

**MINUTES
PLANNING COMMISSION MEETING
CITY OF WHITE BEAR LAKE
January 29, 2018**

The regular monthly meeting of the White Bear Lake Planning Commission was called to order on Monday, January 29, 2018, 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, Marvin Reed, Peter Reis, Ken Baltzer and Mark Lynch.

MEMBERS EXCUSED: Mary Alice Divine.

MEMBERS UNEXCUSED: None.

STAFF PRESENT: Anne Kane, Community Development Director, Samantha Crosby, Planning & Zoning Coordinator, Jacquell Nissen, Housing and Economic Development Coordinator and Amy Varani, Recording Secretary.

OTHERS PRESENT: Tom Frattallone, Tom Greeninger.

2. APPROVAL OF THE JANUARY 29, 2018 AGENDA:

Member Reis moved for approval of the agenda. Member Lynch seconded the motion, and the agenda was approved (6-0).

3. APPROVAL OF THE DECEMBER 18, 2017 PLANNING COMMISSION MEETING MINUTES:

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

4. CASE ITEMS:

A. Case No. 18-1-V: A request by **Frattallone Family, LLP** for an 8,000 square foot variance over the 10,000 square foot maximum per Code Section 1303.160. Subd. 10.b.6 which restricts the maximum area of a retail business located in the B-5 Central Business District and a 32 stall variance from Code Section 1303.160, Subd. 10.h.1.g that requires 32 on-site parking spaces for the property located at 4788 and 4796 Washington Avenue.

Kane discussed the case. Staff supports both variance requests, subject to the conditions cited in staff's report.

Kane read a letter of support from Dale Grambush, a local business owner.

Berry asked about the windows in the old Sundt building; do they have to be used as a window on the interior or can the window just remain on the exterior? Kane stated that they can't be blacked out. Staff talked to the applicant and their contractor about putting photographs in the windows, similar to CVS. Staff encouraged them to have display windows; it could serve a small billboard of the seasonal products that are currently available. Kane believes it's their intent to retain those windows for light and viewing into the new sales floor area.

Lynch asked what the original logic was behind the 10,000 square foot maximum allowed. Kane explained that a moratorium was enacted in 2003 specifying that no new buildings over 10,000 square feet or drive-thru facilities were allowed in the B-5 District. The current zoning regulations that resulted from that limited the ground floor area of any one single retail business (not restaurants) to 10,000 square feet. In its current state, Ace Hardware is at 10,900 square feet. However, when staff studied it in 2003, it was an existing business in that location, and was a contributing factor to the pedestrian character, to the convenience of downtown and to the historic character of the District.

Berry opened the public hearing.

Tom Frattallone, Minneapolis, stated that the store has been a neighborhood place for a long time. His father bought it in 1981. They are a local family business that wants to make the White Bear Store look better. They've already expanded their south White Bear Lake store, adding 3,500 square feet and making it more shoppable. They've upgraded the outside of the facility. The new portion will have the same look on the façade. They're adding ADA compliant bathrooms to the main floor. It's a great opportunity to use a space that is not very well utilized. It will be 75% retail, adding many new products. He hopes that the Planning Commission will recommend approval on this.

Reis asked about the marketing dynamics that drove Frattallone to want to expand the business. It roughly doubles the size. Would he want to add another store? What does he think the optimal size is? Frattallone stated that this request would get the store to the optimal size. It will give enough area so that people can look at things without bumping into other things. They're trying to make a better experience. By making it more inviting and easier to shop, he may not have to do much more marketing. He may just be able to have people happier to be there.

Lynch asked, if this is approved, when their re-grand opening would be? Frattallone stated that it would probably be in June.

Lynch stated that staff did a great job of laying out good logic of why this is a good idea.

Member Reis moved to recommend approval of Case No. 18-1-V. Member Baltzer seconded the motion. The motion passed by a vote of 6-0.

5. DISCUSSION ITEMS:

A. Comprehensive Plan – Land Use Element.

Kane stated that the Planning Commission may recall that they had some initial conversations on Land Use last October for some key properties that, through Ramsey County valuations or staff knowledge of development industry interest, identified parcels that staff anticipates will likely change land use potentially by 2040.

Kane indicated there was some concern today when some representatives from MICAH Northeast (Metropolitan Interfaith Council on Affordable Housing) weren't reached out to. In staff's haste of getting a schedule together, they didn't necessarily reach out to all of the advocacy groups in the community. That stems from a change in the Comprehensive Plan process in that the City didn't have the advantage in 2015 or 2016, of having completed a community strategic planning process. With the changeover in the City Manager's office, it wasn't possible to get community input from a strategic planning process. So staff intentionally went out and did more of a public forum process throughout 2017. Following four months of Open Houses, staff was at Marketfest, the YMCA and the library. They've narrowed down priorities in all of the different elements. They want to utilize various groups, organizations and advisory boards for strategic planning input, along with the Planning Commission's input on Land Use and Housing. Staff will have a first run at a draft plan in early April. City staff will be reaching out to various groups in the community who have expressed interest in being more a part of this. Kane ensured the Planning Commission that staff hopes to have the opportunity to meet with them, as well as any other interested groups in the community that want to ensure that various elements of the Comprehensive Plan are addressing their concerns.

