount allowed.

Mr. Hunting responded he was unsure. The Engineering Department has a process to allow that to occur and would have to address it with some other stormwater management on the lot.

Commissioner Robertson asked the Applicant if they considered altering the size of the deck and porch.

Commissioner Weber referenced the diagram provided by the Applicant and asked for the difference between the offset versus the lot setbacks that were generated when the PUD was set up. He asked if they approved any other different setbacks for the development when originally approving this development.

Mr. Hunting responded the dash lines on the diagram are easement lines for perimeter drainage and utility easements. There is a deeper rear yard utility easement.

Opening of Public Hearing

Chris Enstrom, 6506 Arctic Court, read and understood the report. He displayed photos for the Commission to view. Without a variance, the porch would be 8 feet deep. The variance they were looking for as stated in the packet was originally six feet deep, but with further examination it was actually 8 feet. There is very little impact to light and neighboring properties. A photo was displayed of 6511 Arctic Way that depicts exactly what the Applicant was requesting, a covered porch to be used seasonally with a deck next to it. That property has the benefit of having a deeper lot. Compared to his lot, there is a difference of at least 20 feet. If his lot were eight feet deeper, he wouldn't be here today. What he is requesting has been done in other instances, in the same development. Addressing the precedent, the depth of the deck/porch he is requesting is 16 feet. He did an informal poll on the neighborhood Facebook page and most of the decks in that development built today are roughly 16 feet. He didn't believe he was asking for anything abnormally deep. If looking at the land, the rear setback intent is to not have two homes that abut each other at the back, to have structures that are too close together. The home behind him is turned and 30 to 40 yards to the east. He is hopeful the Commission will approve the variance.

Commissioner Heidenreich referenced the first image Mr. Enstrom put up and noticed what looked like a shadow on the right-hand side of the structure.

Mr. Enstrom responded that was the garage and the overhang from the second story.

Commissioner Heidenreich asked about a survey and if it was a proposed plan or the actual survey for this property. It doesn't show that as the back lot line appears to be perfectly straight. He commented the survey doesn't match up with the picture he is displaying. On the back of the original survey from 2018 the house is shown as a 56-foot house with nothing sticking out on the back. The house in the image is slightly different.

Mr. Enstrom responded the picture was taken facing west. The purpose of the photo was to show there is no other structure immediately behind the home. It has private land behind it but not private structures.

Commissioner Robertson asked when purchasing the property and the home, if he was aware of where the setback line was.

Mr. Enstrom responded he did not.

Commissioner Robertson requested more information.

Mr. Enstrom responded he is not an Engineer and was given an original drawing. He didn't take the time to interpret all the elements in the drawing.

Commissioner Robertson asked now that there is an awareness of where the setback line is, if he considered reducing the size necessary to have it comply with the setback line he now knows is there. She asked if he had considered a different breaking point that would encroach less into the area. For example, 10, 12, or 14.

Mr. Enstrom responded he did, an eight-foot porch wasn't worth the effort. He had not considered other sizes.

Commissioner Heidenreich asked what the maximum impervious surface allowed in this area was.

Mr. Hunting responded different maximums were approved for different developments. He doesn't recall at this time. There is still the process of the Building Permit Review, impervious would be checked at that time. If there is an issue, Engineering would address any additional stormwater if needed.

Chair Niemioja closed the public hearing.

Planning Commission Discussion

Commissioner Scales said this exact discussion was had when this development came through. It concerns him to start the process with these coming in. He understands the request, it's a reasonable use. Going back over the history and remembering the conversations had in the past make him struggle with the request. He would not support it.

Commissioner Robertson concurred with Commissioner Scales. She recalls how extensive those discussions were, not only in this development, but across the northwest quadrant. They had in many instances, agreed to decrease setbacks as part of the development plan. Concessions were already made around setbacks. It was discussed that the responsibility and awareness of setbacks had to rest with the owners. This Commission was concerned that creating additional setbacks could create a tumbling affect that caused concern.

Chair Niemioja recalled those discussions and has had them with a number of homeowners in the area when it came to knowing the restrictions on the property. It's hard knowing everything that comes with it, but is part of the problem. What is nice with this property is there is space to do other things.

Commissioner Challeen commented the proposed porch and deck is consistent with other homes in the neighborhood and abuts against property that is unlikely to be built on. The variance seemed reasonable to her.

Commissioner Clancy thought of another development recently approved nearby with smaller lots and the concern of citizens coming forward with variance requests knowing smaller lots bring challenges and preconditions when purchasing the home. He believed in this case, there is the requisite level of variance request uniqueness that he could support and defend if asked why in the future. He believes he could defend this at a future date for granting this variance.

Commissioner Simon said within the report there is a comment that says "the reasonable use of the

property is with this home, and a deck or porch addition is not guaranteed with the home". When purchasing a home due diligence is needed by the homeowner to look at the setbacks and other items before spending money on a home, lot, or property. She has been on this Commission for a while, when originally beginning to do smaller lots there were decks and porches being requested with variances. Some were granted and some were not. She was one of the Commissioners that said as they keep passing smaller lots, no more. Because there is reasonable use on this property, she would have to vote no. She cannot in good conscious agree to vote yes.

Commissioner Weber understood where the Applicant was coming from. Looking at the neighborhood this one house is differently shifted than all of the rest. He checked the Dakota County website and surrounding homes in the area, what is perceived as their lot is not their lot, and the drainage easement was deeper than he assumed it would be. This one lot in the neighborhood looks out of character to him. He said he wouldn't hesitate to make a Motion to approve because the characteristics of the lot are different from the rest of the neighborhood. It was an unfortunate circumstance, but felt what the homeowner is trying to do with their land is reasonable. If the home were moved forward six feet to be more in line to the home to the east, they would not be here for the request. He commented he could find a reason to approve this one out of this neighborhood.

Chair Niemioja stated the Commission is dealing with a slippery slope and that is always the problem. In this case, there is an exceptionally shallow lot. There have been instances within this neighborhood that the Planning Commission has denied.

Planning Commission Recommendation

Motion by Commissioner Weber, second by Commissioner Clancy, to approve the variance for the 22-foot setback with the two conditions listed and the practical difficulty being that the setbacks on this lot, in this neighborhood, define some of the issues the Applicant is having with the porch for Case No. 21-35V.

Motion fails (4/5 - Simon, Robertson, Heidenreich, Wippermann, Scales). This item goes to City Council on July 12th.

Mr. Hunting stated the correct date for the City Council meeting is June 28th.

ALLIANT VENTURES VIII, LLC - CASE NO. 21-37VAC

Reading of Public Notice

Commissioner Simon read the public hearing notice request consisting of a vacation of easements to vacate the existing drainage and utility easement that lies between Lots 3 & 4, Block 7, Scenic Hills First Addition. Notice was mailed to one property owner on June 3rd.

Presentation of Request

Allan Hunting, City Planner, explained the request as detailed in the report. He advised that the Developer proposes to vacate the internal drainage and utility easements and combine the two lots together after reworking some of the grading. A new Developer has taken over the project from the original. This Developer would like to combine the two lots to make a more buildable area. It would be an Administrative Subdivision Approval to allow. Engineering does not have issues with the request. There will still be regular perimeter drainage/utility easements around it. Staff recommends approval of the vacation request as presented.

Commissioner Weber asked if there was a reason why they wouldn't balance the rear setbacks.

Mr. Hunting assumed that was done on purpose based on the stormwater design.

Opening of Public Hearing

There were no comments.

Chair Niemioja closed the Public Hearing.

Planning Commission Recommendation

Motion by Commissioner Scales, second by Commissioner Robertson, to approve the vacation of the easements for Alliant Ventures VIII, LLC. - Case No. 21-37VAC that lies between Lots 3 & 4, Block 7, Scenic Hills First Addition, along with the condition: The lots shall not be combined, or a permit issued for a home until the vacation of easements has been approved by the City Council and recorded with Dakota County.

Motion carried (9/0). This item goes to the City Council on June 28th.

BUILDERS LOT GROUP - EAGLES LANDING- CASE NO. 21-32S

Reading of Public Notice

Commission Simon read the public hearing notice for property located at 2655 70th Street. The request consists of a final plat for an 11 lot, 1 outlot plat to be known as Eagles Landing. Notices were mailed to 25 property owners on June 3rd.

