

**WAYZATA PLANNING COMMISSION
MEETING MINUTES
February 4, 2019**

AGENDA ITEM 1. Call to Order and Roll Call

Vice Chair Flannigan called the meeting to order at 6:30 p.m.

Present at roll call were Commissioners: Douglas, Plantan, Iverson, Merriam, Bashioum, Flannigan, and Parkhill. Absent: None. Director of Planning and Building Jeff Thomson and City Attorney David Schelzel were also present.

AGENDA ITEM 2. Approval of Agenda

Vice Chair Flannigan asked for a motion to approve the agenda for the meeting.

Commissioner Iverson made a motion, seconded by Commissioner Parkhill, to approve the February 4, 2019 meeting agenda as presented. The motion carried unanimously.

AGENDA ITEM 3. Consent Agenda

a.) Approval of January 7, 2019 Meeting Minutes

Vice Chair Flannigan read the item on the consent agenda and asked if any Commissioner wished to pull the item for further discussion. Hearing no such request, he asked for a motion to approve the Consent Agenda as presented.

Commissioner Plantan made a motion, seconded by Commissioner Parkhill, to approve the Consent Agenda as presented. The motion carried unanimously.

AGENDA ITEM 4. Old Business Items:

**a.) Urness Fence – 143 and 151 Westwood La
a. Variance and Conditional Use Permit**

Director of Planning and Building Jeff Thomson stated the property owners, Todd and Katherine Urness, submitted a development application for a fence and gate located on the properties at 143 and 151 Westwood Lane. The applicant had proposed a five (5) foot tall chain link fence in the side and front yard, a five (5) foot tall steel fence in the front yard, and a wooden, 100% opaque, gate across the driveway in the front yard. The development application requests approval of a variance for the height of the fence in the front yard, and a conditional use permit for a gate consisting of more than 50 % solid in the front yard. The Planning Commission reviewed the

application and held a public hearing at its meeting on January 7, 2019. After the hearing and discussion among the Planning Commission and the applicant's indications that it could revise its plans to address some of the concerns raised during the meeting, the Commission voted to table action on the development application to the February 4th meeting to allow the applicant to consider submitting a revised plan and application. Mr. Thomson advised the Commission that the applicant is continuing to work on revising the fence plans and has requested that the Planning Commission again table action on the application to the February 20th meeting to allow the applicant additional time to address the Planning Commission's concerns and comments.

Vice Chair Flannigan asked for a motion to table the application.

Commissioner Douglas made a motion, seconded by Commissioner Plantan, to table further review and action on the application to allow the applicant to submit a revised plan to be considered at the next Planning Commission meeting on February 20, 2019. The motion carried unanimously.

AGENDA ITEM 5. Public Hearing Items:

a.) Manitoba Dream – 231 Manitoba Ave S

i. Conditional Use Permit and Variance

Director of Planning and Building Jeff Thomson stated that the applicant and property owners, KC and Kippen Chermack, have submitted a development application for the property at 231 Manitoba Ave S. The applicant is proposing to expand the current footprint of the building on the property and continue its use as a two-family dwelling unit. The development application requests approval of a conditional use permit for a two-family dwelling, and a variance from the required lot area and width for a two-family dwelling in the R-3A zoning district. The applicant is proposing to add an addition to the existing house. The proposed addition would be located behind the existing house and would be two stories in height. The main floor would consist of a three-stall attached garage and new entrance, and the second story would consist of additional living space for the upper level dwelling unit. Apart from approvals requested in the application, the proposed addition complies with all of the zoning district requirements for the R-3A district and does not require any other variances or approvals from the Planning Commission and City Council. The conditional use permit and variance application is being requested by the applicant due to the proposed expansion of the existing non-conforming use and lot size of the property. The property currently contains an older single home on the property which has been used as a two-family home for more than 20 years, and the applicant has rental licenses from the City for both of the rental units. The use of the property for two separate dwelling units is non-conforming because the R-3A district requires a conditional use permit for two-family detached dwellings, and the City has never approved a conditional use permit for the property. The proposed plans would expand the non-conforming use by adding living space to each of the dwelling units. Per the City's non-conforming use ordinance, a non-conforming use may not be expanded. Approval of the proposed CUP and variance would bring the home and use from non-conforming status into compliance with City Code.

