

1 **WAYZATA PLANNING COMMISSION**
2 **MEETING MINUTES**
3 **JANUARY 18, 2017**

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6 **AGENDA ITEM 1. Call to Order and Roll Call**

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8 Chair Iverson called the meeting to order at 7:00 p.m.

9
10 Present at roll call were Commissioners: Young, Gruber, Gonzalez, Iverson, Murray and
11 Buchanan. Absent: Commissioner Flannigan. Director of Planning and Building Jeff Thomson
12 and City Attorney David Schelzel were also present.

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15 **AGENDA ITEM 2. Approval of Agenda**

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17 Commissioner Young made a motion, Seconded by Commissioner Gruber, to approve the
18 January 18, 2017 meeting agenda as presented. The motion carried unanimously.

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21 **AGENDA ITEM 3. Approval of Minutes**

22
23 **a.) Approval of December 19, 2016 Planning Commission Minutes**

24
25 Commissioner Gonzalez stated on page 8, line 8 of the draft minutes, the word “use” should be
26 changed to “used”, and on line 9 “to see these begin again and for” should be struck. She said
27 that she had stated that if there was a workshop with the City Council that included a future
28 development, then the Planning Commission should be notified so they could attend.

29
30 Commissioner Murray made a motion, Seconded by Commissioner Gonzalez, to approve the
31 December 19, 2016 Planning Commission Minutes as amended by Commissioner Gonzalez. The
32 motion carried unanimously.

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35 **AGENDA ITEM 4. Old Business Items:**

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37 **a.) None.**

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40 **AGENDA ITEM 5. Public Hearing Items:**

41
42 **a.) Wayzata Blu – 259, 269, and 275 Lake St E and 339 Barry Ave S**
43 **i. Rezoning, PUD Concept Plans**

44
45 Director of Planning and Building Thomson stated the applicant, Gatehouse Properties, has
46 submitted a development application to develop the properties located at 259, 269, 275 Lake

1 Street E and 339 Barry Ave S. The project includes demolition of the existing commercial
2 buildings and construction of a 3-story mixed use building consisting of ground level office and
3 17 residential condominiums. As part of the development application, the applicant is requesting
4 approval of rezoning from C-4A to PUD/Planned Unit Development and approval of a PUD
5 Concept Plan of Development. The applicant is requesting PUD concept plan review prior to
6 submitting an application for a PUD general plan of development and design review. The
7 proposed building would include 34 enclosed parking spaces within the first floor, which would
8 be dedicated to the 17 residential units. There is an existing parking easement on the 259 Lake
9 St E property which benefits the Boatworks property by allowing them to use 85 parking stalls
10 for valet and employee parking. The Applicant is proposing to construct a defined parking lot
11 which would include a total of 85 parking stalls. There are nine on-street parking stalls on Barry
12 Avenue. As part of the development agreement, the Applicant is proposing that the nine parking
13 stalls be removed to allow for a continuous 12-foot sidewalk along the west side of Barry
14 Avenue. In conjunction with the removal of the parking stalls, the applicant is requesting that
15 the City terminate the existing easement over the 339 Barry Ave S property. The application
16 includes rezoning to PUD which would allow for a taller building than is permitted in the C-4A
17 zoning district, and the proposed building would contain residential and office uses on the first
18 floor, which would not meet the Lake Street retail and service commercial requirements of the
19 current C-4A zoning district. The proposed PUD would meet the residential area requirements
20 of the R-5 zoning district. If the City approves the PUD concept plans, it does not bind the City
21 to subsequent approval of the general plans.

22
23 Commissioner Gonzalez stated there are wetlands located on two of the properties. She asked if
24 this has been reviewed or delineated because the proposed parking stalls are close to these
25 wetlands.

26
27 Mr. Thomson stated there are wetlands on the back of the property. The wetland area has not
28 been delineated at this time because the delineation has to be done during the growing season.
29 There is data available for the estimated wetland edges but the actual location will be confirmed
30 with the delineation. Based on the delineation, there are setbacks established by the Minnehaha
31 Creek Watershed District. Once the wetlands have been delineated, the City will review the
32 project to ensure it meets the City's setback requirements.

33
34 Commissioner Gonzalez asked where the parking for the office space would be located.

35
36 Mr. Thomson stated they would utilize the parking lot that was part of the easement with the
37 Boat Works property.

