

MOUND CITY COUNCIL MINUTES
June 28, 2016

The City Council of the City of Mound, Hennepin County, Minnesota, met in regular session on Tuesday, June 28, 2016, at 7:00 p.m. in the council chambers of the Centennial Building.

Members present: Mayor Mark Wegscheid, Council Members Heidi Gesch, Kelli Gillispie, Ray Salazar, and Jennifer Peterson

Members absent: None

Others present: City Manager and Public Works Director Eric Hoversten, Community Development Director Sarah Smith, Director of Finance and Administrative Services Catherine Pausche, City Attorney Melissa Manderschied, Administrative Assistant Mary Mackres, Consultant Planner Rita Trapp, Nicole Brodzik, Pat Gorman, Ellen Gomoll, Aubrie Gould, Tina Gubrud, Chris Carlson, Pat Brickley, Phil Velsor, Blake Hopkins, Larry Prinz, and Sam Hirsch

Consent agenda: All items listed under the Consent Agenda are considered to be routine in nature by the Council. There will be no separate discussion on these items unless a Council Member or citizen so requests, in which event it will be removed from the Consent Agenda and considered in normal sequence.

1. Open meeting

Mayor Wegscheid called the meeting to order at 7:10 p.m.

2. Pledge of Allegiance

3. Approve agenda

Wegscheid addressed a text change on item #6 from \$15,000.00 to \$18,000.00.

Hoversten added there are additional pages for agenda item #7 that were missing from the original packet, which will be referred to as pages 1466A, 1468A, 1591A and 1597.

MOTION by Salazar, seconded by Gesch, to approve the agenda as amended.
All voted in favor. Motion carried.

4. Consent agenda

MOTION by Salazar, seconded by Gesch, to approve the consent agenda.
Upon roll call vote, all voted in favor. Motion carried.

A. Approve payment of claims in the amount of \$1,195,821.39

B. Approve minutes: June 14, 2016 regular meeting

C. Approve Policy ADMIN-004 Tax Increment Financing

- D. RESOLUTION NO. 16-73: RESOLUTION APPROVING PUBLIC GATHERING PERMIT AND MUSICAL CONCERT PERMIT FOR 2016 DOG DAYS EVENT WITH REDUCED FEES DUE TO PUBLIC PURPOSE OF GATHERING**
- E. RESOLUTION NO. 16-74: RESOLUTION APPROVING SIGN VARIATION/MODIFICATION FOR 5218 BARTLETT BOULEVARD**
- F. RESOLUTION NO. 16-75: RESOLUTION TO APPROVE A PUBLIC LANDS PERMIT FOR PROPERTY AT 51XX DRUMMOND ROAD, PID NO. 25-117-24-12-0109**
- G. RESOLUTION NO. 16-76: RESOLUTION APPROVING VARIANCES FOR 51XX DRUMMOND ROAD PLANNING CASE NO. 16-05, PID NO. 25-117-24-12-0109**

5. Comments and suggestions from citizens present on any item not on the agenda.

None offered.

6. Pat Gorman, President of the Westonka Jaycees, requesting action on a resolution accepting Westonka Jaycees donation to parks for 2016

Gorman, President of the Westonka Jaycees, stated the Jaycees are donating \$18k to the City for parks improvements. Gorman stated the donation came from the Jaycees charitable gambling operations at Carbone's and Al & Alma's. Mayor Wegscheid thanked Gorman for the work of the Jaycees in benefiting the community.

MOTION by Salazar, seconded by Gillispie, to approve resolution with amendment changing amount of donation from \$15,000 to \$18,000. All voted in favor. Motion carried.

RESOLUTION NO. 16-77: RESOLUTION ACCEPTING WESTONKA JAYCEES DONATION TO PARKS FOR 2016

7. Planning Commission Recommendations

Indian Knoll Manor Renovation and New Construction Project
2020 Commerce Boulevard and 5524 Spruce Road
Applicant: Aeon

Sarah Smith, Community Development Director, addressed the Council regarding the Indian Knoll Manor (IKM) property which is owned by the Mound Housing and Redevelopment Authority with funding from HUD. Smith stated IKM currently is a 50 unit affordable housing complex and the HRA is in process to sell the property to Aeon, a non-profit organization who develops and maintains affordable housing. Smith said Aeon will remodel the existing building and add six (6) more units basically within the same foot-print, and add ten (10) 3-bedroom townhomes on the abutting 5524 Spruce Street property.

Smith discussed the public hearing process for the IKM project approval. Smith stated there will need to be three concurrent public hearings and other requested actions for the Council.

