

PLANNING COMMISSION MINUTES - CITY OF INVER GROVE HEIGHTS

Tuesday, December 19, 2017 – 7:00 p.m.
City Hall Chambers - 8150 Barbara Avenue

Chair Maggi called the Planning Commission meeting to order at 7:00 p.m.

Commissioners Present: Tony Scales
 Dennis Wippermann
 Joan Robertson
 Pat Simon
 Annette Maggi
 Elizabeth Niemioja
 Brett Kramer
 Armando Lissarrague

Commissioners Absent: Jonathan Weber (excused)

Others Present: Allan Hunting, City Planner
 Tom Link, Community Development Director

IGH INVESTMENTS LLC – CASE NO. 17-08PUD

Reading of Notice

Commissioner Simon read the public hearing notice to consider the request for a comprehensive plan amendment to change the land use designation from RC, Regional Commercial to HDR, High Density Residential, a rezoning from B-4, PUD, Commercial Shopping Center District to R-3C, PUD, Multiple Family District, a preliminary and final plat and preliminary and final PUD amendment for a 400 unit apartment complex, and a conditional use permit for a multiple-family development, for the property located at Outlots C & C, Argenta Hills. 138 notices were mailed.

Presentation of Request

Allan Hunting, City Planner, explained the request as detailed in the report. He advised that the applicant is proposing an amended preliminary PUD development plan for the two vacant parcels to the west of the Target store. The applicant is also requesting a final plat and final PUD development approval for a two-phase 400-unit apartment complex. Phase I would be 253 units; Phase II would be 147 units. A comprehensive plan amendment and rezoning is required to change the land use to High Density Residential and R-3C/PUD. A conditional use permit is also required for a 400-unit multiple-family development. The original 2007 plan included 154 single-family units and some townhomes on the north side of Amana. There was also about 410,000 square feet of commercial. As it developed the townhouse section was eventually changed to single-family. The Target store was also reduced. The area in question was originally approved for a junior anchor building. The project would utilize the existing access points. The site plan provides for a series of trails, walking paths, and a dog run area. The four-story building would be approximately 50 feet high. The applicant provided a traffic study identifying the traffic volumes generated by an apartment project versus traffic generated by the existing commercial plan. The study indicates the number of the proposed project's daily trips would be less than the current commercial plan. The a.m. peak trips out would be greater, but all other peak a.m. and p.m. trips would be greater with commercial development. The applicant submitted information indicating that the proposed apartment project would have more valuation and would also generate more taxes than a big box store. The Northwest Area utility fees would also be more for the proposed apartments versus a commercial building. An AUAR was prepared for the entire Northwest Area in 2007. Because of the proposed land use change, and the project being over 375 units, an EAW

was required. That was done, distributed to governmental agencies, and reviewed by the Environmental Commission, and the conclusion was that no further analysis was needed. Several emails were included in the packet, and additional emails were distributed tonight. Due to the slowdown of commercial development after the recession, and this being in a challenging geographical area between Eagan, West St. Paul, and Woodbury, staff believes it would be difficult to get the retail that was anticipated in 2007. Staff thinks the proposed apartments would provide the density and housing mix that was anticipated in the Northwest Area and would add a different housing mix. Staff recommends approval of the request.

Commissioner Niemioja asked if the area where townhomes were previously planned was rezoned.

Mr. Hunting replied in the affirmative, stating it was rezoned to a lower density.

Commissioner Niemioja asked if that zoning was changed sometime around 2009.

Mr. Hunting replied in the affirmative.

Commissioner Niemioja asked for clarification regarding traffic analysis.

Mr. Hunting replied that the current road system would adequately address the additional traffic from the proposed development as well as the commercial development that was anticipated.

Commissioner Simon asked for clarification of the proposed trail system.

Mr. Hunting advised there will be some further connection to the County regional trail to the west and there will be additional interconnection points as other roads develop.

Commissioner Simon asked if there were any sidewalks leading to the south side of Highway 55.

Mr. Hunting was unsure what was installed at the Argenta Trail intersection.

Commissioner Simon asked if the trails and open space in the Argenta Hills development was public or private.

Mr. Hunting replied that it was a public trail system.

Commissioner Simon asked if there were sidewalks as well as trails in the Argenta Hills development.

Mr. Hunting replied there were sidewalks on some, but not all, of the public streets.

Commissioner Simon asked if there would be sidewalks in the proposed apartment area.

Mr. Hunting replied in the affirmative, and showed a diagram of where they would be located.

