

**MELROSE PLANNING AND ZONING COMMISSION
REGULAR MEETING
MONDAY OCTOBER 31, 2022 – 6:00 P.M.**

AGENDA

1. Call to Order/Roll Call/Pledge of Allegiance
2. Approval of Agenda
3. Approval of Minutes
4. Public Hearing
 - a. VAR 10-2022-100 Variance – Riverside Development Group, LLC
 - b. CUP 9-2022-401 Conditional Use Permit – Kwik Trip, Inc.
5. Reports
6. Action Items
 - a. VAR 10-2022-100 Variance – Riverside Development Group, LLC
 - b. CUP 9-2022-401 Conditional Use Permit – Kwik Trip, Inc.
7. Unfinished Business
8. New Business
 - a. Railroad West Development Re-Zoning
 - b. Notice of Appointments
 - c. 2023 Meeting Schedule
9. Informational Items
 - a. Next Meeting
 - b. Ribbon Cutting/Bridge Dedication for the RDB Project – November 17th @ 4 PM
10. Issues by Planning and Zoning Commission Members and/or Staff
11. Adjournment

APPENDIX TO THE AGENDA

**MELROSE PLANNING AND ZONING COMMISSION
REGULAR MEETING
MONDAY OCTOBER 31, 2022 – 6:00 P.M.**

A.I. #1 CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

The Melrose Planning and Zoning Commission met in a Regular Meeting on Monday, October 31, 2022, at 6:00 p.m. at the Melrose City Center pursuant to due notice being given thereof. Present were Commission Members Jason Seanger, Dave Berscheit, and Jean McDonald, and Mark “Bunker” Hill along with City Administrator Colleen Winter. Commission Member, City Planner Shelia Hellermann, Mike Gohman with Riverside Development Group, Dean George with Kwik Trip, and local business owner Pat Elfering. Shawn Mayers, Adam Paulson, and Nick Shaw were absent. Chair Seanger called the meeting to order.

The Pledge of Allegiance was recited.

A.I. #2 APPROVAL OF AGENDA

A motion was made by Ms. McDonald, seconded by Mr. Hill and unanimously carried to approve the agenda as submitted.

A.I. #3 APPROVAL OF MINUTES

A motion was made by Mr. Hill, seconded by Mr. Berscheit and unanimously carried to approve the minutes from the Commission’s September 26 Regular Meeting.

A.I. #4 PUBLIC HEARING

- a. The Melrose Planning and Zoning Commission acting as the Board of Adjustments and Appeals held a Public Hearing at 6:00 p.m. on Monday, October 31st, 2022, at the Melrose City Center, 225 1st Street NE, Melrose, MN, for the purpose of giving consideration to a request submitted by Riverside Development Group, LLC for a Variance on Parcel No. 66.37011.0200. If granted the Variance would allow eight (8) fewer off-street parking spaces then set forth in Section 501 of Zoning Ordinance No. 1989-1-A as adopted with amendments in the Melrose Code of Ordinances. Based on the plans for the development, 73 off-street parking spaces are required. The variance would allow the development to proceed with a total of 65 parking spaces.

The proposed use would be a multi-family housing unit with commercial space on the 1st floor.

The parcel is legally described as Lot 1, Block 1 of Melrose Riverview Addition.

The Affidavit of Publication of the Public Hearing Notice, which was published in the Star Post on Wednesday, October 19, 2022, along with the Affidavit of Posting of Notice of Hearing and the Affidavit of Mailing of the Public Hearing Notices to the Affected Property Owners were included in the attachments

Ms. Hellermann provided a brief overview of the variance request as it pertains to parking spaces.

Mike Gohman confirmed the request and overview provided by Ms. Hellermann. Chair Seanger asked if Mr. Gohman knew what commercial businesses would occupy the building. Mr. Gohman did not have any business tenants at this time, however he stated that it is not planned to be constructed for a full service restaurant.

Business owner Pat Elfering inquired if she would be losing parking spaces behind her business. Ms. Hellermann informed Ms. Elfering that it would have no impact on the parking spaces behind her business.

Chair Seanger asked for any additional comments. There being none, the Public Hearing was closed at 6:10 p.m.

- b. Next the Melrose Planning and Zoning Commission held a Public Hearing at 6:00 p.m. on Monday, October 31st, 2022, at the Melrose City Center, 225 1st Street NE, Melrose, MN, for the purpose of giving consideration to the request submitted by Kwik Trip, Inc. for a Conditional Use Permit on Parcel No. 66.37068.0000. The Conditional Use Permit will allow new construction of a convenience grocery store that is operated in conjunction with a motor fuel facility as part of said business, in accordance with Section 222.04 (5) of Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinances.

The parcel is legally described as Lots 1 and 2 of Block 2, Lot 1 of Block 3, and Outlot A of Tieman Addition.