Presentation of Request

Heather Botten, Associate Planner, explained the request as detailed in the report. The preliminary plat was approved with 16 conditions. The final plat review was reviewed against those 16 conditions. Key conditions include:

- Final plat is similar to the preliminary plat.
- There were variances for lot width on two lots.
 - Currently down to one lot width variance.
- Park Dedication fees would be collected at the time of final plat release. (Not paid for at this time).
- There were concerns about noises from North Valley Park. (Possible pickleball noises carrying over).
 - Applicant would be disclosing to all potential buyers that noises are a possibility to be fully aware of.
- Applicant is working with the Engineering Department on final grading and stormwater approvals.

There was an error in the report with a wrong number for what was required for tree replacement. What is required for tree replacement is the equivalent of 404 caliper inches.

- Tree Preservation Plan complies with those requirements.

She stated it was mentioned there was a need for 10 additional trees to comply with subdivision requirements. After the report was done, a revised landscaping plan was submitted that meets requirements. Additional trees were added that the Developer would put in. There are two sets of landscape plans. One has plans the Developer would be putting in, the other is what the Builder would be putting in.

- Final Plat is subject for review by Dakota County.
- Dakota County has reviewed the final plat and approved the plat as submitted, and the access point to 70th Street.

Planning and Engineering recommend approval of the final plat. There are three conditions listed, but wanted to add one additional condition that Park Dedication fees would be required at the time of plat release. Surrounding neighbors were notified of the meeting with no responses back.

Commissioner Clancy asked if Staff received any comments on the traffic study.

Ms. Botten responded they did not receive comments.

Commissioner Wippermann referenced Diagram C8.00, the section referring to Development Summary. He wanted to confirm some of the numbers such as the average lot size being 14,000+ square feet. Minimum lot size 11,000+ square feet. Setbacks for front yard 30, rear yard 30, side yard 10. He questioned if the distance between houses would be at least a minimum of 20 feet.

Ms. Botten responded that is the information the Applicant has. Code requires a side setback for the R-1 District. This isn't a PUD for approving setbacks. Code would allow a 5-foot setback for a garage and a 10-foot setback for living space/space/principal structure.

Commissioner Wippermann asked if the minimum would be what the Code standard was.

Ms. Botten responded this is an R-1 development. R-1 Code allows for a five-foot setback for a garage.

Opening of Public Hearing

Steve Soltau, Builders Lot Group, Eden Prairie, read and understood the report. He thanked Associate Planner Botten for the comprehensive presentation. The final plat is in conformance with the preliminary plat, small improvements were made.

Commissioner Wippermann asked what the price range for homes would be.

Mr. Soltau responded that information is unknown, the price ranges change constantly. They sell the lots to builders; the builders sell to end buyers. Those prices have been increasing with the market.

Commissioner Robertson asked if they anticipate delays with receiving materials.

Mr. Soltau responded they do not. They have builders anxious to bring this project forward. The project is sold out to builders. They have worked with the builders in the past. They have been able to maintain production and have inventory product. The builders seem confident to be able to move forward on the path they are on.

Commissioner Clancy referenced Condition #3, Noise Mitigation, regarding pickleball and the nearby park. He asked if there was any review done to look into natural sound mitigation plans beyond what was previously shown.

Mr. Soltau responded they did a lot of analysis early in the process. Many studies were done in southern climates. They are enthusiastic about being adjacent to the park. They believe those coming to the homes see this as a benefit. They will know and understand there will be noise associated with the activity. Orientation of the courts is favorable. They are doing what they can to retain existing vegetation. Their landscaping plan requires the addition of trees. Being in the northern climate, there is the benefit of better insulated windows and walls. Similar to living by a lake or golf course, living by a park would be a choice and attraction to those choosing to buy here.

Commissioner Challeen asked about mitigation measures to prevent erosion.

Mr. Soltau responded there is best practices implemented with any development project. They changed the storm management plan with this project and will go to a filtration system.

Dwayne Sikich, Builders Lot Group, Eden Prairie, responded in this case, they would be erosion control blanketing a considerable amount of the site. After grading, during grass, and moving forward with home construction.

Chair Niemioja closed the public hearing.

Planning Commission Recommendation

Motion by Commissioner Clancy, second by Commissioner Simon, to approve the final plat for the Eagles Landing Subdivision subject to the three listed conditions with the inclusion of the fourth addition stated by Staff, to have the Park Dedication Fee paid out with submission.

Motion carried (9/0). This item goes to the City Council on June 28th.

LENNAR MULTI FAMILY COMMUNITIES - CASE NO. 21-34PA

Reading of Public Notice

Commissioner Simon read the public notice for property located at Outlots C and D, Argenta Hills. The request consists of a Comprehensive Plan Amendment to change the land use from R-C, Regional Commercial, to HDR, High Density Residential. Notices were mailed to 142 property owners on June 3rd.

Presentation of Request

Allan Hunting, City Planner, explained the request as detailed in the report. There has been a history of past proposals on this site. In 2017 there was a proposal over the two outlots for a 400-unit, two building project. Council denied that in January 2018. With a new Developer in 2018 there was a proposal on the west 10 acres of the site with a 220-unit development. Outlot C would remain commercial. The City Council conditionally approved that application pending site plan approval. No site plan was ever submitted/approved with the application. There are policies from the housing chapter identifying some of the needs and different types of housing. Discussion this evening is just for land use, not site plan. If successful, they would come back and submit PUD plans that include details of the site plan which would be reviewed through a public hearing process. Staff continues to support the changes due to:

- Commercial is slower than it once was.
- There have not been applications for any other commercial for the site.
- Additional rooftops in the area would generate more:
 - Retail service demands
 - Be important for Target
 - Fill up the other vacant spaces
 - Build on the empty lots
 - Provides a mix of housing for the city
 - Connection fees and tax base would be higher with a multi-family project than it would with retail.

Staff recommends approval of the Comprehensive Plan change with the items listed. Included in the Commission packets were multiple emails and additional ones that were submitted separately. There were two or three more this evening. There have been numerous comments from residents on this application.

Chair Niemioja requested an update on parks for the area.

Heather Rand, Interim City Administrator/Community Development Director, responded about parks in the northwest area stating the city currently has an Interim Parks and Recreation Director, Bob Bierscheid, who is retired from the City of St. Paul. There is an Interim because they are waiting to hire a City Administrator. When that position is filled, that person would help hire the new Parks and Recreation Director. Prior to Mr. Bierscheid's start with the department, there was Interim Parks and Recreation Director Jon Oyanagi, who was also retired and worked for Ramsey County as Director of Parks. Both Interim's have looked at the park opportunity for this site and spoke with the development team. They also looked at adjacent land to try to determine if there was park potential there. Both Interim's, along with the Park and Recreation Commission, do not see park potential at this site with the reasons being:

- The proximity to the other park the city has already acquired. Known as Northwest Area Park #1. Located on Argenta Trail, west of the location. It is a little over eight acres.
 - A Consultant was hired to come up with concepts along with neighborhood input.
 - Hope to have a concept by the City Council's July 12th meeting.
 - Closer to a new park name.
 - Bid out the project.
 - Goal to begin construction on the park, September 2021.
 - A Grant from the State of Minnesota for \$415,000+ has been awarded to develop the park. These funds need to be spent by June 30, 2022.
- Also closest to this project is Item #4, Peltier Reserve.
 - Two lots have been carved out for a "pocket park". Amenities unknown at this time.
 - Under 2 acres.
 - Final plat will be coming before the Planning Commission for consideration soon.
 - Developer wants to move forward and do some grading this year.
 - As the plat goes through the approval process, they would like to move forward with the park development.
 - This Park will be connected by trails to Park #1.
- Item #5. Fleming Land.
 - In discussions with a Developer who already has a presence in the area for single family homes.
 - Size of park is unknown.
 - If this continues to move forward the Developer agrees the park be located in the southwest corner due to the ability to connect to other parks in the area.
- Park #3. Riley Family Property.
 - Park over four acres.
 - Has not been dedicated yet. Received letters stating the owners are interested.
 - Want to ensure the ability to connect to other proposed parks by trails and sidewalks.
- #2. Cole Land.
 - Initial discussions have been had about acquisition. Not as far along because there are not strong development proposals for plats in that area.
 - Landowners have indicated an interest in the future.
 - The County is in discussions about trails through those sites.

