

MINUTES OF PLANNING COMMISSION MEETING

April 8, 2024

Pursuant to due call and notice thereof, a regular Planning Commission meeting was held at City Hall on the 8th day of April, 2024 at 6:30 PM

THE FOLLOWING WERE PRESENT: Chairman Ferris, Commissioner Egger, Commissioner Johnson, Commissioner Buckingham, Commissioner Tinsley, and Commissioner Fitch

THE FOLLOWING WERE ABSENT: Commissioner Hanson

THE FOLLOWING WERE ALSO PRESENT: City Administrator Tim Ibisch, Ian Albers, Planning/EDA Assistant, Tony Bigelow (Bigelow Homes, LLC), Troy Schrom (Schrom Real Estate, LLC), Mike Braun (Nokomis Energy), Jeremy and Tina Jacobson, Jen Brown, Joe Winkels, Joel Standerfer, Jericho Forney, Mark and Twyla Rickard, Alex and Samantha Fogal, Christian and Brooke Unger, Kim and Margot Zerrudo, Missy and John Goldschmidt, Daniel Ziebell, Tanya Young, Matt and Emily Treichel, Nick Kraft, Josh Daniels, John and Kris Baldwin, Darrick Urbanek, Darin Wilking, Mike and Nancy Sunderman, Teresa and Virgil Stoskopf, Marcus and Danielle Piepho, Megan and Kevin Wilgenbusch, Rob and Miriam Pierick, Chris and Patty Gleason, Brian Todd, Dave Aakre, Donna and Tim Olson, Dan Kelly, Jerry Barbara Treichel, Mike Carpenter, Shane Moe, Craig English and Amber, Craig and Sheila Schneider, Trent Halverson, Jason Pierson, Rayelle Haase, Heather Barnes, Patrick Elmore, Jenny Evans, Nick Worden, Maria Redfern, Christina Screeden, Greg Wyffels, Joe Erickson, Bernie Buehler, Sue Pearson, and Jessica Denter

CALL TO ORDER AT 6:30PM

MINUTES OF THE PREVIOUS MEETING — Motion to Approve the March 11, 2024 Minutes made by Commissioner Egger, second by Commissioner Buckingham with All Voting Aye.

PUBLIC HEARINGS

Preliminary Plat – Oscar Meadows – Community Development Assistant Ian Albers went through the staff report for this project. This is for a 40-acre parcel in NW Kasson that would have 46 lots for single-family with streets. This covers the south half of the parcel – the north half would be held for future development. There are several recorded easements present throughout the site, but most should have minimal impact on the lots. A future trail would run along the east side of the property and eventually along 16th St NW. Staff are recommending that constructing the trail be accepted as parkland dedication. The full list of conditions would be:

1. All development-related fees shall be paid prior to releasing the final plat for recording.
2. The City shall waive the parkland dedication fee provided that the proposed trails on the property are constructed according to the terms included in the Development Agreement.
3. The applicant shall submit to the City a drainage report for review by the City Engineer.
4. The applicant shall submit to the City an updated plat addressing comments from the City Engineer.

Mr. Albers also commented on street names – the City typically does not allow streets to have names that do not fit into the numbering system. The City Engineer has proposed alternate names. Tony Bigelow (Bigelow Homes, LLC) stated that he is available to answer any questions the Planning Commission may have. They are looking to get going on this development this year. Commissioner Johnson asked about the City Engineer's comment on considering preliminary platting the entire parcel and then phasing the final plat. Mr. Bigelow stated that WSE Massey engineering was working on this and would be bringing in plans for the north half in a couple of months.

Public Hearing Opened

No comments from public

Public Hearing Closed.

Commissioner Fitch asked if the Park Board had agreed to not having a parkland dedication fee paid. City Administrator Tim Ibisch replied that typically that decision would be made by the City Council and the Park Board doesn't necessarily deal with the fee dedication process. Chairman Ferris asked if constructing a trail would be an acceptable alternative for future projects. Ibisch agreed and added that constructing this trail would allow people to have access to the NW greenspace. Commissioner Egger asked about approving the plat with the street names proposed by the City Engineer. Ibisch replied that staff recommended utilizing the street numbering system. Commissioner Tinsley asked if Outlot D is a connection to the county trail. Mr. Albers stated that it could contain a trail connection.

Commissioner Egger made a motion to approve the Preliminary Plat of Oscar Meadows with conditions, second by Commissioner Johnson with All Voting Aye.

