

**MINUTES
PLANNING COMMISSION MEETING
CITY OF WHITE BEAR LAKE
October 30, 2017**

The regular monthly meeting of the White Bear Lake Planning Commission was called to order on Monday, October 30, 2017, beginning at 7:00 p.m. in the White Bear Lake City Hall Council Chambers, 4701 Highway 61, White Bear Lake, Minnesota by Chair Jim Berry.

1. CALL TO ORDER/ROLL CALL:

MEMBERS PRESENT: Chair Jim Berry, Erich Reinhardt, Mary Alice Divine, Marvin Reed, Peter Reis and Ken Baltzer.

MEMBERS EXCUSED: Mark Lynch.

MEMBERS UNEXCUSED: None.

STAFF PRESENT: Anne Kane, Community Development Director, Samantha Crosby, Planning & Zoning Coordinator, Michael Hermann, Intern and Amy Varani, Recording Secretary.

OTHERS PRESENT: Todd Muellner and Jeri Parkin.

2. APPROVAL OF THE OCTOBER 30, 2017 AGENDA:

Member Reis moved for approval of the agenda. Kane proposed an amendment to the agenda, adding the Lake Level Lawsuit update to the Discussion Items. Member Reis accepted the amendment. Member Reed seconded the motion, and the revised agenda was approved (6-0).

3. APPROVAL OF THE SEPTEMBER 25, 2017 PLANNING COMMISSION MEETING MINUTES:

Member Baltzer moved for approval of the minutes. Member Divine seconded the motion, and the minutes were approved (6-0).

4. CASE ITEM:

A. Case No. 17-22-V: A request by **Muellner Family, LLP** for a 27-stall parking variance per Code Section 1302.050, Subd. 8(n) in order to bring the existing parking into compliance with current code for the property located at 4801 Highway 61.

Crosby discussed the case. Staff is supportive of the variance, given that the site

has operated with this configuration for the past 17 years without any known issues or complaints.

The resolution was revised since the packets went out. The applicant has proposed some revised language to help correct and clarify some of the conditions that Crosby wrote in the resolution of approval. Staff agrees with these revisions, and they recommend approval of the revised resolution, of which she has placed at the Commissioner's chairs this evening.

Berry opened the public hearing.

Todd Muellner, the applicant, came up to speak. He mentioned that his attorney, Jeri Parkin was also in attendance. Muellner has owned the building for 17 years, and there have been no issues. There are an average of 48 open parking spots every day in the parking lot.

Parkin stated that she has enjoyed working with the Planning staff in trying to get the variance passed. She is in agreement with the revisions.

As no one else came forward to speak, Berry closed the public hearing.

Member Baltzer moved to recommend approval of Case No. 17-22-V with the revised conditions. Member Reis seconded the motion. The motion passed by a vote of 6-0.

5. DISCUSSION ITEMS:

A. Comprehensive Plan Preview: Land Use and Housing Elements.

Kane gave a preview of the Land Use and Housing elements of the 2040 Comprehensive Plan, reminding the Commissioners the process of revising the Comprehensive Plan is a prerequisite of state statute. Every 10 years, all municipalities within the seven county metro area are required to update their Comprehensive Plans.

Throughout 2017, Staff has conducted open houses, presented Com Plan overviews to the business community and MICAH, staffed booths at Marketfest events, and held "pop-up" meetings to gain insight from the community on what they would like to see in the community in 2040. Much of what staff heard is that people want to retain the small-town character of the community and don't want to see things change. However, the City is an evolving entity. Staff wants to make sure that the projections for 2040 address what sort of built environment the City wants to encourage here in White Bear Lake. White Bear Lake is a fully built-out community, and its challenges are a bit unique and different than some of the more high-growth areas to the north and east, who may be identifying different opportunity areas.

Kane summarized that the Metropolitan Council designates all the municipalities within the seven-county metro area into different categories. White Bear Lake is classified as "Suburban". The overall growth of the community by 2040 should be a

density equivalent to five units per acre. White Bear Lake is primarily single-family residential. There is not a significant employment base here. Employment hubs in the NE metro are concentrated in Roseville and Arden Hills.

Kane indicated tonight's discussion is intended to gather some input and guidance from the Planning Commission. Staff wanted to identify opportunity sites which may accommodate the growth projected for White Bear Lake. Met Council has designated the city to grow by 1,200 units with an additional 1,500 people by 2040. Staff has made an initial attempt at identifying properties that they think might be appropriate for redevelopment including properties that have building values that are 50% or less than the land value (which often times leads to redevelopment interest from developers) as well as properties that staff has been able to identify over the years by either interest, state of the property, remote ownership, etc.

