

MINUTES OF PLANNING COMMISSION MEETING

May 11, 2015

Pursuant to due call and notice thereof, a regular Planning Commission meeting was held at City Hall on the 11th day of May, 2015 at 6:30 PM

THE FOLLOWING MEMBERS WERE PRESENT: Chairperson Dean, Commissioner Borgstrom, Commissioner Stafford, Commissioner Sannes, Commissioner Torkelson, Commissioner Ferris and Commissioner Richette

THE FOLLOWING WERE ABSENT: None

THE FOLLOWING WERE ALSO PRESENT: Community Development Director Mike Martin and Admin Assistant Weigel, Tom Anderson; Cohen – Esrey Affordable Partners, Bruce Prescher, Fay Trow, Karon Smalley, John Talcott, Troy Andrist, Tony Paulson, Renae Forsman, Mike Karlen, Jerry Berg, Gerald Giese, Averyl Heiserman, James Donahoe, Stevie Ersland, Jamie Finnie, Virginia Giese, Kent Spading, Don Ness, AJ Moosbrugger, Janice Borgstrom-Durst, Diane O'Brien

CALL TO ORDER: Chairperson Dean called the meeting to order at 6:32 PM.

MINUTES OF PREVIOUS PLANNING COMMISSION MEETING: Commissioner Borgstrom made a motion to approve the minutes from April 13, 2015, Commissioner Torkelson seconded. Ayes: Chairperson Dean, Commissioner Borgstrom, Commissioner Stafford, Commissioner Sannes, Commissioner Torkelson, Commissioner Ferris and Commissioner Richette.

PUBLIC HEARING OPENED FOR C-M ZONING CODE AMENDMENT: **Community Development Director Martin** reminded the commission that in recent meetings multiple property owners in SE Kasson have requested that front yard setbacks be reduced from 50 feet to 30 feet to allow for expansion. Because of the multiple requests it was it was decided the most efficient way to handle these requests was to make an amendment to the zoning code. NO PUBLIC COMMENTS. PUBLIC HEARING CLOSED

COMMISSIONER DISCUSSION –
No Commissioner Discussion

Motion: Commissioner Sannes made a motion to recommend approval of the amendment of Section 154.290 of the Kasson Code of Ordinances reducing the front Yard from 50 feet to 30 feet in the C-M Zoning District, second by Commissioner Ferris. Ayes – Chairperson Dean, Commissioner Borgstrom, Commissioner Stafford, Commissioner Sannes, Commissioner Torkelson, Commissioner Ferris and Commissioner Richette
Nays – none

PUBLIC HEARING OPENED FOR COHEN-ESREY CUP REQUEST: **Community Development Director Martin** introduced the project to the commission being proposed by Cohen-Esrey as a rehabilitation and repurpose of the 1918 Kasson Public School building located at 101 3rd Ave NW into a 24 unit apartment complex using the existing envelope only with parking and landscape treatments on the exterior. The project will be developed by Cohen-Esrey Affordable Partners, LLC under a purchase agreement with the present owners. The project is proposed to be financed through a combination of low income housing tax credits and state and federal historic tax credits. The property is located in the R-C (Residential-Commercial) zoning district and multi-family housing is a permitted conditional use in this district, however income is not regulated. Tonight we are here to simply make a decision regarding multi-family housing.

Tom Anderson from Cohen-Esrey addressed the commission and briefly explained the project as he has in the past. He explained that the 24 units would be filled with individuals who make moderate income yet have been priced out of the housing market. We have taken away the on street parking because we have realized that was not an option. As Mr. Martin stated we are looking for approval for multi-family housing only and because we are looking at Section 42 tax credits at this point.

1. Bruce Prescher – 201 8th Ave NW: Mr. Prescher stated that in addition to his home he also owns an apartment building at 302 W. Main Street. He feels that there is a lot of misinformation that has been given and feels that the groups for and against the project are more together than apart. Both groups are concerned about traffic and about the type of housing being proposed by this development. I have always been concerned with the outcome of the development of Kasson. We need to keep reminding people that development has already happened in Kasson, homes have been lost in downtown for the betterment of our community, when Erdmans expanded homes were lost. This town is growing because of DMC and we need a place for affordable housing for people working in Rochester. My apartment building is the same approximate age as the school and I'm renting to exactly the same people that this project would house. My renters are good people, I screen them just like this gentleman would do and he probably more so because they are under more scrutiny.

2. Faye Trow – 308 3rd Ave NW: Mr. Trow agreed with Mr. Prescher that having Erdmans in Kasson makes us one of the luckiest towns around because we have such a quality hometown grocery store. I can't believe that you would allow the density of that residential neighborhood to be concentrated with another 24 or 25 families. Ingress/egress is a problem, it is a small area that is family oriented and now you want concentrated housing. Now, concentrated housing brings its own set of problems, the problem is controlling the whole situation. What I fear is out of towners will come in and take the tax credits, they will take the gravy off the top, do the project, sell it and leave, whether is a good deal or a bad deal. There is bound to be skepticism because we just saw what happened when you remodeled the Chevrolet garage, that's like building a bottle rocket, converting that school into a functioning, long term, beneficial project. It's 100 years old, how do you make it efficient; ergonomically efficient; anything other than nostalgia? I grew up in a family that said you don't let your emotions over rule your pocket book. That seems to be a big part of this, the emotional attachment to the school and what it's meant to our community; if they can make it work, that's fine. New people are good for our town if they contribute; but if they are not contributors we don't need to import them. This is a wonderful community and its growing and doing great things but you don't want to bring in a long term permanent problem and the advocates are living outside of the town and won't be affected.