The Affidavit of Publication of the Public Hearing Notice, which was published in the Star Post on Wednesday, October 19, 2022, along with the Affidavit of Posting of Notice of Hearing and the Affidavit of Mailing of the Public Hearing Notices to the Affected Property Owners were included in the attached documents.

Ms. Hellermann provided an overview of the Conditional Use Permit to allow a new construction of convenience grocery store that is operated in conjunction with a motor fuel facility. This is a permitted use in the city zoning ordinance.

Dean George with Kwik Trip confirmed the request as provided by Ms. Hellermann. Mr. George stated that he believes they have designed the site with space around the back of the building to achieve full circulation off of Kraft Drive along the back side. It would be approximately 9,200 square feet.

Ms. McDonald inquired as to a time frame as to when the County would have a decision on the permission for the right hand only entrance off County Road 13. Staff does not have a definitive date.

Chair Seanger asked for any additional comments. There being none the Public Hearing was closed at 6:20 p.m.

A.I. #5 REPORTS

None

A.I. #6 ACTION ITEMS

- a. The Commission earlier this evening held a Public Hearing for the purpose of giving consideration to a request submitted by Riverside Development Group, LLC for a Variance on Parcel No. 66.37011.0200. If granted the Variance would allow eight (8) fewer off-street parking spaces than set forth in Section 501 of Zoning Ordinance No. 1989-1-A as adopted with amendments in the Melrose Code of Ordinances. Based on the plans for the development, 73 off-street parking spaces are required. The variance would allow the development to proceed with a total of 65 parking spaces.

Riverside Development Group, LLC, in its application, states the following:

First factor: Reasonableness. The first factor, a test of reasonableness, means that the landowner would like to use the property in a practical way but cannot do so under the rules of the ordinance. It does not mean that the land cannot be put to any reasonable use whatsoever without the variance. For example, if the variance application is for a building too close to a lot line or does not meet the required setback, the focus of the first factor is whether the request to place a building there is reasonable.

We originally designed the site to meet City parking ordinance, but determine the City sidewalk is across the property line. Redesign necessary to maintain the sidewalk lost 8 parking spots. Additional parking is being added as part of the First Street realignment.

Second factor: Unique Circumstances. The second factor is that the landowner's problem is due to circumstances unique to the property and not caused by the landowner. The uniqueness generally relates to the physical characteristics of the particular piece of property, that is, to the land and not personal characteristics or preferences of the landowner. When considering the variance for a building to encroach or intrude into a setback, the focus of this factor is whether there is anything physically unique about the particular piece of property, such as sloping topography or other natural features like wetlands or trees.

The problem is the City sidewalk encroaches on the property. Moving the street is not practical or feasible. We narrowed the drive lane and angled the parking to maintain the sidewalk which will carry pedestrian traffic to and from the park and bridge.

Third factor: Neighborhood Character. The third factor is that a variance would not alter the essential character of the neighborhood. This factor is used to consider whether the resulting structure will be out of scale, out of place, or otherwise inconsistent with the surrounding area. For example, when thinking about the variance for an encroachment into a setback, the focus is how the particular building will look closer to a lot line and if that fits in with the character of the area.

The ability downtown to maintain the sidewalk will have a bigger impact than the parking spots. Three additional spots could be placed towards the

bridge but would impact pedestrian traffic to the Dam for fishing and viewing.

Any approval to approve or recommend a variance, must identify in writing:

- (1) The specific conditions which justify a determine that undue hardship exists.
- (2) How granting a variance is consistent with the spirit and intent of this Ordinance.

Review of facts

- The Comprehensive Plan encourages expanding retail commercial service and industrial development to provide a full range of goods and services to the community, provide employment opportunities and increase the tax base.
- The Comprehensive Plan plans for the orderly and efficient growth of commercial and industrial development in the City.
- The Comprehensive Plan encourages housing that meets all stages in the lifecycle and affordability ranges.
- The City has been actively seeking housing for residents, including a multi-family development on this property.
- Maintaining and developing sidewalks which connect housing to parks and recreational spaces is a priority in the Comprehensive Plan and Bike & Pedestrian Master Plan.