Kane discussed the Land Use Plan. She discussed various opportunity parcels, including the Kyle property, the former public works site, the Lowell triangle, the US Bank site, the city owned parcel with White Bear Bar and the US Post Office. Right after the Comprehensive Plan process will be the Rush Line Station planning process. The Ramsey County Rail Authority is the project manager. They just finished up the Locally Preferred Alternative (LPA) last summer. The LPA designates the route and the mode. She explained where the route would go from St. Paul to White Bear Lake.

Reis asked how the stations would look. Lynch asked if it would look like the A Line that is on Snelling. Kane confirmed that it would.

Kane went on to discuss the Frogner property and Gospel Fellowship Church property. In preliminary discussions, staff is encouraging developers to be innovative and forward thinking.

Kane stated that, regarding the Gospel Fellowship Church property, staff would like to see a development that faces Highway 96. Reed agreed.

Kane discussed the two auto dealers; staff hasn't reached out to them yet. It's very far into the future. The zoning that's being envisioned will still allow auto dealers to continue. They'll have to come up with some sort of incentive that makes it desirable for them to reduce their footprint.

The consulting firm that's been selected by Ramsey County to guide in the next phase after the LPA on the Rush Line is starting to go into the Environmental Analysis phase for the Federal Transit Competitive Process. That's a 24-30 month process. That will come as part of the Station Area Planning Taskforce.

Kane talked about the four corners at County Road E and Bellaire and the Wildwood Shopping Center converting. The Village Inn continues to move forward with selling off assets. The development activity will be postponed until the Comprehensive Plan can get approved by the Met Council in the early part of 2019. The City would not be able to issue any permits for that until then. The City is in a holding pattern with other parcels too.

Staff has identified about 65 acres for reguiding from something less intense to more intense. If all of those properties develop at their minimum prescribed density by 2040, they will produce 1,180 units. Met Council has assigned 1,200 units to the City. It's good that the City accommodate the growth, even at minimum densities.

Berry thanked staff for all the information they've put together. He stated that he doesn't like the idea of 7, 8, or 9 unit per acre density in White Bear Lake. It would change it's whole identity.

A. Comprehensive Plan – Housing Element.

Nissen stated that the housing stock has developed over the last 150 years, much of it previously to 1960. This presents challenges that the City is facing today, but also some opportunities in terms of redevelopment. The latest developments the City has experienced have been a majority of multi-family and sporadic small housing developments such as Wild Marsh Townhomes. As the housing population grows, the City will want to continue to strengthen the current housing stock and maintain great viable neighborhoods, along with continuing to attract new families and preserve existing stock with the life cycle housing that the City already enjoys. New housing types may change over time with increased density and different housing preferences.

Nissen discussed the different types of developments that have been added over the last 10 years, including BoatWorks Commons, Hoffman Place apartments, six Habitat for Humanity homes, townhomes, senior housing, and sporadic single-family homes. Each has addressed a different housing need throughout the community. In the next 10-20 years, the shape of what the housing stock will look like will continue to grow, but it'll be in all areas of future life cycle housing needs. The City

has done a great job in the last 10 years accommodating for growth through a variety of densities. By 2040, an additional need for 1200 units has been identified by Met Council. By 2030, the City needs 200 affordable units. The City has really focused on the Land Use Plan to help accommodate for that growth, understand what the needs are to accommodate, especially for affordable housing. Staff has engaged in preliminary discussions with MICAH to understand the current and future affordable housing challenges.

Nissen stated that staff identified the transit-oriented district to be a great area to focus a number of affordable units, in addition to Wildwood shopping center. They are key areas that could really accommodate for education, workforce transportation amenities nearby. It helps lower the cost of living when one has less transportation costs. With the Land Use plan, if the transit-oriented district and Century College nearby stations are appropriate for affordable housing, that would allow them to have just over 41 acres in total. Eight units per acre is what Met Council recommends that all cities adopt in order to accommodate for the affordable housing need. If the City allocated the 41 acres at 8 units per acres, 330 units can be accommodated for affordable housing. Nissen talked about the different levels of amenities and unit sizes among affordable and market rate multi-family developments. Some communities encourage mixed income housing, however it's important to understand the complexity of managing two types of housing and tenants in one building. As the City grows, working with very experienced developers and understand that market, will be the best approach to accommodating all needed housing units.

Berry stated that it sounds like affordable housing isn't just rental units that are all combined into one building. Nissen agreed. Berry stated that the City has single-family housing stock that he assumes meets the vast majority of affordable housing. Nissen stated that over 80% of the existing housing stock, including rental homes and owner-occupied homes, is considered affordable. Affordable standards translate to owner occupied and rental homes that residents can afford at an 80% area median income (AMI) level. For home values, it is important to note the home values are based off of Ramsey County's assessed valuation rather than market rate. The Downtown area has much higher market rate value than what they're being assessed at. What the market value is, per the tax, does not necessarily mean what they're selling rate is going at.