3. Karon Smalley – 107 2nd Ave NW: I've been here before and I've griped too, you told me Erdmans was great was for me, when I moved to town Erdmans was on Main Street. This Council told me I should've known they were going to grow. The ones that moved out were all bought off very well but I wasn't. I wasn't offered a penny and now guess what I got, not one of you would want to live in my house it hasn't gained any money since Erdman's finished. I got all kinds of problems, I got lights, I've got noise, and I've got plows in the winter. Yeah it's great for all you people that live six blocks away but when it's commercial residential, residential has nothing. You call the police force in this town, you know what they will tell you, tough I can't do anything about it. I've called many times especially when my whole house rattles when they come in and chop ice at 3am that's okay.

4. John Talcott – 306 5th Ave NE: We all know that zoning is to protect the property owners not only from development that they don't want but also to protect property owners that want to develop property. I understand it's a balance you have to come to. But I have concerns about some procedural items. I am wondering if this specific conditional use is formed around granting a variance or not granting the variance? Is the site plan developed on the aspect that the variance will be granted? How does that fit in with the plan? **Chairperson Dean** informed Mr. Talcott that there are two very specific things that need to be acted on tonight. The first is the conditional use permit and the other is whatever action is taken on the variance. If we grant one and not the other my guess is their plans could change and we might be back

here again in a couple months talking about it all together differently. **Mr. Talcott:** It's my understanding that a conditional use is for this land owner, that if this land is sold the conditional use is no good. **Mike Martin:** A conditional use goes with the land. **Mr. Talcott:** So anyone can come in and use it in that manor as long as they follow those conditions, but if for some reason this firm does not receive the funding to do this project these folks would still have this conditional use to let anyone come in and develop the property following those conditions. **Mike Martin:** unless the conditional use permit is revoked by the city council. **Mr. Talcott:** In regards to the variance, that stays with the land forever as long as the city is here that variance is enforced no matter what happens with the land that variance stands and I guess that's my concern. I know this commission takes a real close look and has been good about not handing out variances it shouldn't really matter who you are, I know there is a criteria that has to be followed.

5. Troy Andrist – 202 8th Ave NW: Mr. Andrist addressed the Commissioners stating that he has been told that there will not be any onsite management. It's my understanding that the nearest management will be northern Iowa. Andrist stated that he has been told it's going to be a 25 unit then 23 unit, now its 24 units. It's supposed to be affordable housing with 2 apartments for long term homeless use then has been changed again. Mr. Andrist feels that the citizens are being left in the dark on what is happening with this project.

6. Tony Paulson – 607 3rd St NW: Mr. Paulson asked what happens if the community weighs or feels one way and the City Council weighs or feel another the other way? Commissioner Borgstrom explained that the Planning and Zoning Commission is only a recommending body to the City Council. Mr. Paulson has coming about the traffic in Kasson as there currently is only one exit ramp. There has been talk of a 2nd exit ramp coming and wanted to know when that would happen. Mike Martin stated that it was not in Kasson's 20 year plan and it's up to the State of Minnesota.

7. Renae Forsman – 301 5th Ave NW: I am here tonight to oppose the old school being turned into multi-family housing. Our neighborhood has a lot of elderly and children in it; this apartment building would change our neighborhood for the worst. By doing this project there would be too many people in one block and then the addition of the added traffic and cars would put a burden on our neighborhood and roads in addition to the water and sewer concerns. Ms. Forsman presented the Commission with a petition signed by 311 people who opposed the Cohen-Esrey Development. I don't have a concern with the low income it's about the density, our neighborhood can't absorb this many people.

8. Mike Karlen – 205 4th Ave NW: Mr. Karlen has worked in law enforcement with the Dodge County Sheriff's Office for about 24 years and would like to speak to a few things regarding larger apartment complexes in general not necessarily section 8 or 42 where you have more density of people you have more crime. The Claremont Dickey Apartments was probably one the worst examples of a school conversion you could ever have. We've had a homicide there, serious assaults, narcotic related offences, and search warrants for not only drugs but for people and it's very poorly mismanaged. The 300 and 302 (6th Street SW) buildings here in Kasson are actually at market rate and they too have a similar criminal history. It's a reality that when you put that many people together you're going to have bad tenants and if those bad tenants stay there long enough they are going to push other people out and eventually you have a lot of bad tenants and that's why you never get back the good tenants. The reality of our neighborhood is that it was populated a long time ago there are no more lots, there is no way to develop it and Cohen-Esrey wants to put in 24 units with 50-60 people but a max occupancy could be up to 90 and we have the oldest street the oldest infrastructure in the city and now you're going to add that many more people.

9. Jerry Berg – 506 5th Ave NW: Back when the City bought this building in 2006 the administration's fear was this very thing that it would be turned into apartments they were looking for things such as a library or a senior citizens center they did not want apartments in there it ended up going to a vote in 2007 which was a general election so you had probably the best representative of votes available. And the citizens of Kasson voted to not spend the money to rebuild the building and if the vote failed the intention of the city was to demolish the building. The citizens of Kasson voted to demolish the building.

10. Gerald Giese – 806 Westfield Court: Mr. Giese feels that the school is a buffer between residential neighborhoods and the commercial businesses and stated that if the apartments went in the sewer and water would most likely be fixed now instead of who knows when because of the new development. Mr. Giese indicated to the Commission that Cohen-Esrey would be under so much scrutiny with this project because of the amounts of money they would stand to lose between the state and federal government, the historical preservation alliance and other funding groups that this will be a development will be closely monitored and will be done properly.

11. Averyl Heiserman – 108 6th St NW: Mrs. Heiserman wanted to clarify a point that was made a meeting at the church that the referendum was should they spend the money to renovate the school or should they demolish it. Mrs. Heiserman didn't think that sounded right so she googled it and she found that the referendum only included the renovations and later the city council voted to demolish it.