38
39 Commissioner Gonzalez stated there could be a shortage of parking if the Boatworks is using
40 these stalls during the day.

41
42 Commissioner Buchanan asked what the height of the building across the street on Barry Ave is
43 compared to the proposed building height.

44
45 Mr. Thomson stated staff would compile and provide this information for the Commission.
46

1 Mr. David Carlson, for the Applicant, Gatehouse Properties Ltd, residing at 2249 Portico Green,
2 Wayzata, stated ESG Architects did the proposed building design. He said has had potential
3 buyers for the condominiums, and office users have looked at the property. Mr. Carlson stated
4 that he has worked to meet the City's setbacks and height requirements.

5
6 Commissioner Gruber asked what the price point would be for the condominiums.

7
8 Mr. Carlson stated they would range from \$589,000 to upper \$800,000.

9
10 Commissioner Gruber asked why the applicant opted for offices rather than retail on the first
11 floor.

12
13 Mr. Carlson stated with the current market, it would have been a business failure to get retail to
14 work in this area of Lake Street. Mr. Carlson stated that he has discussed relocating Candlelight
15 Floral in the first floor of the new building.

16
17 Commissioner Gonzalez stated there is a lot of open office space in the City, and there is a new
18 office building going up on Broadway. She asked what type office space this would be, and
19 what type of tenants he would be marketing to.

20
21 Mr. Carlson stated his company would be occupying 1500 square-feet of the office space, and
22 this would leave 3 private offices with 1300 square-feet total space.

23
24 Commissioner Gonzalez asked if Candlelight Floral would have access from Lake Street, if they
25 were to be located on the first floor.

26
27 Mr. Carlson stated the space Candlelight Floral is considering is the back portion of the office
28 space. People would come through the main entrance and go down a hall to their business.

29
30 Commissioner Gonzalez clarified the City would lose a retail business with street frontage.

31
32 Mr. Carlson stated there would be signage on the street.

33
34 Commissioner Gonzalez stated there are five businesses that have operated in this area, and they
35 would be replaced by a small amount of office space. The Design Standards state that retail
36 space must have access from the street, and there be transparency or glass. She encouraged Mr.
37 Carlson to review the Design Standards. She stated Mr. Carlson's narrative states that the soil
38 conditions are standard, but construction of the building would require some minor soil
39 corrections. She asked what "some minor soil corrections" meant.

40
41 Mr. Carlson stated with the tests they have conducted, the far north of the parking lot has poor
42 soil conditions. The general contractor's excavator has stated pilings would not be needed there,
43 but some excavation, and possibly compaction would be required. There could be some residual
44 soils from the gas station that had been on the site previously, so this material would be removed
45 and new material brought in.

46

1 Commissioner Gonzalez stated the fill calculations would be helpful when the project comes
2 back to the Planning Commission.

3
4 Chair Iverson asked if remediation would be required because of the gas station.

5
6 Mr. Carlson stated they are reviewing the tests currently, and will provide this information at a
7 future Commission meeting.

8
9 Commissioner Buchanan asked what the response had been to the pre-marketing of the property.

10
11 Mr. Carlson stated the response has been good and several of the respondents would be
12 considered “snowbirds”.

13
14 Chair Iverson asked why the applicant’s condominiums were priced significantly lower than
15 other similar projects that have been presented to the Commission.

16
17 Mr. Carlson stated he has done a comparison with actual closed numbers, versus the listed
18 numbers for these projects. The average he is proposing is what is average for actual sales in the
19 City.

20
21 Commissioner Gonzalez stated the proposed exterior of the building is interesting, and she would
22 like to see good quality materials used in the building. She thanked him for this exterior interest,
23 and keeping within the height restrictions of the PUD ordinance.

24
25 Chair Iverson opened the public hearing on the application at 7:33 p.m.