1 Commissioner Douglas asked if the properties located to the north and south of the applicant's
2 property were two-family dwellings.

3
4 Director Thomson responded that he was not aware that either property were two-family
5 dwellings, but he could get confirmation.

6
7 Commissioner Parkhill asked if the proposed three parking spots met the requirement for a two-
8 family dwelling.

9
10 Director Thomson responded that the City ordinance for residential properties requires one
11 enclosed parking stall per housing unit and one additional stall that can be either enclosed or not.
12 The City considers driveway space as unenclosed parking, and therefore the proposed use in the
13 application would meet the parking requirements.

14
15 Commissioner Iverson asked if overnight parking on the street would be allowed in cases where
16 the unit dwellers required more parking than the property could manage.

17
18 Director Thomson responded that he believes that overnight parking is allowed on Manitoba
19 Avenue, and that there are no additional parking restrictions or conditions for two-family
20 dwellings.

21
22 Commissioner Merriam asked for clarification of the zoning of the property located to the south
23 of the applicant's property.

24
25 Director Thomson clarified that the southern property is zoned R-3A.

26
27 Commissioner Merriam asked if there were other two-unit dwellings located on the applicant's
28 block.

29
30 Vice Chair Flannigan asked to expand that question to the entirety of Wayzata.

31
32 Director Thomson stated that the R-3A single and two-family residential zoning is fairly common
33 to the area. The information was not readily available for him to determine the exact number of
34 two-family dwellings located in the R-3A zoned lots on Manitoba Avenue.

35
36 Commissioner Merriam replied that the applicant had stated in the information provided with their
37 application that the area has a mix of high density and other two-unit dwellings on the smaller, but
38 standard lots in what they refer to as a diverse area.

39
40 Vice Chair Flannigan asked for the age of the R-3 zoning requirements.

41
42 Director Thomson responded that the R-3A district is relatively new, but the R-3 district has always
43 allowed for two-family homes. This lot has been considered non-conforming for quite some time.

44
45 Vice Chair Flannigan asked if the property was a single-family home, if it would be conforming.

46

1 Director Thomson stated that it would not.

2
3 There being no further questions for staff, Vice Chair Flannigan invited the applicant to speak to
4 the Planning Commission about the application.

5
6 Applicant and property owner, K.C. Chermack, 330 Wise Avenue, Wayzata, stated that he has
7 owned the property for over thirty years. He has pulled over 40 permits in Wayzata and this is the
8 first property where he is the owner, designer, and builder. He stated that he has worked on five
9 of the ten homes on the block. He expressed a desire to keep the history of the home intact and
10 believes that his experiences working on neighboring homes demonstrates his ability to maintain
11 the character of the neighborhood. He believes that the unique design proposed would allow the
12 home to better blend in with the neighboring single-family homes. His intention is to move away
13 from the typical side by side duplex home design and create two unique living spaces that will be
14 virtually undetectable as being a duplex, maintain the historic nature of the home, and provide
15 much needed living options. He further explained that the home has been a two-family dwelling
16 for over 60 years and is in need of some upgrades to improve safety and access. He stated that the
17 R-3 zoning district's lot area requirement of 9,000 square foot results in most of the homes in the
18 area to be out of compliance. He stressed that his lot is not out of the normal for the R-3 zoned
19 properties. He stated that six neighbors have provided letters in support of the proposed
20 development. He was excited to have the opportunity for the home to move out of non-conforming
21 status and into a conforming status. He also stated that the proposed two-family home design that
22 he is utilizing is unique and creative, meets the Comprehensive plan, maintains historical values,
23 and should be considered in other Wayzata locations. He reiterated that the proposed housing
24 would provide a slightly more affordable option in Wayzata, but should not be considered
25 affordable housing.

26
27 Commissioner Bashioum asked what the price point would be for the renters.

28
29 Mr. Chermack responded that a new 1,000 square foot condominium typically costs \$3,000 a
30 month. He stated that his proposed units would likely be rented for \$2,500-\$3,000 a month.

31
32 Commissioner Iverson asked what the applicant's plan would be for the property if the
33 development application is not approved.

34
35 Mr. Chermack responded that he is very passionate about maintaining the character of the historic
36 home, but he may have to consider demolition and new home construction.

37
38 Commissioner Iverson asked what his plan would be if the application is approved and during
39 construction, he identifies a concern that prohibits the approved construction plan.