The Interim Parks and Recreation Directors do not see this site as a park site for the following reasons:

- The city needs the development fees for this site to pay for the parks just listed.
- Parks are well spaced out with connectivity.
- Having another pocket park in this location doesn't make sense.
- Tenants of the proposed development are not high users of parks.
- Would have a clubhouse on the site.
- Not a lot of children living there based on the mix of tenants.

It was stated it was not a good park site if looking at the Traditions land and acquiring that for a

pocket park. Farther northwest has challenging topography. Due to location, it could be more vulnerable to crime in the evenings due to lessened visibility.

Chair Niemioja questioned the access for Park #1 and asked about a tunnel.

Ms. Rand responded a tunnel is not in the current plan, but over the years is something they could work towards. Currently, they would like to get the amenities set up. There will be major changes on Argenta Trail as development continues in the area. This summer the County is going to hire a consultant to conduct a public process for input. The city would be advocating for traffic measures and believes there will be changes over time. Currently, there is not a proposed underpass or overpass in the park, but hopes the Community would advocate for that in the future.

Commissioner Weber addressed the crime issue stating he would consider it to be a highly traveled area, with development it would be even more highly traveled. He does not want to talk about crime issues in an area they are trying to develop. He stated Joe Atkins is looking for parcels of land to put up a Youth Sports Complex. He asked if the Parks Department has discussed the Youth Sports Complex. For example, in Woodbury, previously called Bielenberg, now called Health East, is a 600x400 foot indoor complex that has two soccer fields and two ice rinks. He believes this would be a huge compliment to the northwest area. This could be a good consideration for the area they could bring to the County and the two cities working with Mr. Atkins. He would like to see something like this evolve.

Commissioner Weber referenced a tunnel that was placed in the area of Akron Avenue on the border between Inver Grove Heights and Rosemount. He would like to see something modeled after that. The forethought and safety that went into that development is amazing.

Chair Niemioja asked if anything is known regarding the potential plan with Joe Atkins.

Community Development Director Rand responded about the US Amateur's Sports Facility saying the city is in discussions with Legislators, City of Eagan, Dakota County and others about the potential of locating some facilities here. In this Legislative Session we are seeking \$100,000 for a study. If receiving those funds and able to hire a Consultant with the City of Eagan, potential sites could be identified for multiple facilities. It would identify the facilities needed to generate enough revenue to allow it to be self-supported. There is great commercial spin off as a result of that. For example, the City of Blaine has very busy hotels and restaurants due to the facilities they have. Having a facility like that in the south metro would be advantageous. It is being pursued; the study is the first step.

Ms. Rand responded to her comment about crime. She did not mean to reference the land being discussed this evening for the Comp Plan Amendment. She meant to reference a parcel of land owned by Traditions, located to the west, that has very poor visibility. On Argenta in the area, there are power lines and a big hill. The Park would be tucked down below the hill. The concern was there wouldn't be enough visibility for a park in the area. This was a comment made by the Interim's Park and Recreation Director.

Commissioner Weber understood. When developing over 100+ homes in the area it is hard to put on record potential crime in the area because of a developed park. He apologized for his reaction.

Chair Niemioja was on the Commission the last time this was discussed. At that time a high-density project was not approved that she was aware of. Several items have been approved recently. Part of the discussion at that time was a variety of housing was needed. She asked where they were at percentage wise.

Mr. Hunting responded in recent years there have been more developments for multiple family. They were all single family in the late 2000's and 2014/2015. There isn't a number they are trying to achieve but are seeing developments with multi-family or apartments. One of them is under construction, there are a couple that have been approved waiting for final PUD. That type of housing product is being developed/proposed in the northwest area. This is different from 2017/2018. This is the first apartment project proposed since 2006 besides senior housing. That was the last time a market rate apartment building was constructed.

Ms. Rand advised to pursue a project like this, a market study would need to be done. She suggested the Developer be asked the question if it is about market demand. Recent projects approved such as the one on 80th called Crossings, which is market rate. Prior to that it was Cahill Place for families experiencing homelessness. There wasn't much prior. There have been many discussions with the Housing Committee on what can be done to pursue a variety to have all types of housing. They are very enthusiastic about this project.

Commissioner Clancy asked if there has been business interest over the last two years, aside from the potential PUD discussions the Planning Commission has had. For example, if something didn't work out or didn't have enough funding.

Mr. Hunting responded they have not since the project was first approved besides Target and the buildings McGough constructed in the area. The city has not had any serious conversations with any retail of any type.

Commissioner Clancy asked if there has been any community backed petition or email sent with suggestions on businesses to target or interest in purchasing the lots for buildout.

Ms. Rand responded she has not seen a petition. The property owner and McGough would likely respond to that as they aggressively tried to market the project for years. In the Twin Cities metro area and United States nationwide, unless having a fast-growing community, they are not seeing a lot of retail development these days. There have been communities that have existing retail being converted to medical facilities such as Urgent Care and high-density housing. She felt it important to respond to the market as it changes and acknowledge the opportunity. She reminded the Commission that the Target could be a SuperTarget site if they had more business, the same applies to Walmart. That could take place if having more density in the area. There are numerous commercial pads in this development, Argenta Point, 80th and South Robert, and 70th and South Robert, and what they hope would be another development with commercial pads. There are great opportunities for new commercial when there is more density. There is also existing strip mall space at South Robert and 494. It is not thriving but is a great redevelopment opportunity.

Commissioner Clancy asked if city Staff assists in any way to solicit certain businesses to these identified areas or if it is left up to the owner of the land.

Ms. Rand responded Staff did not solicit in the last year with the pandemic. In her first year here on the job she reached out and attended a lot of networking events with various Real Estate Brokers to let them know there are sites available. If the question is what the demand is and what the community is lacking, the city is currently discussing the budget for 2022. She is hopeful the EDA and City Council would approve a market study for retail. Then Staff would issue a request for professional consultants to help. The study would look at high density of commercial that already exists nearby such as in Eagan or South Robert. It would look at what is lacking and what could be recruited. Now is not a good time to do a market retail study, she would be advocating to pursue something mid-2022.

Commissioner Clancy questioned if there was concern moving forward with this proposal. Would

they be limiting the amount of space and land to provide commercial opportunities.

Ms. Rand responded she was not concerned. The proposed tenants for this facility have a certain income level that would be advantageous for existing retail and seeding future retail. She wants more tenants like this in the community. With all the projects coming up, all are needed, otherwise she is concerned about the long-term financial health of the retail in this community. She would continue to advocate for more density.

Commissioner Robertson said many of the Commissioners were very involved with all the questions that arose when dealing with this in 2017/2018. There was extensive information about how diligently Community Development and the Economic Development Agency had done so much work trying to solicit retail for that space. Nobody was interested in that space because the city didn't have the head counts. Then COVID came and she learned the retail market from 2017/2018 has drastically changed since then. Driving through this city and many other cities, many small businesses have closed. During that time people used Amazon or called to have items delivered to their homes. She drove around to see what has prospered here, for example, nail salons. Some of the other things they really need are not here, but have morphed so much in the last three years that their wish and hope for retail in so many areas of the city have taken a hit.

Commissioner Scales asked if the city has a plan where they see developing certain parts of the city. Over the years part of the issue with retail is our own doing. Things have hopscotched around the city saying there would be retail on Cahill, then where the new movie theatre is, then by Target, then by the old Rainbow. The city skips around so much it is hard for a Developer to understand what each area holds. He felt it may be time to consider what the potential goal is for each of the areas because we keep hopping around the city. Each area failed, not because retail is dying, if going to Eagan, it's exploding. He felt retail may be changing to something different. He thought the city did some of this to themselves. He would like to sit down and hear what the city is working on, it's all over the place sometimes. He has always been a proponent to following the market. He asked at some point in the future to get a briefing on what is going on, to have a better picture of what they are working on in the background.

Chair Niemioja would like to hear from the Housing Committee. She needs to understand where they are at with density.

