

2. Receipt of Committee/Commission Minutes - Economic Development Authority
October 3, 2016

VOTE: Ayes - 4 Nays - 0 Abstain - 1 (Johnson)

Councilmember Johnson abstained as she did not attend the meetings listed in item Nos. 1 and 2.

PUBLIC HEARINGS

There were none.

GENERAL BUSINESS

GRAMSIE WOODS - GOLDEN VALLEY LAND COMPANY

- A. **APPEAL OF VARIANCE - DAVID AND MARY O'NEILL****
- B. **REZONING AND PRELIMINARY PLAT****

Presentation by City Planner Kathleen Castle

Golden Valley Land Company has submitted an application to rezone 15.57 acres from UND (Underdeveloped) to R1, Detached Residential. A second application has been received for a preliminary plat to subdivide the parcel into 7 lots for single-family residential development. The area designated as Outlet A will remain vacant.

When this proposal was reviewed by the Planning Commission, a variance was requested to waive the key lot standard depth requirement for lot Nos. 1-5. The Planning Commission granted the variance. A key lot is when the rear lot line of one property abuts the side lot line of the adjacent property. The decision to grant the variance is being appealed by Dave and Mary O'Neill.

The subject property has single-family residential development to the north and east, I-694 to the south and the tower property to the west. The proposed lots have frontage on Gramsie Road. The remainder of the property, Outlet A, would remain vacant.

The property is located in Planned Development Area (PDA) #13 of the Comprehensive Plan, which is guided for low density residential with a density range of 0 to 4 units per acre. The density proposed is 3.8 units per acre, which is consistent with the Comprehensive Plan. The proposed R1 zoning is consistent with the single-family neighborhoods to the north and east and will not have a significant impact on surrounding property. The developer is agreeable to entering into a Rezoning/Development Agreement and has indicated agreement to the conditions of approval proposed by staff.

The preliminary plat shows lot nos. 1-5 as key lots. Key lots are discouraged but if developed, the Development Code imposes additional size and structure setback requirements. Key lots must be 15 feet greater than the standard in either width or depth, and any structure must be 40 feet from the rear lot line. Lot Nos. 6 and 7 are conforming R1 lots that abut the wetland of

Gramsie Pond. There is a 16.5 foot wetland buffer to the wetland on Lot Nos. 6 and 7. During the public review process, the amount of buildable property was questioned for Lot Nos. 6 and 7. The developer provided information with possible house layouts for those two properties.

A ghost plat was submitted as required for Outlet A showing potential future development. The ghost plat also included 808 Randy Avenue, the property abutting the key lots, Nos. 1 -5. It was determined that future development will be restricted because protected wetland areas would have to be crossed for development to occur. The developer has indicated a willingness to dedicate or donate Outlet A to the City. A land dedication will be addressed in the Final Plat.

Property owners within 350 feet were notified of the proposed development. Comments received expressed concern about the reduced lot width, environmental impacts, increased traffic, noise, utilities, storm water runoff and that this development would alter the character of the neighborhood.

Agency comments received included a recommendation from the DNR to identify the steep slope and bluff areas on the plat to make it clear where they are located. The DNR has stated that there are no standards for buffer widths from wetlands that do not have a DNR shoreland classification. Rice Creek Watershed District (RCWD) will require a permit for development. There is no wetland setback or buffer requirement by RCWD. Ramsey County has no interest in obtaining Outlet A for County park/open space purposes because the site is landlocked.

The Planning Commission held a public hearing on August 30, 2016. The application was tabled because of concerns in regard to the 16.5 foot buffer on Lot Nos. 6 and 7. Additional information was requested from the DNR and RCWD. There were also concerns about the buildability of Lot Not. 6 and especially Lot 7.

Additional information from the agencies was presented to the Planning Commission at their September 27th meeting. The Planning Commission concluded that practical difficulty is present and approved the variance. A recommendation was forwarded to the City Council to approve the rezoning and preliminary plat on a vote of 4 to 1.

Variance Appeal

Dave and Mary O'Neill submitted an appeal to the Planning Commission's decision to approve the variance because there is no practical difficulty. They state that future development to the south on the outlet should not be used as a reason for granting the variance. Gramsie Road has a right-of-way of 80 feet, wider than the 60-foot standard. Lots in the neighborhood have widths of 100 feet. The proposed lots are smaller with widths of 75 feet. Although the 75-foot width conforms to City Code standards, the lots should be at least 100 feet wide because smaller lots will change the character of the neighborhood. The property can be developed in accordance with key lot requirements without the need for a variance. Also, the loss of open space will impact wildlife.