Two required elements of the Comprehensive Plan are Land Use and Housing. Staff will be having separate preliminary conversations with the Planning Commission over the next few months where they'll tackle other required elements including utilities, transportation (including trails and transit), parks and open space and water resources (including potable water, waste water and surface water).

Kane discussed the proposed station areas for the contemplated Rush Line Bus Rapid Transit. A station is planned for County Road E and Highway 61. The second station is just north a bit of Cedar, taking advantage of those properties in and around that area that staff anticipates might redevelop by 2040. The third station is at Marina Triangle, focused on the former public works facility. This might shift a little bit further towards Whitaker Street as the city delves deeper into the station area planning. Then the downtown is shown at 4th and Highway 61. The downtown station is not specifically defined for an intersection.

Reis asked if any Park and Ride spaces are identified at any of the four stations. Kane stated that they are not defined yet, noting it is a bit premature at this time. However, at this point she would say County Road E and Highway 61 would be a logical location for a Park and Ride facility. Also, the former public works site, may be suitable for a Park and Ride facility. Staff doesn't want to designate it for just one use, but believes a mix of uses may be accommodated. The bus rapid transit line became really critical as staff started looking at some of the opportunity sites.

Kane introduced Mike Hermann, the Planning intern. He has been updating the maps that are shown in tonight's presentation. Kane stated that she and Hermann went to a kick-off meeting recently on station area planning with the Rush Line group. Staff was there from Hopkins and Brooklyn Center who are looking at transit systems. Kane felt it would be very beneficial to take a Hopkins bus tour.

Anne then discussed the north half of the Opportunity Sites:

- The former public works site is of key interest. It has about 6.5 acres of developable property. It's zoned public and guided for public and semi-public. Kane doesn't want that to prevent the possibility of considering mixed use with maybe a public/private partnership. The White Bear Area Food Shelf sits on this

property which is an important facility to retain on the property. Wholesale redevelopment of it probably wouldn't be realized, but perhaps a shared Park and Ride facility and maybe some of the retail or services that oftentimes are found near Park and Ride facilities. There could potentially be a residential component. There are soil constraints.

- The Marina Triangle, Phase II. This area is guided and zoned Lake Village Mixed Use. There is great potential and great interest there, but not necessarily shared by the current owner. There is a solid plan in place with the Marina Triangle Redevelopment Plan, however it should be reviewed to make sure it is still current.
- Book Parcel. This is a 10-acre parcel. It's owned by the Book family. About 8 acres are buildable. Kane talked about "pocket" neighborhoods; which could introduce a new housing option not presently available in the City. The representative for the property seems receptive to the idea. She would like to conserve as much of the unique natural attributes of the site. Kane suggested it may be best to develop this parcel through a PUD residential designation to allow concentration of smaller lots while retaining natural areas in conservation easements.
- Kyle Parcel. This is a 13-acre parcel, with approximately 4-5 acres of it being buildable. It's a beautiful, single-family residential estate tucked away along the busy corridor of Highway 96. Kane felt staff should have a conversation with the Planning Commission about potentially guiding it for higher density residential, perhaps a cluster development of some sort. It could be a nice in-fill development by 2040 with access to Ramsey County Beach right across the street.

Reis asked if there's any way of hooking up the last two parcels with the Parenteau parcel that's not buildable just to the east of Ramsey County Beach. Kane stated very likely, they could try to get them to buy into some sort of partnership so it adds value to those residential units. They might not have dock rights, but they would have access to the lake.

- Birch Lake Shopping Center. Kane noted this is a 35,000 square foot retail center which has struggled to retain key anchor tenants. Staff is not proposing to guide it for anything but commercial. It's on the market for \$3.9 million. The L-shaped configuration with the restaurant tucked into the corner is really challenging. There is some hope that revitalizing the Sports Center will have a positive effect on the shopping center in bringing some more events and family activities that would support the restaurant. Divine asked about a gas station. Kane stated that the current zoning would allow a gas station, but the tanks and canopy have been removed. Also, gas stations are getting much larger, so this space is likely too small.
- 11th Street Assemblage. This is comprised of three residential parcels, zoned R-3. The owner's son has contacted Kane. She indicated that it would likely be an uphill battle to get commercial zoning there, because there is residential to the

south and east. The son wants to access Highway 96 and Highway 61 directly from the property; however, it is unlikely that Ramsey County and MnDOT would approve curb cuts within 100 feet of a signalized intersection. Kane believes it should remain Single-Family Residential and the Commission agreed.