Commissioner Wippermann noted that there were two different amounts of park dedication listed in the report and asked about the discrepancy.

Mr. Hunting replied that he would look into it, but it was likely a typo.

Chair Maggi asked how large the site was.

Mr. Hunting replied approximately 17 acres.

Commissioner Robertson asked if the proposed project could potentially hasten the development of an Argenta Trail/I-494 connection or relieve some of the traffic on Highway 55.

Mr. Hunting replied that likely it would not hasten further improvements to Argenta Trail or effect traffic volumes on Highway 55. Argenta Trail was more the result of a need for north-south traffic movement.

Opening of Public Hearing

David Higgins, McGough Development, 3253 Bryant Avenue, Minneapolis, advised he was available to answer any questions.

Chair Maggi asked the applicant if he read and understood the report.

Mr. Higgins replied in the affirmative. He provided a brief history of the site, stating it was important to remember that this area is in a much larger master planned development. McGough acquired this land in the mid-2000's with the plan of doing a mixed-use development. They worked with a partner to build the single-family homes and worked with the City to preserve the existing topography and incorporate the trail system and 22 acres of open space. He advised that the retail industry has evolved substantially in recent years with companies moving online and fewer brick and mortar stores being constructed. McGough has invested substantially in this development and for ten years brokers have worked to bring attention to this area; however, it is lacking the density needed. They have recently had a restaurant move into a space, but the restaurant owners have commented extensively that they are hoping for more traffic. In speaking with retailers and brokers they recognized that the parcels in question were not going to be filled by those types of users, and they looked at what they set out to do originally, which was a mixed-use development. They determined that the most aligned use to one type of residential was another type of residential. Single-family homes on a parcel like this on the highway is not what developers are commonly doing. They have done multiple market studies to look at how apartments would do in this location and they indicate there is tremendous demand in the market place for apartments. The project they are envisioning is top of the market luxury apartments with fine finishes and amenities that do not exist in the current market place. This would be a good housing opportunity, with growing employment in the area, and for Inver Grove Heights residents who are empty nesters or snowbirds and want to stay in the area. Sustainable communities need housing choices. He advised they have met with elected officials three different times and have held eight community meetings, and have worked to address their concerns. The traffic study shows substantially lower traffic numbers for their project versus a commercial project. The building will be a professionally managed secure building, rents will run approximately \$1,000 to \$2,500 a month, the outdoor landscaped areas will be open to the public, they added additional landscaping and trails around the second phase which typically would not be done until the project moves forward, and the tax revenue and utility fees this project would generate would be substantially higher than that of a commercial project. He advised that the first phase would pay approximately \$900,000 in park dedication fees, and approximately \$300,000 for the second phase.

Commissioner Lissarrague asked Mr. Higgins what he felt were the main concerns from the neighbors.

Mr. Higgins replied that neighbors want to know things like what kind of building it is, who is going to live there, how will it affect their experience, and what are the traffic impacts. People are also concerned about crime. He advised that typically there are fewer crimes because more residents add eyes on the streets. Some residents had expectations for this area to have a park or playground. In response to this concern he asked the Parks Director to attend a community

meeting. At that meeting the Parks Director advised that this is not the site for a park for various reasons, and they were in the process of getting the funds to acquire a more appropriate site.

Commissioner Robertson asked what amenities would be included in the site itself for outdoor physical engagement.

Mr. Higgins replied that the site includes outdoor walking trails and landscaped areas, an indoor fitness center, and an activity deck off the back of the building.

Commissioner Robertson stated she would have anticipated a tot lot in a complex this size.

Mr. Higgins said one of the reasons for that is the way in which the building is designed, and the fact that the unit mix will be heavier on studio/alcove type apartments and one-bedroom apartments. There will be some two and three-bedroom apartments, but the project is not tailored to the typical family that would be living in a single-family home.

Commissioner Niemioja asked the applicant to address the lighting plan.

Link Wilson, Kaas Wilson Architects, replied there would be no light pollution spilling off the property boundaries as all the lights were downcast and dark sky compliant.

Commissioner Robertson asked why the traffic generation would be less with an apartment building of this size versus a commercial building.

Ryan Bluhm, Westwood Engineering, explained that when looking at commercial uses trips are assigned per square foot whereas apartment uses are assigned a number of trips per day per unit like a single-family home. The study compares the total square footage of the previous retail plan versus the number of apartment units in a four-story building and concluded there would be less proposed traffic.

Commissioner Lissarrague asked if there would be an onsite manager.

Mr. Higgins replied that a building this size would typically have a couple full-time staff, a couple part-time staff, and perhaps a resident manager living in the building.