12. James Donahoe – 201 2nd Ave NW: That picture is nice and if you're going stick that kind of money into it obviously it will be a nice building, the issue is what it will look like 10 years from now. As far as the sewer yeah it will be done quicker if this project goes through but at whose expense? People in the neighborhood, myself and a lot of people in this room.

13. Stevie Erslund – 206 1st Ave NW: Ms. Erslund had a couple of questions regarding parking and green space, wondering how they plan to still fit 48 parking spaces on the back lot. **Tom Anderson; Cohen-Esrey:** I have reduced the unit count by one, which dropped off two spaces that were originally needed. In a previous plan there were 12 garages; the garages take more room per garage than an open space so by making those two changes we were able to get the parking onsite. **Ms. Erslund:** What are the parking space dimensions? **Mr. Anderson:** Mike (Martin) just left the room, I sent them to him but they are to code. **Ms. Erslund:** How will the parking lot be screened from the neighboring houses? **Mr. Anderson:** The parking lot is at about the roof line of the neighboring houses or close to it, it's pretty high on most of that side and we will do a landscape buffer and screen along there as well. **Ms. Erslund:** Will there be an area for children to play if you're focusing on multi-family housing there will be children, where are they going to play when a lot of that is going to be parking spots? **Mr. Anderson:** We would never win a credit award from Minnesota Housing without a playground on site or within a couple blocks of the property. There is not a playground or park nearby that I am aware of. There will be an on-site playground for the children; we also have another large area of green space that I am contemplating doing a community garden for the residents there as well.

14. Jamie Finne – 401 1st Ave SW: Mrs. Finne lives in a neighborhood that has an apartment house, an 8 plex, which is considerably less than this proposed development but as she stated, I don't have any problems with those neighbors and there isn't any kind of a buffer in between the houses. There is one house in between my backyard and the apartment parking lot. When I moved into my house it was senior housing and it's moved into family. We don't have any problems there. I'm speaking for the apartment complex. I have 5 kids and they all could have used this at some point in their life. I think it would be a good thing for the City of Kasson it's a great building and they are trying to put something in there, it's great the parking is going to be contained and they will have green space, more green space than the school had which is an improvement, they are going to have a playground and a community garden. I think it will be great for the people that will live there and this will be great for Kasson. We have the Lifestyle townhouses on 34 and they are very well kept and I think this will be the same.

15. Virginia Giese – 806 Westfield Court: I have a couple of questions for Tom. I'm wondering about the management, how often will the building be inspected; will that be a yearly thing? How long will you be doing improvements? Can you give us details on some of that please? **Mr. Anderson:** From the management standpoint I think there has been some confusion about what our intentions are with managing the property. What I thought I was answering the last time I was here was a full time live on site manager which is not what we intend to do. What we typically do in a situation like this is a property of that size will justify a part time manager. Our first preference is to find someone that is located in the area so we start looking for someone in Kasson that is qualified. If we don't find someone in Kasson I'm certain

we could find someone as close as Rochester that would be qualified to be a manager of the property. In some cases if we have properties that are near one another we will share one manager between a couple of properties. But there would be somebody that would have the direct responsibility for managing this property from a management and leasing standpoint. We would also look for someone in the local area that would be the main maintenance person for the property. Some of things we would contract out for, lawn maintenance and snow removal and things like that but we would have someone on call that would be available for repairs that would come up over time. So you have a manager in the area and also a maintenance person in the area. The property management staff is overseen by a district manager who covers a bigger area and I think that's where we got a little confused last time. In this case the district manager would cover northern Iowa and southern Minnesota, the district manager also has other people that they respond to. Internally in our organization we have asset management roles that is their job to make sure all the various stake holders interests are being looked at for the property and we have multiple stake holders for each property; the residents, the local community, the tax credit investors, the lenders, the state housing finance agency, etc. So the Asset Management Roles are constantly reviewing the financials and leasing along with the main condition of the property. In addition the Minnesota Housing authority will do an annual inspection, they come in and review the resident files just to make sure we are leasing to people that we are supposed to be leasing to making sure the people are qualified, meet the minimum requirements for income, credit checks, background checks that sort of thing as well as make sure they are not over qualified at the income level, they also do a very thorough physical inspection. We have literally failed a physical inspection when the basket on the basketball hoop was not secured all the way around in Missouri. This was an extreme case and hopefully Minnesota isn't that picky, but the housing agencies are very particular. The challenging thing is working in this space compared to normal market rate is the number of bosses that I have; its everybody in the community up to the state agencies are all watching these properties to make sure they are maintained and managed properly. **Mrs. Giese:** At what point are you required to do improvements? **Mr. Anderson:** One of the things we have to do is we have to reserve for long term capital reserves for the property so we are forced by the state agency, tax credit investor and our lender (if we should have one) to set aside money constantly throughout the course of the ownership of the property so that there are funds there to pay for things as they come up; roof needs repairing, parking lot needs resurfacing, landscaping needs updating, appliances need replacing etc so we are forced to set that money aside. Our typical life cycle is about the 15 year mark we will go back into a complete redo, we are replacing cabinets, HVAC systems, appliances, redoing parking and landscaping. We are bringing it all back to what it was on day.

