



**Planning Commission Regular Meeting
City Council Chambers, 2660 Civic Center Drive
Minutes – Wednesday, June 6, 2018 – 6:30 p.m.**

1. Call to Order

Chair Murphy called to order the regular meeting of the Planning Commission meeting at approximately 6:30 p.m. and reviewed the role and purpose of the Planning Commission.

2. Roll Call

At the request of Chair Murphy, City Planner Thomas Paschke called the Roll.

Members Present: Chair Robert Murphy; Vice Chair James Bull; and Commissioners James Daire, Chuck Gitzen, Julie Kimble, Wayne Groff and Peter Sparby

Members Absent: None

Staff Present: City Planner Thomas Paschke and Senior Planner Brian Lloyd

3. Approve Agenda

Vice Chair Bull suggested adding Comp Plan Update as a Communications item for the next six months so that the Planning Commission can keep up to date.

MOTION

Vice Chair Bull moved, seconded by Member Kimble to approve the agenda as amended.

Ayes: 7

Nays: 0

Motion carried.

4. Review of Minutes

a. April 4, 2018 Planning Commission Regular Meeting

Member Kimble indicated she would abstain, as she was not present at the meeting.

Member Daire indicated he had previously sent an email to Senior Planner Lloyd with a number of corrections, most of which were spelling in nature.

Member Bull indicated on line 36 of the minutes refers to Member Kimble Sparby, and it should be Member Sparby. He also indicated that line 60 cites Member Bull as making the motion, but it was actually Chair Murphy.

Member Groff indicated line 383 should read "Roseville 2025."

MOTION

Vice Chair Bull moved, seconded by Member Sparby to approve the April 4, 2018 meeting minutes as amended in Member Daire’s email sent to staff.

Ayes: 6 (Murphy, Bull, Daire, Gitzen, Groff, Sparby)

Nays: 0

Abstentions: 1 (Kimble)

Motion carried.

5. Communications and Recognitions:

- a. From the Public:** *Public comment pertaining to general land use issues not on this agenda, including the 2040 Comprehensive Plan Update.*

None.

- b. From the Commission or Staff:** *Information about assorted business not already on this agenda, including a brief update on the 2040 Comprehensive Plan Update process.*

City Planner Lloyd pointed out the current copies of the City’s zoning atlas made available to the Planning Commission. He encouraged the Members to take them home and utilize them. He then provided an update on the Comp Plan. In May, the Council authorized staff to distribute the 2040 Comp Plan to the surrounding and overlapping jurisdictions. The Council did not make any changes from what the Planning Commission (PC) had recommended to them. There is ongoing work to refine it visually. Based upon the Met Council feedback, there are some updated demographic numbers that can be incorporated. Staff has also started receiving other communities’ Comp Plans.

Vice Chair Bull asked how staff will communicate the other communities’ Comp Plans.

City Planner Lloyd noted that he has not yet worked with Consultant Erin Perdu how things will be navigated going forward. Staff will be doing the review of the actual planning documents sent by the other communities. Some of those communities have specifically asked staff not to distribute to the public in Roseville, as it is for staff review rather than public consumption. Staff will make sure to distribute transportation, public works plans, and parks and trails plans to the correct staff. He also discussed the process for other communities when reviewing Roseville’s Comp Plan.

Member Gitzen asked about the Comp Plan timeline.

City Planner Lloyd responded this is currently the quiet period. The plan is out for review by neighboring communities. Their six-month window for review runs out by late November. Presumably, City staff will not have to wait that long for feedback.

Much of the feedback will come earlier, and those comments will be reviewed as they are received. Ultimately, the City's last Council meeting of the year in December 2018 will present the last scheduled opportunity to authorize the submission of the plan to the Met Council. The formal adoption of the plan does not happen until 2019, after Met Council approval.

Member Gitzen asked whether the PC will review the comments from other communities.

City Planner Lloyd responded affirmatively. As those comments are received, they will be posted on the website, along with a summary in the PC packet.

Vice Chair Bull announced he has submitted his name for the next City Council election.

6. Public Hearing

a. Consider A Request by Roseville Centre Lodging, LLC to Amend Planned Unit Development 1177 (Centre Pointe Business Park) to Include a Fourth Hotel at 3015 Centre Pointe Drive (PF18-006)

Chair Murphy opened the public hearing for PF17-019 at approximately 6:55 p.m. and reported on the purpose and process of a public hearing.

City Planner Paschke summarized the request as detailed in the staff report dated June 6, 2018. He reported that the applicant seeks an amendment to Planned Unit Development (PUD) Agreement 1177 to change the allowable use on property at 3015 Center Pointe Drive from a 21,240 square foot office building with underground parking to a four-story hotel with surface parking. The general development plan is to construct a four-story hotel towards the front of the lot near Centre Pointe Drive and meeting all of the stipulated standards within the PUD agreement.