The developer's response is that when the property to the south is developed, the rear lot lines of lot Nos. 1-5 will abut rear lot lines of future parcels and will no longer be key lots. As the right-

of-way for Gramsie Road is 80 feet and the standard is 60 feet, a vacation could be requested to make the parcels conform to the minimum 140-foot lot depth.

Staff agrees with the Planning Commission and finds that the proposal for low density residential development uses the property in a reasonable manner and is consistent with the Comprehensive Plan. The proposed parcels meet the minimum lot area and width requirements for standard residential lots. The buildable area on all lots is sufficient for single-family residential development.

Staff agrees that the property could be subdivided in compliance with Code requirements, but there are unique circumstances that justify the proposal. The property to the south consists of 2.61 acres with development potential. Key lot requirements were created to mitigate development impacts to residential properties with no redevelopment or development potential. The existing home on the lot to the south is 150 feet from the north lot line. Additional width or depth of the proposed lots would not reduce development impact. The application conforms to the key lot standards of a greater structure setback of 40 feet from the rear property line, which provides protection to the neighborhood. The width of Gramsie Road is also a unique circumstance.

Regarding the impact to the character of the neighborhood, staff finds that the proposal will not have a significant impact. The lots are consistent with the size of a standard R1 lot. The development pattern is consistent with other properties with frontage on Gramsie Road.

Therefore, staff recommends that the Planning Commission decision be upheld to waive key lot requirements for lot Nos. 1-5 based on the findings stated in Resolution 16-79. Staff also recommends approval of the rezoning and preliminary plat with the conditions listed in the staff report that include identification of the slopes and bluffs on the plat and wetland buffer signage as recommended by the DNR.

Council Discussion

Councilmember Wickstrom asked how the property to the south would be developed if it is donated to the City. Ms. Castle stated with the upcoming Comprehensive Plan review, potential use of this property would be analyzed.

Planning Commissioner Solomonson reported that the Commission discussion focused on key lots and lot No. 7. Although discouraged, in Section 204 of the Code, there is a provision for key lots to be larger by 15 feet either in width or depth in Section 205. An additional rear setback for key lots is 40 feet. If the lots were wider, no variance would be needed. Wider lots would also eliminate Lot 7. A lot of discussion focused on the wetland buffer on Lot 7. Gramsie Pond is not linked to Island Lake. If it were linked, a wider buffer would be required. The additional information from the DNR, City Engineer and RCWD did not provide a basis to increase the wetland buffer. The Planning Commission reluctantly approved the proposal on a 4 to 1 vote. His was the nay vote based on whether Gramsie Pond should be linked to Island Lake and his view that the buffer should be wider for the wetland, which would eliminate Lot 7.

Mayor Martin noted that the Zibell development created four key lots without the requirement of additional depth or width, although the houses were set back 40 feet from the rear lot lines. Commissioner Solomonson responded that key lots are difficult. As long as the property to the south is not redeveloped, the lots will remain key lots. Also, a request to vacate Gramsie Road right-of-way would mean sufficient depth to meet key lot requirements and a variance would not be needed. However, other commissioners believed such a vacation would mean the houses would be closer to the street. The homes in this proposed development will sit lower than the houses across Gramsie or the home to the south.

Councilmember Quigley questioned the elevation of the property to the south. Ms. Castle showed a map that indicated the high point of the development property was at 976 and then sloped downward toward the east and west.

Mr. O'Neill, Appellant, questioned the process in that the appeal was paraphrased and is not the original appeal he submitted. Wildlife is mentioned, but that has nothing to do with the appeal. Ms. Castle explained that it is City process for staff to summarize the appeal for the City Council. Wildlife was mentioned in the letter which is why it was mentioned in the summary.

Mayor Martin added that the Council had the original appeal letter.

Mr. O'Neill stated that seven homes will be a tight fit. A 90-foot wide lot would fit better. Different neighborhoods in R1 Districts have different characteristics. Harbor Place is very different from this neighborhood. Originally, the developer planned to build large homes, although he has stated he has modified the size. The problem is that once approved, he can build any size he wants within Code. If four homes were built on the five lots instead of five homes, there would be added buffer to the pond. The Planning Commission was not comfortable with its decision for seven lots but felt they needed to support City Code and so approved it. That made him question why strict key lot standards were not applied. He further stated that the property to the south does drop lower than the subject property for development.

Mrs. O'Neill requested that Councilmembers state their reasons for their vote on whether this is approved, denied or tabled.

Councilmember Johnson stated that the process by which staff works with the Planning Commission and Council has worked for many years.

