

Meeting Minutes
New Prague Planning Commission
Wednesday, April 3, 2024

1. Call Meeting to Order

The meeting was called to order at 6:31 p.m. by Chair Dan Meyer with the following members present were Ann Gengel, Shawn Ryan, Dan Meyer, and Brandon Pike. Absent was Jason Bentson.

City Staff Present: Ken Ondich – Planning / Community Development Director, and Kyra Chapman – Planner

2. Approval of Meeting Minutes

A. February 28th, 2024 Regular Meeting

A motion was made by Ryan seconded by Pike to approve the February 28th regular meeting minutes. Motion carried (4-0).

3. OLD BUSINESS

A. None.

4. NEW BUSINESS

A. Request for Interim Use Permit #I1-2024 – Religious Institution at 100 2nd Ave SW

Planning Director Ondich introduced the #I1-2024 interim use permit for a religious institution called Faith, Recovery & Music at the former flouring mill at 100 2nd Ave SE. Last December, the City approved conditional use permit C5-2023 allowing the gun range in the southern portion of the building. Faith, Recovery & Music intends to utilize 780 sq ft of existing office space inside the mill, north of where the gun range intends to inhabit. The office space will comprise of two small offices and a gathering space for services and bible study. The services are anticipated to take place on Tuesday afternoons, Saturday evenings, and possibly another day. An accessible ramp will be added to the building entrance. One employee will be at the site while in operation.

Planning Director Ondich added that the Comprehensive Plan preliminarily anticipates the site to be rezoned from industrial to “Downtown Flex”. The specific requirements for the downtown flex district have not been determined yet but will likely allow office use including religious institutions as conditional uses. As a result, staff suggested that the applicant apply for an interim use permit, which would allow the use to move forward until the final zoning is established in the updated Comprehensive Plan.

Pike asked how wide the ADA ramp will be.

Planning Director Ondich stated that the ramp will be 4' wide. Furthermore, he explained that the proposed religious institution shall cease if the site is not rezoned to downtown flex by 1/1/2026 or similar zoning distance where religious institutions are either permitted or a conditional use in the zoning district.

Gengel inquired if Urban Flea Market would like to return.

Planning Director Ondich stated that Urban Flea Market is still using the Mill for warehousing purposes. Urban Flea Market has purchased property in Faribault for a new location.

A motion was made by Pike, seconded by Ryan to open the public hearing at 6:51pm. Motion carried (4-0).

A motion was made by Ryan, seconded by Pike, to close the public hearing at 6:51pm. Motion carried (4-0).

Pike suggested that when redeveloping, it would be good to have continuity or visual appeal such as landscaping or painting the building. For instance, you could add prairie grass in front of the office space so it doesn't look like you're driving into a back alley.

Planning Director concurred and believed that those discussions will happen. The IUP is an interim solution at this point and could possibly add that as a condition but that applies more to the building owner.

Pike stated that there could be more vehicle traffic and congestion in the parking lot as more businesses move into the mill. Without the continuity of something more substantial than just parking lot stripping, it could possibly become chaotic.

Ryan inquired if the Planning Commission has any leverage in approving cases such as the gun range at the mill.

Planning Director Ondich stated that the City could mandate this.

Ryan suggested that there could be stipulations added. For instance, if 50% of the available space of a building is occupied or rented, it then requires the owners to provide aesthetic requirements.

Planning Director Ondich stated that will also come into play. They'll eventually need a stormwater plan when parking is added.

Ryan explained that he has no issue with the proposed use but has concerns about the overall vision and how to address the blight. He inquired if changing the use to downtown flex will provide more flexibility and become more open to interpretation.

Pike read off the most recently proposed definition for the downtown flex from the Comprehensive Plan Steering Committee. It includes public, commercial, residential properties that are currently in the downtown area along Main Street E between 21 and Memorial Park. It will allow a variety of uses to continue to work cohesively together.

Planning Director Ondich clarified that the proposed district won't be too different than the existing B1 Central Business District. There will be building aesthetic requirements and maintaining historic features.

Ryan recommended that once the structure is 35% occupied by tenants, there needs to be some plan or overall vision for the property. Perhaps once it becomes 50% occupied, it becomes a much larger requirement. It would allow the city to have more of a say.

Meyer stated that there might be future demolitions of part of the building such as the silos.