Craig Pluff, 7670 Addisen Path, stated that the Target store in Oakdale along 494 originally had no retail around it. In the last 5-6 years, however, the retail area around it has expanded and he believes that could happen here as well if we waited a bit longer. Also, there are multiple locations within a mile of this site zoned specifically for apartment buildings. Much of the anticipated additional traffic of a retail space would be from Argenta Hills residents taking advantage of retail space that they could enjoy. He asked Commissioners to consider putting the apartments in at a different location as the neighborhood is very frustrated about investing in the community only to have it changed shortly after them moving in.

Commissioner Lissarrague asked Mr. Pluff what his main concern was.

Mr. Pluff replied that it was a change from what he was told would be there when he purchased his house. He advised the proposed apartment building would not benefit his neighborhood, but rather would take away an opportunity for them to have retail nearby.

Commissioner Niemioja asked Mr. Pluff if he was aware he had moved to an area that had been rezoned from townhouses to single-family homes.

Mr. Pluff replied he was not aware, however, a change from townhomes to single-family was much different than a change from retail to apartments.

Commissioner Niemioja asked the applicant to address why retail is not coming.

Mr. Higgins replied that Inver Grove Heights has 12-25% of the population of the nearby competing communities for retail and unfortunately the main driver of retail is population density. He advised that the example brought up by Mr. Pluff regarding Oakdale was a great example as Oakdale has more than ten times the population of Inver Grove Heights. McGough has been working with Welsh Colliers brokers; they have contacted over 200 retailers and they have continued to say there is not enough density for them. The brokerage community feels that adding the proposed density could move the needle on filling the vacant main street retail shops in Argenta Hills.

Chad Mitchell-Peterson, 1528 – 76th Street W, asked for clarification of whether the population numbers presented included employers and employees.

Mr. Higgins replied that his understanding was that it was just residents.

Mr. Mitchell-Peterson asked Commissioners to keep in mind the business development occurring northwest of Argenta Hills as well as the additional homes being built. He hoped we would continue with the land use outlined in the current comprehensive plan, and stated only McGough would benefit from the proposed apartments. He advised that McGough bought this property understanding the long-term plan and zoning of the property. He is concerned about the traffic and road capacities, especially during peak hours, stating the intersection of 70th Street and Highway 3 is often backed up all the way to the roundabout, and adding 400 vehicles would only make it worse. He questioned the parking plan, water drainage, the lack of bus routes and quick commutes to downtown areas which high density market rate living needs to be successful, he suggested the apartments be built in other areas already zoned for it (such as 70th Street and Highway 3), and suggested they give the property more time to develop as there would be demand for restaurants, etc. associated with the Vikings stadium and surrounding development.

Commissioner Lissarrague asked Mr. Mitchell-Peterson what his main concern was.

Mr. Mitchell-Peterson replied his biggest concern was that he feels slighted as he bought the property with the intention of having retail behind him and now it was potentially being changed based on profit for McGough.

Commissioner Robertson asked Mr. Mitchell-Peterson what he saw as the benefit of having a big box store versus the proposed apartments.

Mr. Mitchell-Peterson replied the benefit was having the ability to walk to retail and the fact that was what he was promised.

Chair Maggi stated the challenge was that there is a lot of vacant retail space in the City due to lack of density.

Mr. Mitchell-Peterson stated a retail building would also be more pleasant to look at versus a four-story apartment building.

Commissioner Scales stated that while he understood the neighbors' concerns, the City heard the same complaints when the Argenta Hills neighborhood was built. He stated the goal was to do what was best for the entire City.

Dan Dixon, 7640 Addisen Path, advised that he never would have purchased his property had he known an apartment complex might go up behind him, the additional traffic could add 20 minutes to his commute each day, it would reduce his quality of life, the neighborhood uses this area for outdoor activity, with the recent housing growth and Vikings project he thinks more time is needed for this to develop as retail, and he questioned whether the existing apartment complexes in the City were full.

Commissioner Robertson asked Mr. Dixon what he saw as the benefit of having a big box store versus the proposed apartments.

Mr. Dixon replied he came here because of the access he would have to retail.

Commissioner Robertson asked Mr. Dixon what he would like to see on the subject property.

Mr. Dixon replied perhaps a Costco. He wants to be able to walk to retail.

Commissioner Lissarrague asked Mr. Dixon where his home was located.

Mr. Dixon advised he was directly across the street from the subject property.

