

**CITY OF SHOREVIEW
MINUTES
REGULAR CITY COUNCIL MEETING
October 1, 2012**

CALL TO ORDER

Mayor Martin called the regular meeting of the Shoreview City Council to order at 7:00 p.m. on October 1, 2012.

PLEDGE OF ALLEGIANCE

The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Mayor Martin; Councilmembers Huffman, Quigley, Wickstrom and Withhart.

Mayor Martin introduced Mr. Joe Kelly, from the Kelly and Lemmons Law Office, who was sitting in for City Attorney Jerry Filla.

APPROVAL OF AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Withhart to approve the October 1, 2012 agenda as submitted.

VOTE: Ayes - 5 Nays - 0

PROCLAMATIONS AND RECOGNITIONS

There were none.

CITIZEN COMMENTS

There were none.

COUNCIL COMMENTS

Mayor Martin:

Saturday, October 6 is Cleanup Day in Shoreview.

October 6th is also Heritage Day at Larson/Lepak House. The main attraction will be the dedication of the Guerin Gas Station.

Councilmember Wickstrom:

The hours of the Farmers' Market after October 2nd will be changed to close at 6:00 p.m.

Gallery 96 will hold an exhibition at the Ramsey County Public Library from November 9th to December 9th. A reception will be on November 9th.

In response to a question from Councilmember Huffman, Councilmember Wickstrom reported that at the Future Transit meeting she learned that Mn/DOT is not in any hurry to replace the Rice Street bridge over I-694. There are no structural problems with the bridge. The problem is the amount of traffic it carries. There are hopes that the needed expansion will upgrade work on the bridge through the legislature. It is her hope that area businesses will help the City lobby hard for the bridge expansion. A pedestrian bridge is also being considered.

Councilmember Huffman:

Thank you to Northwest Youth and Family Services for a great fundraising event, the Taste of Northwest.

Councilmember Withhart:

Asked if the pool is open. City Manager Schwerm stated that the pool was open a week, when a light above the deck blew a ballast and cracked the glass casing, which fell and shattered on to the deck and into the pool. The pool was emptied, cleaned and refilled within about 14 hours. The pool was reopened Sunday, September 30, 2012. All systems are working well.

CONSENT AGENDA

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the Consent Agenda for October 1, 2012, and all relevant resolutions for all item Nos. 1 through 9:

1. September 17, 2012 City Council Meeting Minutes
2. Receipt of Committee/Commission Minutes
 - Planning Commission, September 11, 2012
 - Public Safety Committee, September 20, 2012
 - Environmental Quality Committee, September 24, 2012
3. Verified Claims in the Amount of \$1,095,951.19
4. Purchases
5. Appointment of Election Judges for November 6, 2012 General Election
6. Approval of Special Event Liquor License - St. Odilia Catholic Community
7. Change Order #2 and Payment #3 (Final) - 2011 MSA Street Rehabilitation, CP 11-08
8. Developer Escrow Reduction
9. Minor Subdivision - Silverthorn Properties, 3595 Rice Street

VOTE: Ayes - 5

Nays - 0

PUBLIC HEARING**APPROVAL OF WINE AND 3.2 ON SALE LIQUOR LICENSE - CHIPOTLE MEXICAN GRILL, 1021 RED FOX ROAD****Presentation by City Manager Terry Schwerm**

An application for a wine and 3.2 on sale liquor licenses has been submitted by Chipotle Mexican Grill on Red Fox Road. The owners and managers have been informed of the City's compliance regulations. Notices were sent to area property owners, and no comments have been received. All background checks are in order. Staff is recommending approval. The scheduled opening date for Chipotle is October 23, 2012.

Mayor Martin opened the public hearing. There were no comments or questions.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to close the public hearing at 7:15 p.m.

VOTE: Ayes - 5 Nays - 0

MOTION: by Councilmember Withhart, seconded by Councilmember Wickstrom, to approve the application for an on-sale wine and 3.2% liquor license for Chipotle Mexican Grill, located at 1021 Red Fox Road, Shoreview, Minnesota.