40
41 Mr. Chermack stated that the home is the most unique house that he has ever been in. He described
42 walls that are 12 inches thick with adobe subway tile patterned blocks. He added that if he had to
43 demolish, he would be able to get a permit to build a single-family home without difficulty. He
44 reiterated that the property needed to be preserved if possible, and he believes that his plan will do
45 that.

1 Commissioner Plantan asked if the applicant's intention is for the property to always be a rental
2 property.

3
4 Mr. Chermack answered that the intention for now is for two rental properties. The future is
5 unknown.

6
7 Vice Chair Flannigan asked for confirmation that the two rental properties would not be able to be
8 sold to two different owners.

9
10 Commissioner Plantan asked if the property could be changed to a single-family home in the
11 future, if the conditional use permit was granted for a duplex.

12
13 Mr. Chermack stated yes.

14
15 Director Thomson stated that a single-family home is a permitted use in the zoning district, and
16 thus the property could be used for a single-family home. A conditional use permit is required for
17 the two-family home.

18
19 Commissioner Parkhill asked if the property could be converted to a condominium.

20
21 Director Thomson responded that there isn't anything in the zoning ordinance that would prohibit
22 the property from being platted as a condominium. This would be a separate item pursued by the
23 property owner and addressed at the County level.

24
25 Commissioner Merriam asked how the applicant was planning on keeping the character of the
26 home.

27
28 Mr. Chermack responded that they would be updating all of the windows, restoring and reusing
29 the hard wood floor, reusing and repurposing cove, and reusing some of the window material for
30 cabinetry.

31
32 Commissioner Bashioum asked if the new structure would be similar to the original home in style.

33
34 Mr. Chermack stated that they will be intermixing the new and the old material so that it would be
35 impossible to distinguish the original home from the new construction.

36
37 There being no further questions from the Commissioners for the applicant, Vice Chair Flannigan
38 opened the public hearing on the application at 7:05 p.m.

39
40 Resident Jeff Holmers, 260 Wayzata Boulevard East, stated that he is familiar with the home and
41 he is in support of the project. He has observed other projects that the applicant, Mr. Chermack,
42 has completed in the neighborhood and is pleased with the outcomes.

43
44 Director Thomson stated that six letters in support of the application were received from residents
45 of the area, and those letters will be included as part of the record.

46

1 There being no one else wishing to comment on this application, Vice Chair Flannigan closed the
2 public hearing at 7:07 p.m.

3
4 Commissioner Merriam asked for the reason for the R-3A district's 9,000 square-foot lot area
5 requirement for single-family homes and 18,000 square-foot lot area requirement for two-family
6 homes.

7
8 Director Thomson responded that he believes the requirement was intentional, and that the zoning
9 ordinance does appear to contemplate twin homes arranged horizontally. He further commented
10 that the requirement was established with many duplexes already existing in the district, and he
11 does not believe that the intention was to prohibit their existence in the district going forward.

12
13 Commissioner Merriam stated that she appreciates what the applicant is attempting to accomplish.
14 She expressed concerns that by allowing the variance for the lot size requirement they may be
15 opening a door to allow other residents to change any single-family home into a duplex. She
16 viewed this as a potential snowball effect.

17
18 Commissioner Plantan commented that the proposed addition is quite large compared to the
19 original home.

20
21 Commissioner Iverson stated that the zoning ordinance requirements may need to be updated. She
22 added that this is an established twin home, and therefore may not fall under the same rules. She
23 further asked that if the setbacks established with the conditional use permit could be enforced on
24 a possible future single-family home.

25
26 Director Thomson answered that the setback requirements are specific to this type of two-family
27 dwelling project, and would be different for a single-family home construction.

28
29 Commissioner Douglas stated that she did not have concerns for the project. She asked if the
30 conditional use permit and the variance are decided separately or together.

31
32 Director Thomson stated that they could be considered together in this case.

33
34 Commissioner Douglas commented that Mr. Chermack has produced many projects in the area,
35 and she trusts his skills and experience.

36
37 Commissioner Parkhill stated that the conditional use permit for a two-family dwelling is not
38 concerning to him. He added that the twin home is an existing use, and the proposal will respect
39 the history of that use, increase the value to the community, and appears to be supported by the
40 neighborhood residents.

41
42 Commissioner Bashium asked if the Commission should be concerned about setting a precedent
43 and she referred to a subdivision proposal for a triplex located nearby.