Ms. Rand responded she would be interested in having that discussion and suggested scheduling it for the future. A lot of economic development work is about matchmaking. Matching the right type of Developer to the right type of site. For example, the City Council has asked to look at the redevelopment potential along Cahill and 65th. There are retail assets that are underperforming and could use a facelift and a great opportunity for mixed use. She knows which Developers would do those types of projects and have reached out to them and will continue to do so. That would be an example of matchmaking. They would go to a Developer who has already successfully done that. For example, with Concord Boulevard they hope to start up a task force to look at the redevelopment area for discussion about parks and Grants and relocating businesses to make way for mixed use housing. She said having the Housing Committee come in and speak about this would be great. The strategy is always having one or two of those projects ready, but waiting for the State and County to fund them with tax credits. Getting more rooftops in hopes of getting more retail and retaining current retail. Most retail want to group themselves together. Eagan is doing well and will continue to, the same with South Robert Street. She welcomes further discussion at a future date.

Commissioner Weber asked what the rationale was behind separating Outlots D and C. Leaving C for commercial use and developing D.

Mr. Hunting responded the second proposal was based off of City Council's comments from the original. They still thought to leave those open for potential future commercial. The second proposal took that into consideration and developed the west side with residential, leaving the other outlot for potential future commercial.

Chair Niemioja opened the public hearing.

Opening of Public Hearing

Chair Niemioja stated some of these matters may not be in the Planning Commission's purview. If that is the case, they would relay the proper contact person for that item. There were a lot of emails received, she requested making them a part of the record.

Motion by Commissioner Weber, second by Commissioner Simon, to accept all additional emails received as well as the three that were printed and received by the Commission this evening.

Motion carried (9/0).

Peter Chmielewski, 1514 West Nelson, Chicago, Illinois, read and understood the report. He is the Division President for Lennar Multi Family Communities (LMC). LMC is requesting a Comprehensive Plan Amendment to allow for a change in land use from commercial to high density residential. First, he wanted to hear from the Property Owner, McGough, with a history of the site.

Dave Higgins, McGough Development, 4048 Harriet Avenue, Minneapolis, gave an overall history with the project stating McGough acquired the site in 2008. He noted that part of what McGough acquired was the single-family land north of Amana Trail. McGough worked with City Staff and Leadership to make sure the overall PUD Development conformed with planning, goals, the Comprehensive Plan with respect to open space, and continuation of the natural topography and trail systems in the area. The overall development with single family homes, 22 acres of open space, including trail systems, were dedicated by McGough and would eventually connect to the parks pointed out. There were discussions that resulted in the second round, including a small pocket park as suggested by the neighborhood. At that time there were no parks in the northwest area, they were trying to be responsive to that along with continuing with meaningful density on the site.

They have been marketing the side for commercial development, the western parcels, C and D, 17 acres, for over 10 years. Since they were last here, they have had one party interested in the site. There was interest in two acres for a self-storage facility. He referenced a submission the Commission received from Jennifer Helm, who grew up in Inver Grove Heights and is a 20-year veteran of Commercial Brokerage and works with Newmark. She represents multiple Target anchored shopping centers where the other end is either being, or has already been, converted to multi-family. Another item relating to the commercial shift was after the City Council recommended approval of the overall project in 2017 for 400 units, during that Council session, Councilmember Bartholomew raised the point that they should wait a little bit longer on retail. In the transcript the Councilmember stated he was unsure how long they should wait, be it, 12, 24, or 36 months. Today marks 40 months, they had one interest for two acres.

When going through the process of settling for the pocket park, some of the discussion was around how they reach a compromise with the neighbors, City Officials, and Elected Officials, on a solution that could work for all. It was determined to hold on to Parcel C for a little bit longer. A part of that was for higher density on the western 10 acres, at a density, had they moved forward it would have put them at 376 total units. The project being proposed this evening is at 312. At the time of the approval, the Commission approved 9/0, the second time, discussion from the neighborhood was about lower density, lower height than 4-5 stories, maybe 3 stories, less open parking, in scale with the homes next door that are a bit higher so they could see past them. At that time McGough knew

that was not the product type they typically build so they looked into other partners in the industry. They identified one in 2019, but that deal went away due to COVID.

He stated LMC is a group they have worked with in the past, had conversations about this site. They partnered with them on a site in Bloomington where they partnered up with McGough and the City of Bloomington and brought a high-end multi-family project to Bloomington Central Station, south of the airport and east of the Mall of America. That project surpassed the typical lease up rate of apartments by twice the amount of time. In hearing of the needs stated here, they felt this could be an opportunity. Instead of going with higher density on the western portion and replicating that on the eastern, this takes the whole of the area and is much lower scale.

Mr. Higgins responded to Commissioner Scales comment “have we done this to ourselves” stating this type of site they refer to as a gateway site. Most cities have two or three key primary sites that are points of entry into a community. This is one of them. When wanting to attract business, activity is needed. For more than a decade, the grass has been growing and there has been a brokerage sign. There is an opportunity that may be missed because activity hasn’t been historically allowed in that location.

He said when thinking about multi-family and the impacts of traffic, McGough did a traffic study with SRF. The daily trip generation with 400 units was 2,660 cars a day. The commercial development approved and planned would have 5,364. That results in less than half the daily trips planned there.

Mr. Chmielewski did a brief introduction on Lennar Multi Family Communities:

- The parent Company, Lennar, has been very active throughout the United States since 1954.
- They have diversified into different entities related to homebuilding with the largest to date being Lennar Multi Family Communities.
- Lennar builds “for sale” single family homes.
- LMC builds “for rent” multi-family communities. They started about ten years ago.
- Most everything they do is “in house”. They want to be integrated into the communities in which they develop.
 - He works for LMC Development.
 - LMC Builders are the in-house General Contractors. (Two of which are in attendance and would be the ones building the project).
 - LMC Investments puts together their debt and equity for projects.
 - LMC Living. In house property management. They have done 110 different multifamily communities, 35,000 apartment homes. They manage every single one of them. It is important to them that if they are creating problems, they are creating problems for themselves.

Communities done in the Twin Cities:

- Indigo at Bloomington Central Station. Worked with McGough. 395 apartments.
- Onyx Edina. 240 apartment homes.
- Highrise’s downtown:
 - Nordhaus - 290
 - Odin - 335

Local Retail (Current and Vacant). They want retail to flourish in this area. It benefits them, the neighbors, and the community.

- Occupied retail: 15,700 square feet
- Vacant retail: 19,000 square feet
- Not listed on these totals: The Target outlot and Target Expansion Rights.

The Brokers representing McGough, who would benefit from leasing or selling retail, have written

letters in favor of changing the zoning to allow for High Density Residential.

Area Construction/Proposed Development: Density:

- Several developments (light compared to other flourishing and growing communities).
- Within Inver Grove Heights:
 - Apartment Homes: over 1,000 currently proposed.
 - For sale homes: over 450.
 - Total: 1,500 being proposed.

Home Ownership Rates:

- Since WW2, have stabilized at around 66% across the U.S.
- All time high: 70% in 2004. The great financial crisis put an inhibitor on that and it dropped back down.
 - It created a much larger pool of renter by choice.
 - Changed what one thinks of as apartments. Instead of being an apartment complex, they are building multi-family communities, reflecting the type of communities they are putting together. For example, the ones built in Minneapolis are Class A, highly amenitized, built for the very long term. They manage their own communities.
- From a home demand perspective in this city from December 2016 to July 2020 only 79 homes were sold. That's 1.8 a month.
- From September 2020 to June 2021. 66 homes, 7.3 per month. Demand has skyrocketed. Not just in this city, but across the U.S.
- There is a documented housing shortage from single family homes, single family rental, apartment rentals.
- They are not meeting the housing demand in the U.S. and specifically here at this site.
- U. S. Multi-family vacancy. Varies between Class A, B, and C. They remain as historic lows as demand continues to outweigh supply.