Discussion:

Councilmember Wickstrom emphasized how seriously Shoreview takes liquor regulations against selling to minors. Mr. Duvan, manager in charge of opening new locations, assured the Council that Chipotle also takes these regulations seriously and is open to having staff take advantage of training resources available.

ROLL CALL: Ayes: Huffman, Quigley, Wickstrom, Withhart, Martin
Nays: None

GENERAL BUSINESS**SITE AND BUILDING PLAN REVIEW - TSI INCORPORATED, 500 CARDIGAN ROAD****Presentation by City Planner Kathleen Nordine**

The application includes parking lot improvements and building expansion. The property is zoned I, Industrial. Adjacent to it is R3, Multi-family residential to the south and R1, Single-family (west) to residential uses. The two-story building addition will be on the south end of the

existing building consisting of approximately 57,000 square feet. The exterior finish matches the existing building.

The parking lot expansion is to the west side of the property. Staff finds that the parking lot does comply with setback standards. Landscape islands are required at 10% of the parking lot improvements. The applicant proposes 7%, which staff believes is reasonable, as a main landscape island already exists. The building exceeds minimum setback requirements with a height of less than the 35 feet permitted at 30 feet.

Storm water management will include an underground infiltration chamber to capture runoff from a portion of the existing and new parking area and building addition roof. The rate and volume of runoff will be controlled to reduce the discharge rate for storm events. Overflow will drain to City storm water infrastructure at the south end of the property. The drainage and peak loads will be reduced to the southeast drainage basin. The existing curb cut will be eliminated with an earth berm to contain runoff. Overall, drainage to the southeast basin will be reduced. The northwest portion of the parking area will be regraded to drain to Cardigan Road.

Notices were sent to property owners within 350 feet of subject property. Comments received focused on storm water management and potential flooding of residential properties.

The Planning Commission reviewed the parking lot addition of the proposed plan at its August 28th meeting and recommended denial due to storm water concerns. Recommended changes were provided. At the September 25th meeting, the applicant returned to the Planning Commission with a revised storm water plan. Both the parking lot and building additions were reviewed and approved on a 6 to 1 vote. A variance to increase impervious surface from 80% to 81% was approved.

This drainage and grading plan has been reviewed by the Public Works Director and determined to be in compliance with the City's development guidelines in the Shoreview Surface Water Management Plan. Staff is recommending approval with the conditions attached in the staff report.

Mr. Peter Coyle, Larkin Hoffman, stated that he represents TSI. He introduced Mr. Tom Kennedy, President; Mr. Floyd Grabel, General Counsel; and Mr. Tom Girard, Project Manager, all from TSI. He thanked Mr. Maloney, Mr. Simonson and Ms. Nordine for all the cooperation shown to expedite this project. He explained that the drainage plan has been revised extensively. The drainage chamber was enlarged to address concerns expressed. In fact, overall runoff has been reduced, and the plan does comply with City guidelines.

Councilmember Withhart asked if the proposed infiltration chamber is similar to others in the City. Mr. Maloney stated that nothing like this configuration has been built, but if the improvements to Red Fox Road go forward, a similar system would be built in that location. This is standard infrastructure in other metro areas and is designed to reduce volume and rate of runoff in the area.

Mr. Girard stated that after excavation 6 to 8 feet down, rock will be put in and then a system of domes, more rock and then the finished surface. As the domes fill, the water will percolate down through the rocks as overflow into the chamber.

Councilmember Quigley asked if the soil will handle this type of system. Mr. Maloney stated that the soil structure is not conducive to infiltration, and that is taken into account with the rock layer. The overflow is not directed to the pond but into the City storm sewer system.

Councilmember Wickstrom asked about the plan for replacement of trees. Ms. Nordine stated that staff has accepted their plan. She also asked about snow plowing. **Mr. Girard** stated that snow plowing is at night. The beep is turned off, and the new parking lot will be done first. The plan is to disturb area residents as little as possible.