16. Kent Spading – St. Paul, MN: I have some questions for Tom and Mike. Tom does the number of 60 people seem like a reasonable number of residency for housing of this size? **Tom Anderson:** 24 units on average 2-3 people per unit 50-60 I would say is on the high end. **Kent Spading:** There was a comment earlier that you were going to get the school, sell it and run off. Isn't there a 15 year figure? Can you comment on that a little bit? **Tom Anderson:** yes we are locked in for a minimum of 15 years on the ownership on the property and that's a function of the way the tax credits run, we have personal liability to the tax credit investors for 15 years. If for whatever reason we don't comply with the code or Minnesota's Housing Regulations there actually could be a recapture of those credits which is a major financial impact on the investor. It won't be a financial impact on the investor because we have personal guarantees to the investor protecting them. So we are in these for a minimum of 15 years. **Kent Spading:** Have you had a property that you have sold right at 15 years and gotten out? **Tom Anderson:** You know I couldn't answer that, in general our preference is to hold them long term. **Kent Spading:** This question is for Mike, do you anticipate a problem with the water, sewer and utilities based on this project? **Mike Martin:** I always anticipate problems. These are some of the oldest pipes we've got in our community so I suspect that there is a good possibility that there could be failure. **Kent Spading:** Is there a plan for replacing those pipes within the city's plan? **Mike Martin:** The city has been in discussion to refurbish those pipes and others in the community, independent of this project. Timeline however could be

affected by this project. **Kent Spading:** Do you have any previous experience with Section 42 housing and could you comment on what you have seen in regards to that. **Mike Martin:** Yes, I have developed three projects under Section 42. As Mr. Anderson has previously stated they are long term, they are the best kept housing in small communities.

17. Don Ness – 260th Ave: Will smoking in the units be allowed? **Mr. Anderson:** No, this unit will be a non-smoking unit.

18. AJ Moosbrugger – 307 1st Ave NW: I have an office at 208 West Main Street and my kids go to KM Nursery group so I make the drive on 1st Ave, 2nd Ave, 3rd Ave, 4th Ave on a daily basis taking the kids to daycare and then taking myself to work. I don't see any problem with the infrastructure here the increased traffic by a 24 unit building is going to do nothing compared to the traffic Erdmans brings into this community on these various streets, it's not an issue there. I also wanted to comment on it does seem our community is in need of housing for folks that would qualify for this type of housing. My wife worked at Wells Fargo Bank for at least six years in Rochester and Dodge Center as a Service Manager, if I were to divorce her she would be in this type of housing, all of her employees would be in this type of housing. There are plenty of other examples of folks in this community that can live there and would benefit from that. Other people that would benefit from this community or this housing would be folks who don't want to do a whole lot of driving, they can live and work downtown, they can walk to Erdmans and other places they need to go. As far as bringing new people to the community whether its 24 new single family houses or 24 in one block we either grow or we die as a community.

19. Janice Borgstrom-Durst – 401 3rd Ave NW: I live two blocks north of the school. My husband I built a new house a year and a half ago there are extra places to build in old Kasson as I call it. We tore down a house and built our house, I'm hoping that the city will be adding more people who are paying real estate taxes. Those people who are renting those apartments will pay those taxes through their rent. I know what the real estate taxes are on a \$400,000 house. I would not have put that kind of money into a home that I thought was going to go down in value if they had a 24 unit apartment building 2 blocks away from me and Sheldon when you and I were putting those trees out there do you think we thought we would be moving shortly? No. I really think that the City has a responsibility to run this business with the thought of lets bring in some money to pay for this sewer and water. Those people in that apartment building are going to be buying sewer, water, electricity and telephone and shopping at Erdmans and I do think that there is a city plan having those streets going north being their sewer and water being done because I had this horrible fear, as I also own buildings on Main Street with rental units, that I get calls, not every week or month but 4-5 times a year, do you have anything open for rent, I never do. I want people to be putting money into our city coffers. I want us all to be paying. We are growing or we wouldn't be expanding the schools right now. There are a lot more people coming into Kasson but I want them to be paying I want them to be helping you guys and your budget, I don't want them to be passing through so I don't understand I know that city hall here has extra office space that they don't need or that they don't use. So they don't need more city offices.

20. Diane O'Brien – 122 W. Main Street: I own two rental properties and I have waiting lists in both places. I am new to this business and I'm cleaning up both properties. If they have been miss-managed that is a legitimate fear I think for a neighborhood, but what I have seen of Cohen-Esrey and Mr. Anderson I wouldn't fear miss-management of this property, not in a New York minute. As well as wanting to use local people to conduct maintenance there and part time management, he would probably give his cell phone number to all the neighbors. There is a big, big difference between Section 8 Low Income and Section 42 Workforce housing and it's understandable why people have been confused overall. I support the permit request and I look forward to some lovely neighbors in my neighborhood.

PUBLIC HEARING CLOSED

Community Development Director Martin explained to the Commission that this review might sound a little cryptic and disjointed because it is intended to speak to the thirteen criteria that we must review according to our ordinance.

1. There is a library and refurbished community park within three blocks of the facility. The schools are undergoing a \$39 million expansion as we speak. The streets are of standard width although they are substantially patched. Public utilities are adequately sized although their capacity is suspect due to the age of the pipes.
2. The use is substantially different by value, density and nature from surrounding land uses. Screening is not evident from proposed site plans and the proposed use will be separated only by the width of the city streets and the setbacks.
3. The proposal to utilize the historic preservation tax credits prohibits substantially changing the appearance of the outside structure.
4. While there is no specific determination in the Comprehensive Plan that the City should be actively involved in the creation of affordable housing it is mentioned that more affordable and versatile housing would benefit the city.
5. While the proposed 24 unit represents an efficient use of the building it's unclear whether the inclusion of such a dense housing development represents orderly development of the neighborhood. Now permitted as a conditional use this project does not promote anything more than denser residential use. There is no commercial development created or encouraged.
6. There is no clause in the comprehensive plan that conflicts directly with this proposal.
7. Given the existing volume of traffic on those streets an additional 24 units of housing are not a significant increase in traffic generation.
8. The surrounding streets are standard in size and construction and if in good repair are capable of supporting this development.
9. Adequate measures to screen the neighborhood from disturbances caused by the project are not present in the proposal.
10. Drainage is adequate, parking will be provided as required under the ordinance and utilities are adequately sized.
11. Surrounding property is fully developed already.
12. The project itself will not physically project onto surrounding properties nor block any view, air flow or sunlight.
13. By its sheer volume and density the project will dominate the immediate neighborhood, whether that is a disruption is for the City Council and this Commission to decide.

