

**CITY OF ISANTI
PLANNING COMMISSION
MEETING MINUTES
NOVEMBER 9, 2016**

1. Meeting Opening.

A. Call to Order.

Cesafsky called the meeting to order at 7:00 p.m.

B. Pledge of Allegiance.

Everyone rose for the pledge of allegiance.

C. Roll Call.

Members Present: Paul Bergley, Wayne Traver, Greg Cesafsky, and Jim Kennedy.

Members Absent: Steve Lundeen (notice given)

Staff Present: Community Development Director, Roxanne Achman

Others Present: Clark Joslin, Isanti City Attorney

D. Agenda Modifications.

None.

2. Approval of Minutes from October 11, 2016 Planning Commission Meeting.

Cesafsky questioned if there were any comments or changes to the minutes.

Motion by Kennedy second by Bergley to approve the October 11th, 2016 Planning Commission Meeting Minutes. Motion was unanimously approved.

3. Public Hearings.

A. Request from O'Reilly Auto Enterprises, LLC, for Site Plan and Building Appearance approval of a Retail Auto Parts Store on the property located at 101 6th Ave NE, legally described as Lot 2, Block 1, Isanti Commons Second Addition, Isanti, Minnesota.

Cesafsky read the item into the minutes.

Achman presented the staff memo.

Cesafsky opened the public hearing. There was no one to speak on the matter. The public hearing was closed.

Motion by Kennedy second by Bergley to recommend approval of the request from O'Reilly Auto Enterprises, LLC, for Site Plan and Building Appearance approval of a Retail Auto Parts Store on the property located at 101 6th Ave NE, legally described as Lot 2, Block 1, Isanti Commons Second Addition, Isanti, Minnesota based on the Findings of Fact and Conclusions and with the following conditions:

1. Revisions to the plans based review comments from the Community Development Director and City Engineer.

Motion carried unanimously.

B. Request from Rice Building Systems Inc., on behalf of Coborn's, for approval of an Amendment to the Site Plan and Conditional Use Permit approved through Resolution 2015-253, to allow for significant changes to the development located at 209 6th Ave NE, legally described as Lot 1, Block 1, Isanti Commons Second Addition, Isanti County, Isanti, Minnesota.

Cesafsky read the item into the minutes.

Achman presented the staff memo.

Cesafsky opened the public hearing.

Dave Meyer, Coborn's Representative, approached the podium to state he was available for questions and that he has a representative from Rice Companies along to answer questions as well.

Bergley asked if Mr. Meyer had met with the Mayor, Sean Sullivan and the Economic Development Authority.

Meyer stated that he had not met with the EDA, but had spoken with the Mayor about the change.

Bergley stated the matter had been discussed at City Council and he was under the impression that the convenience store was going away, but because the water was installed for the car wash, that the car wash would still be installed.

Meyer stated that he had informed the Mayor that would be the intent, but he wasn't going to promise it will get done at the same time. It's an economic decision at this point because the tanks are in the ground and can be pumping gas relatively quickly. Coborn's is looking to install the car wash next year, but they don't want to say that for sure because they don't have the capital approved to do so at this time, but the infrastructure is there.

Bergley stated that this matter will be forwarded on to the City Council and the matter can be further discussed there. Bergley mentioned that it was his impression that the City wanted to see the car wash installed because the infrastructure was there the City wanted the water to be used. He was under the impression there was a compromise that the convenience store didn't need to be built but the car wash did.

Meyer informed the Planning Commission that their short-term intent would be to do that, but the plans at this time are just to finish the gas canopy area.

Bergley stated he had no further questions.

The public hearing was closed.

Motion by Kennedy second by Bergley to recommend approval of the request from Rice Building Systems Inc., on behalf of Coborn's, for approval of an Amendment to the Site Plan and Conditional Use Permit approved through Resolution 2015-253, to allow for significant changes to the development located at 209 6th Ave NE, legally described as Lot 1, Block 1, Isanti Commons Second Addition, Isanti County, Isanti, Minnesota based on the Findings of Fact and Conclusions and with the following conditions:

1. Resubmittal and approval shall be required for the future construction of the convenience store and/or car wash.

Motion carried unanimously.

C. Request from the City of Isanti to Amend Ordinance No. 445 Zoning, Section 7 Business Districts, Section 11 Overlay Districts to include Article 5: "H65" Highway 65 Corridor Overlay District, and Section 12 Tier One Districts and Amend the Zoning Map to Include Specified Properties Zoned B-2 and T1-B along Highway 65 within the Highway 65 Corridor Overlay District.

Cesafsky read the item into the minutes.