Planning Commissioner Wenner stated that TSI was asked to mitigate the flow of water from the first plan presented. The revised plan reduced water rate and water runoff. Although impervious surface is not technically reduced, the impact of the storm water system does, in fact, reduce it. He commended TSI for the innovative plan presented.

Councilmember Quigley asked the issue that caused one Planning Commissioner to vote no on the project. Ms. Nordine explained that one Commissioner felt strongly that the larger runoff issues in this neighborhood should be addressed.

Mayor Martin opened the discussion to public comments.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to approve the Site and Building Plan review application submitted by TSI, Incorporated, 500 Cardigan Road, to expand their building and parking lot and other associated improvements, subject to the following conditions:

1. The site shall be developed in accordance with the plans submitted. Minor modifications may be made to the plans, subject to approval by the City Planner. Significant changes to the plans require review and approval through the Site and Building Plan review process.
2. Approval of the final grading, drainage, utility, and erosion control plans by the Public Works Director. Items identified in the attached memo from the Assistant City Engineer shall be satisfied prior to the issuance of a building permit for the parking lot expansion.
3. Revisions to the tree preservation and landscape plan shall be made in accordance with the attached memo from the Environmental Officer prior to the issuance of a building permit for this project.
4. Lighting on site shall comply with Section 204.030, Glare, of the Development Code. Details of the proposed pole, pole height and light fixture shall be submitted to the staff prior to the issuance of a building permit.
5. The applicant shall enter into a Site Development Agreement prior to the issuance of any building permits for this project.
6. The Building Official is authorized to issue a building permit for the project upon satisfaction of the conditions above.

This approval is based on the following findings of fact:

1. The proposed land use is consistent with the designated Industrial land use in the Comprehensive Plan and I, Industrial zoning district.
2. The development supports the City's business retention and expansion goals by supporting the continued growth of a company that:
 - Provides livable wage jobs that allow residents to support local businesses and participate in community activities;
 - Maintains tax base to generate revenue;
 - Supports the economic vitality of the City.

ROLL CALL: Ayes: Quigley, Wickstrom, Withhart, Huffman, Martin
 Nays: None

Mayor Martin stated that Shoreview is fortunate to have TSI located in the City. TSI received the Manufacturer of the Year Award this past year. The Economic Development Authority (EDA) has worked hard to offer a financial assistance package, and the City looks forward to a continued partnership with TSI.

PLANNED UNIT DEVELOPMENT - DEVELOPMENT STAGE/REZONING - HOUSE OF DREAMS - 4001 RICE STREET

Presentation by City Planner Kathleen Nordine

Joycelyn Company, Ltd. has submitted an application to convert the existing office building at 4001 Rice Street to a mixed use of office and residential. The property consists of 0.75 acres with an office building of 5,160 square feet and parking area with 25 stalls with access from both Rice Street and Hodgson. A dwelling unit would be made from 2,960 square feet of office space that would include one bedroom, kitchen, bath and loft area on a second floor. Parking for this unit would be in the existing parking lot. The owner plans to live in the unit and continue operating the business. This would be considered a live/work unit, where people live and work in the same location and reflects the changing economic housing climate. The unit may be rented in the future. Adjacent land uses are Commercial, Institutional and Low/High Density Residential. The request is to rezone the property from OFC, Office to PUD, Planned Unit Development. The application also includes an application for Development Stage Review of the PUD.

The Planning Commission reviewed the application and recommended approval on a 7 to 0 vote. The Commission felt that this is an innovative use of property.

Property owners within 350 feet of the property were notified of the proposal. One response was received indicating no concerns. The Fire Marshal and Building Official require compliance with Building Code requirements for the bathroom, kitchen and egress. A building permit will be required for the remodeling work.

Staff has reviewed the criteria for a PUD rezoning and although a mixed use is not specifically permitted in property zoned OFC, Office, the primary use will continue to be office. Staff believes the use is compatible and a PUD is suitable. Adjacent land uses will not be impacted by the change, and the applicants have agreed to execute a Development Agreement with the City. As long as the space meets code requirements, the loft may be used for a sleeping area. Staff is recommending approval of the PUD and PUD Development Stage.