Stabilized Multi-family Occupancy Rates:

- MSP Market Occupancy around 90.7%.
- Occupancy within a 5-mile radius of this property for multi-family is 98.2%. Showcases there is not enough housing product in the area.
- Occupancy of LMC Properties within the MSP Market is at 95.6%.
- From 1969 to date, only 3,060 apartment homes within 100-unit developments have been developed in the city.
- Competitive communities are doing that every 5-10 years. There is a huge gap where multi-family housing has not been built.
- The last constructed Development was Blackberry Point in 2005.
- Looking at proposed developments:
 - 152 apartment homes in 2021
 - LMC in 2023
 - 180 in 2024
 - 150 in 2025
- This still leaves the city short of the need for housing.

To drive some of the future retail traffic, needs more housing.

School Information:

- Younger families. Once children are born, they are looking for single family homes.
- Younger professionals.
- College Graduates.
- Retirees.
- Age ranges and incomes are varied.
- Do not have a lot of school aged children.
- One bedroom and two-bedroom apartment homes will be offered.
- Similar LMC Communities built like this proposal have 2-3% under the age of 18.

Proposed Development:

He commented they are confident this is the highest and best use for the site, a great decision for the entire community, and future of the city to approve to change to High Density Residential.

Commissioner Weber said it was comprehensive in detail. McGough has done a phenomenal job in this area. He likes the proposal in front of them, there is a lot of information. He referenced the clubhouse asking if it was more of a workout type facility.

Chair Niemioja understood it to be a fitness center.

Commissioner Robertson asked what the clubhouse would look like and what else was there other than workout items.

Mr. Chmielewski responded there is a leasing office, workout facility, mailroom, restrooms, and open club room. That information would be shared during the PUD and Plat.

Chair Niemioja has spoken to some of the neighbors in the area about how it would be inconvenient when the land is developed. She asked what steps are taken to mitigate the inconvenience to neighbors as they develop.

Mr. Chmielewski responded their in-house General Contractor is the 12th largest multi-family General Contractor in the United States and LMC is their only customer. They would not be able to get to that level without the trust of the communities they have built in and equity partners. They follow the strictest standards by local government, IBC, or any governmental jurisdiction. There are pre-construction meetings with neighbors and stakeholders. They want to be good neighbors to existing residents, travelers, and retailers in the area.

Commissioner Clancy asked if Mr. Chmielewski was a part of a local community meeting held on June 7th. He asked if there was a documented list of questions or follow up that the Commissioner should be aware of.

Mr. Chmielewski responded in the affirmative. There was a pre-meeting that was held with neighbors and a more formal meeting. There were internal notes taken. A lot of things were brought up that they are working with their Architect and Planners on to incorporate into the plans. Those would be presented at future meetings. They had a meeting with the outgoing and incoming Interim Parks and Recreation Directors after the meeting upon the request of neighbors and received the same feedback.

Commissioner Challeen referenced the greenspace within the apartment area and asked if it would be available to the community or limited to residents.

Mr. Chmielewski responded it is limited to residents. It becomes a security issue. It would not be blocked. There were vehicular gates to get into the Emblem Communities, but after neighborhood input, those gates were eliminated. There is a lot of pedestrian connectivity.

Steven McCortney, Co-Owner and Business Director of McKeever Dermatology Clinics, 7781 Amana Trail. He is in support of the multifamily development. It's about his business and Staff. They were the first tenant about seven years ago and have managed to survive. They only see patients three days a week due to the need for a Board-Certified Dermatologist. They have a current Resident who will be Boarded next year. A lot of their business comes from referrals but feels they may need to market to pet owners as they get larger. They have great signage, but drive by and walk by is important to them. It's currently like a Ghost Town. He doesn't know how more retail would work when there is currently dead space. The best way to bring in more retail is to

bring in more people. He sees this as a positive for his business as they go towards being open five days a week. They try to create a great environment for their Staff, part of that is having amenities nearby. Their site in Eden Prairie has lots of that, here not much. If there was more retail, this could bring a better experience for their staff.

Chad Mitchell Peterson, 1528 76th Street West, lives to the north of the proposed site. He said that David, McGough, and Lennar addressed one of his concerns in previous meetings regarding the height and size of the units. The one thing not addressed when purchasing his home was that the property south of his home was deemed commercial use. He said Mr. Hunting stated rooftops create service demands, he wondered where the services would go if vacating the opportunity. He asked what has been done by both the city and McGough to attract businesses to the area. All proposals seem to be in solicitation of high density living. He has yet to hear proof, other than what Mr. Higgins stated, about the storage facility. He questioned if they can have hard data as to who has been solicited, if the interaction was proactive or reactive, and if the city and McGough met to discuss a creative way to draw businesses to the community, specifically this location. For example, breaks on tax. He requested seeing hard data. He referenced the 2014 Arbor Pointe report and asked if steps had been taken as a result of the study. He asked if there had been similar studies since then for that area, and if there has been a similar study for the Argenta Hills area. He asked what the purpose of investigating this proposed variance was an attempt to fill the Bond requirements for the northwest district. He asked if the Planning Commission was involved with the Bonding process. He questioned if this project meets that demand. He asked if there were areas in the 2040 existing plan that are zoned and suitable for this project. He stated the city has made a decision to bond this property and try to fulfill it. If it fails, he asked if this would come down on the northwest district or if the entire city would have to own this. The development happening on his side of town drives a lot of tax revenue as does the other. He values the opportunity for commerce. His number one concern for the community is all the pockets they have. Business commerce is needed. He requested the Commission take a look at what has been done, this is a critical step before vacating the 2040 plan.

Chair Niemioja asked the Community Development Director to address the solicitation of other businesses from a city standpoint.

Ms. Rand responded McGough has been very intent on marketing this site. They have hired two Real Estate Broker Companies that are national champions and know what they are doing. They were aware that the city, if the right retail partners come forward, would work with them to determine if there was an appropriate level of subsidy or incentives. Unless it's a project that holds value, a lot of cities don't subsidize retail because it may put them at a competitive disadvantage to existing retail in the area.

Mr. Mitchell Peterson asked if there was a way to find out who was solicited.

Chair Niemioja suggested that McGough may want to answer that question. This was discussed at the Planning Commission level in 2017. She asked for more information on the Arbor Pointe study and if there was a similar study in this area.

Mr. Hunting responded there has not been any new or specific studies done on the Argenta Hills area.

Ms. Rand stated what the city is doing with infrastructure Bonds isn't the purview of the Planning Commission. The northwest area has challenging topography that makes installation of public infrastructure (water and sewer main lines) for development much more expensive than the rest of the city or surrounding communities. The City Council chose to Bond and get pipes in the ground. Their intent was to have some scattered throughout the northwest area. With high density housing opposed to single family, they contribute a greater dollar amount per unit than single family. This

helps pay off debt. If there isn't enough multi-family development over time, they would have to look at other ways to access those Bonds. It could be assessing property owners living in a certain area or dividing the cost. The City Council will be weighing options in the future. Density is an important consideration in this area.

Chair Niemioja apologized for being unable to address the Bond issue request stating the City Council would have to address the question.

Mr. Mitchell Peterson was curious about whether it would meet demand if deviating from the 2040 plan. He said this parcel is the strongest opportunity for commercial growth in the city. If deviating from this, he would like to know where the next opportunity would be if this one goes away.

Mr. Higgins responded letters of support were received from Jennifer Helm and CBRE. The Brokers used from CBRE are a couple of leading Retail Brokers in the market. Every year they go to a conference called ICSC (International Conference of Shopping Centers). All national retailers are there. All Brokers sit down with all the players of companies and run through opportunities in the market, Argenta Hills is one of them. They have regular calls with Brokers who have lists of those they contact repeatedly. The most telling isn't data, it's anecdotal. In order to have multifamily at this site, Target must approve it under the Operating Easement Agreement (OEA). Target doesn't do support letters, but have said the same thing in an email, that they are collaborating with McGough and LMC to amend the OEA to allow multi-family. He believes that to be a powerful statement from a company.

Commissioner Challeen asked Mr. Higgins to summarize what the barriers have been to a retailer choosing that site.

Mr. Higgins responded when presenting in 2017/2018 on a population basis, Inver Grove Heights was behind by 3 to 5 times in population. Retailers look at that. When that far behind, it becomes decades of catching up. Retail is a business that concentrates. Eagan has a massive lead, the more they are in one place, the less they are in another. Layer on the absence of rooftops, it doesn't make sense for retailers to go somewhere other than where the competitors are. They will all begin driving their businesses into those areas unless something changes somewhere. Having a meaningful dense development at this gateway site is a chance to revitalize and boost the narrative the Brokerage community can share with their counterparts who represent other users. This would be a significant project where people can walk to businesses.

