



**MINUTES
PLANNING COMMISSION MEETING
OF THE CITY OF WHITE BEAR LAKE, MINNESOTA
MONDAY, AUGUST 29, 2022
7:00 P.M. IN THE COUNCIL CHAMBERS**

1. CALL TO ORDER AND ATTENDANCE

Chair Jim Berry called the meeting to order at 7:00 p.m.

MEMBERS PRESENT: Mike Amundsen, Ken Baltzer, Jim Berry, Pamela Enz, Mark Lynch, Erich Reinhardt, and Andrea West.

MEMBERS ABSENT: None.

STAFF PRESENT: Jason Lindahl, Community Development Director, and Ashton Miller, City Planner.

OTHERS PRESENT: Peter Orth, Lisa Beecroft, Barb McIntyre, Karol & Jim Durdle, Vicki & Si Ford, Karen Sheib, Sara Hanson, Fritz Knaak, Terry Kellerman, Katie Anthony.

2. APPROVAL OF AGENDA

It was moved by Member **Lynch** seconded by Member **West**, to approve the agenda as presented.

Motion carried, 7:0

3. APPROVAL OF THE MINUTES

A. Minutes of July 25, 2022

It was moved by Member **Baltzer** seconded by Member **Enz**, to approve the minutes of the July 25, 2022 meeting as presented.

Motion carried, 7:0.

4. CASE ITEMS

A. **Case No. 21-1-SHOPa1:** A request by **Barbara McIntyre** for a 3 year renewal of a Special Home Occupation Permit, per Code Section 1302.120, in order to continue operating a dog grooming business out of the home at the property located at 3696 Glen Oaks Avenue.

City Planner Miller discussed the case. Staff recommended approval of the request as proposed.

Member Berry opened the public hearing. As no one from the public spoke, Member Berry closed the public hearing.

It was moved by Member **Baltzer** to recommend approval of Case No. 21-1-SHOPa1, seconded by Member **Lynch**.

Motion carried, 7:0.

- B. **Case No. 22-2-O:** A request by the **City of White Bear Lake** for consideration of the proposed land use designation of the Armory, per Code Section 1303.245, Subd.1.c, and rezoning from P – Public Facilities to B-5, Central Business for the property located at 2228 4th Street.

Miller discussed the case. Staff recommended approval of the request as proposed.

Member Berry opened the public hearing.

Attorney Fritz Knaak, representing Kellerman Events Center, stated that his client, as a business owner, is very sensitive to changes in the downtown area, especially as they relate to access and parking. His client has tried to work with the city in the past in purchasing the Armory to maintain its use as a public facility. The proposed use by the Historical Society needs to be fully analyzed. He stated that it is hard for surrounding business owners to approve of the change without knowing the full proposal. He requested that the proposal be tabled until there has been an opportunity for business owners to review the proposed use.

Sara Hanson, Executive Director of the White Bear Lake Area Historical Society (WBLAHS), provided information regarding the use of the Armory as a museum. She stated that an exhibit on the ski otters was a test run during Marketfest this summer for the programming they would like to provide. The preservation easement limits what can be done to the building, but they are planning to restore the front, turn the kitchen into a meeting space, remodel the offices, and replace the elevator and roof. She explained that there are no other specific plans at this time, rather they are looking to secure support from the City Council on the transfer of the Armory, so the organization can go out and campaign for funding.

Member West asked Ms. Hanson if the flow of people would be comparable to the number of people that visited the ski otter exhibit. Ms. Hanson replied that she did not think there would be as many people on typical days, unless during events like Marketfest, and that due to the short run of the exhibit, there was more urgency to visit.

Member Reinhardt wondered if there were plans to rent out the offices or hold events in that space. Ms. Hanson answered that it is unlikely that they would rent the offices because they need the space. She would like to hold events, such as a gala, film screening, or presentation. Generally, those events would be held during the day.

Member Berry asked about traffic flow and if events will be hosted on weekdays. Ms. Hanson replied that she does not believe that traffic will increase and may possibly be less than what is currently generated. She stated that for the most part, events will be during the weekday and not competing with weekend evening activities.

Terry Kellerman, Kellerman Event Center, 2222 4th Street, commented that he was not sure who would be running the museum and wondered if the state would be in charge. He is a part of the Economic Development Corporation and they have been working on addressing the parking issues in downtown for some time. They had plans to purchase the green house on the corner of 3rd Street and Cook Avenue to use for parking space before the WBLAHS bought it. He is concerned that the WBLAHS will extend the Armory back to where the house is now, which will reduce the number of parking spaces available for his business.