Councilmember Withhart expressed concern if the unit becomes rental and the office is vacant, especially because the property is a gateway to the City with high levels of traffic on Rice Street and Gramsie. Ms. Nordine noted that the City has a rental licensing program. The owner would have to obtain a license to rent, which would allow an annual inspection. If there is a change in use for the office space, an amendment to the PUD would be required. Councilmember Withhart asked how many people could rent a one-bedroom unit legally. Ms. Nordine answered that five unrelated people would be legally allowed.

Planning Commissioner Wenner stated that the Commission felt that this is an opportunity to do something innovative. However, some concern was expressed that without a garage, things like bikes, recreation and lawn equipment might be stored outside.

Councilmember Wickstrom asked if a garage could be added in the future. **Mr. Schaffhausen** stated that the building belongs to his mother who loves it. It was built by his father. She no longer drives. His business is in front and his mother will be able to live there. There is room for a garage should one be added later.

Councilmember Huffman asked if a shed could be built. Ms. Nordine stated that in this type of a district a shed is not permitted. It would be an amendment to the PUD and be reviewed by the Planning Commission and City Council.

Councilmember Withhart asked if a garage could be required. City Manager Schwerm stated that there are regulations about outside storage. The building will be used as an office. The office use will maintain the property. Ms. Nordine added that language regarding outside storage can be included in the Development Agreement at the Final Stage approval.

Councilmember Quigley stated that with a PUD, the items of concern will be controlled.

MOTION: by Councilmember Quigley, seconded by Councilmember Withhart to approve the applications submitted by Joycelyn Company, LTD, 4001 Rice Street, adopting Ordinance No. 898 rezoning the property from OFC, Office to PUD and the PUD, Development Stage for the mixed residential and office uses, subject to the following conditions:

Rezoning

1. The approval rezones the property from OFC, Office to PUD, Planned Unit Development.
2. The underlying zoning district for this PUD is OFC, Office.

3. Rezoning is not effective until approvals are received for the PUD, Final Stage and development agreements executed.

This approval is based on the following findings of fact:

1. That the proposed mixed residential office use is consistent with the policies of the Comprehensive Guide Plan and with the general purpose and intent of the development regulations. Office will remain the primary use of the property.
2. The proposed mixed residential office use will not significantly and adversely impact the planned use of the surrounding property.
3. That the applicant is willing to enter into a development agreement with the City as a condition of rezoning approval.

Planned Unit Development - Development Stage

1. The PUD permits the mixed use of this property as Office and Residential. Uses within the building will consist of approximately 2,200 square feet of office space and 2,960 square feet for residential. The residential unit is limited to one bedroom plus loft and shall have separate bath and kitchen facilities from the office use. The office space shall not be used for sleeping bedroom purposes.
2. Parking for the residential unit shall be identified on-site with signage. A minimum of two stalls must be provided.
3. The structure and uses must comply with the Building Code. A Building Permit is required prior to commencing any remodeling work.
4. A rental license is required for the residential dwelling unit if it is occupied by a person other than the legal owner thereof, pursuant to a written or unwritten agreement, whether or not a fee is charged.
5. The property owner shall enter a site development or use agreement with the City, clearly specifying the use of the property.
6. Authorize the Building Official to issue proper building permits after Final Stage approval of the PUD and execution of the development agreement.

The approval is based on the following findings of fact:

1. The proposal supports the policies in the City's Comprehensive Plan relating to land use, housing and economic development.
2. The proposed mixed residential and office land use will not adversely impact the planned land use of the surrounding property.
3. The proposal supports the changing needs of the economic and housing community.

Discussion:

Mayor Martin opened the discussion to any comments or questions from the public. There were no comments or questions.

ROLL CALL: Ayes: Wickstrom, Withhart, Huffman, Quigley, Martin
 Nays: None

ADJOURNMENT

MOTION: by Councilmember Withhart to adjourn the meeting at 8:10 p.m.

VOTE: Ayes - 5 Nays - 0

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 15th DAY OF OCTOBER 2012.

Terry C. Schwerm
City Manager