Keith Carlson, 7634 Addisen Path, stated he moved to the neighborhood 4-5 months ago and knew he had an unencumbered south facing view and would eventually get commercial that would be no taller than the lights. He questioned how tall the proposed building would be as he has heard several different numbers. He advised there are no other apartment complexes in the City that are 55 feet tall.

Chair Maggi asked staff if the height of the proposed building was within the allowed limits for a commercial building.

Mr. Hunting replied in the affirmative.

Mr. Carlson advised that he works in the retail sector and doubted any retailer would construct a building as high as 55 feet. If the proposed building was built he would see nothing from his home except skyline, he would be more likely to support a reduced sized structure, and he asked for clarification of where the height was measured from.

Mr. Higgins advised he would answer this and all other questions from the neighbors once they were done commenting.

Mr. Carlson advised the size was a big concern as this would be the tallest structure in the City other than water towers.

Commissioner Lissarrague asked Mr. Carlson what has been happening to retail in the last 6-8 years.

Mr. Carlson replied that they overbuilt because they predicted that the future would continue to go at the current rate and they underestimated the propensity of people to go online. He was not convinced that retail or commercial could go in at this location. He questioned what percentage of the taxes would actually go to the City.

Commissioner Lissarrague asked Mr. Carlson if his main concern was the building height.

Mr. Carlson replied in the affirmative, stating another benefit of retail was that it shut down every

evening.

Commissioner Lissarrague asked Mr. Carlson if he would be more apt to support the request if it the proposed building was shorter.

Mr. Carlson replied he would not have an issue with it were it 32 feet or less.

Commissioner Robertson stated the City currently has a lot of vacant retail space because of the changes to retail and the lack of density to support it. With that in mind, she asked Mr. Carlson what he would like to see on the subject property.

Mr. Carlson replied a two-story apartment complex, single-family detached townhomes, a health club, etc. He stated the City seems to want to be extremely low-density but yet have commercial property; unfortunately, the two do not jive. He stated there is too much traffic at the intersection of Highway 55 and Argenta Trail and it would only get worse if this project moved forward.

Amy McFarlane, 1252 - 76th Street W, stated her main concern was that this would increase the existing auto theft issue in their neighborhood.

Jaime Besser, 7656 Addisen Path, stated she lives across the street from the proposed buildings and her biggest concern was what happens when the project fails. She did not think the area had the amenities that young professionals were looking for (bus line, grocery store within walking distance, etc.), they needed more time for the retail to develop as it was in a good location, the recent homes being built did not change anything which makes her question whether the proposed apartments would impact retail either, and she did not think they should rezone this for high density when there were other areas nearby already zoned as such. The big issue is that Inver Grove Heights residents go to other cities to spend their money because they have convenience hubs where they can get all their shopping done at once. Inver Grove Heights needs businesses that will attract outsiders to our city. She questioned whether retail was really dying since they are constantly building new stores in places like Eagan and Woodbury. With Eagan now fully developed Inver Grove Heights can hopefully capitalize on the overflow. She advised that she spoke with a commercial real estate agent out of Eagan about what is going wrong with the commercial in our City and was told there were issues with trying to get around the City. She asked the Planning Commission to leave the lots zoned for retail and recommend to Council that a study be conducted on why retail is not thriving here. She believes the lots in question are the best chance the City has to create a destination. Currently the Twin Cities vacancy rate is at 2.7%, which is very low. Because of this everyone is building apartment complexes. At some point the rental apartment market is going to be overbuilt. The apartments currently being built are in cities in which the retail presence is already there. The growth around the Vikings stadium will likely attract retail development to this area.

Commissioner Niemioja questioned what would happen if it never fills up with retail because Eagan is so close.

Ms. Besser stated they need to keep this as retail because this is a great location to start a retail hub.

Commissioner Niemioja asked if she would feel differently if there were retail on the bottom level of the apartment building.

Ms. Besser replied she would not because there would still be a 55-foot-high apartment building out her back window. She does not believe young professionals will want to come to this location for a luxury apartment when downtown St. Paul and Minneapolis and CityVue are so close.

Commissioner Robertson noted that many studies have already been done, and asked what data Ms. Besser was lacking.

Ms. Besser replied she would like a study done to find out the reason retail was not coming to Inver Grove Heights. Perhaps contact past applicants to find out what failed for them.

Susan Johnson, 1522 – 76th Street West, advised she was told there were apartment vacancies everywhere in the Inver Grove Heights/Eagan area, she did not believe this area had the conveniences young professionals were looking for (i.e. shopping within walking distance), and what is being proposed does not fit with the Argenta Hills neighborhood.