44
45 Director Thomson replied that he does not believe that there should be a concern of setting
46 precedent due to the many difference of the two projects and properties.

1
2 Commissioner Iverson asked if the applicant was going to be doing any landscaping improvements
3 on the property.

4
5 Mr. Chermack stated that he has landscaping plans being developed, but nothing is finalized.

6
7 Commissioner Plantan commented that she has seen Mr. Chermack's work, and that she has no
8 concerns regarding his ability to produce great work.

9
10 Commissioner Iverson commented that landscaping could really soften the exterior of the large
11 addition.

12
13 Vice Chair Flannigan stated that this application is very unique, and it is very positive to have so
14 many neighbors supportive of the project. He added that having a variety of housing options
15 available to the residents of Wayzata is positive. He reminded the Commissioners that it is
16 important for the Commission to consider each application individually and on its own merit and
17 uniqueness. He stated that other municipalities have considered similar options to address adding
18 housing options for their residents. He is in favor of the application.

19
20 Commissioner Merriam stated that some of the Commissioners appeared to be leaning towards
21 recommending approval of the application. She asked if the historical nature of the property could
22 be added to the findings to demonstrate the uniqueness of the property. She further stated that
23 adding that finding would provide support that the recommendation was not based on opinion, but
24 rather on facts.

25
26 City Attorney Schelzel stated that the historical use of the building as a duplex, as well as the
27 historical nature and features of the building and the property, would help show the uniqueness of
28 the building and the hardship of the landowner. These factors could be added to the draft Planning
29 Commission report that the Commission would consider as part of the consent agenda at the next
30 Planning Commission meeting.

31
32 Commissioner Parkhill stated that the area is very unique in that it has many different zoning
33 districts applied to properties in the immediate area. He explained that this also shows the
34 uniqueness of the property and helps support the applicant's requests.

35
36 Commissioner Douglas stated that she was on the previous Comprehensive Plan taskforce, and the
37 intention with the zoning was to allow flexibility in neighborhoods like what is contemplated for
38 the application.

39
40 There being no further questions or discussion among the Commissioners, Vice Chair Flannigan
41 asked for a motion on the Application.

42
43 Commissioner Iverson made a motion, seconded by Commissioner Plantan, to direct staff to
44 prepare a draft Planning Commission Report and Recommendation with appropriate findings
45 reflecting a recommendation of approval of the conditional use permit and variances for 231
46 Manitoba Ave S for review and adoption at the next Planning Commission meeting, including a

1 finding on the historical significance of the property and historical use of the property. The motion
2 carried unanimously.

3
4 Vice Chair Flannigan stated that the report on the Application will be a part of the Consent Agenda
5 for the February 20, 2019 Planning Commission meeting.