Achman presented the staff memo and a full summary of the ordinance.

Cesafsky opened the public hearing.

Brian Strike, 409 Broadway St SE, Strike Funeral Home, wanted to express his concern over the zoning change and the overlay. He stated that his parents, Hugo and Elaine Strike, had dropped off a letter to the Planning Commission earlier in the week. Strike stated that his concern is that their businesses hands will be tied and they won't be able to make any structural changes to their building, which is a concern for them. He mentioned that they've completed some remodeling and are in good shape right now, but the zoning change is forever. Strike stated he has no immediate plans for the building but something similar to what they did in Cambridge may be a possibility at some point. They bumped the building out by three feet to accommodate more DVD programs; changing things to meet the public's needs. Strike described a few things that may be future projects for their building; covering the garage, adding on to the lobby. Change is critical in a business to be able to grow long term. He stated they could still redecorate, but they couldn't do anything substantial. It was stated that if a business doesn't change over time, they are at a severe disadvantage. Strike stated that he doesn't foresee another funeral home coming to Isanti, but then again, the City now has two grocery stores. Strikes informed the Planning Commission he understood that additional parking would be required and it will be a challenge to obtain it, but he hopes the City would help them find a way to make it work. It may be possible to put 8-10 more stalls on the existing lot. In addition, Strike felt it may be possible to work with the lot to the north of their business in order to obtain the additional parking. He stated that working with a neighboring business may help that lot develop as well. Strike explained that they have done it before with Walgreens in Cambridge. They obtained a permanent, exclusive easement for 13 parking spots from Walgreens. It wasn't required by the City, but Strikes wanted to provide more parking for their patrons. He further explained that actions like that are hard to do and they are expensive to do, but at least it's a possibility. Strike stated that's all the funeral home is asking for is a chance if and when they come up with a project. With the proposed ordinance, Strike felt they would have no chance to expand their business or parking. He stated that if they had even a small chance to work with someone who may develop north of them, it would be worth it. Strike went on to explain a few options he felt were worth the Planning Commission considering. One would be to include funeral home in the permitted uses within the district. Move the zoning across the street so that it would start right across from Strike Funeral Home. Lastly, add a condition for existing businesses that will become non-conforming uses within the district to have the ability to grow by at least 10 percent. Strikes stated he spoke with the Mayor about adding a provision for 10 percent, but after doing some calculations, Strike felt that 10 percent was light and that it should be more like 15 percent. They could live with 10 percent, but that is only about 620sf for their building. Strike stated that the only businesses excluded from the district are his and John Deere from his understanding so he felt allowing an increase in the business would only affect two businesses in the district.

Bergley asked Strike to repeat option number three.

Strike repeated option number three to allow some expansion and further stated that he is open to other options but would like the ability to make small changes to his building. He felt it would be reasonable to have that ability in the long run.

Traver asked if Strike's had any plans for future expansion.

Strike stated he doesn't foresee any plan in the next 3-5 years. They completed a major remodeling a few years ago. He explained some of the remodeling that has occurred at their Cambridge building. They have remodeled the Isanti business four or five times since it was built in 1965 and it's in pretty good shape, so, there are no immediate plans for changes to the building.

Bergley asked Strike if people can see his business pretty readily from the highway.

Strike said it is difficult to see from the highway. Their business is sometimes hard to find, but he felt it was a good transition from the commercial district to the residential district.

Bergley stated it was hard to see it when driving south, but was guessing the building wasn't visible at all when driving north. Bergley further commented that from an aesthetic point, the building is nice looking and he wouldn't be ashamed to have it along Highway 65. Bergley stated that since it's not visible he's not sure why it's on the list.

Kennedy asked why the old businesses are involved with this district, they should all be grandfathered in.

Achman stated that the businesses are grandfathered in as far as use. They are allowed to remain; they just cannot expand. The business could stay there for 100 years if they chose. Kennedy asked why they couldn't expand. Achman explained that they are not a permitted use within the district.

Cesafsky asked if there was a reason funeral homes were excluded from the district.

Achman explained that the focus was to have uses that were draws to the community.

Bergley asked why the district boundary line couldn't change. He felt their building was aesthetically pleasing and they've been here 51 years. Bergley stated he wouldn't be very pleased if someone told him he couldn't expand his business.

Achman stated she wouldn't advise changing the boundaries of the district. That would be an obvious exclusion of a business to benefit them. She further stated they would need a rational reason to do so.

Bergley asked which of the options staff would advise them to choose.