Member Reinhardt asked if Mr. Kellerman's concern was more with the Armory itself or the space behind. Mr. Kellerman replied that he is worried about the access behind his building being closed off. He bought the building because of the opportunity for double store fronts, and any changes to the rear lot will impact him. Mr. Kellerman added that his other main concern is that he does not want to see people from the Minnesota historical society running the museum and picking what is on the curriculum.

Member Enz asked how other business owners in the downtown area are reacting to the proposal. Mr. Kellerman answered that he has talked to some neighbors and the notice was posted to social media where it was met with a lot of negative feedback.

Member Reinhardt asked if there was a more ideal use for the space. Mr. Kellerman replied that the historical society is a good fit in the building as long as they do not plan to expand and shut off access to other businesses.

Sara Hanson, WBLAHS, offered answers to some of the questions raised by Mr. Kellerman. The museum would be run by the White Bear Lake Area Historical Society, as a private nonprofit corporation, not the state. They will be the sole owner of the building, like they are at the Fillebrown House. She explained that because of both the property's listing on the National Register of historic places and the preservation easement, there are limits as to what can be done to the building. She acknowledged that the Hanifl's have purchased the home on the corner for the WBLAHS with a three year time frame should they need to expand. She noted that proposed expansion would need to go before the Planning Commission and City Council, but at this time, there is no plan to expand.

Lisa Beecroft, Beecroft Marketing and Events, she explained that she has worked on Manitou Days, has run Marketfest for the last few years, and Explore White Bear, the tourism group for the City, which is where she started getting involved in the historical

society. It is a great draw for the community. Ms. Beecroft explained that she is on the Mainstreet Board and is currently the interim president. When the notice for the rezoning of the Armory was posted to the Mainstreet social media page, several business owners expressed concern because they did not know much about it, but no one felt strongly one way or the other regarding the proposal and no one has come to her with any concerns.

Terry Kellerman asked what the hurry is with the proposal. He thinks there are still unanswered questions, mainly around parking, that should be addressed before the Planning Commission makes a recommendation.

Member Berry closed the public hearing.

Member Berry commented that the Commissioners should focus on the findings as laid out in the report when deciding how they would vote the recommended action.

Member Amundsen asked if the property would continue to be zoned Public if the sale did not go through. Lindahl confirmed that the B-5, Central Business rezoning would be contingent on the sale of the property to the WBLAHS. The rezoning request has been brought before the Planning Commission in anticipation of the sale of the Armory.

Member Amundsen then clarified that the proposal is just for the rezoning, not the sale of the property.

Member Lynch asked about possible expansion, since there is public land between the Armory and the house on the corner. Lindahl stated that the parking lot is zoned Public and owned by the City, so it would not be eligible for expansion of the Armory without a rezoning and subdivision of the lot.

It was moved by Member **Amundsen** to recommend approval of Case No. 22-2-O, seconded by Member **Baltzer**.

Motion carried, 7:0.

- C. **Case No. 22-2-PUD:** A request by **Schafer Richardson** for development phase approval of a Planned Unit Development, per Code Section 1301.070, in order to construct 244 units of multi-family apartments in two buildings at the properties located at 3600 and 3646 Hoffman Road.

Lindahl discussed the case. Staff recommended approval of the request as proposed with a number of conditions listed in the report. After discussions with the applicant, staff recommended that condition number four be amended to use a ratio of 0.75 bicycle parking stalls/unit be required and that 75% of all stall be inside.

Member Amundsen asked about the use of the phrase “final stage”. Lindahl stated that it is in the second of three stages, but that it is the last time it will be in front of the Planning Commission.

Member Amundsen wondered if the number of three bedroom units was reduced because the height of the building was reduced by one story. He was disappointed that so many three bedroom units were removed from the proposal, since everything he reads indicates those types of units are missing. He was supportive of the five story building.

Lindahl replied that the applicants may better speak to the design changes made in response to the feedback from the City Council.

Member West commented that because the City Council did not support TIF funding for the site, the applicants took the affordable housing component out of the proposal, which she was disappointed to see, and she wondered how this would impact the City’s housing goals in the 2040 Comprehensive Plan. She asked where affordable units would go, since there is very little land left in the City to develop. She is concerned that the City cannot meet its goals.

Lindahl stated that the affordable units were removed based on feedback from the Council and that the City will not be making any progress towards the goals in the Comprehensive Plan to provide more affordable housing as part of this proposal. Staff is still working with the City Council on the recommendations from the Housing Task Force on forming goals and policy directions.