RECOMMENDATION:

Staff recommends **approval** of the following: Variance Request **10-2022-100**

For the following reasons:

1. Riverside Development Group, LLC had a site plan which met the parking requirements for their project on Lot 1, Block 1 of Melrose Riverview Addition. It is the City's desire to retain the sidewalk, and its plan has been to grant easements in the warranty deed from the City to Riverside Development Group, LLC. when the sale is completed. The City authorized the execution of a purchase agreement subject to easement language being in the Warranty Deed at its meeting on Thursday, October 20th.
2. Retaining this sidewalk clearly falls within the goals of the Comprehensive Plan for the City.
3. The City's retention of the sidewalk necessitated the change to the building plan by the developer.
4. The City does not wish to sell Lot 2, Block 1 of Melrose Riverview Addition to allow for additional parking. Pursuant to the Comprehensive Plan, the City wants to retain the newly created green spaces along the RDB project.
5. The planned development requires 73 off-street parking spaces. Developer has made site plan changes to allow for the sidewalk and retain 65 off-street spaces.
6. The demand for off-street parking necessitated by this project will be dependent on who are the future tenants of the commercial space, and the occupancy rate of the apartments.
7. The variance, and its resulting construction or project, would be in harmony with the general purposes and intent of this Ordinance, and would be

consistent with the comprehensive plan as noted above.

8. The variance applicant has satisfactorily established that there are practical difficulties in complying with this Ordinance. "Practical difficulties" means that:
 - (a) The Applicant proposes to use the property in a reasonable manner not permitted by this Ordinance.
 - (b) The plight of the landowner is due to circumstances unique to the property that were not created by the landowner; and
 - (c) The variance, if granted, would not alter the essential character of the locality.
9. The variance request is not based exclusively upon economic considerations.
10. The variance, and its resulting construction or project, would not be detrimental to the public welfare, nor would it be injurious to other land or improvements in the neighborhood.
11. The variance, and its resulting construction or project, would not impair an adequate supply of light and air to adjacent properties, nor would it substantially increase traffic congestion in public streets, increase the danger of fire, endanger the public safety, or substantially diminish property values within the neighborhood. These issues are addressed in the Environmental Assessment Worksheet (EAW) being completed by the City as part of project. The site plan has also been reviewed by the City's Fire Chief and Police Chief.
12. The variance requested is the minimum action required to address or alleviate the practical difficulties.
13. The variance does not have the effect of allowing in any uses prohibited in the C-5 Zoning District.
14. The variance does not shall have the effect of permitting a lower degree of flood protection than the Regulatory Flood Protection Elevation for the particular area, or permit standards lower than those required by Minnesota's Floodplain law.

It is recommended, however, that:

1. Riverside Development Group, LLC will submit to the City complete plans and engineered drawings, including those for landscaping, signage, screening, trash handling, and lighting. Once a complete set of plans has been submitted, it will be determined if additional variances are needed.
2. Once a complete set of plans has been submitted, it will also need to be reviewed and approved by the City's department heads for streets, electrical and wastewater, and any required modifications be made.
3. Once a complete set of plans has been submitted, it will need to be reviewed and approved by the City's engineer, David Blommel at SEH and any required modifications be made.
4. The Warranty Deed from the City to Riverside Development Group, LLC must

contain all necessary easements reserved to the City for the sidewalk, right-of-way, and utilities.

5. Riverside Development Group, LLC will apply for and receive the necessary approvals from Stearns County Environmental Services regarding any impact to the wetland on the property.
6. The City will complete the mandatory Environmental Assessment Worksheet on the project. Comments will be collected as required by statute, and a determination regarding an EIS will be made by the City Council.
7. Riverside Development Group, LLC will follow the MPCA's Remedial Action Plan during construction.
8. Riverside Development Group, LLC will apply for and receive the necessary permits from Sauk River Watershed District regarding the storm water drainage.
9. The 65 off-street parking spaces will be constructed as outlined in the plans received by the City with this variance request. Any changes will require new review and approval.

A motion was made by Ms. McDonald, seconded by Mr. Hill and unanimously carried approving the Planning Report as presented. A motion was then made Mr. Hill, seconded by Mr. Berscheid and unanimously carried recommending the Council approving the Variance with relevant conditions

- b. The Commission earlier this evening held a Public Hearing for the purpose of giving consideration to the request of Kwik Trip, Inc. for a Conditional Use Permit on Parcel No. 66.37068.0000. The Conditional Use Permit will allow new construction of a convenience grocery store that is operated in conjunction with a motor fuel facility as part of said business, in accordance with Section 222.04 (5) of Zoning Ordinance No. 1989-1-A as adopted with amendments by the Melrose Code of Ordinance.

Staff recommends **approval** of the following: Conditional Use permit **–9-2022-401**

With the following conditions:

- The underground storage tanks must be permitted by Stearns County Environmental Services, building inspector, city engineer, and department heads to ensure they are installed following all necessary codes and environmental regulations.
- The overhead canopies, as constructed, shall not exceed twenty feet (20') in height.
- No sales or rental of motor vehicles, trailers or campers shall be permitted.
- Kwik Trip, Inc. must maintain a landscaped area in excess of eight (8) feet behind the property line along all public streets.
- Motor fuel dispensers, as installed, shall be located at least thirty feet (30') from a property line, and one hundred feet (100') from any Residential District property lines.