Vice Chair Bull asked about limits on the specifications on the property, such as maximum number of hotel rooms or height restrictions.

City Planner Paschke noted there are height restrictions within the Planned Unit Development, but there is nothing that limits density of the hotel. There are some limitations overall for the business park as it relates to impervious cover. The overall of the green space and ponds are to be somewhere in the neighborhood of 25 percent.

Vice Chair Bull asked whether the City gets a significant portion of the taxes as it relates to lodging tax.

City Planner Paschke responded he is not sure about the dividing up of lodging taxes. He noted this site has been difficult to develop a use that is acceptable to the City. Staff thinks this fits the spirit and intent of the PUD.

Member Groff asked about storm water management

City Planner Paschke responded it will be an underground storage system.

Member Sparby asked about the PUD's table of allowable uses. The existing table controls the site right now.

City Planner Paschke concurred that is correct.

Member Sparby asked whether the table has to be amended again to put the hotel on the property.

City Planner Paschke responded that is not necessary. The uses are already supported by the PUD. However, this specific lot was approved for an office park building with underground parking. This site has a specific use identified, so that is the only thing that can be built on this property unless the PUD is amended.

Member Sparby suggested removing the amendment so it reverts to the existing table of allowable uses.

City Planner Paschke noted that is a much more complicated process.

Chair Murphy noted the Commission has spent many hours over the past few years on this particular PUD.

Member Kimble noted there was an issue last time around the particular use. This is somewhat different, as there are similar uses within the park already.

Member Gitzen asked if all the specific uses for all the lots are designated in the PUD.

City Planner Paschke responded there is overall shape that identifies originally the thought-out or planned type of uses on different lots. Most of them were office of some sort.

Tom Noble, President of West Real Estate, introduced himself to the Commission.

Member Daire asked what type of hotel this is.

Mr. Noble responded this is a new brand that is developed and sponsored by Intercontinental Hotel Group, the owner of the Holiday brands. This hotel is designed as a middle-market hotel opportunity. It will not have the surplus amenities as would be found in a normal Holiday Inn pool. It does focus on three particular niche features that are most important. First, the bed will be the top-quality bed that can be found anywhere. Second, also important is this shower. It is a full, walk-in shower with a glass door. The third item is technology: larger TV's, better work spaces, better ports. What is not in this brand is surplus amenities. There will not be an enclosed closet. The amenities are clean, bright colors, and efficient. The rates

will be about \$10 lower than the rate for a Holiday Inn Express. This brand is meant to provide value-based, middle-market amenities.

Member Daire noted that someone at the open house commented that this hotel will depress the market for the other hotels in the immediate vicinity and in the area.

Mr. Noble responded that he respects that comment, as no one sees value in oversupplying any market. However, the Roseville/North Minneapolis market is a healthy market and it has done quite well over the past 4-5 years. Taking just the Roseville inventory, it currently has about 1,375 rooms. The third-party research data demonstrates the yield performance in Roseville has been increasing 3.3% on average. Extending that into the room supply, this hotel should open in 2020 and will begin capturing part of that market growth. He believes it is a reasonable comment for a neighboring hotel sales director to make, but this market can support 86 additional rooms. The Roseville room inventory is getting a bit dated. It is important to keep the hotel supply invigorated and fresh.

Public Comment

Kirby Stahl, 1973 Lexington Ave N, commented on the application. On page 2, the report discusses that this property is difficult to market based upon its position within the PUD. He is also an employee of the University of Northwestern here in Roseville. He thanked the PC for coming alongside the Northwestern and other businesses to change the PUD to make it better going forward. He commented that while the PC has recommended amendments for the Council, the Council has either denied or decided not to preside over these recommended proposals. He is concerned about the state of this PUD as it relates to Roseville businesses. He wondered if the PUD has exceeded its usefulness and if the PC would be better off recommending to the Council its demise so it can revert back to regular zoning in the City.

Chair Murphy noted that the Council-PC joint meeting is in July, and he will ask that this be an area of discussion with the Council.

Mr. Stahl clarified that other businesses like this hotel have brought this matter to the PC, and the PC has brought it to the Council with varying degrees of success.

Member Kimble clarified that her previous reference point was to the storage facility proposal on this same site.

Chair Murphy closed the public hearing at 7:22 p.m., as no one else appeared to speak for or against.