Comprehensive Plan Amendment – Proposed Subdivision by Schrom – Mr. Albers stated that the applicant, Schrom Real Estate, LLC, submitted the request for property generally located east of Blaine's 12th Subdivision and north of Masten Creek. A combination of duplexes (34 units) and townhomes (84 units) is proposed. The Comprehensive Plan currently defines the future land use for the area as Low Density Residential and the density of units proposed would fall under Medium Density Residential. Mr. Albers went through the staff report and explained that the request covers two parcels – the portion that includes the Masten Creek corridor would remain designated as Open Space. There are other areas in Kasson that are designated as Medium Density Residential – some of which have townhomes and duplexes. The concept plan has an area in the center for a proposed park – staff are recommending instead that parkland dedication funds go towards improving East Diamond Park since the location is close. The proposal includes an extension of 3rd St NE with a few additional points that could connect to 8th St NE, 16th St NE, 14th Ave NE, and 260th Ave. Stormwater management would be required – ponds are proposed for the northeast corner. Going forward, the proposal would require a request for rezoning, possibly a PUD (Planned Unit Development), followed by platting. Staff are recommending approval with no conditions attached. Chairman Ferris stated that a bridge over Masten Creek has been a topic of discussion in the past – would the bridge be built with this project? Ibisch replied that it's something the City Council is contemplating and would require funding via this project as well as outside funding. Troy Schrom (Schrom Real Estate, LLC) stated he would be glad to answer questions at the end.

Public Hearing Opened

Mr. Albers read an email from Tim and Donna Olson – 1200 3rd St NE – who advised that they would be unable to attend the meeting. They felt that having 3rd St NE as the only access point to an additional development, especially a medium density residential one, would be unsafe for the existing neighborhood that is largely family oriented. Mr. Albers also read comments from Matthew Siebenaler – 605 10th Ave NE – who stated concerns about impacts to equity caused by the proposed development as well as additional traffic and crime rate increase.

Megan Wilgenbusch – 502 12th Ave – stated that Figure 4.3 of the Comprehensive Plan shows the future development plans of the northeast side of Kasson laid out as Low Density Residential and that one of the guiding principles of greatest importance to the community is its small-town identity. The ease of travel safety, family friendliness, and connections to the outdoors would be negatively impacted by the development. Changing the zoning would drive away future single-family development and deciding to disrupt low density development to build affordable income rental units due to current economic conditions is irresponsible and inconsiderate to future development. In selling real estate, proximity to rental units is one of the largest drawbacks – they decrease home values and lessen the pool of potential future buyers. None of the provided example neighborhoods are adequate comparables – the Byron neighborhood has a large strip of empty green space separating low and medium density, the age of homes and average home values in the neighborhood by the library are much lower, and the

neighborhood on the northwest side is comprised of many townhomes or duplexes that are owner-occupied. The Comprehensive Plan Goal 4.4 states “ensure future development occurs in a coordinated, connected, and compatible manner relative to existing development” and Policy 4.41 states “require through the site planning and building plan adequate design considerations to transition new development to adjacent development in a way that minimizes negative impacts (traffic, light, noise, air pollution, or storm water runoff).” Kasson has a reputation for being a small town with strong community-based core values. Allowing this development would put those values in danger and impact the reputation of this beloved community.

Chairman Ferris asked Mr. Schrom if these are intended to be rental units or if he is intending to sell. Mr. Schrom responded that they would be rentals.

Donna Olson – 1200 3rd St NE – stated that she rearranged her plans to be at the meeting and had sent the email read by Mr. Albers. Olson asked those in attendance who object to the plan to stand up.

Jessica Denter – 506 12th Ave NE – stated she was promised two years ago increased school enrollment, multiple developments, and skyrocketing involvement in the schools and has not seen that. Districts are suffering with enrollment. Rentals do not draw families to school districts. Families are looking for \$200,000 to \$300,000 homes. It’s unfair and we’re not doing any justice to building the school district which is the number one employer in the area.

Resident – 403 12th Ave NE – stated he is a new resident to Kasson and moved here to escape rental properties in major big cities. Kasson has a potential for family, quietness, and simple living. Growth is inevitable but progress should be well thought of in ways that are beneficial to the people who live in the community. He is in opposition to this because the reason he moved here is for the quiet. It’s very welcoming to be in Kasson in a real residence and not in family rentals. It’s his first house and wants to build equity and wants to build community.