Achman stated she would explain to them the research that was conducted. She informed the Planning Commission that the option to allow an expansion to non-conforming uses was explored deeply and found to not be in the city's best interest. The expansion to non-conforming uses would need to be allowed in all districts, which causes concern. The reason for rezoning's and businesses becoming non-conforming, is to change and shape the district. For example, 1st Ave NW in the downtown area has many houses that are non-conforming uses right now. If they were allowed to expand, the district would take much much longer to transform in to a downtown business district.

Bergley stated that the Planning Commission should place funeral homes within the permitted uses in the overlay district. He agrees with Mr. Strike in that he cannot imagine another funeral home coming in to the city, and furthermore, he hasn't seen an unpleasing funeral home. Bergley stated he wouldn't be ashamed to have their business expand. He stated another option would be to install some trees so the business wouldn't be seen from Highway 65.

Achman explained that it's not an aesthetic issue with funeral homes. There is nothing wrong with the way Strikes Funeral Home looks.

Bergley stated that's what it feels like with the way the ordinance is structured and that we want people to stop and view the city.

Achman further explained that the City wants to have businesses along the corridor that people want to stop at and visit; things that will pull people in.

Bergley felt that funeral homes were something that people stopped for and came to view.

Cesafsky felt that the overlay district was to protect the value of the city and to maintain a high-quality gateway into the city.

Kennedy said he can understand this for new businesses but not existing businesses.

Cesafsky asked how the new overlay district affects the changes that Strike Funeral Home can make today.

Achman stated that if funeral homes were permitted within the overlay district they would need to meet the aesthetics, which may not be an issue. There would still be issues that would need to be addressed such as the parking, setbacks, the fact that there is a residence attached to the business, which is a non-conforming use in the current district. It is still a non-conforming use of the property. The overlay district doesn't change things a lot for the funeral home.

Strike stated he couldn't expand at all with the overlay district.

Achman explained there are a number of issues with the property right now that would need to be worked out before anything could happen with this property.

Strike stated he would like to work with the city to figure something out. He stated he hopes the city would help with the parking issue.

Bergley stated he was confused and wanted to know how the overlay district affected Strike Funeral Home.

Achman explained that if the business is not a permitted use in the overlay district, they cannot expand. She further stated that right now they have performance standards that aren't met, which is making them non-conforming.

Bergley restated his understanding was that they can't expand as they sit right now. Achman confirmed.

Kennedy had questions on the fact that a residence was attached to the funeral home.

Strike explained that the home has always been a part of the business since it was constructed in 1965 and since residence are not a permitted use in the existing zoning district, they cannot expand. Achman confirmed that was correct.

Kennedy stated that it was permissible to construct that residence and business at the time it was constructed in 1965 and then an ordinance was passed and now he can't live there anymore. This isn't North Oaks. This is Isanti.

Strikes stated he received a permit for remodeling. Achman stated that remodeling is permitted. Expansion is not.

Cesafsky stated that as the business sits today, there are issues, but there's a chance for changes. With the rezoning, the door would be closed.

Bergley asked if a conditional use permit would be needed right now if they wanted to expand their business.

Traver asked if it was an option to table the items and gather more information.

Achman stated it would not be a conditional use permit. A variance would need to be granted in order to expand at this time. A variance from the required performance standards.

Clark stated that if the item is tabled it will delay action the City Council can take on the matter. The City Council will need a report and a recommendation one way or the other. What the law provides is that if the Planning Commission doesn't make a recommendation within 60 days from the date in which the matter was submitted to the Planning Commission, then the City Council could act.

Kennedy stated they could table the matter. Clark reiterated that would delay the action the City Council could take.

Bergley asked if there was a rush to implement the overlay district.

Achman stated that there has been considerable time and effort put into the ordinance. The matters have been reviewed with Mr. Strike. And the options for Mr. Strike have been vetted through. What is being presented is the recommendation by staff and others who have helped to draft the ordinance.

Bergley stated that Strikes letter makes it sound like there is some back and forth on the options, and he doesn't doubt that staff has put an effort forth in reviewing the options and meeting with Mr. Strike. He further stated that he hates to tell a business that has been in operation for 51 years with an exemplary reputation that they can't expand. He just wants to know that everything has been done and that everyone involved has been talked to.

Achman stated that out of everyone that was notified, Strike's the only opposition that we've received comments from. Staff has completed a lot of research and really does feel that the ordinance presented does provide for what is in best interest for the City of Isanti. Allowing for non-conforming uses to expand is not going to provide anything beneficial to the city.

Bergley stated he respectfully disagrees. He stated he feels the Strike Funeral Home is aesthetically pleasing and would be proud to have someone drive through and say they like the way Strike Funeral Home presented themselves.