Commissioner Weber stated there have been significant developments in the area with the Canvas Neighborhood. He was puzzled by the mention of high-density residential north of 70th, they haven't heard about that area yet. With development, there is the Peltier property, Blackstone is fully developed, there is an apartment building going in on the west side of the park. There is a lot of residential that is going to be developed in the area that he believes commercial may want to take another look at. Saying now is the time to put high density residential in this spot, as everything around it is growing. To him, the development on 62 and 149 is the type of development that could really work in the space. It's mixed use, residential and retail. Current retail in this area is poorly designed for Minnesota winters. Parking the back, walk around to the front. He commented that there is a lot of opportunity coming in within the next 18 months for residents and rooftops. To make this area more walkable, he would hate to give up commercial. He asked if taking this retail space away, with more development in the area, where they could put another pocket of retail to service this community.

Mr. Higgins responded the answer in collaboration with city staff is there are other shopping center areas existing, but are areas that have decades more history than this location due to where they are located. Those are likely best suited where retail has been the longest. One significant change,

Target for example, larger retailers prior to the 2008 recession would do the pioneering, lead and go out and be what draws them in. That changed with the downturn and doesn't happen anymore. Between apartments and single-family homes, at roughly 2,000, that doesn't move things much. A past presentation had a document with concentric circles on it depicting 1, 3, and 5 miles. The 1-mile circle was shy of 2,000. The next closest was 8,000.

Commissioner Weber requesting receiving that information. He felt the 1-mile circle has completely changed over the last 12 months, and with the next 18 months it will drastically change.

Mr. Higgins agreed. He said it was likely at a relative scale. The five other concentric circles are growing at the same rate, the trends in retail would track that.

Jaime Besser, 7656 Addisen Path, said things have changed in the northwest area. They have to take into account what has happened since 2017 with an almost two-year pandemic. That will have an impact on retail. She felt there was a way to make that space mixed use and still have areas for the community to go and walk. The paths connecting are small and don't connect to Park #5 because the park isn't there yet. They cannot access the park at Argenta Hills. The Peltier park is very small with additional homes in the area needing that park. She lives in the southeast area of the northwest quadrant. With this new plan there would not be any greenspace. She felt the paths can't go across due to the busy road. Even though they know it isn't their lot, it's where their community goes. She heard mention of a sense of urgency, but doesn't believe it because she has lived in the area eight years. There are hundreds of kids in their neighborhood with an average age of 6 1/2, they need somewhere to go, that lot is where they go. Changing this to a parking lot with 13 buildings and no green space, puts more people in an area.

She referenced the Bond issue, stating the impact fees with businesses and developers is all the northwest quadrant. They are not incenting retail to come in, they are penalizing them. Impact fees in the northwest quadrant are higher than any other area. For retail in 2022, that goes away. There are a lot of studies that haven't been done including a path and traffic study. When McGough came in initially with 400 units, those in the area said it was too many people. This would be the same due to one, two, and some three-bedroom units. It's the same amount of people in less buildings and three stories. There would be seven detached garages, no underground parking, 400 cars on the surface. She didn't believe the plan made sense.

Chair Niemioja stated the fee issue is out of the Planning Commission's scope. She asked if the impact fee for the northwest quadrant and retail go away in 2022.

Ms. Rand responded she was unsure what that was in reference too. Fee comparisons have been done with surrounding communities. Due to special Utility Bonds, the fees in the northwest area are two to three times higher for multi-family and commercial properties.

Ms. Besser replied she lives in Inver Grove Heights and doesn't understand why her community is being segregated out of the city with all the impact fees being placed in the area.

Ms. Rand responded multi family is two to three times higher. Single family is in line with surrounding communities. Multifamily/commercial is higher. She has been with the city for two years, in that time they had to get things rolling and overcome the challenge. The city requested tax abatement for the Developer of the Crossings project otherwise the project would not have been feasible. The Developer still pays the fees, Bonds get paid, other existing residents are not penalized. In the future, if the Council doesn't choose this option, they would have to determine a better way at spreading out costs. Fees for the northwest area is a City Council decision. The reason the fees are not set up the same way in the rest of the city was the Developers paid for their water/sewer extensions in combination with the city. In the northwest area, due to topography and

water management issues, the city stepped in and this is what was chosen for this unique area. In the future, if the Commission would like further information, they could have City Engineer Tom Kaldunski come in. She commented she has been looking at the competitiveness. The strategy of tax abatement is something she recommends. Over time the Developer recoups the loss, but prepays. The city isn't out any money except some tax revenue that wouldn't have been there without making the projects competitive. She can't say they have lost out on retail development in the northwest area because of impact fees, they would have offered tax abatement for the right project.

Commissioner Robertson clarified what was said by Ms. Rand with bonding for the northwest quadrant saying overall, bonding paid for services the northwest quadrant needed. The primary area of impact is multifamily housing, not single family.

Ms. Rand agreed that was true.

Jason Teiken, 7662 Addisen Court, across from Target, is in favor of rezoning to residential. He felt the time to put residential there was yesterday or 2-3 years ago. He referenced the Minnesota Housing Partnership stating since 2010, Dakota County apartment vacancies declined to 4.8%. The Minnesota Housing Partnership puts a difficult housing market at 5% capacity. In Inver Grove Heights in 2018, apartment vacancy was at 1.8%. He commented if 5% is when tenants struggle to find units, landlords raise rents, the market gets tighter, they are beyond just being difficult. He was surprised when he heard the last apartment of this type was approved in 2005/2006. The city isn't doing the basic thing of providing a variety of apartments for a variety of income levels. The city needs a variety of developments, not just this one. People would live in this city to work at the future retail wanted here. He felt this building was needed. Houses are not going to get cheaper. If nothing changes, Lennar would find more families in their buildings than projected. He said a few people opposed to this development have been door knocking. He's heard a lot of assumptions about apartments, the market value, and type of people. He didn't believe it was fair criteria, fair criteria is asking what the city needs. People need a place to live. In regards to traffic, they live within walking distance to a highway, a busy Target, a roundabout on Robert Street, and the 52 exit. They also live on a flight plan. Additional housing is desperately needed in Inver Grove Heights specifically, and in general, in Dakota County.

Commissioner Weber commented within this area there is a potential apartment building going in the Peltier area, the Canvas Development, and another potential apartment building going in off of 70th. He asked where those people would go shopping. He asked if it they want them to stay and shop in this city, or go to Eagan or West St. Paul.

Mr. Teiken responded he would love for them to stay in the area. He shops in Eagan, due to the lack of retail in this area when he moved in.

Commissioner Weber stated to him, it's always been "we need rooftops to get retail". Now the rooftops are coming, and to disband retail, is the only way he is looking at this now.

Mr. Teiken responded it seemed like a false choice. Just because it isn't going here, doesn't mean there isn't a place to put it.

Commissioner Weber replied they worked on the 2040 Comprehensive Plan for almost a year. They almost took away the industrial complex that is on Highway 55, that area was vacant for almost 15-20 years, now Industrial is building there. The residential in the area wasn't in favor of it. The Planning Commission took a long look at how development goes on in the city, and didn't see another pocket in the northwest quadrant that would service retail the way this does. It's on the highway, easy on and off. With as much development that is going on in the northwest area

currently, it is hard to look at this and switch to the other side with residential. The only walkable area currently is Cahill. To have this area be walkable is huge.

Commissioner Scales asked what the current percentage of vacant retail is.

Ms. Rand responded she was unsure.

Commissioner Scales stated in the 80's his family did a lot of development in the city. They have been talking retail in the city for 50 years. 50 years of saying it's coming. They have held off on good developments in the past because of it. Land still sits vacant; retail still sits vacant. When this came before the Commission a couple of years ago it looked like a good idea, he still thinks it's a good idea. He believes the time has passed for retail in this city. Everyone goes to Eagan. Nobody would bring a big box store to this city when you can go right down the road to get it. His personal opinion, is what would happen if they don't do something here, they would end up with another self-storage unit, a warehouse, and wonder what happened to that space.