Member Berry opened the public hearing.

Karol Durdle, 1847 Birch Lake Avenue, expressed disappointment for the loss of many of the three bedroom units. She thought it seemed that the City was more concerned with where bikes would go than where kids would sleep, since it is very hard for families with multiple children to find housing. She wished the affordable units were still part of the request.

Katie Anthony, Schafer Richardson, Vice President of Development, spoke to the affordability and three bedroom units component. The company has been working with the City for months on including affordable housing in the project. As an organization, they recognize the importance of affordable housing in the community. However, there are limited financial tools to provide such housing. She hopes the community will work to see the value of affordable housing, otherwise it will not happen. The feedback from the City Council made it clear that affordable housing was not going to be a part of this project.

Ms. Anthony continued that the original number of three bedroom units were designed to meet the needs of families looking for affordable housing. With the shift away from

affordability, they made the decision to change the units to meet a more typical demographic for market rate housing.

Member West asked if there was any other funding available to provide the affordable units. Ms. Anthony replied that there are a few sources of funding available, the primary one being low income tax credits. The proposed site is not a great candidate and the procedure is quite competitive. The gap to cover 20% affordable was approximately \$4.5 to \$5.5 million, and it is very hard to piece together funding to cover that.

Peter Orth, Schafer Richardson, Development Manager, noted the changes that have been made to the proposal since the concept phase to improve the aesthetics and living experience of residents. He wondered if staff could provide an explanation for the requested sidewalk connection on the northeast side of the site.

Lindahl explained that there are no internal sidewalks connecting the north and south sides of the property, so the sidewalks would give consistent access throughout the site.

Member Amundsen asked if there was a risk to losing trees if a sidewalk was required along the parking lot and if there was building access on that side. Mr. Orth confirmed it may impact the landscaping plan and there is no access. He would be open to a sidewalk along the east side of the northern building, but does not see a purpose for a sidewalk running all the way south to County Road E.

Mr. Orth mentioned that there is a dedicated bike storage room inside the building. Lindahl added that the room will provide roughly 46 spaces for bikes, so it covers only a portion of what the City is asking for in terms of bicycle parking.

Mr. Orth stated that they will work on providing a sidewalk connection between the new apartment and the Barnum and they are working on the stormwater filtration oversizing condition. He commented that they are concerned with condition number one regarding the exterior materials. The new apartment has more accent brick than the Barnum has stone. The Barnum has 10.3% coverage of stone and the proposed project has 17.2% brick. They were intentional about placement of the brick to enhance the visible portions of the buildings. He believes that they have been amenable to the feedback from the City and have made design changes. They are asking staff to reconsider condition number 1.

In response to a question from Member West, Mr. Orth confirmed that the walk up units do not have a step up and that architectural elements were added after the concept phase.

Member Enz asked if there were charging stations available for electric vehicles. Mr. Orth confirmed that there were three charging stations proposed. Member Enz wondered if that will be enough in the future as more people buy electric. Her building

has none, which means people are always looking for a charging station. She does not know if she can support only three stations. Mr. Orth acknowledged that they can look into providing more.

Member Berry commented that there was a recommendation that conduit be installed for future charging stations. Ms. Anthony confirmed they provide electric vehicle charging stations at all their properties and there will be conduit laid for the future.

Member Reinhardt sought to clarify that the affordable units were removed due to the lack of funding from the City. Ms. Anthony confirmed that was accurate.

Member Berry closed the public hearing.

Member Amundsen asked about the exterior elevations and where staff was asking for brick. Lindahl pointed on the graphic where brick should be added and commented that the blue sections were a hardie board material. He noted that, in comparison to the Barnum, the new building is closer to the street and has more surface area of the building facing the street, therefore, the materials should be a higher quality.

Member Enz wondered why the additional brick is needed. It would eliminate some of the blue color, which as stated by the applicants, they are trying to highlight in reference to the city and the lake.

Lindahl stated that the idea is to have higher quality materials facing the public pedestrian realm, which are the lower levels and street frontage. The materials are more durable and break up the massing of the long side of the building. Staff's rationale for requesting the higher quality design is in trying to find an equal benefit for the community in exchange for the deviations proposed as part of the PUD process.

Member Lynch stated that he does not feel like the Planning Commission should design the project and wonders if they could provide broader conditions such as 'more brick' and 'provide sidewalk connections'.