Cesafsky asked it if would be possible to make a recommendation that the ordinance be approved with conditions, such as including funeral homes within the permitted uses. Achman stated it was possible. Cesafsky stated that he agrees with the overlay district but he can see where Bergley is coming from.

Kennedy stated he agrees with the ordinance for new businesses.

Travers stated that Strikes is not just a business, it's also a residence, and everything about it is non-conforming.

Cesafsky asked how Isanti County Equipment is affected.

Achman stated they would not be allowed to expand. They can remain there, but not expand.

Cesafsky asked what that business was classified as. Achman stated that they would have fallen under farm implement.

Bergley asked Strike if he would be happy being added to the permitted uses list. Strike confirmed that he would.

Dwight McCullough, part owner of BMC Auto at 444 E Dual Blvd, approached the podium and stated that his business is outside of the overlay district but he has concerns that one day they will be subject to the same standards down the road.

Bergley stated he's not concerned about the overlay district expanding. The purpose of the overlay is to make Isanti aesthetically pleasing from the highway. He stated he's been privy to a lot of the conversations and doesn't feel this will affect McCullough's business.

Achman stated she doesn't see any changes coming for that area any time soon.

Connie Anderson, 409 Shawn St SE, approached the podium to state that there is a concern in the neighborhood about what is going to happen to the homes along Candy Ave SE, Richard Ave SE and Shawn St SE. They are stuck on an island in the middle of a commercial district. Anderson stated that she understood the overlay district wouldn't affect the residence but wanted to know if coming down the road they be told they need to brick their house because they are right on the highway and very visible.

Achman stated she doesn't foresee anything like that coming along. She stated there hasn't been any discussions about changes to that area.

Anderson stated there is a commercial piece to the south of her, so she expects that a day will come along when the city wants that whole block to be commercial. She further stated that her neighbors have voiced a similar opinion.

Achman stated again that there have been no discussions of any matter like that.

Anderson asked if there was a reason the parcel between Palomino and Shawn Street is zoned commercial.

Clark stated it was zoned commercial because it was kiddy-corner from the commercial property on the opposite side of the street and there were commercial plans at that time to develop the property. It was determined under the comprehensive plan at that time that it was appropriate for that to be commercial.

Cesafsky asked in order to alleviate Andersons concerns, is it possible to rezone that residential area to commercial.

Clark stated that it would be possible but it's not in the comprehensive plan and there's no thought to even move in that direction. Clark stated that none of us can see what will happen down the road but there is no discussion of such possibility at this time. Clark further stated that it's important to know and clarify that zoning changes, such as what is being proposed, existing uses in place can remain in place as long as that use continues. It can be maintained and wouldn't be subject to the standards unless there is a change to the property. Then the property would be required to be brought into conformance. But a non-conforming use cannot be expanded on. There are two types of issues that are at play. One is the type of use of the property, as is the case with Strike Funeral Home. With the proposed ordinance, they would be allowed to continue to operate forever so long as they continue to operate without discontinuing for one year or more. The other thing that comes in to play, besides the use, is the performance standards. The building doesn't need to be improved unless the building is changed, for example, renovating the whole exterior of the building as opposed to just performing maintenance of it, then it would need to be brought up to the standards. The buildings can be maintained, but there cannot be an expansion of the footprint. That is how the term "grandfathering" or legal non-conforming came into use. You cannot put someone out of business without there being an eminent domain proceeding; there would have to be payment for the taking of the property. But that isn't what is being proposed here, just the zoning is changing.

Anderson asked why the property on the east side of the highway isn't part of the corridor. Achman clarified that it was residentially zoned.

Jerry Laase, Isanti Ready -Mix, 28103 Hwy 65, Isanti, approached the podium asking if he could expand as Tier 3.

Achman stated that Mr. Laase's business is already an existing non-conforming use. Laase asked if his business was now done after 40 years. Achman clarified that the rezoning that affected his property occurred a number of years ago when that area was taken into the city's zoning jurisdiction.

Laase stated that he's in Isanti County, not the City of Isanti. Achman reiterated that the City of Isanti has zoning jurisdiction over that area. Laase stated that changes need to be made with the County Commissioners and County Planning Commission to go over the City's head to make the appropriate changes. He stated he now has 83 acres that he can't do anything with.

Clark stated he can continue to do business as he has been. Laase stated that the City is putting Strike out of business, to which Clark stated that Strike's is not being put out of business, they just cannot expand.