Planning Director Ondich mentioned that they are removing a metal roof near the railroad.

A motion was made by Ryan, seconded by Gengel to approve interim use permit I1-2024 to allow a religious institution in the I1-light industrial zoning district with the stipulation that the City let ownership know that once they hit 35% occupancy of the building space that they will need to submit to the city an overall "aesthetic", site and building plan. Motion carried (4-0).

B. Request for Variance #V1-2024 – Fence Setback Variance

Planner Chapman introduced variance V1-2024, which requests the installation of a 6' tall fence 15' from their south property line and 30' from their west property line at 509 Pershing Ave N. Last year, Taylor and Dustin Filan moved to the property with hopes of erecting a 6' privacy fence for added security. Under the current Zoning Ordinance, their proposed fence would not meet zoning ordinance requirements since fences cannot be within 30' of a property line along a roadway to be taller than 4' or allow fences taller than 4' to be located forward of the rear corner of the house. The applicants have multiple reasons for wanting a 6' tall fence which include wanting to enclose their storm door, preventing their dog from jumping the fence, and preventing animals from being able to access their vegetable garden.

Planner Chapman added that if their neighbor at 513 Pershing Ave N wanted to build a 6' tall fence, it would have to be built behind the rear corner of their home which is 57.5' from their west property line. If 505 4th St Ne wanted to build a 6' tall fence, it would have to be 30' from their front corner (south) property line. Staff does not agree with the applicant's proposal because it will alter the essential character of the neighborhood. Staff recommended that the 6' tall fence should be 57.5' from their front (west) property line and 30' from their front corner (south) property line. This would create a more cohesive fence line through the neighborhood and still provide them more access of their northern portion of their property.

Ryan asked if the applicants known about staff's recommendation.

Planner Chapman replied that the applicants are aware. They are okay with staff's recommendation as it would be less limiting than what the Zoning Ordinance currently requires.

Pike explained that if the fence extended further south on their property, visibility along the alley would be lost.

A motion was made by Pike, seconded by Ryan to approve variance V1-2024 to allow a 6' tall fence that is 30' from their south property line and 57.5' from their west property line at 509 Pershing Ave N. Motion carried (4-0).

C. Concept Review of Possible Zoning Ordinance Amendments Relating to RH High Density Residential Zoning District Density, Minimum Lot Area, Useable Open Space and Parking Requirements for Apartment Units

Planning Director Ondich introduced the concept review for a possible 54-unit apartment building south of Walgreens. The current owner, GTT Properties platted the property and installed a portion of 1st Street NE, rezoned the property, obtained setback variances and amended the zoning ordinance to allow a 43-unit apartment building on the property in 2020. Ebert Construction would like to construct a 54-unit apartment building on the parcel versus the previously approved 43-unit apartment building. The proposed units will be smaller than the previously proposed units. The proposed 54-unit building would not meet the density limit or parking stall requirement that the city has. The Zoning Ordinance currently allows 32 units per acre and 2 parking stalls per unit whereas a 54-unit building would be 40 units per acre and 1.7 parking stalls per unit. Ebert Construction intends to construct a variety of units such as alcove (aka studio), 1 bedroom, 1 bedroom + den, 2 bedrooms, and 2 bedrooms + den. Ebert Construction has done similar buildings in other communities such as Sand Creek in Jordan as well as Delano and Farmington.

Ryan asked who will own and manage the property.

Planning Director Ondich explained that GTT Properties intends to sell the land to Ebert Construction. Ebert Construction could sell the property after the building is constructed.

Planning Director Ondich stated that the City is looking at the Minnesota Housing Finance Agency's (MHFA) Workforce Housing Development Program which could utilize state funds to support the project. There is a limited amount of funding of roughly \$32 million. The program is for market rate not section 8 housing. If awarded, a local match to the funds could be required through a tax abatement from the City, which would rebate tax funds to Ebert Construction for acquisition, connection fees for water and sewer, and construction to develop the market rate apartment units. At the last council meeting, there was a consensus for possibly up to a 15-year period to abate 100% of city taxes. There will still be county and school district taxes that could also be abated if they agree to do so. The proposed apartment building is approximately \$6 million which is equivalent to \$90,000

in taxes per year. Of that \$90,000, approximately a third will go to the city, then another third to school district, and the county. The New Prague Area School District Superintendent and County Administrator have shown interest in the abatement, but they will have to speak with their boards for approval.