Submitted comments are attached to the minutes; 17 e-mails, 4 letters, and 2 phone conversations were received from the public on the subject matter. Commissioner Sannes feels it's sufficient to attach the emails, letters and phone call notes to the end of the minutes. Chairperson Dean stated that we can't read some without reading all of them. If no one has an objection we will pass on the reading of the documents. There were no objections. All documents will be attached to the end of the minutes to remain as public record.

COMMISSIONER DISCUSSION –

Commissioner Sannes feels Cohen-Esrey does good, still concerned with the population density and what will happen when the 15 years is up. We do grow and die as a community.

Commissioner Ferris has been following this property for the better part of 10 years. When this project came about he referred back to the “Historic Properties Reuse Study of the Kasson Public School” otherwise known as the Lauber Report done in October 2009 by John Lauber and Company.

Excerpt from page 3

It also became evident that, for a project at the site to succeed, it would have to do more than simply preserve a historic building. In looking back through the information gathered over the past few months, the team also began to identify goals that had repeatedly been articulated by individuals, officials, and in published materials such as the city’s comprehensive plan, in an effort to find a creative use/reuse of the site/building that would reflect community values and satisfy stated goals, including:

- The city’s official commitment to historic preservation.
- A strongly expressed interest in maintaining the 1918 School site for public use, and a desire to control development at that location.
- A desire to enhance the vitality of the community’s central business district by maintaining a critical mass of important commercial and civic functions near Main Street.
- A general awareness of the need to expand and improve the public library, as well as widespread support for the idea.
- A clearly articulated interest in creating a community center for the citizens of Kasson, and perhaps the surrounding area.
- A stated commitment to sustainability.

Commissioner Ferris continued to say that on page 4 under Implementation there was a section “Appoint a citizen task force to oversee a systemic planning effort for rehabilitating the former Kasson Public School”. Commissioner Ferris was a part of that task force and the goals were not as grand as coming up with a master plan on how to reuse that building. A group of citizens came up with a simple survey that was sent out through utility bills, through the newspaper and online posted on the website; it was three questions:

1. Do you support renovation and reuse of the former Kasson Public School on 3rd Ave?
2. If yes, you do support renovation please include suggestions for the best use/reuse of the building and property.
3. If no, you do not support renovation please include suggestions use/uses of the property.

Report was provided to the City Council in 2010 and data was collected from 581 citizen from the survey. The results from the survey were pretty evenly split. 339 people voted “yes; they supported reuse” and 242 people voted “no; they did not support a renovation”. The top 5 five requests were:

1. Library
2. Community Center
3. Shopping or Dining
4. Art Center
5. Auditorium

This building was intended as a school, not sure converting it into a-for profit enterprise is maintaining the original intent of this building. After more research Commissioner Ferris portrayed that he believes that it will be difficult to fill this building with the description of individuals that Cohen-Esrey has provided. This is not a healthy project for Kasson as it sits. Commissioner Ferris proposed that a condition be a maximum of 50-60 people in the building.

Commissioner Richette biggest concern is density putting a 24 unit apartment building across from single family homes, from my point of view, living in a single family home; it would be a drastic change. Trying to think of alternatives, what is something else that could take that space such as a library and I’m concerned that these projects have failed because of funding issues in the past. Worried that this is the only option I do agree with reducing the density 16-20 units maybe something where the parking lot can be reduced to

the 50% coverage. Also wondering about the utilities, is that something that we can recommend that Cohen-Esrey helps pay for that or funds the improvements, I would recommend that as well.

Commissioner Torkelson liked the video of Marshalltown, it was nice and clean, but it's not the same as this, that appears to be a senior housing complex, correct? We aren't comparing apples to apples from a tenant's perspective. Still worried about the green density and the green space. If the City of Kasson is on board we want to make sure Cohen-Esrey is in for as long as we are.

Commissioner Stafford asked what the breakeven threshold was regarding the number of units. **Tom Anderson** replied that anything less than 20 units and they would completely lose interest.

Chairperson Dean does not want to see this turned into an apartment building and stated he was not in favor of the variance

Commissioner Borgstrom stated that the ship has sailed with the library and the community center. Regarding the higher crime issues he feels that we police ourselves fairly well. If the building can be used so be it. The building wouldn't have to be torn down; however we can't predict property values if it just sits there the way it is and we can't predict the future if the apartments go in. Everything is in walking distance; people who may not want to spend the money or can't spend the money to drive to Rochester to grocery shop have the ability to do it right here. Variances are used for unique situations and we have to be strict with them and look at them with a different set of eyes.

Chairperson Dean questioned **Community Development Director Martin** that this is already a conditional use in this zoning district, we have to grant it. **Martin** confirmed that yes; we do have to grant the conditional use as it is listed in the ordinance as a permitted use.

Chairperson Dean stated that the Commission chooses the conditions they want to impose; however they cannot be arbitrary; the right set of conditions must be used and direct the City Council accordingly.

Commissioner Richette asked about the lighting that would be used. **Martin** told him that it will be dark sky compliant.

Commissioner Ferris is not as concerned about the number of units as he is about the number of bodies. Would be more inclined to cap the number of bodies vs the number of units.

Tom Anderson stated that he cannot make the project go forward if he does not have 75% of the units be 2-3 bedrooms. The project won't get awarded in Minnesota.

Martin speaking from a staff perspective we can't enforce the condition of number of bodies. We aren't going to go count heads every day.