Evan Brutinel, 7681 Addisen Court, asked why they were proposing to do the project in two phases rather than all at once.

Mr. Higgins replied the market study showed there was not a demand for all 400 units at this time, so they are proposing to build a number of units below what the market study says the site can sustain.

Mr. Brutinel did not want to have heavy construction going on for three years, would be more receptive if they were proposing 2 and 3-bedroom apartments which was more in line with the existing single-family neighborhood, and stated his main concern was the size of the proposed project.

Chair Maggi asked why Mr. Brutinel preferred 2 or 3-bedroom apartments versus one bedroom and studios.

Mr. Brutinel stated because it would bring in more families which would be more compatible with the existing single-family neighborhood.

Chair Maggi noted that at some point Mr. Brutinel's children would grow up and move out of their home.

Katie Pluff, 7670 Addisen Path, stated the proposed change to a high-density project was double the definition of what high density is and was not compatible with the surrounding neighborhood. She asked for a definition of spot zoning.

Mr. Hunting was not sure there was a true definition, but an example would be if someone proposed a commercial/industrial use in the middle of a residential site.

Ms. Pluff stated that sounded like this situation.

Mr. Hunting stated it was much different as what was being proposed was a typical mixed-use development.

Commissioner Scales stated an example would be if someone wanted to put an industrial site on the parcel that formerly housed South Grove School which is in the middle of a residential neighborhood.

Ms. Pluff stated that according to the 2017 State of the State Housing Study, the need of renters in Dakota County is decreasing.

Chair Maggi stated there were a number of reasons that number could be what it was.

Commissioner Robertson stated the flip side was that the number of renters may have gone down because what renters are looking for does not exist in our City.

Ms. Pluff stated she would like to see a study done on whether these apartments would be something millennials would be interested in, as the millennials she spoke with said this is not what they are looking for as they want nail salons, boutiques, coffee shops, etc. they can walk to.

Commissioner Niemioja stated it was her understanding these would not be solely for millennials, but rather there was an aging in place concept too.

Ms. Pluff advised at the community meetings they were told they were aiming at millennials. Her biggest issues are the lack of a park, the aesthetics of looking directly into apartments, and the potential for additional households to increase the existing crime occurring in the neighborhood. She stated they spent a lot of money on their homes with a certain view of what they thought the neighborhood would be, and they feel like they are being forgotten within the City. She questioned what would happen to their property values if the luxury apartment buildings failed and asked if the existing apartment buildings in the City were currently full.

Commissioner Niemioja stated she did not know whether the apartment buildings had vacancies, but asked Ms. Pluff how long she would want to see the lot sit vacant.

Ms. Pluff replied that the neighbors were realistic in knowing it would eventually develop. She stated that many of her neighbors have called the broker to inquire about renting space in the main street space; some of them have not been called back and others stated that the space is too expensive. She suggested that they get creative and maybe put smaller stores in rather than another big box.

Chair Maggi stated the intention was for there to be another big box on the other side of the main street shops.

Ms. Pluff stated she thinks that will eventually come; however, the main street shops should be filled first.

Commissioner Lissarrague stated there is a real concern of what is going to happen to Target if business does not increase.

Ms. Pluff questioned whether 600 additional residents would make a difference as she has heard they need thousands of additional people.

Chair Maggi replied that you have to build them one at a time.

Ms. Pluff questioned why it had to be an apartment building.

Commissioner Niemioja asked Ms. Pluff if she was aware they had downzoned her street.

Ms. Pluff replied she did not, but she did not think it was fair people kept saying that because they did not downzone it for her and her neighbors.

Chair Maggi advised that there were quite a few accommodations made in the Argenta Hills development prior to it being built, such as allowing smaller lots. She advised that every time a new development goes in somebody is in opposition of it. When Argenta Hills was developed, and the setbacks and lot sizes were reduced, there were a lot of people that were opposed to it. The

job of the Planning Commission is to look for what is best for the entire city.

Ms. Pluff asked if that it was developed prior to the 2008 comprehensive plan.

Commissioner Scales advised that the comprehensive plan goes back much further than 2008 and is always changing.

Mr. Link advised that the first comprehensive plan was adopted in the 1960's or 1970's.

Commissioner Robertson noted that many have stated tonight that 400-600 people would not make a difference by itself; however, every 600 people is important to the overall goal on increasing the density needed to obtain retail. The reason there are no shops in the buildings by Target is not that they are too expensive, but rather that there is not enough people.