26
27 Mr. Brad Hoyt, 253 E Lake St, Wayzata, stated he had talked to the City Council about the
28 property tax appeal case for his property. He stated Mr. Thomson had testified under oath in a
29 court of law that his property was entitled to 38-feet in height and 4-stories. The property
30 valuation has cost him over \$3 million. He stated Mr. Carlson was told not to propose a project
31 over 35-feet in height and 3-stories. He stated he had purchased his property to develop it and
32 has spent over \$1 million in applications to the City. He stated he has spent over \$4 million
33 between the applications and the property taxes based on fallacious values and fraudulent
34 testimony from the City, and his property is not developed. He stated one of the Commissioners
35 had stated on record during his last application 2-years ago, that the City does not need more
36 people to buy things what it needs is things for people to buy. He stated there is a 90% vacancy
37 rate in the Wayzata Bay Center. He said he does not appreciate that the Commission does not
38 take into consideration any specific knowledge from people’s experience and knowledge in the
39 commercial realm to know what it takes to make retail thrive in the City. He said the Planning
40 Commission continues to push policies that do not make sense. He said the City approved too
41 many restaurants in the City without the required amount of parking and this is causing a
42 problem in the City. He stated he had come to the Commission with a residential project, and the
43 Commission had denied it based on height even though Mr. Thomson testified that he was
44 entitled to that height. He said he does not care if the Commission approves the project
45 presented. He said that when he had included stacked parking, he was told that this was not

1 allowed in the City and that retail was required in his project. He stated the Commission should
2 either require retail west of Barry Avenue or not, but it cannot be both ways.

3
4 Ms. Terri Huml, owner Gianni's Steakhouse at 635 Lake Street, Wayzata, stated the project has
5 merit but retail does need to be taken into account in a different manner. She said that outside of
6 the corporate retail locations, 80% of the retail shops in Wayzata are owned by women. She
7 related that based on purchase price, build out, and taxes, it is economically unfeasible to have
8 retail in new projects. She said the Planning Commission and the City's Comprehensive Plan
9 need to outline the long-term and short-term outlook for retail in the City. She stated that 93% of
10 the tenants at the Regatta are not Minnesota residents. She said the City needs to look at what
11 the long-term effects of brick and mortar retail are for the City. She said that requiring
12 developers to include retail in their projects is not feasible, and that retail should not be a
13 requirement. She said the Planning Commission and City need to also consider how many more
14 restaurants and liquor licenses they will allow.

15
16 There being no one further wishing to speak on the application, Chair Iverson closed the public
17 hearing at 7:46 p.m.

18
19 Commissioner Gruber asked if retail was a requirement for properties west of Barry.

20
21 City Attorney Schelzel stated it was his understanding that the dividing line for where
22 commercial is required and where it is suggested under the Comprehensive Plan is Barry Ave.
23 Those properties west of Barry are encouraged under the Comprehensive Plan to have a
24 commercial component, but they are not required.

25
26 Mr. Thomson stated that is correct, but further noted that there is a difference in the C-4A zoning
27 and the PUD zoning. The current C-4A zoning does require commercial and service retail on the
28 first floor for at least 50% of the building frontage. The PUD is the tool that allows the
29 flexibility in the application of the zoning requirements, with the consideration of the
30 Comprehensive Plan and the ordinances.

31
32 Commissioner Gonzalez expressed concerns about the number of snowbirds in the City, and that
33 this project is expecting to bring more. The local businesses suffer because there is no support
34 because residents are gone for half of the year. The retail requirement would be a policy
35 question for the City Council. She would like to see younger families that live in the community
36 year-round come to Wayzata. She stated she is also concerned about expanding office space
37 because there is a lot of empty office space in the City. If there were a retail business that would
38 be located in the proposed project, she would prefer to see this located along Lake Street.

39
40 Commissioner Young suggested the applicant consider alternative configurations if Candlelight
41 were to relocate on this property. He stated he did not like the idea of another condominium
42 project this close to the Central Business District. The concerns brought up about the retail
43 environment are real, and the City needs to be realistic about retail and the future. Considering
44 the alternatives for this parcel, this is a good design but there are issues with the retail
45 requirement.

46

1 Commissioner Gruber stated Ms. Huml made some dramatic comments. The Comprehensive
2 Plan will be rewritten, and this will acknowledge what is changing in the community. She stated
3 that with thoughtful planning, however, the City could still have some retail. She would like to
4 see more thought in terms of a lower price point for the residential component of the proposed
5 project. Wayzata needs to become a more diverse place. The Planning Commission and City
6 Council need to think about alternatives, and ask developers to think of other people and other
7 needs in the community.
8

9 Commissioner Murray stated retail is optional for this area, and the project does include retail for
10 one of the current retail tenants. There are open retail spaces in the City for the other two retailer
11 locations that would be displaced with this project. He asked who would lose if the project
12 moved forward. This is high priced real estate, and a desirable place to live.
13