Commissioner Richette proposed to keep the 24 units, have dark sky compliant lighting, have screening around the parking lot and a second entrance to the parking lot.

Martin stated that the Commission is missing an opportunity to get someone else to pay for the street and sewer upgrade.

Chairperson Dean discussed how much of the infrastructure upgrade has come up in previous conversations.

Martin suggested that there are mechanisms where the project can feasibly pay for all of the street and infrastructure reconstruction for all four adjoining streets. **Commissioner Borgstrom** asked if **Martin** and **Anderson** have discussed this at all or this brand new to Tom? **Martin** stated this is brand new but not sure that it's a surprise. **Commissioner Borgstrom** asked what **Anderson's** thoughts were. **Anderson** stated that he didn't know how he would pay for it. It depends on the extent to which I'm being asked to contribute. I expect to have to pay to tap into the water and sewer. I expect to have to pay for any onsite improvements. I don't expect to have to pay for 20 years of neglect unless Mike has some funding source ideas that I'm not aware of. **Commissioner Borgstrom** stated that he didn't want to put some condition on this that just popped up and is going to get talked about tomorrow. **Anderson** advised that if this sort of condition was put on its highly unlikely that they would be able to make the June application funding deadline and things would be pushed out another year.

Commissioner Stafford asked when these improvements were to be made if this project does not happen? **Martin's** response was, when the Council tells me to make them. **Commissioner Ferris** confirmed that the

property would be assessed regardless. Commissioner Borgstrom clarified that the property is only assessed the infrastructure charge by the increase of the property value.

Martin reminded the Commissioners that you aren't setting any conditions that Mr. Anderson has never heard of and hasn't had a chance to study. What you are doing is recommending to the Council that the Council consider those conditions. They will have two full days to go over them with me and to be able to tell the Council that they can or cannot live with them. Set the Conditions that you believe you need in order to serve the public. He will have his chance to make his case to the Council on Wednesday whether or not he can live with those and the Council can make the decision to decide to fight for it.

Chairperson Dean stated that as he goes through the Criteria Concerning a Conditional Use Permit (the thirteen questions that need to be answered or the findings of fact) that he doesn't have an issue with most of them.

Commissioner Discussion

1. The use will not create an excessive burden on existing parks, schools, streets and other public facilities which serve or are proposed to serve the area: **Commissioner Richette: they are aging anyway, there would be some sort of impact, but how do you tell that until they are used? Commissioner Borgstrom: The usage of it is going to create the burden of it. Back in the day they had how many busses stopping through-out the day there was plenty of traffic on the east and north side so I feel there isn't any excessive burden on the streets**

2. The use will be sufficiently compatible or separated by distance or screening from adjacent residentially zoned by used land so that existing homes will not be depreciated in value and there will be no deterrence to development of vacant land: **Chairperson Dean: there is not vacant land other than the piece we are talking about. Depreciated in value of existing homes; who knows; obviously the people that live there fear that's what is going to happen. Will it; I suspect not really. I think we meet the second point. Screening does need to be done. It is a reasonable solution to the lights and it has been suggested by more than one person.**

3. The structure and site shall have an appearance that will not have an adverse effect upon adjacent residential properties: **Chairperson Dean: The overall appearance of the building is going to change a little I think this objective is met.**

4. The use, in the opinion of the City, is reasonably related to the overall needs of the City and to the existing land use: **Chairperson Dean: There does seem to be a need for rental properties. The existing land use is different. Commissioner Borgstrom: It's in our comprehensive plan to find uses for this stuff. Chairperson Dean: We need rental properties. I am in agreement with this point.**

5. The use is consistent with the purpose of this Ordinance and the purpose of the zoning district in which the applicant intends to locate the proposed use: **Chairperson Dean: It is a permitted conditional use by the ordinance.**

6. The use is not in conflict with the comprehensive plan of the city. **Chairperson Dean: It's been identified in the comprehensive plan that we need rental housing.**

7. The use will not cause traffic hazards or congestion: **Chairperson Dean: What level of increased traffic constitutes hazard or congestion? Commissioner Borgstrom: No parking zone would come from the City right?**

8. The traffic generated by the proposed use can be safely accommodated on the existing or planned street systems and the existing public roads providing access to the site will not need to be upgraded or improved by the City in order to handle the additional traffic generated by the use: **Chairperson Dean: There is not going to be 100's of additional cars going through there. Commissioner Torkelson: Erdmans has grown, that is where the deliveries come. Martin: Most of the deliveries occur south of this property. Chairperson Dean it's hard to predict the traffic pattern people would use. The bulk of the people that live here won't work in town; it would be great if they did.**

9. Adequate measures have been take or are proposed to prevent or control offensive odor, fumes, dust, noise, vibration or lighting which would otherwise disturb the use of the neighboring property: **Chairperson Dean: I don't know how much odor, obviously there will be some sort of dumpster or outdoor trash receptacle. You can make it so they can't see it; I don't know if they can't smell it. Dust, the parking lot will be paved I assume. Noise, kids playing in the park how do you control that? Vibration, that would be in manufacturing. Lighting style gets taken care of during the building permit.**

10. Adequate utilities, parking, drainage and other necessary facilities will be provided: **Chairperson Dean: If we can address that again by the conversation that we just had by helping with a mechanism to pay for the upgrade of a self-surface infrastructure around the location.**

11. The proposed use will not impede the normal and orderly development or improvement of the surrounding property: **Chairperson Dean: I'm okay with that one, it's all developed now, it's not a new development that's going to happen. So I think we don't have to worry about meeting this particular requirement.**

12. The proposed use will not be injurious to the use and enjoyment of other property in the neighborhood and will not significantly diminish or impair the values of such property: **Chairperson Dean: I don't think so but that's not exactly something we can predict.**