6
7 **b.) Penny's Coffee – 800 Lake St E**

8 **i. Conditional Use Permit**
9

10 Director of Planning and Building Jeff Thomson stated that the applicant, Penny's Coffee, and
11 property owner, The Dietrich Co Family Limited Partnership, have submitted a development
12 application in connection with a new coffee shop within the existing mixed-use building at 800
13 Lake Street East. The development application requests approval of a conditional use permit for
14 joint parking facilities to meet the parking requirements for the project. The property is the site of
15 Cross Creek Shoppes, a multi-tenant missed used building that contains first floor retail and service
16 commercial uses, and upper floor office space, storage, and a residential apartment. The adjacent
17 property to the east, 810 Lake Street E., is also part of the Cross Creek Shoppes and is owned by
18 the same property owner as the subject property. The two separate buildings are internally
19 connected. There is no parking lot or vehicular connection between the two sites, but there is a
20 public sidewalk on Lake Street that provides pedestrian connection between the two properties.
21 Penny's Coffee has signed a lease with the property owner and is proposing to construct a 1,675
22 square foot coffee shop within the first floor of the building. Coffee shops are a permitted use in
23 the C-4B zoning district, and no zoning approval is required for the coffee shop use. There are 28
24 existing parking spaces on the property, 25 of which are shared between the retail and service
25 commercial tenants within the building. Therefore, the property does not have enough parking to
26 meet the 35 current parking stall requirements for the uses within the building. Coffee shops are
27 specifically identified as a permitted use in the zoning district, but the zoning ordinance does not
28 provide a specific parking requirement for coffee shops. City staff has calculated the minimum
29 parking requirement for the coffee shop based on the Institute of Transportation Engineers (ITE)
30 average parking demand of 10.5 parking spaces per 1,000 square feet of net floor area. Based on
31 the ITE parking rate, Penny's is required to have 16 on-site parking stalls. The City's parking
32 ordinance allows the use of joint parking facilities for one or more uses to provide required off-
33 street parking by joint use of one or more sites where the total number of spaces provided are less
34 than the sum of the total required for each use of site. The zoning ordinance provides specific
35 shared parking reductions for mixed use buildings that include retail, restaurant, office, and
36 residential uses. However, the zoning ordinance does not provide a specific reduction for coffee
37 shops and other types of retail uses, even though it would be expected that the peak hours would
38 be at different times. In reviewing the proposal, the City recommended that the applicant conduct
39 a parking study to determine the current utilization of parking at the Cross Creek Shoppes and the
40 anticipated parking demand for Penny's based on Penny's existing location in Linden Hills. The
41 study found that the parking lot on the subject property was largely under-utilized, with peak
42 parking utilization for existing tenants occurring at 2:00 p.m. and found they used 14 of 25 stalls.
43 The study further noted that peak parking demand for Penny's is between 7:00 and 10:00 a.m., and
44 that the required 16 stalls were available during this time. The availability is due to the existing
45 tenants not being open before 10:00 a.m. Director Thomson explained that a conditional use
46 permit could include conditions related to the CUP request. Staff recommended including the

1 following conditions of any approval to make sure there isn't a future parking issue: employee
2 parking restrictions, short term parking signage, limited to coffee shop as defined in the ordinance
3 (no liquor license), and future use restrictions.
4

5 Vice Chair Flannigan asked the Commission if there were any questions for Director Thomson
6 related to the application.
7

8 Commissioner Douglas asked what the plan was to address the Starbucks's patrons violating the
9 parking restrictions on the subject property, and for clarification of Starbucks's own parking
10 requirements.
11

12 Director Thomson responded that the Starbucks's was likely in operation prior to the City's current
13 parking ordinances, and therefore they do not have the same requirements. He stated that it is very
14 clear that there is not enough parking in their location.
15

16 Commissioner Douglas asked if a nearby City parking lot could be factored into the available
17 parking stalls required for the location.
18

19 Director Thomson explained that public parking generally cannot be counted toward a private
20 parking requirement. The parking ordinances are for on-site, off street, non-public parking.
21 Public parking is available as a community resource for people to use, but it cannot be counted in
22 the calculation towards the parking requirements. The only exception to that is to have a CUP
23 granted under the City's Fee in Lieu of Parking policy, but that is a separate application process.
24 This applicant believes that their parking study demonstrates that they have adequate parking to
25 meet the requirements of the ordinance.
26

27 Vice Chair Flannigan asked if the applicant is the building owner or the owner of Penny's Coffee.
28

29 Director Thomson responded that Penny's Coffee is the project applicant and contact, but the
30 property owner is also part of the application and in attendance.
31

32 Commissioner Douglas asked if the East part of the building is considered part of the application
33 and if the walkway still exists connecting the two buildings.
34

35 Director Thomson responded that the East part of the building is not considered part of the
36 application and the walkway still exists.
37

38 Commissioner Iverson asked what the definition of a restaurant was.
39

40 Director Thomson explained that the City has two categories and definitions for a restaurant: full
41 service or fast casual. A Coffee shop is defined in the ordinance as an establishment that sells
42 coffee and coffee related items and foods generally associated with the drinking of coffee. The
43 building plan submitted has detailed information regarding the type of kitchen equipment and
44 menu they have planned. Staff has concluded that Penny's Coffee would fit in the City's definition
45 of a coffee shop.
46

1 Commissioner Iverson explained that she had visited a Penny's Coffee location and she observed
2 meals being delivered to tables for consumption. She questioned how long people tended to linger
3 at the location, how many 15-minute parking spots they are planning for, and if a condition could
4 be added to any approved CUP that restricts their addition of food items. She further questioned
5 how a coffee shop is regulated or monitored to assure that they do not expand their menu that may
6 cause them to meet the definition of a restaurant.

7
8 Director Thomson responded that they would work with the applicant to determine the specific
9 language that would allow flexibility of the business to function within any established constraints.
10 This language would then be brought to the Commission for review.