Marcus Piepho – 500 12th Ave NE – stated he is in opposition. The purpose of the development is to further provide affordable rental options to the city members of Kasson. He wants to address the alternative options already currently available to the community. In the Kasson Zoning Ordinance General Provisions, the Intent and Purposes states the chapter will “promote orderly development and redevelopment; promote, protect and conserve the character and preserve and enhance the stability of properties and areas within the city; prevent overcrowding of land and undue concentrations of structures by regulating land, buildings, yards and density of population; prevent congestion in the public right-of-way; and promote a visually pleasing environment throughout the community.” All of these intents do not align with the planned development proposed. In a Planning meeting held in November of 2023, the Sand Companies’ multifamily project in the Vail property was addressed. This will allow for more renting options on top of the availability in The Park Apartments. These were built on land that was already pre-zoned for proper density and fit within the surrounding neighborhood. In April of 2023, the development of City-owned land in the southwest side was discussed – it surrounds a medium density residential area and is close to Hwy 14. Parcels 24.032.401 and 24.032.402 are opportunities in the northwest side of town that are already zoned for medium density residential. He supports the growth of Kasson but believes it needs to be done with the community’s best interest in mind and not just the money obtained from development.

Missy Goldschmidt – 1104 3rd St NE – asked Mr. Schrom if the affordable housing will be under the 4d(1) category. Mr. Schrom replied that this will be workforce housing and asked if she was referencing the TIF. Ms. Goldschmidt clarified her reference to the tax capacity limit for the 4(d)1 type of housing. According to Ehlers, Minnesota based a law that will decrease property tax capacity for 4(d)1 from .75% to .25% for 2025. There are 37 cities in Minnesota that qualify for a tax break and neither Kasson nor Mantorville are on that list. If this is 4(d)1 housing, we are going to have a loss in tax revenue – who is

going to make up for that? The Kasson-Mantorville school district has lost some really great teachers because of low pay and benefits. Think about the potentially huge influx of children that will put additional stress on our teachers and cause an increase in turnover.

Kevin Wilgenbusch – 502 12th Ave NE – recently moved to Kasson to start a family and heard great things about the school district. Mr. Wilgenbusch wanted to know if the bridge that was talked about would be a guarantee if the development is built. The only way in and out would be 3rd Ave. His understanding is that Carter or Makena previously owned the property, and they were not able to build due to not having an alternative route out. If that was an issue with low density, how can this get approved when we're increasing the density? With all the children in the area and if all the traffic is going on 3rd Ave – there are no sidewalks on that road. It's in really poor condition and it's a very windy road – adding an additional 180 cars is going to affect traffic. The Kasson Upward 2040 Plan was developed in 2018 – why not abide by it and keep it Low Density Residential? Most people who want to come to Kasson want to develop a single-family home. You're going to gain a lot more property tax value on a home between \$500,000 and \$600,000. Do you have a comment on if this gets approved that the approval of the bridge or an additional exit is going to be approved prior? Chairman Ferris responded that we would do the public hearing first and then have discussion. Mr. Wilgenbusch asked Mr. Schrom if he is partnering with Makena on this development. Mr. Schrom responded that it's strictly a Schrom construction. Mr. Wilgenbusch stated that his neighbors who worked with Makena were told that the area would develop as single-family residential. Keep it single-family and make sure it blends in with the neighborhood and don't allow duplexes or townhomes or rentals as a whole.

Jeremy Jacobson – 504 12th Ave NE – lived in Kasson his whole life and was also told when he moved to 12th Ave that it would be single-family homes. He would not have built if he had known it was going to be townhomes and rental properties.

Miriam Pierick – 404 12th Ave NE – moved to Kasson in 2017 and was told there would be development behind her but it would be single-family homes. It's not fair to the residents to change the zoning now after we were promised and told it would be single-family homes.

Maria Redfern – 303 11th Ave NE – stated she was able to purchase the house on 11th Ave and work from home during Covid. As a single female, she didn't go to Rochester and came to Kasson for the safety. The sheriffs don't live in another town and come here for safety. Ms. Redfern opposes the proposal because safety would be compromised – it's for the children too.

Public Hearing Closed

Commissioner Johnson stated that he shares concerns with those who spoke specifically in regard to the amount of traffic that's going to be on a single road. It would be a lot of households funneled down 3rd St before they have the opportunity to get to 11th or 7th and get over to Mantorville Ave. Looking at the satellite images, it looks like the sidewalks on 3rd St end at around 10th and don't continue on any of those streets. For stop signs on 3rd St, members of the audience stated there are two. There may be some room to do some changes to 3rd St to try and alleviate the obvious increase in traffic.

Commissioner Egger asked Mr. Schrom if the rentals would be market rate and if he could verify pricing. Mr. Schrom stated they are market rate workforce homes renting at \$1,800 and vouchers would not be allowed. Commissioner Egger asked Ibsch about the proposed zoning changes by the State of Minnesota and how it would limit us as a city. Ibsch responded that the Legislature is looking at eliminating a lot of the restrictions and zoning controls from the local level to the state level. The restriction could be that you can't keep anything smaller than a 6-plex on a lot. It's based a lot on the metro and proponents for increased density in the city.