Ms. Pluff noted that the additional 400 people in her backyard would affect her way of life, and she noted that there were three areas zoned for high density within a one-mile radius that would be better suited for apartment buildings.

Heather Thorton, 7621 Addisen Path, stated she lives on the other side of the neighborhood backing up to the trees. One of her concerns is the additional foot traffic that will be using the trails throughout her neighborhood and the potential for that to increase the security challenges they are already experiencing. Secondly, with the plan to widen and extend Argenta Trail up to I-494, this is an ideal location for retail which would be lost if this is developed into a residential complex. She noted that the survey that was done recently indicated that approximately 65% of the respondents wanted to see more retail in the City.

John Murphy, 7652 Addisen Path, agreed with his neighbors' concerns, is opposed to the request, stated it is too soon to change it from retail to residential, his understanding is that Target's sales have increased every year since they opened, this is not an opportunity for Argenta Hills but rather a detriment, he is concerned this may have a negative impact on their home values, and he questioned the developer's statement that traffic and crime rates would be reduced. He is concerned that when the homes in West St. Paul and South St. Paul (which would be considered starter homes) start turning over it will result in increased rental vacancies which will likely force McGough to lower their rents.

Samantha Fitzgerald, 7668 Addisen Path, is opposed to rezoning this parcel, especially since there are existing areas already zoned for high density residential such as 70th Street West/South Robert Trail and Concord Boulevard. She stated the timing of this public hearing was suspect as it was held just six days before Christmas.

Chair Maggi noted that a letter from Ms. Fitzgerald was in their packet in which she states the subject property should be a park.

Ms. Fitzgerald commented that her letter was from January 2017, but she still felt a park was needed.

Commissioner Robertson responded that getting a park for this area has been a high priority for the City for many years now, but the Park and Recreation Commission have stated this is not a safe location for a park.

Ms. Fitzgerald suggested perhaps building Phase I of the apartment complex and using the Phase II location for a park.

Matt Harmoning, 7618 Addisen Path, stated he feels at a disadvantage as the neighborhood does not have access to the studies and statistics regarding this project, South Robert Trail has an area zoned for high density residential which would have better access to bus lines, etc., and he questioned where they would put in the retail that this displaces. He feels like the City is making disparaging remarks about the lifestyle he and his neighbors chose when they question why someone would want to live on these small lots and next to commercial, the neighborhood purchased their home relying on the fact that it was going to be retail and therefore changing the use they planned on seems like sleight of hand. His biggest concern is that the proposal does not comply with the comprehensive plan's goal for orderly development of the City

Van Truong, 7630 Addisen Path, agreed with her neighbor's sentiments, stated they have not given this parcel enough time to develop as retail, especially with the recent residential development to the northwest, and she feels that given the opportunity people will come to this area for retail.

Commissioner Robertson stated she would like to see retail there as well, but the stark reality was that most retailers have been approached and have said they are not interested.

Mr. Dixon asked who has done the approaching.

Chair Maggi advised that it is the developer and building owner's responsibility to rent that space; it is not a City staff function.

Mr. Mitchell-Peterson asked what the lease incentives were on the spaces and questioned whether the cost per square foot and taxes were higher than in other cities.

Chair Maggi advised that this was not the right forum for that as it was more the purview of City Council.

Mr. Mitchell-Peterson suggested perhaps making the parcel into a City for-profit park such as the water park in Eagan.

Courtney Epperly, 7664 Addisen Path, noted that the recently approved 69-unit residential project on 80th Street will bring in additional people, he thinks the reason the main street shops have failed is because of the poor layout and that they have high rents compared to other areas.

Mark Tiemeier, 7620 Addisen Court, asked if this area was being reevaluated as part of the comprehensive plan update.

Mr. Hunting replied that this request is coming in separate from the comprehensive plan process. He advised that the comprehensive plan update is looking at the grand scheme of things (i.e. where some shifts might be to commercial hubs, which roads will likely be more desirable, which will see traffic reductions, etc.).

Mr. Tiemeier stated when they review the comprehensive plan the City should look at what is best for the entire city rather than just this developer.

Paul Mandell, 8320 Cleadis Avenue, representing the Housing Committee, stated they supported the request, the proposed luxury apartments represent a new housing lifestyle currently lacking within the City, and there is a need for apartments as the vacancy rates in the metropolitan area are less than 1%, this project would restore some of the density planned for the Northwest Area as many areas have been down-zoned to single-family residential. He advised that he served on the Planning Commission when Walmart went in and those neighbors preferred residential over retail

because of the lights and having to look at the parking and rooftop equipment associated with commercial buildings. The housing project will add significantly to the City's tax base and will provide \$900,000 that could go towards building a park, according to Maxfield property values go up when multi-family moves in, and this project would benefit the City as a whole. The Housing Committee is disappointed that there are no affordable units being offered. People are concerned about what will happen if the apartments get built and fail; however, commercial has been built and is already failing throughout the City because of the lack of critical mass.