Reis asked if the owners know about this. Kane stated that many of them do. Staff has not reached out to all the property owners yet. The Comprehensive Plan is simply guiding the properties, not proposing rezoning the properties. If the properties become available in the future, the city can realize the highest and best use if redevelopment is desired.

Kane reminded the Commission of recent development activity or decisions, including the WBL Sports Center and Tower Crossings, Phase II. The City received the Lunds+Byerly's application for a smaller footprint grocery store on just the second lot of Tower Crossings.

Kane discussed the south half Opportunity Sites:

- Rooney's Farm. It is a 4.5 acre site. It's guided Low-Density Residential. Staff is not proposing any changes. It could be a R-3 Single Family Subdivision, most likely it will be a mirror image of the Rooney Place cul-de-sac to the south.
- Wildwood Shopping Center. Staff has met with the owner. He is very interested in redeveloping. He's struggled with occupancy is the retail center. High-Density Residential redevelopment of the entire corner might support the surrounding commercial businesses. It could potentially serve as more student housing for Century College. It could be a mix of young professionals, workforce housing, combined with some Century College housing. There was a reference made to the Gaughn loft development in Forest Lake. With the Planning Commission's insight, there is a possibility of getting the property reguided from Commercial to Residential. Increased density could strengthen the other commercial properties in the area. Divine agreed that the intersection is over-commercialized.
- Intersection of E and Bellaire. Unfortunately, Doug Pfeffer, the owner of the southwest corner, passed away recently due to an accident. He had just listed the property for \$275,000. All four properties are currently available. Gas stations and automobile service facilities on ½ acre lots are antiquated. Staff has tried to attract the small local businesses there. With Speedway for sale at \$225,000, it's a big dollar amount for a small business owner to take on to establish a small business in that space. Kane thought that the southeast corner could be developed as a single family home or a duplex if turned around to face the street to the south. It is currently zoned B-3, Auto Oriented. The tanks have been pulled from all the properties. The known remediation to bring it to commercial occupancy has been completed. There's some interest in putting in a round-about, acquiring all four properties. Finding a solution is very challenging. Divine thought that it's an opportunity that all four corners are available. She'd hate to see it be public and untaxable. It would be interesting to see commercial nodes like in south Minneapolis, but she doesn't know if it

would make it in White Bear Lake. Berry stated that the problem with the corner is the traffic. Kane responded that there is great traffic, and that's what retailers and businesses look for. Reis asked if there is public transportation on E or Bellaire. Kane stated that the bus comes up McKnight to County Road E and then heads east, going through the intersection at Bellaire. Reis asked about senior housing. Kane stated that these are each ½ acre sites. The infrastructure costs do not work (i.e., elevations) because the sites are too small. It was noted that the potential view could be spectacular from this high point. High-Density, Multi-Family might be something that the Planning Commission would be receptive to. A nice tall townhome development could be very attractive if all four sites were developed together. All four corners qualified as blighted. Even multi-family on top of a restaurant would be great. This will continue to be challenging, but staff will try to be creative in guiding it for as much flexibility as possible.

- The Stadium Sports Bar Site. Kane noted that this includes some of the residential properties to the east of it and is about a 10 or 11-acre assemblage. The bar is a successful business, and by no means is the City intending to take that away. Staff has had some preliminary conversations with a multi-family developer interested in the remnant 5-acre parcels to the east and along the north, not including the remote parking lot on the other side of Hoffman. Staff has challenged the developer to come back with a development proposal just a portion of the site. Staff has indicated the City wants to know how the entire site will redevelop in the future. It is important to look at this site's proximity to a future bus rapid-transit station. With Hoffman Place nearby, it makes it very attractive for job connections. The current developer is interested in doing workforce housing. Something that offers the amenities that new renters are looking for, but that they can't find in White Bear Lake right now. The developers are running into some land assembly problems. Kane told them it will be much more attractive if it is comprehensive with all the parcels, instead of excluding just a couple of them. If they run into gap financing because the cost per square foot is higher than they can achieve in rent, Staff has indicate the city will work with them.
- Automobile Dealers. Kane stated due to technological advances by 2040, the City may not have as many dealerships in the future. The City recently approved the Mazda dealership. Staff posed whether it would it be desirable to see these properties redevelop down the road sometime. The building is less than half the value of the land, because all the value is in the inventory that drives off their lots? Bloomington has encouraged dealers to go to two-story showrooms and condense their footprint. These are important businesses in the community, but things will change by 2040 and the City needs to anticipate it. Reis stated that with interest rates low there are lot of cars in inventory because it is so cheap to keep them. However, if there is inflation, it will suddenly become much more expensive to have so many cars in inventory on that real estate.
- Karth Road Properties. Kane indicated the City owns three parcels off of McKnight by Manitou Ridge Apartments, just north of 694 which very attractive