- All canopy lighting for motor fuel station pump islands shall be recessed or fully shielded.
- The operation shall be responsible for litter control within 300' of the premises and litter control is to occur on a daily basis. Trash receptacles must be provided at a convenient location on-site to facilitate litter control.
- Kwik Trip shall execute and provide to the City of Melrose all utility easements determined to be necessary.
- ~~Kwik Trip shall secure from MNDOT permission for the right hand only entrance off County Road 13. That right hand only entrance also runs into the wetland and must also be approved by Stearns County Environmental Services.~~ **[removed by Planning & Zoning Commission at October 31, 2022 meeting]**
- Kwik Trip shall obtain from Sauk River Watershed District approval for its storm water plan.
- Provisions will need to be made for construction given the soil conditions and water table.
- The plans for the development shall be in accordance with the site plan which was submitted to the City on September 26, 2022. If there are changes to the project, it needs to be reviewed and approved again by all parties, including MNDOT, City staff, Stearns County Environmental Services, Sauk River Watershed District, city engineer and department heads. **[a change to the design will not require a re-review by Planning & Zoning Commission provided the plan follows the requirements set forth in the Zoning Ordinance for the Conditional Use Permit]**

A motion was made by Mr. Hill, seconded by Ms. McDonald and unanimously carried approving the Planning Report per the above revisions noted in red. A motion was then made Ms. McDonald, seconded by Mr. Berscheit and unanimously carried recommending the Council approving the Conditional Use Permit with relevant conditions

A.I. #7 UNFINISHED BUSINESS

None

A.I. #8 NEW BUSINESS

- a. The City has been working with Granite City on the development of a multi-family housing project on a portion of the Railroad West property recently purchased by MADA from Theilers. MADA has entered a Letter of Intent that secures the land until the developer has had the opportunity to complete their due diligence. At

the October 20th City Council meeting, the Council reached consensus on a path forward with funding, creation of a TIF District and the general outline to the approach to funding and assistance. It passed Resolution No. 2022-60 Resolution Approving the Terms of Up to a \$500,000 Interfund Loan In Connection With Proposed Tax Increment Financing District 13-1 Railroad West (Former Theiler Property).

The property will need to be re-platted after a commitment from the Developer is secured. There are plans for two (2) cul-de-sacs of single family housing on the easterly side of the property at some point in the future.

In addition to two (2) 36 unit multi-family apartment buildings (72 units total), there is another developer interested in building self-storage on the most westerly portion of this property.

The multi-family housing project necessitates a zoning change as it is currently zoned R-2 Residential. The Commission needs to determine whether self-storage should be an allowable use in the area and how to zone this area to allow for these anticipated projects. Staff presented site maps contained in a distributed Request for Proposals for housing which was completed by the City . It shows the current platting, as well as a possible layout for re-plat. Attached is the current Zoning Ordinance Section 213 - R-3 Multi-Family Residential for consideration at the meeting

Chair Jason Seanger was not in favor of allowing mini storage in this area. He would prefer to keep this a residential area. The Planning and Zoning Commission did not support utilizing a portion of this property for storage. Staff will continue moving forward with rezoning this R-3 Multi-Family Residential.

- b. At the Council's first meeting in January 2023 consideration will be given to making appointments to the various boards and commissions. A notice regarding same will be published in the Star Post on October 19 and November 2 informing residents that those interested in seeking appointment should submit their application to the City Clerk by no later than Friday, November 18, 2022. Applications are available at the Melrose City Center. Terms are expiring on the following boards and commissions:

- Public Utilities Commission- One Member (three-year term)
Term expiring: Eric Seanger
- Planning and Zoning Commission – One member (four-year term) Term expiring: Shawn Mayers
- Melrose Area Development Authority: One member (six-year term) Term expiring: Jerome Duevel
- Melrose Parks and Recreation: Two members (three-year term) Term expiring: Craig Schiffler and Joelene Wieling

- a. Consideration was then given to the proposed 2023 meeting schedule. Meetings are scheduled for the last Monday of each month, except for May where the last Monday is a holiday (Memorial Day). The May meeting is therefore scheduled for Tuesday, May 26, 2020.

The Commission, by consensus requested that this be brought back at the first

meeting in January.

A.I. #9 INFORMATIONAL ITEMS

- The Commission's next meeting is scheduled for November 28, 2022, at 6:00 p.m.
- Ribbon Cutting/Bridge Dedication for the RDB Project – November 17th @ 4 PM

A.I. #10 ISSUES BY PLANNING AND ZONING COMMISSION MEMBERS

None

A.I. #11 ADJOURNMENT

A motion was made by Mr. Berscheit, seconded by Ms. McDonald and unanimously carried that the meeting be adjourned at 6:50 p.m.

PATRICIA HAASE – CITY CLERK