Smith listed the items which require a public hearing in the City Code, including a major subdivision, the preliminary plat and a request to rezone the parcel at 5524 Spruce. Smith added the parcel is currently zoned R-2 and will need to be rezoned to R-3 or multi-family to

correspond to the existing IKM parcel. Smith is also requesting a public hearing for a Conditional Use Permit (CUP) for the site which will allow a Planned Unit Development (PUD) area to add six (6) units to the existing building and ten (10) new townhomes. Smith added that there are also a series of variances for the project which are outlined in the Planning Report for the site. Smith noted variances are common when existing buildings and sites are being redeveloped versus the previous downtown projects that leveled the properties, replatted and started from scratch.

Smith listed other required actions which include:

- An Expansion Permit dealing with the existing conditions of IKM structure. The expansion is related to building on the existing footprint and will not result in moving further into setbacks.
- Another action is the Planning Commission determined that the Aeon acquisition of the property is not inconsistent with City Comprehensive Plan.

Smith noted the public hearing notifications were published and were sent by mail to property owners within 350 feet of the project property.

Wegscheid suggested one public hearing be opened to encompass all the areas for review.

Smith listed the items for public hearing review:

Public Hearings

Review of Major Subdivision-Preliminary Plat (PC Case No. 16-15),
Rezoning (PC Case No. 16-20) and Conditional Use Permit (PC Case No. 16-16)
Applications

Consideration of Comprehensive Plan Amendment to reguide property at 5524 Spruce
Road (PC Case No. 16-14)

Consideration of Variance (PC Case No. 16-17) Application

Consideration of Expansion Permit (PC Case No. 16-18) Application

Consideration of Proposed Conveyance of HRA Property for Consistency with
Comprehensive Plan

Mayor Wegscheid opened the public hearing at 7:26 pm.

Rita Trapp, City Planning Consultant, addressed the Council. Trapp stated the first action by the Council is the Comprehensive Plan amendment. Trapp stated the 2020 Commerce parcel is already high density residential and the 5524 Spruce will need to be reguided from (R-2) to high density residential (R-3) as the two parcels are contiguous.

The Council can approve the Comprehensive Plan amendment conditionally which then will be sent on to Metropolitan Council for final approval.

Trapp added that the Preliminary Plat allows a Planned Unit Development (PUD) area for this unique site; which is an infill site with an existing building and includes overhead utility

easements. The townhomes will not be platted as individual parcels due to Aeon owning and operating the entire site and the townhomes being rental units and not privately owned.

Trapp stated the Conditional Use Permits are site design related. The new site plan includes a variance to allow a setback of 14.5 feet rather than 15 feet. Trapp added a hardcover variance is being requested as the townhomes and parking lots will exceed hardcover lot coverage requirements due to the need for the new parking and structures.

She added another variance is requested for the number of parking spaces as the proposed plan will add parking but the plan won't meet minimum parking requirements. Trapp said a study was completed which found the parking at the property in the plan is sufficient. Variances are requested for drive aisles to be decreased, a proposed fence height variance on the rear of the property and parking lot setbacks to be reduced to 5 feet. Trapp said there are 11 variances in total being requested for this project.

Trapp added the Expansion Permit includes a 38 feet height for the new units, which is the same as the existing non-conforming height requirement that is currently in place.

Trapp stated the Planning Commission reviewed the Proposed Plan on June 7th and that neighbors in attendance expressed concerns regarding the removal of trees, the proximity of the townhomes to the rear of the property, and also the proximity of the townhomes' garbage dumpster location to the property line.

Trapp stated the Planning Commission recommended approval of the IKM project plans but did not recommend approval of all of the variances requested for the project. Trapp stated variances not recommended for approval include the rear yard setback for the townhomes, the five foot parking lot variance and the drive aisle width variance.

Trapp added the Planning Commission was also interested in the attendees concerns with number of proposed parking spaces not being adequate and the placement of the dumpster.

Trapp stated that Aeon responded to the concerns in writing, including an option to remove the concrete stoops in the back of the townhomes and possibly putting parking restrictions in place if there are future problems. Trapp also stated that the setbacks to the townhomes could be changed if the Council does not approve variances for drive aisles.

Blake Hopkins, Project Manager from Aeon addressed the Council. Hopkins stated Aeon is a non-profit affordable housing developer which owns and operates 2500 affordable apartments in Minnesota.

Hopkins discussed the proposed plan and ideas for changes to the plans in order to respond to neighbors concerns about the project and variances. Hopkins added that they could install a parking restriction of one car per unit if needed.