to some of the multi-family developers that staff has talked with along with the proximity of Lakewood Hills park. Kane pointed out one parcel where a physically disabled man lives and the house has been retrofitted to meet his needs. The City is not interested in facilitating loss of that. Eventually, the City might want to entertain a development proposal that next to Lakewood Hills Park. Some developers have expressed interest in Manitou Ridge Apartments, which provides an affordable rental option and fulfills a critical need in the community. Kane indicated that attention also needs to be given to retain the naturally occurring affordable housing and still incentivize and create ways that they bring them up to current standards. The rental-housing program is effective at achieving safe, stable rental units.

- 3881 Highland Avenue. Kane stated this was a convent owned by St. Pius Church. They got approval for a CUP for a small Knights of Columbus office. The parking lot is on the City's Stellmacher Park. The City has had some promising meetings with a local developer who's interested in exploring what it would take to create 8-10 affordable housing units. It's currently zoned R-3, so it would need to be rezoned. Reis thinks that in the future they'll have to think of more creative zoning and CUPs and PUDs, as they deal with infill development. Kane stated that as they look at guiding properties, that would be a good opportunity to look at that.
- The Downtown District. There are several properties: 4th and Bloom, the US Bank site, the post office site, 3rd and Cook and the Lowell triangle. A recent success includes the Parenteau building with a new owner who will be renovating the building, including the upstairs residential units. There is also the redevelopment of the former Lakeshore Players Theater site.

Reed asked if there is city-owned property behind Pezzo's. Kane responded affirmatively and pointed out different nearby properties, including some that are city-owned. Reed asked if the lot behind Pezzo's is the planned station area. Kane stated that was a possibility. The BRT station doesn't have to be right on Highway 61. The City will dig deeper into station area planning in the next 6 to 12 months. It may be appropriate to have a special committee assembled to study the issue, in addition to the Comprehensive Plan update that is underway.

Kane continued to point out downtown sites. The former Red Lantern is going to become a Burger Bar. There will be city investment into the structure, which will be recouped through the rent over the 5-year term. Kane also talked about possible redevelopment of the US Bank site.

Kane discussed a new state law regarding condominiums. The term of responsibility for a developer has been shortened for the care of a building. As a result, there may be an increase in condominium development.

Continuing with the downtown sites, Kane pointed out the post office. Perhaps it would be downsized. There is the 3rd and Cook property. With the Economic Development Corporation, there's been a lot of conversation about putting a parking deck in this location. Kane believes there is a need to have the

conversation internally with the Commission, City Council and Mainstreet about sharing in the cost and allocating costs for parking spaces to the area businesses that would benefit from a parking deck. Maybe it could be mixed use and the City can work with a developer to create two levels of public parking, with the residential up above. There can be a shared parking arrangement. With any project that involves a lot of public funds, we should be thinking about how we can leverage those funds and get a private developer in so that the City isn't just building a single-use parking ramp. Edina is now tearing down their sole-use public parking structures and redeveloping them into mixed-use multi-family shared parking facilities.

Divine asked if downtown White Bear Lake is in a special tax district. Kane explained that it is in a special service district. They raise \$45,000 a year through an assessment that they petition the City to place on them. They can use that for marketing, beautification or however they choose; the Mainstreet organization makes that decision.

Lowell Triangle is another redevelopment area. It's about 3 acres in assemblage. There's great exposure to Highway 61 but developers have expressed some concern about it's lack of direct access to Highway 61. Chuck Lowell owns many of the parcels. The City has also strategically acquired parcels on these blocks so they have input when a redevelopment proposal comes forward. It is currently guided Downtown. It would probably be suited for higher-density residential.

Kane then handed out a print out from the Urban Land Institute covering the relationship between housing, transportation and jobs. She stated that White Bear Lake offers a wide array of housing. As we look to 2040, we should make a concerted effort to continue to try to keep the broad array of housing options available to attract a diverse community. The City Council approved the Housing and Economic Development Coordinator position and staff will be developing some programs aimed towards single-family homeowners for home improvements.

Baltzer asked about senior housing. Do we have too many or not enough units? Are they too overpriced? Kane stated that staff believes we are well covered in this market and likely some of the projects are probably too high-priced. Noting Pioneer Manor is a very successful property with a long waiting list.