Mayor Martin noted that Planning Commissioners are seven appointed residents by the Council. They represent a broad base of the community and make their decisions independent of planning staff.

Councilmember Quigley added that the Planning Commission can only act on the plan that is presented to them. Sometimes the Commission struggles with asking about other options, but the decision can only be on the plan put before them.

Mr. Peter Knable, Golden Valley Land Company, introduced Matt Pavik, also with Golden Valley Land Company. Golden Valley is working with Hanson Builders who showed renderings

of the proposed homes at the Planning Commission meetings. Golden Valley has been working with staff since April and find them to be very professional. Golden Valley is familiar with infill development issues. A neighborhood meeting was held a couple months ago to present the same plan to residents that was brought to the Planning Commission. Golden Valley concurs with the staff report. The recommendations regarding the variance are exceptionally detailed. At first, Golden Valley did not believe that key lot Shoreview standards would apply to this development because the proposed lots back up against a property that is not developed. Golden Valley considers this a technical variance but not a substantial variance that will impact the outcome of this development. The project meets and exceeds City standards for the residential district.

Councilmember Springhorn asked the reason for seven lots. Mr. Knable stated that the highest and best use for the property is seven lots because City Code supports that. Golden Valley has a purchase agreement on the property based on what City Code allows. Fewer lots will impact the underlying value of the land owner. The price should be based on the highest and best use, which is seven lots.

Mayor Martin asked for further information about the land donation. Mr. Knable explained that the peninsula is landlocked, unless the tower property is developed. Without tower property development, wetland has to be crossed to reach the peninsula for development. The peninsula consists of approximately four acres. The soil, wetland and trees have been analyzed. The property could be developed. If the only access is through the wetland, it would be a minor wetland impact overall. If the DNR, RCWD and City were to approve development, it would be a valuable site for residential lots. Development of the peninsula is also dependent on development of the Tan property to the south. The peninsula should not be tied to the proposed development or key lots or the issue of seven or six lots or the park dedication. Golden Valley would prefer a separate discussion with staff as to whether there is a desire on the part of the City to see the peninsula developed.

Mayor Martin opened the meeting to public comment.

Ms. Terry Bestcraft, 735 Randy Avenue, stated that she lives in a rambler that could probably sell for \$225,000. There is no way this development will not change the neighborhood. It is quiet. When Snail Lake Boulevard was built, it forever changed the area for residents and for wildlife. This development will change this little neighborhood. There are many children and there will be a lot more traffic. The current owner does not develop his own land. Why does it have to be sold for development? Not every little piece of property in Shoreview should be developed.

Mr. Duane Barnes, 736 Randy Avenue, stated that when he walks down to his dock, he now sees a neon sign. He used to see wildlife and the lake. He is not opposed to development but not seven homes. All the other homes in the neighborhood have lots 100 feet wide. Neighbors walk their dogs in that area. Dogs cannot be walked on Gramsie Road in the wooded area in the winter because of falling ice from the Tower property. He is surprised the houses at the end of Gramsie Road were allowed to be built so close to the Tower property and falling ice. The towers are approximately 1200 feet high. If a tower were to go down, how far would it come into this new neighborhood? The subject property has wildlife that everyone likes but will be

lost. Existing houses in the neighborhood are about 2,000 square feet. If allowed to build, the lots should be 100 feet wide the same as the other houses in the neighborhood. Five lots should be enough.

Mr. Dean Hanson, Hanson Builders, stated that the key lots should not be an issue because there are other key lots in the area with houses within 10 feet of the property line. The proposed houses would be 150 feet from the property line. Most runoff water will run to the street and rain garden. Rain water in the rear will flow into natural planting areas before flowing into the pond. A 16.5 foot buffer is adequate. In regard to the number of lots, a small lot is not a bad thing. One of the most valuable resources in a city is land, which is why so much planning and regulations relate to land use. Regulations change to make the highest and best use of land. This development does not waste land but is a good use of the land. If the City were to accept Outlet A as a donation, it will likely not be developed and will be left wild. It is only the strip of land with seven lots that will be developed. It will be a good project for the City.

Council Discussion

Mayor Martin stated that the key lots and variance of the key lots is complex. She also agrees with the Planning Commission and questions building on Lot 7, but the DNR and RCWD have indicated it is a buildable lot. That is part of the plat and not part of this decision. The real issue with the key lot is the depth issue.