Mr. Teiken responded the residential portion is urgent. He questioned how long they would wait.

Chair Niemioja stated the street he lived on was supposed to be higher density.

Commissioner Robertson asked Mr. Teiken with this, and talking about retail that services a multiplicity of needs, someone living in the area is going to need a grocery store, pharmacy, basic services. Looking at the space they are discussing, it is difficult for her to imagine they can address the multiplicity of retail needs on a space this size. In order to keep what people need, so they don't go to Eagan, means something much larger. She addressed the question of getting retail there too soon. If there was a large area to fill with everything needed, she would be the first to say wait. She doesn't believe the space would bring what all these people need. She understood the hesitancy, they did that last time. The space is lacking development because of its size and inability to serve the multiple needs of all the people living there. That's why they are going to Eagan.

Mr. Teiken replied part of the challenge he sees is Target isn't a SuperTarget, but it's close. Close to filling the needs of the area, they are told more foot traffic is needed so expansion could happen.

Samantha Fitzgerald, 7668 Addisen Path, was one of the people door knocking. There is more opposition to this now than there was in 2017/2018. None of the discussion was about anyone who would be living in the apartments. It is about the number of projects. There is even more reason to keep this commercial than there was in 2017. By her count there are over 2,200 new residents ranging from studio apartments to five-bedroom homes. The city needs to think long term vision for the land use. The Comp Plan is a living breathing document, it changes for different types of residential. They are aware their neighborhood was zoned for townhomes. This is a lynchpin for commercial in the northwest quadrant. She addressed the comment made by Commissioner Robertson about the size, saying it wasn't enough for a Kohls but a start for walkability. She responded about a comment made by McGough in reference to Councilmember now Mayor Bartholomew, about the reason Council denied the project was to wait for the new alignment of Argenta, which still has not happened. The upgrade to 70th and waiting to see how the Viking Lakes facility turns out. 261 of those are completed, there is a waiting list of people, there would be 1,000 apartments, hotels, and retail. Also waiting is the connection of 494 to Argenta. All the items the City Council denied in 2018 have not happened yet. There is a holding pattern with a lot of things out of city control. All of the reasons why the Council voted against the zoning change not only exist today, they are more prevalent. She asked the Commission to please not be short sided on this lot. Hopefully someday residents in the area and other surrounding communities can come here, spend their money, and stop going to Eagan and West St. Paul. They want to give their sales tax revenue to the city. She asked where retail opportunities would be in the northwest quadrant.

Commissioner Robertson agreed there would be residents in all developments. She asked where would they could put the kind of retail density that is going to meet people's needs. She didn't feel it could happen on that small spot. She asked Ms. Fitzgerald where she saw it going.

Ms. Fitzgerald agreed 17 acres isn't going to solve all retail needs in the city. Target, potentially has the lot to expand to a SuperTarget bringing in a potential liquor store or full groceries. Target may not allow Trader Joe's or a HyVee. She asked where else there was space. She asked why they can't have the larger area be retail. This is a great potential for retail.

Commissioner Robertson asked if needing 50 to 60 acres and having shown this design, from Ms. Fitzgerald's perspective, where would those acres would be to serve residents and not have to go to Egan.

Ms. Fitzgerald referenced areas that could be a great start, but said there was talk of revitalizing other areas of the city. That way they could keep their money in the city. She would like to keep her money local. She felt giving the space up is being short sided.

Chair Niemioja asked if there is an answer to the 494/Argenta connection.

Mr. Hunting responded it will continue to be studied with the County. It could be 10+ years away. There isn't any funding.

Susannah Beaudoin, 1346 76th Street West, works at Como Park Zoo and Conservatory which is on a huge plat of land gifted by a farmer, 386 acres. Como Park Zoo and Conservatory has very limited space. They create a small pocket, build better, not bigger. Addressing the shopping needs of the people in the area, people do it all the time in Chicago. They don't have huge amounts of land to build a grocery store, they build it in a building underneath an apartment building. She felt there had to be more creative thinking.

Katie Pluff, 7670 Addisen Path, walked around the neighborhood talking to many others who were in opposition to the project, and others who supported. There are many others who wished to be here to speak but were busy, others that sent emails. She encouraged the Commission to read those emails.

Chair Niemioja replied those emails were accepted into the official record. She appreciated the emails, some of which were written by kids.

Ms. Pluff cares about what happens in the community. When residents purchased homes in the area, they were told the space was retail. She questioned how many people actually say they want retail in the area. They want it, that's why they moved there. She works for the Vikings and they are building 1,000 apartments with a similar demographic. There is a bowling alley, spa, golf simulator, pools. Even though those apartments are going in, there is still not a lot of places to go. The Village of Mendota Heights for example, has shopping, community space, there are apartments above. That is the type of thing they see going into this space. She realizes 17 acres can't answer for everything. She commented she used to go to a sushi restaurant in Egan, when the sushi restaurant was built here, she never went back to the one in Egan. Same applies for Target. She requested the Commission look at things that can be put in the space and build a community. Their kids are in the Egan School District and go to school there, they do not often feel like they are a part of this community. They want to be a part of the community, want the walkability, want to continue that community. She suggested being creative, for example: Arbor Pointe, Maple Grove, Centennial Lakes. She goes to Woodbury's Madison's Place Park which is handicapped accessible and has a splash pad. Other things bring in a community. She believes

that is what they want to see for this space. In a post on the Inver Grove Chat Facebook page there was a question about where there was a good park or beach in this city. All that came back was taking kids to other cities like Woodbury, West St. Paul, or South St. Paul. On a local chat page, nothing local was suggested. Putting high density apartments in this space when there are other open spots seem like they are giving up on the area.

Chair Niemioja asked as a side note, if Ms. Pluff would appreciate if the Commission was still able to receive phone calls.

Ms. Pluff responded based on the area and demographics, emails were fine.

Commissioner Simon referenced the west side of the development where there was a lot. She asked if that was still a part of the original 100 acres.

Mr. Hunting replied it was different ownership but platted as part of the Argenta Hills Development. Not a part of the original PUD. There is no land use planned as a part of the PUD.

Commissioner Simon asked what it was designated as.

Mr. Hunting responded regional commercial. It has power lines and significant topography changes. Only a small portion is actually buildable.

Lisa Wind, 7680 Addisen Court, said she sees both sides, good points have been made. One of the concerns she has, regardless of what is done, is there is a significant infrastructure issue on all four sides, two lane roads to the east, west, and north, Highway 55 to the south. As these developments are built, taking out the lot at issue, she asked what happens with all the cars. Taking a left turn onto Argenta from Highway 55, trucks fly by at 65 miles per hour. As they continue to flood the quadrant with new developments, she asked what they will do with the roads already experiencing traffic problems. They will only get worse. She referenced Amana Trail that has a 45 miles per hour zone, and commented the County took out the stop sign, there is no controlled stopping point. Crosswalks have been placed 100 yards down in each direction, nobody stops. Continuing to encourage more walkability within the community, adding 312 residential units, people will cross over into the community to use walking trails that are not in the proposal today. That further increases safety issues having people walk back and forth. Due to so much going on, she felt they needed to take a break. There is so much going on they don't know how it's going to play out yet. Approving or not approving this change may be premature with everything else going on. She recommends waiting another six months to a year to see if anything happens.

Chair Niemioja asked who was responsible for putting stop signs back once they are gone.

Mr. Hunting responded that is Dakota County. It could be petitioned.

Commissioner Weber suggested petitioning to put flashing lights by the crosswalk first.

Chair Niemioja asked Mr. Chmielewski with reference to other developments with more of a mixed use such as Mendota Heights, having retail on the bottom and living on the top, why there isn't that piece in this plan.

Mr. Chmielewski appreciated the dialog. He responded if allowing to have discussions going forward, they would continue to be transparent with necessary meetings and dialogs to ensure they are doing the best they can. They want what is best for the city. Thoughts differ on what that is, some of which isn't possible. He responded about population, saying metrics were compared for retail demand for population growth on this site to other nearby city retail centers or proposed

development retails. Population growth within one mile in Woodbury was 6,700, Burnsville 8,400, Eagan 10,000, Apple Valley 12,300, Bloomington 12,800. This site in Inver Grove Heights is 1,930.