14 Commissioner Buchanan stated he liked the project, and it would fit in with the other projects in
15 the community. Wayzata is an affluent community and it is unlikely this will change.
16 Architecturally, this would improve the location and community.
17

18 Chair Iverson stated she is not sure if the City is being short-sighted by not requiring some kind
19 of retail in the developments that are coming forward. She is concerned that if this end of town
20 continues to develop condos, and the other end continues to get busier and busier because that is
21 where everything is, the town will become unbalanced. She would like to challenge the
22 developer to be creative and find a solution that will work for him and the future of Wayzata.
23 She does not know what this would look like, but there should be more conversations. There are
24 certain services that will never go out of business, so she is not ready to say no to having retail
25 included in the development. The retailers she talked to on the corner would love to stay on that
26 corner, and this corner has over 100-years of retail history. The history of Wayzata is being lost.
27

28 Commissioner Gonzalez stated she would like to see additional information, including the
29 wetland delineation, wetland protection plan, and the fill calculations. She asked how many
30 condominiums could be built in this narrow area without creating a burden on City services such
31 as sewer and water. She would also like to see a storm water run-off plan.
32

33 Chair Iverson asked if the developer would be required to have a common space.
34

35 Mr. Thomson stated the developer would be required to have common space, and this would be
36 reviewed during the next phase of design.
37

38 Commissioner Gonzalez stated she would like to see people come to the community that will be
39 there year-round and support the community businesses. She suggested the developer market the
40 property to a younger crowd.
41

42 Chair Iverson stated the City has been working on the Lake Effect, and the City needs to have
43 reasons for people to come and support the community beyond going for a walk on the
44 boardwalk. We want people to be eating and shopping in the community.
45

1 Commissioner Gruber stated the developer should think about the diversity of people they want
2 to attract to the City. She believes that there could be retail on the main floor, and a broader
3 price point. She asked the developer to consider having affordable retail, and a broader price in
4 the condos. Things cannot always be about money.

5
6 Chair Iverson asked if fire trucks would need access to the back parking lot, and if this had been
7 reviewed.

8
9 Mr. Thomson stated a fire lane needs to be 20-feet wide and a drive aisle would be sufficient.

10
11 Commissioner Young made a motion, Seconded by Commissioner Gruber, to direct staff to
12 prepare a Planning Commission Report and Recommendation that recommends approval of the
13 PUD rezoning and PUD Concept Plan request, with additional direction to the developer to
14 engage in additional consideration of retail, including the location of retail on the main floor on
15 the site plan, as the application proceeds to the general plan phase. The motion carried; ayes-5,
16 nays-1 (Iverson).

17
18 The Planning Commission recessed at 8:17 p.m.

19
20 The Planning Commission reconvened at 8:24 p.m.

21
22 **AGENDA ITEM 6. Other Items:**

23
24 **a.) Review of Development Activities**

25
26 Director of Planning and Building Thomson stated the February 6 agenda was scheduled to
27 include review of the Gardner Street subdivision, and the CUP application for the City's
28 proposed telecommunications tower. He noted the last City Council workshop included a
29 presentation by a group of residents to do an Honors Plaza to honor "9/11", public service, and
30 military personnel. They presented a concept sketch for the corner of Lake Street and Superior
31 Blvd. The City Council had directed staff to look at this and other locations where this concept
32 would fit, and a detailed analysis of alternative sites. There may be a Steering Committee
33 formed to discuss site locations, and it would likely include a Planning Commission
34 representative.

35
36 Commissioner Murray stated he would be interested in being involved with this Committee.

37
38 Commissioner Gonzalez stated at the last City Council meeting, the Chamber of Commerce
39 presented the Outstanding Services Award to Wayzata Home Laundry, the Chilly Open
40 scheduled for February 10-11 was highlighted, and the Blue Water Theater project was approved
41 as recommended by the Commission. The Council also recognized Commissioners and Board
42 Members who had served on Commissioner and Boards in the City.

43
44 **b.) Next Meeting is February 6, 2017**

45
46

1 **AGENDA ITEM 7. Adjournment.**

2
3 Commissioner Young made a motion, seconded by Commissioner Murray, to adjourn the
4 meeting. The motion carried unanimously.

5
6 The Planning Commission meeting was adjourned at 8:33 p.m.

7
8 Respectfully submitted,

9
10 Tina Borg
11 *TimeSaver Off Site Secretarial, Inc.*