Reis spoke to former City Manager Mark Sather recently about affordable senior housing. Many retirees don't have very much in savings. There will be the need for a lot more places like Pioneer Manor and Washington Square. Thirty percent of the population is going to be seniors in another 10 or 15 years.

Berry stated that with the current market rate for senior housing, and once the baby boomers are gone, those buildings will eventually have to transform into younger market-rate apartments or condominiums.

Kane stated that staff will need to study it. She can't imagine the City will want to get into general, affordable housing. There would be a benefit to partnering. Not all

seniors want to live exclusively with seniors. There could be multi-generational affordable housing.

Reis stated that there are a lot of things that may or may not be economically viable now but what will they be like 10 years from now? Kane stated that The Waters don't have enough parking to meet the City's two cars per unit requirement, should it convert to non-senior housing. However, it happens to be next to a future rapid transit line. Reed mentioned that staff may want to research how Uber cars are being utilized in Pittsburgh.

Kane stated that the City's affordable housing allocation for 2030 is 200 additional units. The Plan does not need to identify where they are to go, but the City does need to have enough acreage guided for a density of at least 8 units per acre to accommodate 200 units. Kane comments that is not a highly dense development. Guiding the west central business district would take care of that. It would be helpful, even after the Comprehensive Plan is adopted, to have another workshop with the Planning Commission to identify where affordable housing with close proximity to transit or other amenities would be best located. The City has satisfied their housing allocation for 2020 with Hoffman Place and some of the Habitat for Humanity projects.

Berry asked with White Bear Lake being fully built-out, why does the allocation keep going up? Kane thought that it may be because the Met Council is looking at future transit investments. Housing is 30% percent of monthly costs. Transportation is becoming 20-25% of monthly household costs. She thought some good senior housing would be great, as well as some mixed multi-generational housing. There could be supportive housing where there are young, single moms living with elderly residents.

Divine asked if anyone has applied for any Granny Pods. Kane stated no. However, the City has had lots of accessory dwelling units (ADUs) come through, but have not had a medical ADU, the one that the code was amended for last year.

Divine asked if the Comprehensive Plan addresses specific action items for these neighborhoods where everyone is aging, and some of the housing stock is declining. Kane thinks a Comprehensive Plan could help identify some of the different financial programs that might help. The City will have to identify the ways and means offered to try and encourage that.

Kane appreciates the conversation and feedback. She gathered from the nodding heads that Staff is basically tracking pretty well. Reis thought it was a good conversation. Kane said staff would like to have several conversations with the Planning Commission and report back preliminarily to the City Council before the public hearing process. Staff would like to reach out to all these property owners, auto dealers, and Judge Kyle before they propose formal changes.

B. Lake Level Lawsuit Update.

Kane distributed a map of the communities with wells within 5 miles of White Bear Lake impacted by the recent court ruling. She stated that in early September, the judge found in favor of the plaintiffs. Fortunately, the DNR decided to appeal the ruling because there are some ramifications that could severely impact the community. The City Manager confirmed that our current water supply allocation can support our projected growth of 1,200 additional units and 1,500 additional people by 2040. There was reference to a watering ban for residential properties when water levels in the lake fall below 923.5'. It's not clear in the judge's ruling what that number is based on, but she cites it in a number of locations in her findings. If that rule had been in place, residential properties would not have been allowed to water since 2006. When the DNR decided to appeal, the City was able to join in. Kane reported the first step will be a motion to amend, seeking clarification on the judge's ruling which will happen in January. Kane noted there is no reference in the ruling to the 30% savings over 2016 water usage levels, which tends to benefit those communities that did not make any water conservation efforts to date, and penalizes those, including White Bear Lake, who have actively sought to reduce water usage. It is also going to affect construction right now as the DNR will not issue any dewatering permits. Kane showed a map of the 5 mile "affected zone". If Hugo wanted to drill wells, it's under the same permit that affects their whole City. They will be denied under the current ruling; same with St. Paul. While the current ruling is in effect, even though we're appealing or seeking an amendment, those rules still apply so the other thing that we'll do when we seek the amendment in January is also ask for a stay of this ruling. The same judge will hear the motion to amend and request to stay. She does not think it affects White Bear Lake long term, with the Comprehensive Planning. However, if there is not a stay, it will affect everyone on an individual homeowner basis.

C. City Council Meeting Minutes of October 10, 2017.

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D. Park Advisory Commission Meeting Minutes from September 21, 2017.

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6. ADJOURNMENT:

Member Baltzer moved to adjourn, seconded by Member Reis. The motion passed unanimously (6-0), and the October 30, 2017 Planning Commission meeting was adjourned at 9:03 p.m.