Kane stated that not all the acres located near transit will be solely dedicated for one type of housing unit. What the City wants to do is in those micro-station areas, reflect the diversity of housing stock that the City currently enjoys throughout the community. Kane stated that we need more high-end housing and high density right around Downtown to support the businesses that are coming in and to support more restaurants. One of the challenges of those 200 units is that 113 of them are allocated to the 30% area median income.

Kane talked about a property on Highland Avenue. It's a former convent. Staff has talked to potential developers who are interested in doing an innovative housing development like congregate living. Residents may share bathrooms or kitchens.

She talked about SRO's (Single Room Occupancy). It would take rezoning of some sort or Conditional Use with neighborhood notice and public input. Staff thinks it's a good idea to pursue; it's the execution and ongoing management and operation of it that will be critical.

There was discussion about the student housing at Century Commons which is the only SRO housing in the City.

Nissen talked about accessory dwelling units, such as granny flats or a room within a house that meet certain requirements.

Reis asked about tiny homes. Kane stated that the building code prohibits them because of room size requirements, as well as minimum house width of 22 feet. Staff will be monitoring St. Paul's review of a proposed "Tiny Home" ordinance.

Nissen talked about micro units, which could take form into a multi-family development or into a tiny house. It's the concept of living in a very small unit (smaller than a typical studio apartment) with nice finishes at a price that's attainable. It is an option the City could embrace with future housing developments.

Nissen stated the importance of keeping an open mind as housing preferences change and these new housing products come out, what developers are proposing in terms of what demographics they're attracting and their experience level, etc.

Another different housing concept is pocket neighborhoods. Pocket neighborhoods are usually smaller sized homes that are often more attainable. Normally also have shared amenities, smaller garages, and high architectural finishes. This type of development would be a great concept in smaller redevelopment opportunity sites.

Nissen explained what Net Zero energy efficient homes are. Net zero homes should be encouraged in all types of housing development.

Nissen went on to discuss the following:

Challenges:

- Aging housing stock
- Rising cost of housing compared to income
- Maintaining a diverse housing stock
- Diminishing subsidies
- Available land
- Changes in transportation

Housing Goals:

1. White Bear Lake will continue to seek opportunities for redevelopment for new housing options

2. WBL will protect the quality and character of its residential neighborhood through housing maintenance, preservation and sustainable building practices.
3. WBL will seek opportunities to expand its supply of affordable and life-cycle housing while maintaining its existing supply.

Goal #1 – Potential New Policies

- Inclusionary Housing Policy. Commissioners and Nissen saw this policy as a potential barrier from attracting good developers to the community. As Nissen mentioned previously, enforcing developers to create mixed income housing can be very difficult from a management standpoint.
- Reduced Development Cost. Nissen stated there are other options to lower development cost such as selling City owned land at little to no cost, offering Tax Increment or Abatement.
- Tax Increment Finance. This has been a successful tool in the City for Housing and Commercial Development.

Goal #2

- Consider zoning flexibility. Nissen stated that Accessory Dwelling Units (ADU's) can be constructed with a Conditional Use Permit, but staff could consider allowing ADU's by property right subject to zoning provisions. This could encourage another option for housing, and allow senior residents to stay on their single-family property longer by having another family on the property.
- Truth-in-housing inspection. Nissen will research this topic, as the Commissioners showed interest but also had some concerns.
- A local owner occupied housing improvement program. Nissen stated a program could be created to encourage existing home improvements, even similar to the City's Commercial Revolving Loan and Grant Program (RLGP).

Goal #3

- Tax abatement- Nissen stated this may be used for new housing developments or to encourage existing multi-family property owners invest in their properties. However, the City's share of the taxes on the majority of the properties may not be an incentive that is worth while. Nissen stated she will complete more research.
- Advance Notice of Sale. Commissioners wondered how long the City had to contact affordable housing developers or owners before the purchase agreement was allowed to move forward. Nissen stated she will look into the policy further.
- Non-discrimination based on the use of housing choice vouchers (Section 8) or other government programs. Nissen and the Commissioners agreed that there is already an adequate number of properties that accept Section 8 vouchers for the number of families using the vouchers in the City and neighboring communities.
- Local Program Offering Rehab Financing in Return for Affordability Commitments. Nissen stated this program could also be structured like the Commercial RLGP. Commissioners stated that even a 75-25% match may

provide enough incentive for owners to participate in the program. One Commissioner mentioned that instead of offering a loan match, the City could offer a guarantee (full or partial) to rehab loans. This could be seen as more of a value to rental property owners than a loan match could.

- Locally owned affordable housing. Nissen stated that Pioneer Manor's debt service expires in 2023, with \$160,000 that could be potentially invested into Pioneer Manor II. Commissioners were not opposed for they see the need for additional affordable senior housing.

B. City Council Meeting Minutes of January 9, 2018.

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C. Park Advisory Commission Meeting Minutes from November 16, 2017.

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6. ADJOURNMENT:

Member Baltzer moved to adjourn, seconded by Member Reed. The motion passed unanimously (6-0), and the January 29, 2018 Planning Commission meeting was adjourned at 9:36 p.m.