Larry Prinz, Architect for the project addressed the Council. Prinz stated the redevelopment of IKM presented design challenges due to the overhead utility easement and soil conditions. He also stated the plans will eliminate two current units and add eight units to the existing building. Prinz said the design was at the mercy of the utility easement and the overhead lines.

Prinz added that the IKM plans will include new landscaping and other site improvements. The plan incorporates a playground in the front of the townhouses, noting there is ample green space around the property and that the plans are to keep many of the existing trees.

Prinz presented a series of diagrams which stated how the redevelopment will occur, stating that due to soil conditions, the plans could only accommodate a one floor addition to the current building. Prinz also said that due to the load bearing concrete walls which can't be altered, the size of the units cannot be changed even though the units don't meet the building code for size. Prinz said the new units will be as big as existing units for this reason with the exception of the stack of new two bedrooms which will meet code.

Mayor Wegscheid invited the community to address the Council on the IKM project.

Pat Brickley, 5514 Spruce Road, said he is concerned about the townhome setbacks of the project and the parking situation. He is concerned about traffic being increased and possible problems being caused by future residents parking on the street.

Chris Carlson, 5950 West Branch, Minnetrista, said he owns property on Spruce and in the area. He stated that he understands that Aeon wants to make a profit but questioned the need for so many units. He is also concerned about the number of parking spaces and too much hardcover. Carlson said he lived across the street from IKM for many years and he is concerned about people that are economically challenged and is worried about the tension from residents wrestling for parking spots. Carlson also is worried about the sea of concrete presented in the plans. Carlson asked the Council if they would want to live next to the development.

Ellen Gomoll, 5508 Breezy Road, stated she lives behind the parking area of IKM. She knows that staff have put in many hours on this project and it has been going on for awhile. She stated she has lived in the neighborhood for 13 years. Gomoll felt a previous remodel of IKM parking has shrunk the green space on the site and everything has gotten closer and louder and she doesn't feel very safe now. She stated that sometimes there is fighting and drinking. She wants the Council to know she agrees with the height of the fence. Gomoll is also concerned about keeping the green space and trees in place and to maintain the integrity of the root system of the young trees and that the current trees are not damaged. She is also concerned about parking currently and believes there will be more traffic and will make it harder for snow removal.

Tina Gubrud, 5517 Spruce, stated she has lived there for 30 years. She is concerned about parking and traffic and she wouldn't feel safe if the enlargement is done. She would hate to see the older trees cut down and the buffer removed as she currently cannot see IKM and now will.

Chris Carlson returned and said he understands something needs to happen here but he doesn't like the density of the development nor the impact on parking. He wants green space and said once the development is done it can't go away. He believes there is not enough parking now and he wants to see more green space and less hardcover. He wants to reduce density.

Ellen Gomoll returned and stated she finds it difficult to visualize the townhome units. She believes the townhomes will be packed in there. She also has concerns about property values and added a lot of people are thinking about selling.

Mayor Wegscheid thanked the residents for coming to the meeting and giving their input. He then addressed the Council for discussion about the variances which were not approved by the Planning Commission.

Peterson said the reason for not recommending the parking lot aisle variance was to allow pick-up trucks more room to maneuver. She stated there was talk at the Planning Commission meeting about putting in no parking signs on Spruce if needed. Peterson also expressed concerns about the patios being removed at the sliding doors, which are required per code. Wegscheid responded that if the patios aren't there, the grass will have quite a lot of wear and any lawn furniture won't be contained.

Peterson stated the number of variances was a topic, but felt the variances weren't large changes when looked at individually.

Hopkins from Aeon stated if the townhomes have to have rear doors, the patios/pads would make sense. He stated Aeon did a parking study in which they found the current parking spots were underutilized at IKM and currently does not meet the one to one ratio.

Gesch asked if the parking studies take into account the demographics of the proposed development. Hopkins stated they did look to those changes as part of the study based on similar properties in their portfolio.

Hopkins stated they will have to take out some trees but they will replant trees to replace those which are lost due to the location of the units and parking. Hopkins added that the concrete pads are proposed to be 8'x12'.

Gesch asked what the setback is for the six-unit townhomes to the edge of sidewalk. Hopkins said 25 feet which allows as much space as possible and is required in order to have a playground space in the plan.

Gesch would like to make sure as much green space and trees are included in the design.