Laase said this cannot be voted in and continued to describe how the County needs to take back authority and that new County Commissioners need to be voted in. Laase and Kennedy continued discussions on voting and County Commissioners.

Cesafsky called the meeting to order.

Laase explained that he thought the overlay district was now only encompassing the part of his property closest to Highway 65. So, if the back part of his property is rented out, he doesn't need to go to the City for permission, he can go to the Township.

Achman clarified that he would still need permission from the City. She further explained that Laase's entire property is zoned Tier 1 – Business, not just a portion of it. The overlay district line is an arbitrary line that indicates that when, and if, the property develops, that section would be subject to the overlay district requirements. The boundary is in line with 6th Ave. Achman explained that Laase's property has been in the Tier 1 – Business District since at least the early 1990's.

Bergley informed Laase that he didn't think his issue is with the overlay, it's with a decision that was made many years ago.

Laase stated that his land is in Isanti Township. Achman confirmed that was true, but the City of Isanti has zoning jurisdiction over it.

Trey Laase, Isanti Ready-Mix, approached the podium to ask how they are expected to stay in business without being able to expand. Why does the City want to play the role of forcing businesses out? He felt there should be variances or expansions allowed.

Achman stated that Isanti Ready-Mix is already a non-conforming use that would not be allowed to expand. That was a decision that was made in the early 1990's. The overlay does not affect Isanti Ready-Mix because it's already a non-conforming use.

Trey Laase explained that they have never gone to the city meetings because they are in the township, not the city. He stated that it's looking like they may need to move out of Isanti if they want to expand their business. He further stated that it sounds like they missed something along the way that was important to them. Trey Laase stated he felt that any previous business shouldn't be under these regulations.

Bergley again restated that the decision on this property years ago. He stated that Isanti Ready-Mix can't expand base on something in the 1990's, not what's happening right now.

Jerry Laase restated that it comes down to the County Commissioners.

Clark clarified the County has no authority to “take it back”. It’s under city jurisdiction.

John Hendrickson, owner of 703 Heritage Blvd NE, approached the podium to ask about how the boundary line for the overlay district appears to split his property. Does the property have to be subdivided? Hendrickson stated he understood the front part of the property against Highway 65 would be subject to the overlay district, but wanted to know if the back portion of the property would also need to meet those requirements.

Achman explained that it would depend on how the property is split. Any property that is west of where 6th Ave would go would be subject to the overlay district standards and any property to the east of 6th Ave would be subject to the B-2 standards. The way the current boundary line is drawn, is to reflect where 6th Ave would be located based on ghost plats from years ago.

Hendrickson asked if he needed to split the property at this time or if it could sit until it was ready to be developed. Achman confirmed that it did not need to be split with the passing of the overlay district. Hendrickson asked if a large retail store such as Walmart could be within the overlay district. Achman stated that it would be an allowed use.

Cesafsky asked if there was anyone else from the public who wished to speak. Seeing no one, the public hearing was closed.

Bergley stated that with respect to the hard work that was put in by staff and others, in the drafting of the ordinance, he recommends the passing of the ordinance with the condition that funeral homes are a permitted use within the district.

Motion by Bergley second by Traver to recommend approval of the request from City of Isanti to Amend Ordinance No. 445 Zoning, Section 7 Business Districts and Section 11 Overlay Districts to include Article 5: “H65” Highway 65 Corridor Overlay District and to Amend the Zoning Map to Include Specified Properties Zoned B-2 and T1-B along Highway 65 within the Highway 65 Corridor Overlay District based on the Findings of Fact and Conclusions with the condition that Funeral Homes be a Permitted Use within the Highway 65 Corridor Overlay District. Motion carried 3-1 with Kennedy voting Nay.

4. Other Business.

A. Request from Allina Health and MSP Commercial for Approval of a Signage Master Plan for the facility located at 300 5th Ave NE.

Cesafsky read the item into the minutes.

Achman presented the staff memo.

Bergley asked if traffic was taken into consideration for the signs along Highway 65.

Achman stated they are set back quite always from the highway due to the amount of right-of-way.

Motion by Kennedy second by Cesafsky to recommend approval of the request from Allina Health and MSP Commercial for Approval of a Signage Master Plan for the facility located at 300 5th Ave NE. Motion carried unanimously.

5. Discussion Items.

A. None.

6. Adjournment

Motion by Bergley second by Kennedy to adjourn the November 9th, 2016 meeting of the Planning Commission. Motion was unanimously approved.

The meeting adjourned at 8:12 p.m.

Dated at Isanti, Minnesota this 9th day of November 2016.

Respectfully submitted,

Roxanne Achman, AICP
Community Development Director