Mr. Wilgenbusch asked for an update on the proposed 38-unit “workspace” rental property that was supposed to break ground this spring. Ibisch responded that the Sand Companies project was probably going to start next month. It was clarified that Mr. Wilgenbusch was referring to the 504 Development project by the high school. Ibisch responded that the developer has some plans for a smaller apartment complex in that subdivision. Mr. Wilgenbusch then asked if there was a proposal received for medium density residential behind the mobile homes. Ibisch stated that the Council has been working with various options trying to identify a really good fit for that property.

Ibisch asked Commissioner Fitch about the Kasson Meadows subdivision which has over 300 single-family homes and had one access for 20 years. There have been other subdivisions with only one access coming in and out. Commissioner Fitch responded that the high density is more of a concern rather than the access – he likes the development but thinks it’s in the wrong spot. There are better places in town for this type of development. The development north of the football field that only had one access for years started before he had the opportunity to say it was an issue. Thankfully there is more than one access now, but he believes it’s something that should be considered.

Commissioner Egger asked about the potential to get an access point on the north side – is there a general development plan in the works? Ibisch responded that their level of involvement locally is pretty limited and the original Mienert property was subdivided between the family. There are draft ideas of where concept connections would be – including the one running along where the parkland would be. He has not seen a general development plan from the Rupert sisters yet. Ibisch added that even with the proposed state statute change, some of the same issues will still be there regardless, even if it were single-family homes.

Commissioner Egger asked Mr. Schrom what the timeframe would be. Mr. Schrom responded that it would be a two-phase project. The first phase would start this year if approved and the second phase could start in 2026.

Mr. Wilgenbusch asked Mr. Schrom if there is a reason why he isn’t building single-family homes. Mr. Schrom responded that they concentrate on quality workforce housing and that with the current interest rates being 6-7% on a \$600,000 house, it’s becoming more and more limited for people to afford that type of house. Mr. Wilgenbusch also advised the board to look up the property management company, Lloyd Management, and read the BBB and Google reviews. Mr. Schrom confirmed that Lloyd Management is the property management company. They work in many communities with public officials, police departments, and city staff to make sure there’s quality residents. If something happens, there is zero tolerance. Chairman Ferris asked if they typically have someone from the rental company on-site. Mr. Schrom replied that it varies in each application – it could be here, or it could not be here.

Chairman Ferris asked for a motion and stated it could be tabled. Commissioner Johnson stated he has a hard time agreeing to the density increase given the traffic issue and would like to see more detailed plans of how it could be dealt with or more ideas on how to get more connections built in the future.

Commissioner Johnson made a motion to table the Comprehensive Plan Amendment.

Commissioner Egger commented on the possibility sidewalks along 3rd St to improve pedestrian connections. Ibisch stated that he is a proponent of pedestrian traffic, and this is something the City could take a look at.

Commissioner Tinsley asked Mr. Albers about the zoning and what is allowable to be built. Mr. Albers confirmed that it’s R-1 and that single-family homes and duplexes are allowed. The townhomes would not be allowed in R-1 even as a conditional use. Commissioner Tinsley stated that the property is still

developable even if the Comprehensive Plan is not amended. With the points made tonight, he can't see the preponderance of the evidence being strong enough to amend the Comprehensive Plan.

Second by Commissioner Buckingham to table the Comprehensive Plan Amendment with Five Voting Aye and One Voting Nay (Commissioner Tinsley).

Concept Plan Review – Proposed Subdivision by Schrom – Chairman Ferris asked if the review during the previous exercise could stand as the Concept Plan Review. Mr. Albers agreed. Ibisch stated that we will take a look at the items that were brought up and get some more information. Commissioner Egger commented that duplexes could be put in and they could all be rentals. Chairman Ferris stated that to his knowledge, we can't prevent somebody from building a rental property. Commissioner Johnson stated he liked the idea of having the internal park and would maybe add more sidewalks. Chairman Ferris stated that it could still be kept as open space managed by the management company.

Nokomis Energy Presentation – Fork Garden LLC – Mike Braun (Nokomis Energy) gave a background on the company and presented the proposed 5 MW system for Kevin Ellingson's land. Mr. Albers stated that staff felt that the proposal would limit development in that direction and asked if Mr. Braun had been to the township board yet. Mr. Braun stated they did not have any comments. It would be a 25-year lease with an option for two 5-year renewals possible. Commissioner Fitch stated that there was a previous solar project proposed in that area that would also have limited future growth.

Open Discussion – Commissioner Fitch reminded Mr. Albers to look into Mr. Wilker's CUP.

ADJOURN – 8:00pm

Respectfully Submitted,

Ian Albers, Community Development Assistant