Mayor closes the public hearing at 8:48 pm

Salazar stated he attended the initial meetings about the IKM project with Aeon as well as neighborhood meetings regarding the project. Salazar added that IKM was built in 1968/70 and the building has not been substantially updated. Salazar said the City needs the expertise of Aeon to improve the quality of housing for IKM residents and the City. Salazar believes the project is a win-win for everyone because the residents can live there during construction, it doesn't cost the City more money and improves the neighborhood. Salazar added there will be full-time management on site who will be careful about who they rent to and enforce the rules. He added that he thinks the plan is a good deal.

Wegscheid discussed the specific variances which the Planning Commission didn't approve. Items 3 A, I and J were not approved. 3A was in regards to patios and stated that, in his opinion, there needs to be a surface. Salazar agreed with the need for a patio pad. Wegscheid stated item 3 I is a five foot variance on the north and east side set-backs to create a better parking situation.

Hopkins and Trapp noted the revised plan requested a 10' variance with a zero lot line setback at the north of the lot with no variance needed on the east of the property.

Trapp stated item 3J can be amended to a 1.0 foot variance for the drive aisle width.

Salazar expressed concern about moving the dumpster in the drawings from the eastside of the property to the IKM building. Hopkins stated there are revised plans to move the dumpster which would be a longer walk for some residents, but neighbors had concerns about the original location of the dumpster.

Wegscheid asked about any final discussion before the Council acts on the three items which were not approved by the Planning Commission. Gesch asked about item 3D, the hardcover being made of pervious material. Hopkins responded this was reflected in the hardcover calculation.

The Council and Manderschied discussed ensuring accurate variance and setback information and bringing those numbers back to the Council for approval at the next meeting.

Trapp noted some of the resolutions can be acted on by the Council tonight while other areas will need to be reviewed prior to the next meeting and at Manderschied's counsel should be tabled.

Requested Actions:

- i.i. Approve Resolution adopting a Comprehensive Plan Amendment for 5524 Spruce Road

MOTION by Salazar, seconded by Gillispie, to approve resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-78: RESOLUTION ADOPTING A COMPREHENSIVE PLAN AMENDMENT FOR 5524 SPRUCE ROAD, PLANNING CASE NO. 16-14, PID NO. 13-117-24-32-0040

- ii.ii. Adopt Ordinance approving rezoning of 5524 Spruce Road from R-2 Two Family Residential to R-3 Multiple Family Residential
- iii.

MOTION by Salazar, seconded by Gillispie, to approve ordinance. All voted in favor. Motion carried.

RESOLUTION NO. 16-79: ORDINANCE APPROVING REZONING OF 5524 SPRUCE ROAD FROM R-2 TWO FAMILY RESIDENTIAL DISTRICT TO R-3 MULTIPLE FAMILY RESIDENTIAL, PLANNING CASE NO. 16-20, PID NO. 13-117-24-32-0040

- iv.iii. Approve Resolution determining conformity with Comprehensive Plan regarding conveyance of HRA property at 2020 Commerce Boulevard

MOTION by Salazar, seconded by Gillispie, to approve Resolution. All voted in favor. Motion carried.

RESOLUTION NO. 16-80: RESOLUTION DETERMINING CONFORMITY WITH COMPREHENSIVE PLAN REGARDING CONVEYANCE OF HRA PROPERTY.

v.

- vi.iv. Approve Resolution to approve Major Subdivision-Preliminary Plat for Indian Knoll Manor

Motion by Wegscheid, seconded by Salazar to table agenda item 7 iv to be reconsidered as amended on the Consent Agenda at the July 12 meeting. All voted in favor. Motion carried.

- vii.v. Approve Resolution granting approval of Conditional Use Permits, Expansion Permits and Variances for Indian Knoll Manor

Motion by Wegscheid, seconded by Salazar to table agenda item 7 v to be reconsidered as amended on the Consent Agenda at the July 12 meeting. All voted in favor. Motion carried.

8. Information/Miscellaneous

A. Comments/reports from Council Members

Hoversten announced a ribbon cutting, tasting and tapping of the 2016 Surfside Ale on June 30th. He added that Music in the Park will be held in the Harbor District on the 30th as well.

Hoversten also stated that August 6 is the date for the Dog Days and Tour de Tonka events with Night to Unite scheduled for August 2nd.

Hoversten added the Council will have a workshop on July 26 at 6pm followed by the regular HRA and Council meetings.

B. Reports:

C. Minutes: Parks and Open Spaces Commission - May 12, 2016

D. Correspondence: Mediacom - June 17, 2016

9. Adjourn

MOTION by Gesch, seconded by Salazar, to adjourn at 9:41 p.m. All voted in favor. Motion carried.

Mayor Mark Wegscheid

Attest: Catherine Pausche, Clerk