Commissioner Weber asked if that information was from 2017.

Mr. Chmielewski responded in the affirmative. The number is infinitesimal to neighboring communities. That is the reason there isn't retail. LMC does retail and mixed use all the time. They would love to put retail under their development. There are 14 years of statistics for this location sitting and retailers not wanting the site. Even if that number was 5,000, there is such a long way to go to get there to make up for the lack of housing.

Commissioner Weber responded saying Mr. Chmielewski stated in a slide at one point they were selling 1.6 homes per month. In the area in the last six months, it's at 7.8 homes per month. A growth of 400-500%. He suggested taking the 2,000-person density and multiplying it by 500%. That is closer to Eagan and Bloomington.

Mr. Chmielewski replied there are not proposed sites, or enough housing to be able to do that. Lennar Homes cannot build fast enough to meet the demand. It's not possible to do. It is documentable that there is a lack of retail demand and too much retail space and land. There is a lack of housing and areas to build housing. If waiting six months to one year, there is still 19,000 square feet to fill, acres of land Target owns. He felt it would take a lot for it to be retail. It's gone in his opinion. As the fourth Developer presenting residential, residential will be gone. He said the worst thing that can happen for the city is that something happens there. They are trying to work with the community and listen as much as they can so they can put in what they think can be successful. They would continue to advance those plans to make it as successful as possible.

Chair Niemioja closed the public hearing.

Planning Commission Discussion

Chair Niemioja reminded everyone this item deals with land use. Whatever decision they come to; they cannot address all of the issues that go into this decision. Some of those matters would have to get resolved with Staff or City Council. The Bonding issue is beyond them.

Commissioner Challeen asked when a change in land use is recommended, if it can be recommended with conditions or if it's just blanket.

Mr. Hunting replied they are limited to what they have. They are set up so they are not inconsistent with the Comprehensive Plan and metropolitans' goals and policies. Usually, they say the Amendment doesn't go into effect until Council has approved a set of plans. If it goes through and the development doesn't happen, they didn't change the land use.

Chair Niemioja referenced the Housing Committee and their opinion and wanted to clarify that Housing doesn't just look at affordable or workforce housing. They deal with all kinds of housing for the entire community.

Mr. Hunting responded in the affirmative.

Chair Niemioja would like to see the Housing Committee weigh in on this. It would be nice to have more communication with them as far as what they are seeing in terms of needs going forward.

Commissioner Weber questioned if this item should be tabled for the Housing Committee to give feedback.

Chair Niemioja replied she wasn't sure the Commission would need to table it, but would like the

Council to get Housing's opinion.

Mr. Hunting said the Housing's schedule doesn't meet until September.

Ms. Rand responded about the Housing Committee stating they are advisory and do not take formal actions. Staff encourages them if they have interest and notified them of this project, encouraged them to show up and provide input. The same holds true with the Council. Staff doesn't ask for their opinions, rather they prefer Housing shares their opinions with the Commission.

Chair Niemioja commented it would be good to hear from Housing. She hopes they would be able to speak to the Council about their thoughts on this. As far as diversity of housing, she would like to hear their take. That is the recommendation she would personally like to put forward when this goes to Council.

Commissioner Weber asked if a Comprehensive Plan Amendment was looked at prior to preliminary plat. He asked if the Commission received a preliminary plat with the application last time.

Mr. Hunting responded with the first one in 2017, the entire package was submitted. There was the site plan and more detailed information. In 2018 it was only a concept. This one is only a concept.

Chair Niemioja referenced the issue of traffic and asked if they were waiting for results from a traffic study. She asked how traffic has been resolved so far.

Mr. Hunting responded that type of information would be submitted with a Development Application.

Commissioner Scales thanked everyone that came in, it was appreciated. For all of the other developments they discuss, the same kind of conversations with residents go on too. Some of the Commission has been here long enough that when the Argenta Hills was developed there were a lot of people against that development. Each development has its own concerns. The Commission listens, all have the same interest in mind for what's best for the city, they may disagree at times but in the end, they try to get to a decision that works best for everyone. He supported this item three years ago at the larger number. He likes the way the development has changed compared to what it was then. Changing the land use to high density residential makes sense to him. The longer something sits vacant, the better chance one has of getting something they don't like in the space. He felt this was a good fit for the city now and in the future.

Commissioner Clancy responded about all feedback both in person and via email. His first thought this evening was no, this is commercial. An item came up in a previous Planning Commission meeting with a similar item on Cahill Avenue regarding a mixed commercial opportunity. He asked Staff the same questions he did this evening, where was the interest, how long have they been advertising, what has been done to advertise, what are they doing, how long has it been sitting vacant. He felt it disheartening to hear the same answers tonight as was heard then. He wants to move forward with the best results in the city. There are developments coming in and he questioned if it was enough. As of right now he is teetering. He doesn't believe the community has proven to the business model they are ready to keep building that yet. Whatever decision is made tonight and voted for, he incorporates all that information in and felt it was made with the good intention to move the city forward.

Commissioner Wippermann commented it wasn't that long ago when the apartment project on 80th Street east of Target was before the Commission. That required rezoning from commercial to

residential. He expressed his concerns about piecemealing and getting rid of commercial property to build. It prevents anything from happening on a commercial basis. He felt that issue was the same with this commercial project. He is not in favor of rezoning.

Commissioner Weber agreed with Commissioner Wippermann. He knows McGough has owned this for years and has come with multiple proposals. He has heard more rooftops would bring more retail. He's seeing rooftops. He cannot look at this piece of property and not think commercial. To see something like The Villages with a mixed use would be the end all dream. If someone came in with a mixed use, he would be 100% on board. He cannot support going from regional commercial to high density residential.

Commissioner Robertson finds herself struggling because there are fabulous rationales for both of what they are considering. To the people that sent emails and came to discuss, she said what is shared is valuable. She was here in 2017 and 2020 and heard the same thing, wait longer. There is nothing in the substantive information that convinces her they would meet community need on those 17 acres. She would love to have a space for multiple places so they don't have to go down Yankee Doodle. She doesn't believe that would happen on the 17 acres. There is empty space around Target, Arbor Pointe, Cahill. Those are all spaces where people are close by and within walking distance. The city still can't fill those spaces. Recognizing that and the benefit to the city as a whole by "adding more rooftops" if skipping the rooftops and bringing in what people really need, she would be behind it. She doesn't feasibly see that happening. She doesn't believe this will stop any one from going down Yankee Doodle. That area has items that cannot be replicated here. Recognizing that while still recognizing the needs of the citizens are great, this is not one she can support.

Commission Challeen is about a both end solution. Maximizing the retail left after this set of buildings goes up. There will still be retail space available to fill. She is in favor of the development and the land use change.

Commissioner Weber recalled a Planning Commission meeting where they discussed the old auto parts building on Cahill Avenue and Broderick. A Church wanted to go in there. Some wanted to approve, some didn't. The space had been empty for years. They stepped back and gave it another chance. The amount of business going on in that area is amazing. The Nerdin Out business has been doing amazing. They have to get this area one more chance.

Commissioner Robertson questioned if Nerdin Out was successful because it has a gigantic online affiliation. She asked what is known about their success and if it is people based. Every time she goes by, she doesn't see a car in the lot.

Chair Niemioja is torn on this item. The first time around was easier for her. They had never passed a high density at that point, in 2017. She has been concerned about having a diversity of housing in the city. Seeing what they need to recover, they are still short. She would like the Housing Committee to have a say. She is ready to move forward on this particular project in the hopes they get the rest of the retail to fill. She would love to see Target expand and more things going into the spa area and other retail.

Commissioner Scales commented there was still a lot of buildable land in that area for retail.

Planning Commission Recommendation

Motion by Commissioner Simon, second by Commissioner Scales, to approve the Lennar Multi Family Community Comprehensive Plan Amendment to change the land use from R-C Regional Commercial to High Density Residential for the property located in Argenta Hills with the three conditions.

Motion carried (6/3) - Clancy, Wippermann, Weber. This item goes to City Council on June 28th.

OTHER BUSINESS

The meeting was unanimously adjourned at 10:42 p.m.

Respectfully submitted,

Sheri Yourczek
Recording Clerk