Pike asked if it's an anomaly for multi-family housing projects to work through tax incentives.

Planning Director Ondich stated that Ebert's construction interest rate is approximately 7%. If Ebert Construction were given \$1 million through the MHFA grant, it would go in their pocket and be forgiven 100% after a 3-year period.

Pike asked if this would be setting a precedent for future multi-family housing projects.

Planning Director Ondich did not believe it would necessarily set a precedent for all cases since the subject property had already been previously set up for intentions to build a multi-family building. They weren't starting from scratch.

Meyer mentioned that it's hard to believe that three-bedroom apartments can't be rented out unless of course they were priced too high.

Planning Director Ondich received a support letter from the Mayo Health Clinic and the New Prague Area Schools for the apartment complex. They want their employees to have housing in town. A number of their employees live outside of city limits.

Ryan asked for clarification on the change of the density limit of increasing the units per acre from 32 units to 40.

Planning Director Ondich stated that the proposed project would be a one-time variance to allow increased density limit since it is a unique property.

Ryan was concerned about parking stalls.

Planning Director Ondich stated that from Ebert Construction's analysis that with their small unit sizes and mix of units, they don't see profits from units larger than two-bedroom units. In Delano, Ebert Construction has a very similar apartment complex with a similar parking stall requirement and noticed that their parking lot is full about a third of the time, not including holidays.

Ryan was under the impression that once the subject property is built, 1st St SE will be built connecting from Chalupsky Ave SE to 10th Ave SE through Beckius's property.

Planning Director Ondich explained that once Beckius's property is developed, the road will be installed.

Ryan shared concerns of people parking along 3rd St and Chalupsky, especially if 1st St SE cannot be extended until Beckius develops. He also suggested that the City could extend the road if the City helped pay Beckius.

Planning Director Ondich replied that the City would have to utilize eminent domain to condemn the property or Beckius would have to develop on their land to initiate the build out of the road.

Pike explained that if he were a resident in the apartment and parking was crowded, he'd likely park in Walgreens before he parks on the road.

Planning Director Ondich explained that there was a traffic impact study done at New Prague Commons, however, the apartment complex doesn't trigger a traffic study according to the zoning ordinance.

Pike observed that there appears to be two access points with Walgreens and the stub along 1st SE and noted there will be underground parking.

Planning Director Ondich mentioned that the parking lot creates a loop, which is a requirement for fire safety reasons.

Pike inquired if the underground parking lot only has one direction.

Planning Director Ondich confirmed this and stated that it's located on the south side of the property.

Pike explained that those who are parking underground will likely exit south on 1st St SE. Renters may also exit and enter using the north two driveways attached to Walgreens. It shows that exits and entrance will be equally utilized.

Planning Director Ondich added that the school district is mainly concerned that they don't have enough housing in town for their school staff.

Meyer explained that there may be increased foot traffic to Coborn's along Chalupsky Ave SE.

Planning Director Ondich stated that a pedestrian flashing beacon could be installed similar to the one near Praha Village and Hy-Vee.

Ryan explained that there are some concerns that will need to be addressed.

Gengel asked what the timeline is for the project.

Planning Director Ondich stated that the MHFA grant application would have to be submitted by the end of April. Applicants will be notified of their grant status by roughly mid-August. Then City Council would have to discuss the formal approval of the tax

abatement, which could take 60 days. Ebert Construction would submit a variance request and site plans. If everything went perfectly, Ebert Construction could start building in the winter, however, most developers prefer to start construction in the spring.

Consensus of the Planning Commission was to process the request as a variance versus a zoning ordinance amendment.

5. Miscellaneous

A. Monthly Business Update

Planning Director Ondich stated that in February, the City received one new home permit and Autowash Systems was issued a building permit for their new storage building. Starlight Productions is temporarily utilizing the former NP Power Nutrition space due to the fire that happened earlier this year. Bargain Lodge recently opened in the previous Chalk It Up building.

6. Adjournment

A motion was made by Pike, seconded by Ryan, to adjourn the meeting at 8:15 pm. Motion carried (4-0).

Respectfully submitted,



Kyra J. Chapman
Planner