Councilmember Wickstrom stated that the key lots are not a big issue for her. The Tan property on Randy Avenue is oriented toward the pond, and where the proposed development property abuts the Tan property is more like abutting a back yard than a side yard. The Tan property is also a large property and the house is set a far distance from the north lot line. That is an extenuating circumstance. She will support the variances the Planning Commission granted. She also supports seven lots that are allowed by City Code. If the lots were bigger, the houses built would be even bigger than proposed and cause more issues.

Councilmember Quigley stated that no one knows the intentions for the Tan property. At some time in the future that property will develop. The information from the DNR, RCWD and Ramsey Washington Metro Watershed District means that he cannot object to the variances, and he will support them.

Mayor Martin stated that the proposed development meets the development standards for a residential neighborhood. The R1 District defines density as 0 to 4 units per acre. The proposed development is in compliance. She noted her own home which used to be surrounded by open space but now has residential development next to it. The character of the neighborhood will change. Unless someone wants to buy the land and not develop it, that is an option. Otherwise, there is nothing the City can do to prevent development. Widening the lots to eliminate the seventh lot does not address the key issue of the key lots which is depth.

Councilmember Johnson agreed that the neighborhood will change and that is difficult. However, it is difficult to not support the Planning Commission's decision that has been discussed and studied extensively.

Councilmember Springhorn stated that with the changes that will occur, he is not convinced it will make a difference whether there are six or seven houses. Staff provided him with information on three applications for key lots in the last few years. None were denied. It is hard to see that this situation is different. He understands the neighbors' concerns but does not see justification for opposing the variances.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to uphold the Planning Commission's decision approving a variance request to waive the key lot requirements for Lots 1-5, based on the findings listed in Resolution 16-79. This resolution also contains the conditions of approval.

Discussion:

Mayor Martin stated that the conditions of approval will not be read, as they are included in the resolution.

ROLL CALL: **Ayes: Johnson, Quigley, Springhorn, Wickstrom, Martin**
Nays: None

Councilmember Wickstrom stated that she would support accepting Outlet A if donated to the City. However, she would not want the donation to be in lieu of the park dedication fee because it will be used by neighborhood residents as now but will not become available to the public.

Mayor Martin responded that Outlet A could become more valuable when the telegram property can be developed. She believes it will be valuable to obtain the property, and it is important to protect Outlet A.

Councilmembers Johnson, Springhorn and Quigley agreed that further discussions should pursue the option for a donation. Mr. Schwerm stated that staff is in discussion with the developer regarding a donation. With the Council's support, discussions will continue.

MOTION: by Councilmember Quigley, seconded by Councilmember Wickstrom to approve the preliminary plat and rezoning applications, submitted by Golden Valley Land Co. to divide the property at 0 Gramsie Road (PINs: 26-30-23-13-0027, 26-30-23-13-0028) into 7 parcels for residential lots and 1 out lot. Said approval is subject to the following conditions:

Rezoning:

1. A Development Agreement must be executed prior to the City's issuance of any permits for rezoning.
2. Rezoning is not effective until approvals are received for the Final Plat, the development agreements executed.
3. This approval rezones the property from UND, Urban Underdeveloped to R1, Detached Residential.

Preliminary Plat

1. The approval permits the development of a detached residential subdivision providing 7 lots for single family residential development and 1 outlot.
2. Final grading, drainage and erosion control plans are subject to the review and approval by the Public Works Director prior to approval of any permits or the Final Plat. Concerns identified by the City Engineer shall be addressed with the Final Plat submittal.
3. Final utility plans are subject to review and approval by the Public Works Director.
4. Comments identified in the memo dated August 23, 2016 from the City Engineer shall be addressed with the Final Plat submittal.
5. A Development Agreement, Erosion Control Agreement shall be executed and related securities submitted prior to any work commencing on the site. A Grading Permit is required prior to commencing work on the site.
6. A Public Recreation Use Dedication fee and/or Land Dedication shall be submitted as required by ordinance prior to release of the Final Plat.
7. The landscape/tree-replanting plan shall be provided in accordance with the City's Tree Protection Ordinance. Trees on the property, which are to remain, shall be protected with construction fencing placed at the tree drip lines prior to grading and excavating. Said plan shall be submitted for review and approval by the City Planner prior to submittal of the final plat application.
8. The Final Plat shall include drainage and utility easements along all property lines. Drainage and utility easements along the roadways shall be 10 feet wide and 5 feet wide along the side and rear lot lines. Other drainage and utility easements shall be provided over the proposed bio-filtration area, future public infrastructure and as required by the Public Works Director.
9. The developer shall secure a permit from the Rice Creek Watershed District prior to commencing any grading on the property.
10. The plan submittal for the Final Plat shall identify areas that are classified as steep slopes and bluffs on Lots 1-7.
11. The developer shall erect signs at the edge of the 16.5' wetland buffer area.