13. The use will not disrupt the character of the neighborhood: **Chairperson Dean: Clearly you're going from single family owner occupied homes to much higher density. Commissioner Borgstrom: The way I read this the character of the neighborhood is families; we aren't putting a factory in there. It's still families. Anderson: In everyone's minds how are you defining neighborhoods? Does that neighbor not also include commercial uses? Erdman's is single family. One block in every direction of that building there are mixed uses. Commissioner Borgstrom: This is findings of fact Martin: these findings are supposed to lead you to your answer. Anderson: I've been taking notes and the things on this list that I can do something about are the screening and the lighting. I am perfectly fine with some sort of condition that says I have to produce acceptable screening and lighting plan. I don't know what mechanism that is, if it's a function of the permitting process or if you want me to come back to a future planning and zoning meeting, whatever the proper protocol is is fine, I anticipate that I will need to give more details on those issues anyway and I think our goals and objectives on those are in alignment.**

Chairperson Dean: Basically we have to agree with all thirteen points. If we can't agree then we don't issue the permit. I believe that a lot of what Mr. Anderson was talking about is taken care of during the permit. **Martin:** Our building permit process does not require screening. If you want screening then it needs to be addressed at this point. **Commissioner Sannes:** The crummy conclusion I'm coming to is that moving forward I have to accept something that I don't like really in going forward the way it is agreeing to the CUP and the variance just because we don't do that the thing is going to crumble and sit there. We don't have a lot of fudge room. We've sat here for 9 years thanks to a couple of stubborn individuals; we should have demolished the thing nine years ago or done something with it. **Commissioner Richette:** is

there some condition that we can put on regarding the infrastructure or should we just leave that off the board? **Martin:** you might as well just leave it off the board because it will be a council decision anyway. **Anderson:** If there was a TIF District already in place it would help my chances for the credits as it adds points to my application. **Chairperson Dean:** We need written findings for every one of the thirteen points in the findings of fact. If you disagree with most of them, that's our basis of denying the CUP. **Commissioner Borgstrom:** The only ones we HAVE to meet is the variance. **Martin:** I could make the Findings out of the minutes. You addressed each and every one and you did find that those conditions have been met, not in great detail, but they have been met. Once again you are not making these findings, you are recommending the findings. The City Council will actually determine what the findings are. **Chairperson Dean:** If we are going to recommend to issue a Conditional Use Permit, we need to recommend conditions. Now we need to figure out what conditions do we wish to recommend along with. **Commissioner Stafford:** Suitable screening is one of them. **Commissioner Borgstrom:** What type, you can pick the type, bushes, shrubs, chain link fence, wood fence. **Commissioner Ferris:** I guess I would want some sort of a natural plant based bush and shrubs. **Commissioner Borgstrom:** Is there something that you know that is fast growing. **Commissioner Ferris:** I would be concerned about height because this parking lot is elevated especially on the south side lights could easily get into people's bedroom windows. **Chairperson Dean:** It has to be something that will work all year round, might need a combination of a fence and plants. **Martin:** Our forestry department will have some recommendations. To be perfectly honest, I will probably come back with a chain link fence with opaque slats with trees growing on the inside or outside. It's the most effective. It also eliminates garbage blowing from one site to another; it does a lot of good. **Commissioner Torkelson:** I like that it's easier to clean; it comes in several colors. **Anderson:** It's the easiest for me to ask my contractor for pricing on. **Developer will provide screening acceptable to City Staff.** **Commissioner Ferris:** If it's a non-smoking building I guess I would like to see a designated area for people to smoke to keep them off the streets and sidewalks. **Commissioner Borgstrom:** How many? **Commissioner Ferris:** One at minimum. **Martin:** Our ordinance does require dark sky compliant lighting. (There was general discussion about the water tower lights.) **Chairperson Dean:** Ingress/Egress issues? **Martin:** Give us a plan if the driveway is wider. There is only one place for it to come in. Issues are both on and offsite. **Commissioner Torkelson:** Item 12 is the one that bothers me. **Commissioner Borgstrom:** I could come in on the backwards side of this and say that if nothing gets done with this building it will depreciate the values up there. They don't have to tear it down or they could tear it down. If it sits there and the fence falls down and garbage blows in and it starts to deteriorate it's going to have an impact. Right now we can't determine if it's going to have an impact or not. If we move forward with the project I don't think there will be a significant impact. **Chairperson Dean:** What we think might happen, what the people across the street are afraid might happen, their fears are real. Again we don't have a way to forecast it.

Motion: *Commissioner Borgstrom made a motion to recommend accepting the Conditional Use Permit with the conditions discussed based on the findings of facts, second by Commissioner Sannes. Ayes – Chairperson Dean, Commissioner Borgstrom, Commissioner Richette, Commissioner Stafford and Commissioner Sannes Nays – Commissioner Torkelson Abstain - Commissioner Ferris*

PUBLIC HEARING OPENED FOR COHEN-ESREY VARIANCE REQUEST: **Community Development Director Martin** informed the Commissioners that the variance being requested is related to the lot coverage limitations placed at 50% for properties in the R-C district. The variance is required because of parking necessary to support 24 units of multi-family housing would require more land when combined with the existing building when covered by impervious surface than is allowed by the ordinance. The amount of land previously covered by impervious surface is not relevant because the supporting land use was discontinued for more than one year which eliminated the grandfather feature. The plan is that the current surface will be removed and replaced with new impervious surface therefore further eliminating

the grandfather clause and the current and recent condition of the pavement on that property hardly meets the definition of impervious. If you notice there are weeds more often than there is blacktop. Basically what they want to do is put more blacktop on the property than our ordinance allows.