Mr. Carlson, 7634 Addisen, asked if the developer would have the ability to change this to low income housing if desired.

Mr. Hunting replied in the affirmative, stating zoning does not dictate rental structure.

Mr. Carlson is concerned about the possibility of these becoming low income apartments and thinks there are better uses for this property.

Commissioner Lissarrague asked the applicant to address this concern later in the meeting.

Jim Zentner, 8004 Delano Way, stated he does not live in the neighborhood but has been fighting for a long time for affordable housing in the City; unfortunately, there is none associated with this project. 135,000 people are expected to move into the Twin Cities area between now and 2040 and he supports the multi-family project. He noted that in future projects the larger and denser areas must always go in before single-family. If not, there will be pushback from the neighborhood such as we are seeing tonight.

Mr. Dixon asked if the developer put any consideration to the impact the noise off Highway 55 would have on the tenants. He stated the noise is barely tolerable and these units will be much closer to the highway than he is.

Commissioner Niemioja asked Mr. Dixon how he felt about the airplane noise in that area.

Mr. Dixon replied that he has gotten used to the intermittent airplane noise but cannot get used to the road noise as it is constant.

Commissioner Niemioja asked Mr. Dixon if he saw any benefit to the proposed building perhaps blocking that noise for him.

Mr. Dixon replied that the noise would not be blocked; it would just go over the building.

Erin Metzger, 7679 Addisen Path, stated she was opposed to the request, and hoped the City would consider buying the property for a park. She stated the children did not have anywhere to play and she does not understand how the City would allow the developer to pay a fee rather than provide a park.

Chair Maggi asked Mr. Higgins asked if they ever had a residential development fail at what it was originally intended as.

Mr. Higgins replied they have not built a building for rental that was subsequently converted to affordable housing.

Chair Maggi asked what the actual height of the building would be.

Mr. Wilson showed a rendering of the proposed elevations, stating they have a geodetic elevation

of 892 and a finished floor elevation of 891. There is a varying grade change from eight inches to two feet. He advised they were 49.6 to 51.6 feet to the mid-point of the roof. He stated the mid-point of the roof is more accurate than peak of the roof because the roof is going away from you so that is how a person would perceive it. He noted that the building will be 380 feet from the closest back yard to the proposed building. In response to a statement by a resident that a retail building would only be 25 feet tall, he advised that big box stores would want to face Highway 55 which would mean the rear of the building would be facing the Argenta Hills neighborhood. He showed a rendering of what the residents could be seeing from their homes should a retail building go in. Although a retail building might be shorter, because it would be closer to Amana Trail the perception of the height would likely be similar to that of the proposed apartment building.

Chair Maggi asked if consideration was given to have retail on the first level with residential above it.

Mr. Higgins stated it was not considered because ground floor retail has an even higher demand for density. Putting risky retail at a ground level where there is not a substantial amount of pedestrian traffic coming from other properties can negatively impact marketing of the residential above it.

Chair Maggi asked if they had considered affordable housing options within the complex.

Mr. Higgins stated it was something they considered but not something they have done in the past. He advised that most developers that are building affordable housing are doing it because they are a nonprofit or cities are encouraging affordable housing by offering them financial subsidies. He advised they did speak with the community and the City about affordability and it was made clear that affordable housing would be challenging and unlikely to be approved. McGough believes that Inver Grove Heights is lacking housing options for people in a particular station in life, or those looking for a temporary living situation for 2-3 years, where buying a house may not make sense for them. He advised they have restrictive covenants against them from Target, which is common when shopping centers are built. Currently they are in the process of changing a provision in that agreement with Target. Even if the City approves the rezoning, they cannot legally build housing here because of the contractual agreement with Target. Target is working with McGough; however, to change that document to allow for multi-family on these two parcels. He stated that if Target believed that retail could happen on these parcels if they waited a little longer they would not work with McGough to get that changed.

Mr. Dixon asked Commissioners to consider this hearsay and let Target speak for themselves.

Mr. Higgins advised that he asked Target for a letter of support, but was told it was not their policy to issue support letters but to let people know that they are working with McGough to change the use to multi-family. In his opinion that is a statement in itself.