Discussion:

City Planner Castle offered an amendment to Rezoning condition No. 3 to specifically state that the rezoning from UND to R1 Detached Residential is for Lot Nos. 1-7, not Outlet A.

Councilmembers Quigley and Wickstrom accepted the amendment.

ROLL CALL: Ayes: Quigley, Springhorn, Wickstrom, Johnson, Martin
 Nays: None

MUNICIPAL CONSENT FOR FINAL LAYOUT FOR I-35W MANAGED LANE IMPROVEMENT

Presentation by Public Works Mark Maloney

This managed lane improvement project resulted from a 2013 corridor study, which identified needed improvements to I-35W. The first segment will be from Highway 36 in Roseville to Lexington Avenue in Blaine, a 12-mile stretch of road. Traffic volumes on this stretch of highway in 2015 ranged from 53,000 to 127,000 cars per day. Bridge, noise barriers where needed and pavement improvements are needed as well as addressing congestion. A managed lane is proposed which functions like a MN pass lane.

An Advisory Committee has been meeting on this project for almost two years. The project cost is estimated at \$208 million; at this time there is a \$78 million fund shortage. No Shoreview funding is requested. The goal is to begin construction in 2017 with a 5-year buildout. Because of funding, the project may not start in 2017, but Mn/DOT is pushing to begin as soon as possible.

State statutes require municipal consent for this project layout. The City held a public hearing on July 18, 2016. At a City Council workshop meeting with Mn/DOT representatives, concern was expressed about the sequencing of this project with the removal of the County Road I ramp and construction of the Rice Creek Commons Thumb Road from County Road I to County Road H through the TCAAP property. If the thumb road is not constructed in conjunction with removal of the County Road I ramp, access to I-35W will be cut off for Shoreview residents until the thumb road is built. The sequencing of the project is under the jurisdiction of Ramsey County. A letter has been received from Ramsey County indicating that County plans will be submitted to Mn/DOT for review in December 2016, with construction proposed to begin in May 2017.

Staff is recommending approval of the resolution

Councilmember Quigley asked if a managed lane will be a significant benefit. Mr. Maloney responded that the reason a managed lane became the preferred option is that it is modeled to provide the most benefit to manage congestion in the corridor.

Councilmember Wickstrom asked if it is possible that the Arden Hills City Council will deny construction of the thumb road, which they do not support. Mr. Maloney responded that roadway and that part of development of TCAAP is the highest priority for the County. A significant amount of development potential is not possible if the thumb road is not built. Mr. Schwerm added that the opposition he has heard is if the road were to cross the creek and connect to Schutta Road. The current plans for development of this part of TCAAP requires the thumb road to be built for which there is less opposition.

Councilmember Quigley asked if County Road I access will be taken out. Mr. Maloney answered that the current access off County Road I northbound on I-35W and westbound on Highway 10 will be replaced with the interchange at County Road H.

Councilmember Johnson stated that with the amount of congestion, she believes this \$208 million project will be a bandaid approach to a long-term solution.

Mayor Martin opened the discussion to public comment.

Mr. Jim Ostby, 1530 Oakwood Drive, stated that he uses the County Road I access often. It is his understanding that Anoka County is reconstructing access to I-35W on County Road J. He asked for information on that project.

Mr. Stan Shortle, 1540 Oakwood Drive, stated that if there no access to County Road H, residents will be cut off with no access north on I-35W. In Bloomington and Richfield there are bridges every four or five blocks. Bridges should be pushed. North and south access is needed. County Road H is all important at this point.

Mr. Maloney responded that Anoka County is discussing County Road J, but he has not heard that Mn/DOT is including that in the project at this time. No new access points will be considered in this area because there are already interchange violations, which is what Mn/DOT is trying to address.

MOTION: by Councilmember Wickstrom, seconded by Councilmember Quigley to adopt Resolution 16-97 approving the final layout for I-35W Managed Lane Improvements.

ROLL CALL: **Ayes: Springhorn, Wickstrom, Johnson, Quigley, Martin**
 Nays: None

ADJOURNMENT

MOTION: by Councilmember Johnson, seconded by Councilmember Quigley to adjourn the meeting at 9:00 p.m.

VOTE: **Ayes - 5** **Nays - 0**

Mayor Martin declared the meeting adjourned.

THESE MINUTES APPROVED BY COUNCIL ON THE 7th DAY OF NOVEMBER, 2016.

Terry Schwerm
City Manager