Commissioner Borgstrom: Lot coverage right now is at what coverage? **Martin:** Roughly 70% of the lot has some sort of impervious surface. **Commissioner Borgstrom:** Tom what is the latest proposal of lot coverage at right now? **Anderson:** 59%

1. John Talcott – 306 5th Ave NE: I know Coy said that this is a unique property and boy I gotta tell it is unique. If you have a white elephant I hope you can teach it to do tricks for us. This variance that they are asking for, I am going to be real curious in your findings of fact, how you demonstrate that this hasn't been caused by the property owner because that's what I believe the criteria is, in order to grant it the circumstances didn't arise through your own fault. I will be really curious how your finding of fact will show that you are able to recommend this variance. Along with the variance I believe you are able to put conditions on a variance. I think that if you do recommend the variance you should recommend buffering the water tower to protect it from 50 people at night.

2. Bruce Prescher – 201 8th Ave NW: Agreed that Mr. Talcott's points are valid you have to watch your variances but when you're looking at a development you have to bear in mind that there is a lot that can be done if you don't restrict but look to design solutions you can incorporate that 9% with upgrades, accessibility, circulation, screening and things like that that can actually enhance the property rather than sticking to the solid solution and a percentage that was put in for a lot of various reasons.

PUBLIC HEARING CLOSED

COMMISSIONER DISCUSSION –

Commissioner Sannes asked if there was something being done to protect the water tower, if there was a fence or anything there? Multiple Commissioners answered that Yes; there is a fence there that is approximately chest high.

Commissioner Torkelson commented on the size of the parking lot stating that if you don't have a large parking lot, 48 spaces would make it very crowded. You can't control where people will park. Anderson stated if the variance was not granted for the lot coverage he would have to come back for another variance to adjust the number of spaces required per unit.

Chairperson Dean we can't make it a condition but the City can control parking with no parking signs.

1. Exceptional or extraordinary circumstances or conditions apply to the property in question as to the intended use of the property that do not apply generally to other properties in the same zoning district.

Chairperson Dean: Single family houses do not need to have parking lots. Erdman's had to have a certain size parking lot based off of the square footage of their building. Other businesses there have to follow the same rules. This particular point I don't think is excessive.

2. That such variance is necessary for the preservation and enjoyment of a substantial property right similar to that possessed by other properties in the same district and in the same vicinity. The possibility of increased financial return shall not in itself be deemed sufficient to warrant a variance. **Chairperson Dean: He has to have a parking lot, we are telling him he has to have so many parking spots per unit. It's his decision on how many units he wants to put in which governs how many parking spots he needs to have. He can't change the building itself. The footprint of the building can't change at all so he can't diminish part of the building to pave over additional parts to make things up, basically the only control we have is how much of this lot can we pave over, right? That's the way I see it. By one or two fewer units he would meet this without having a variance. Martin: Actually it's 8. Commissioner Ferris: The parking spots and number of units are all driven by financial return. Commissioner Dean: The number of units are, he pretty much said that. Commissioner Ferris: But the number of units dictate the parking spots.**

3. That the authorizing of such variance will not be of detriment to adjacent property and will not materially impair the intent and purpose of this ordinance or the public interest. **Chairperson Dean: Does it? I guess not really**

4. That the condition or situation of the specific piece of property for which the variance is sought is not of so general or recurrent a nature as to make reasonably practicable the formulation of a general regulation for such conditions or situation. **Chairperson Dean: I guess if anybody could come up with an adequately sized piece of land could be wondering if we would make the same kind of concession for them. Currently there are no other applications for such but that doesn't mean there won't be. Commissioner Borgstrom: The way the situation is, you probably wouldn't come into a city block with an old building sitting on it that is covering the majority of the block. Chairperson Dean: It doesn't matter if there is an old building on it, someone could in with a totally empty lot and it was just barely big enough to put in apartments and so many parking spaces and said hey you deviate from your requirement so I can put a smaller parking lot and a bigger apartment building and we would have to consider that because we did it in this instance. Commissioner Borgstrom: I think this fits.**

5. The literal interpretation of the provisions of this ordinance would cause undue hardship to the property owner. Economic conditions alone shall not be considered a hardship. **Chairperson Dean: We are trying to balance the desire to put so many units in an area that doesn't have the land for the parking. Commissioner Borgstrom: I go back to the fact that this is a unique piece of property and the problem is that if this is ever going to fly, if we are ever going to get somebody in there to utilize that size of space, they have to be able to pay for it. I really consider it causing undue hardship because he is going to build 24 units vs 16. It's the size of the building that is the cause of the problem. The other thing that you could look at putting in there would be a factory and make money and ship goods from there. What else could we put in there. We've asked everybody what they want in it, get your checkbook buy it. We did have somebody do that, we are trying to make this thing work and I understand that. I don't consider this a financial gain. We are going to have this with every person that is going to try to use this building with this size. You buy a brand new dump truck your going to get every dime out of it you can. What else are we going to do with this building? Do we recommend that we deny the variance and then 10 years down the road we have to board the windows back up and garbage in the fence, the fence falling down and the brick falling apart? Then what do we do with it? Commissioner Sannes: Why are we talking about a different use for this building over a little bit of pavement? Commissioner Borgstrom: The five criteria have to be met. Chairperson Dean: Okay we need to take action.**
No other commissioner discussion

Motion: Sannes made a motion to recommend approval of the variance for up to 59% lot coverage, second by Richette. Ayes –Stafford, Sannes, Borgstrom and Richette Nays – Dean, Ferris and Torkelson
The vote passed 4-3

ADJOURN: Since the agenda had been met the meeting was adjourned at 10:08 pm.

ATTEST:

Krista Weigel
Administrative Assistant

Michael Martin
Community Development Director