Mr. Carlson stated there is not an apartment in the City with a 4:12 pitch roof; they either build it flat or use a better looking 6:12 pitch. He questioned what would happen if they changed it to an 8:12 pitch roof which would make the building even taller. He stated 51 feet to the mid-point of the roof was too tall and asked if the Planning Commission had the ability to ask the developer to come back with a revised plan.

Chair Maggi replied in the affirmative.

Mr. Carlson stated that the rendering of the back of a retail building shown by the applicant was a worst-case scenario. He noted that the back of Target and Walmart are brickfaced and do not look anything like the building in the drawing. The proposed building would eliminate his view of

anything but skyline. He urged Commissioners to ask the applicant to consider a three-story structure with a flat roof.

Ms. Johnson asked when the vote would take place for the rezoning.

Chair Maggi replied that the Planning Commission would make a recommendation tonight and City Council would consider it on January 8, 2018.

Chair Maggi closed the public hearing.

Planning Commission Discussion

Chair Maggi thanked everyone for coming and sharing their ideas. She stated they empathize with the neighbors but must look out for what is best for the entire City.

Commissioner Niemioja commented that the comprehensive plan is a document that changes all the time and is meant to be amended. Most of the people in the room are living on a street where the comprehensive plan was amended, and the property was rezoned. The Planning Commission tries to look at the guiding principles for the entire community. She stated she is in favor of the rezoning. She advised she is a fan of accessory dwelling units, and because of the lot size in this neighborhood they will not have the ability to have them, there is no option for people to age in place in that community whereas this apartment building would provide that. She agreed that there was a need for a park in this area. She did not necessarily feel that was a developer issue, but rather a City issue, and she hoped that the City would move forward on purchasing land for a park.

Commissioner Lissarrague stated that although he empathized with the neighbors, he was in favor of the request as there is a need for an apartment complex and retail was struggling throughout the City and the future of big boxes seemed to be dwindling.

Commissioner Robertson stated in her opinion the proposed apartment building was aesthetically better than what could potentially be built there.

Commissioner Wippermann was concerned about giving up this regional commercial area, as in his opinion this was the best location in the City for that. He was glad to hear that Target apparently does not have any major objections to the project; however, they received a fair amount of incentives from the City and were obligated to stay for a certain amount of time.

Commissioner Scales stated he believes Target has already hit the five-year mark they were obligated to stay. He was concerned that Target may not make it at this location for the long term if they did not help them by increasing density.

Planning Commission Recommendation

Motion by Commissioner Scales, second by Commissioner Simon, to approve the request for a comprehensive plan amendment to change the land use designation from RC, Regional Commercial to HDR, High Density Residential, a rezoning from B-4, PUD, Commercial Shopping Center District to R-3C, PUD, Multiple Family District, a preliminary and final plat and preliminary and final PUD amendment for a 400 unit apartment complex, and a conditional use permit for a multiple-family development, for the property located at Outlots C & C, Argenta Hills.

Commissioner Simon advised that she appreciated the neighbors doing their due diligence, that Planning Commissioners took this seriously, but that the landowner does have the right to change the zoning on his property as long as it is approved by City Council and the Metropolitan Council.

Motion carried (8/0). This item goes to the City Council on January 8, 2018.

OTHER BUSINESS

City of Inver Grove Heights – Case No. 17-60X

Allan Hunting, City Planner, explained the request as detailed in the report. He advised that the Planning Commission is being asked to review a capital expenditure associated with the 80th Street sanitary sewer improvements for consistency with the comprehensive plan. The City Engineer and Planning staff both recommend the project expenditure be found consistent with the comprehensive plan.

Motion by Commissioner Simon, second by Commissioner Lissarrague, to recommend that the capital expenditure for City Project No. 2018-02 – 80th Street Sanitary Sewer Improvements (Robert District) are consistent with the comprehensive plan.

Motion carried (8/0).

Mr. Hunting advised that Chair Maggi would be signing a resolution memorializing the Commission's motion.

Mr. Hunting advised that the January 2 Planning Commission meeting has been cancelled.

Mr. Hunting invited the Planning Commission to attend a work session with Brad Scheib and City Council on January 8 from 6:00 - 6:45 for an update of discussions regarding the comprehensive plan.

Commissioner Simon asked for clarification of discussions regarding the portion of Cahill that they were considering rezoning from business to residential.

Mr. Hunting replied he was not sure when that would be discussed, perhaps at the public hearing.

The meeting was adjourned by unanimous vote at 10:07 p.m.

Respectfully submitted,

Kim Fox
Recording Secretary