MOTION

Vice Chair Bull moved, seconded by Member Groff, to the City Council to recommend approval of a PUD amendment that would modify the permitted use on the subject property from a 21,240-square foot office building with underground parking to a four-story hotel with surface parking

Commission Deliberation

Chair Murphy commented it is not the business of the Planning Commission to limit competition in another area. If a permitted use in a PUD is going in, that is worthy of support. He reminded the PC this is a change to a hotel, not to any particular brand.

Vice Chair Bull commented he struggled that this PUD has been guided for an employment district. There has been some success but not full success with that. It is up to the applicant to study the market.

Member Sparby stated the PC is in a process to put the PUD to its best and highest use. This move is in the right direction and trying to put the property to use.

City Planner Paschke recalled this item came up on a City Council docket. The Council discussed modifications to the PUD and the PC did recommend changes to the table which would, in that sense, create a new table of uses. However, that has been put on hold as the City is now in litigation with Northwestern.

Ayes: 7

Nays: 0

Motion carried.

b. Request for Kulturwerks Brewing, LLC and the Community Development Department for Zoning Code Text Amendments to Section 1001.10 (Definitions) Table 1005-1, Table 1005-5 and Table 1006-1 to Allow as a Permitted or Conditional Use Taproom, Brewery and Brewpub (PF18-008)

Chair Murphy opened the public hearing for PF17-019 at approximately 7:29 p.m. and reported on the purpose and process of a public hearing.

City Planner Paschke summarized the request as detailed in the staff report dated June 6, 2018. He reported that the owners of Kulturwerks Brewing, LLC, have signed a purchase agreement for the property at 3113 County Road D with the desire to convert the building into a taproom. In discussions with the City Planner about this proposed use, it was determined that identifying the use as Limited Production and Processing, although broad enough to support such a use, was not specific enough and did not quite align with the intended use of the property. He explained the proposed changes to the definitions of brewery and also the table of uses.

Vice Chair Bull asked whether staff should also be considering distilleries, as those are increasingly popular.

Member Sparby asked about the updated definition for brewery and specifically the number of barrels for each classification level.

The Commission discussed the classifications for a small and large sized brewery.

Member Sparby noted the distinctions between how these establishments are defined at a State level and at a local level. Additionally, he noted he does like the idea of having a tap room. He preferred the original language.

Member Kimble noted the original language is much clearer.

City Planner Paschke stated he is not sure the City wants breweries that can produce beer when it can be in a neighborhood area, which is the situation with the current applicant. Something like a Summit Brewery should not be in a residential area. That is why he preferred the classification of a small brewery. There has to be a limitation on the small category in order to create a large classification. Staff can work on consistent language related to malt beverage, and that can be fleshed out between now and when this item appears before the City Council. He noted the original definitions in the staff report came from Wayzata.

Member Kimble suggested adding the distillery to the language now rather than waiting.

City Planner Paschke suggested bringing back the research on the distillery, since staff is trying to be reactive to a request the applicant has applied for.

Eric Swann, 5139 Sheridan Ave N, Minneapolis introduced himself as co-owner of Kulturwerks Brewing.

Jason Heger, 4741 4th Street, Columbia Heights, introduced himself as co-owner of Kulturwerks Brewing.

Mr. Swann thanked staff for their work on this item. He indicated he would like to open a brewery with a taproom. There will be a 5-barrel brewing system, which is quite small. The facility is quite small and it would not sustain much larger equipment. Brewing twice a week will create about 500 barrels annually.

Mr. Heger noted the goal is to have neighbors bike or walk over and join in the taproom. The desire is to be a good neighbor.

Member Daire asked what the applicants' vision is for the location.

Mr. Swann displayed a map showing the outdoor seating area. The goal is to add in 3 new parking spaces, in addition to the 7 already existing. He noted the garage doors would remain, as they are an asset. Fairly minimal work will be done to the exterior of the building. There may be some awnings placed over the garage doors.

Member Groff noted he drove by the site, and there is a single-family residence on the side. He asked about potential noise.

Mr. Swann responded there are no plans for music on the patio. He also discussed the current parking situation.

Mr. Heger reiterated the goal is to be a good neighbor.

Mr. Swann noted that Presbyterian Homes is across the street, and he plans to approach them to use their lot after hours as overflow parking.

Member Kimble asked if there have been any other neighbor comments or interactions.

Mr. Heger responded he will continue to work on building relationships with the neighbors.

Member Kimble asked what category of brewery is a 20,000-barrel brewery and what would be 250,000- barrel brewery.

Mr. Swann indicated 250,000-barrel brewery is enormous, something like Miller.

Member Gitzen asked if this is the applicants' first experience in opening and running a brewery.

Mr. Heger concurred that is the case.