Member Amundsen asked if staff had a percentage of brick coverage in mind. He thinks that would give the architect and design team more flexibility to design it how they want. Lindahl replied that yes, as part of a PUD, they could add that condition, however, the applicant has not been agreeable to any proposed exterior material changes.

Member Amundsen stated that since the building is closer to the road, he thinks the City should push for the higher quality design.

Member Baltzer asked if what is approved is carved in stone or if the applicant and staff could work together to come up with a condition agreeable to all before the City Council meeting. Lindahl stated the Planning Commission is an advisory body, so nothing is set and that a condition could be altered, however staff has been talking to the applicant

about this issue since the concept phase and they have not been able to come to an agreement.

Member Enz stated that she likes the uniqueness of the proposed building. She thinks adding the brick will create a look referred to as a “millennial kennel”. She does not want to look like every other community in the Twin Cities.

Member Reinhardt agreed, stating that it is likely an arbitrary determination of what constitutes higher quality. As long as it is maintained, it is an excellent design. He would be supportive of removing condition one. He commented that in light of the City Council withholding funding for affordable housing, the City is quickly running out of space to build. This project is a huge opportunity to move towards the goals laid out in the Comprehensive Plan. He does not understand why the City would go against its own plan. The affordable units were a large reason the project moved forward in the first place. He is unsure whether he can support the project now.

Member Lynch concurred that this was a missed opportunity and that using TIF in this scenario would have been a good idea. He thinks the building is beautifully designed and is torn between the blue and the better materials. He added that he supports modifying the sidewalk condition to eliminate the need for the long sidewalk along the east side of the property.

Member West stated that she shares Member Lynch’s views on the exterior materials and the sidewalk. She is very concerned with the affordable units. She does not feel that she can support the request if there is not an affordability component.

Lindahl commented that there is not a standard in the zoning code that requires affordability, so the discretion to use the financial tool lies with the City Council. The Planning Commission’s role is focused on the zoning code standards. There is not a zoning basis to recommend denial because of the lack of affordable units and he does not think the developer would find that helpful.

Member Lynch wondered if they could vote against the proposal, but add a note that if affordable units were added back in, they would support the project. He thinks some members of the Planning Commission want to vocalize their concerns.

Member Berry asked if the City Council was unanimous in its vote against TIF. Lindahl replied that there was not a direct vote on TIF, but the Council removed the condition regarding TIF consideration.

It was moved by Member **Lynch** to recommend condition number three be amended to require 0.75 bike stalls per unit and that at least 75% be inside, seconded by Member **Baltzer**. Motion carried, 7-0.

It was moved by Member **Lynch** to recommend condition number two be amended to require sidewalks between the gaps of the parking lots and on the northeast side, seconded by Member **Amundsen**. Motion carried, 7-0.

It was moved by Member **Enz** to recommend condition number one be removed, seconded by Member **Berry**. Member Amundsen stated that he supports staff since they are they experts. Motion carried, 5-2. Members Baltzer and Amundsen opposed.

Member Reinhardt asked if they could add a condition that the City Council reconsider TIF financing. Lindahl cautioned the Commissioners from doing something outside of the zoning standards. He stated that the Commissioners could make a separate statement that could be carried forward to the City Council.

Member Amundsen suggested the Commissioners watch the City Council meeting where this was discussed. He does not think they should add conditions that would hurt the developer.

Member Lynch does not think the City Council will change their opinion on TIF and he does not want to delay the project.

Member West stated she will support the project, but is very disappointed in the loss of affordable units and three bedroom units. Member Reinhardt concurred.

It was moved by Member **Lynch** to recommend approval of Case No. 22-2-PUD, seconded by Member **Amundsen**.

Motion carried, 7:0.

5. DISCUSSION ITEMS

A. City Council Summary Minutes of August 10, 2022.

Member West asked about the proposed moratorium on THC products and tobacco shops. She noted that a tobacco shop recently opened close to her home and wondered how it would be impacted by the moratorium. Lindahl provided a background to the Commissioners regarding the proposal, how the zoning code needs to be updated in wake of State Statute changes, and when the Council will consider it next.

B. Park Advisory Commission Minutes of June 16, 2022.

Member Enz stated that she hopes the Parks Commission has conversations with residents of Boatworks Commons before proceeding with the proposed open space renovations. They already have issues with noise and loitering, she does not want to see it get worse.

6. ADJOURNMENT

There being no further business before the Commission, it was moved by Member **Baltzer**, seconded by Member **West** to adjourn the meeting at 9:41 p.m.

Motion carried, 7:0