Kirby Stahl, 1973 Lexington Ave N, stated that the operable language is “not more than 250,000 barrels.” Adding the word “not” creates a clearer definition.

Chair Murphy closed the public hearing at 8:05 p.m., as no one else appeared to speak for or against.

Commission Deliberation

City Planner Paschke suggested using the language “more than 20,000” classification for a larger brewer.

Member Gitzen expressed support for the definitions, with the caveat it will be cleaned up before going to the Council. He also noted the Commission should discuss uses.

MOTION

Member Gitzen moved, seconded by Chair Murphy, to recommend approval of the amendments to §1001.10 (Definitions), Table 1005-1, 1005-5, and 1006-1 in support of definitions and allowance within specific zoning districts for taproom, brewpub, and brewery, as outlined in the revised staff sheet brought before the Commission.

Commissioner Sparby asked for further discussion. He does like that the definition of brewery be greater than 20,000 barrels. He also asked whether tap room is part of the motion.

City Planner Paschke clarified that tap room definition does not go away; it just goes away as a principal use. It is an accessory use.

Member Sparby asked for revised wording to strike malt liquor and ale from the red text and adding a comma after fermentation on lines 28-30 of the staff report.

Vice Chair Bull asked for clarification on the definition of brewery.

Chair Murphy clarified the following proposal as part of the motion:

Brewery: A facility that produces for sale more than 20,000 barrels annually of beer or other beverages made from malt by fermentation and containing not less than one-half of one percent alcohol by volume. A brewery may include a taproom.

Brewery, small: A facility that produces for sale no more than 20,000 barrels annually of beer or other beverages made from malt by fermentation and containing not less than one-half of one percent alcohol by volume. A small brewery may include a taproom.

Brewpub: A restaurant that brews beer or other beverages made from malt by fermentation on the same premises, whose malt liquor production per calendar year may be limited by Minnesota State Statute.

Taproom: An area for the on-sale consumption of beer or other beverages made from malt by fermentation produced by the brewer for consumption on the premises of a brewery. A taproom may also include sale for off-premises consumption of beer or other beverages made from malt by fermentation produced at the brewery location or adjacent taproom and owned by the brewery for off-premises consumption, packaged subject to Minnesota Statute 240A.301, subdivision 7(b), or its successor.

Chair Murphy also clarified that the last entry for Taproom in Table 1006-1 is now a P (permitted) rather than an NP (not permitted).

Member Sparby asked about changing Brewery Small to Microbrewery.

The Commission discussed whether to change Brewery Small to Microbrewery. It was decided to remain with Brewery Small.

Member Kimble asked staff to come back with distillery and she also asked about wine.

Chair Murphy clarified for the benefit of the Planning Commissioners that the motion includes the following details:

- Lines 54-57 of the “Project Report, Table Handout” have been amended to define brewery as greater than 20,000 barrels; the definitions exclude the malt liquor; some commas were added for clarification; there is permitted use for Brewery Small.

Ayes: 7

Nays: 0

Motion carried.

c. Request by Community Development Department and Public Works Department to Amend Section 1017.25 Grading, Filling, and Land Alteration by Deleting in its Entirety These Requirements – Revised Requirements to be Amended into Title 8, Public Works (PROJ0017-Amdt34)

Chair Murphy opened the public hearing for PF17-019 at approximately 8:21 p.m. and reported on the purpose and process of a public hearing.

City Planner Paschke summarized the request as detailed in the staff report dated June 6, 2018. Over the past year the Community Development and Public Works Departments have been discussing changes to the City Code to better account for grading, drainage, and storm water management. Specifically, the City Code regulates these items in the following manner: a. Chapter 705 regulates grading on public property b. Chapter 803 regulates storm water drainage; c. §1017.24 regulates grading, filling and land alteration of private property.

City Planner Paschke continued that from staff’s perspective, having three separate areas within the Code regulating the same or similar items dealing with grading, drainage, and storm water management is confusing and can get complicated. Therefore, the two Departments determined that such requirements should be located in a single chapter of the City Code, and that such regulations should be updated as deemed necessary

Chair Murphy closed the public hearing at 8:25 p.m., as no one appeared to speak for or against

MOTION

Vice Chair Bull moved, seconded by Member Gitzen to recommend approval of the request to delete in its entirety §1017.25 Grading, Filling, and Land Alteration, and support their inclusion into a revised Chapter 803 of the Roseville City Code.

Ayes: 7

Nays: 0

Motion carried.

7. Adjourn

City Planner Paschke stated he will verify the proposed joint PC-Council meeting on July 23rd.

MOTION

Member Kimble, seconded by Member Gitzen to adjourn the meeting at 8:28 p.m.

Ayes: 7

Nays: 0

Motion carried.