11
12 Commissioner Parkhill asked what the impact of the fourth space being occupied would have on
13 the parking availability.

14
15 Director Thomson responded that parking requirement has already accounted for the vacancy with
16 a proposed retail space occupying the remaining part of the building.

17
18 There being no further questions from the Commission for staff, Vice Chair Flannigan asked the
19 applicant to address the application.

20
21 Applicant's representative, Foley Schmidt, 413 Blake Road S., Hopkins, provided background
22 information about Penny's Coffee. He stated that it was started by Congressman Dean Phillips in
23 2016 as a way for people to escape. He said they are focused on three things: community,
24 conversation, and coffee. He complimented the Wayzata community and expressed an eagerness
25 to be a part of it. He stated that they are a guest-focused business and have established employee
26 parking requirements at their Linden location. They are also planning on having short-term
27 parking with appropriate signage. They are open to discussions regarding this. He then stated that
28 Penny's Coffee is very much coffee-focused, and most food items are premade, which accounts
29 for orders being filled within three to five minutes. He stated that their ticket times are similar to
30 those found at Starbucks and Caribou.

31
32 Commissioner Iverson asked how they would enforce their employee parking.

33
34 Mr. Schmidt responded that Penny's Coffee has an employee handbook that addresses this, and it
35 is discussed with each employee. He added that they are customer focused and their employees
36 are made aware of that.

37
38 Vice Chair Flannigan asked how many employees they would have, and how many would be
39 working at a given time.

40
41 Mr. Schmidt stated that they would have 15-20 total employees with approximately 2-5 employees
42 working at any given time.

43
44 Applicant's consultant, Geri Wolf, stated that the vacant space in the building is listed as retail or
45 office space, and the parking requirement is the same. She added that their operating hours are
46 shorter than similar coffee chains. She stated that their other locations serve wine and beer, but

1 there are no plans to pursue that type of license at the Wayzata location. Their focus is on coffee
2 and coffee-related items.

3
4 Vice Chair Flannigan asked what the general time frame was for patrons visiting their business.

5
6 Mr. Schmidt responded that they have patrons that spend less than ten minutes, and those that sit
7 and stay for 30-45 minutes.

8
9 Commissioner Merriam asked about parking in the back of the building and if there is appropriate
10 signage to guide patrons.

11
12 Mr. Schmidt responded that there is limited parking in the area behind the building, and there is
13 not a guest entrance from that area. Parking behind the building would not be utilized for patrons.
14 He stated that they are very interested in creating signage to educate their guests as to appropriate
15 and available parking. They want to be good neighbors and do not want their patrons to negatively
16 impact their neighbor's parking ability. He stated that the parking study determined that the
17 available parking was appropriate for their needs, and that was why they pursued the study.

18
19 Commissioner Bashium asked about the parking study that was completed and the
20 recommendations for towing violators. She asked if they would be putting that recommendation
21 into practice. She also asked what the policy would be for the use of their parking spots when the
22 business is closed.

23
24 Mr. Schmidt reiterated the need to educate the visitors to the location with signage inside and
25 outside of the building. Towing would not be a first option. He added that the landlord would
26 have to respond to off-hour parking policies.

27
28 Commissioner Iverson stated that she noticed that there may be plans for outdoor seating, and she
29 questioned if this would take away from the parking availability.

30
31 Mr. Schmidt responded that there is an existing bumpout for the outdoor seating that does not
32 impact the parking.

33
34 Commissioner Iverson stated that a concern with a Highcroft business and the possibility of
35 parking impacting the fledgling business. She asked that the applicant do what they can to assure
36 the Highcroft business isn't negatively impacted.

37
38 Mr. Schmidt agreed.

39
40 Property owner, Sarah Dietrich, stated that her family owns Cross Creek. She added that there are
41 signs restricting parking between 10:00 a.m. and 7:00 p.m. and they have not been concerned with
42 parking outside of those hours. They do have signage warning of towing, but the landlords have
43 not needed to utilize this option. She stated that another tenant will be utilizing office space for a
44 real estate business. She added that there is still a 1200 square foot office space upstairs that is
45 vacant.

46

1 There being no further questions for the applicant from the Commission, Vice Chair Flannigan
2 opened the public hearing on the application at 7:56 p.m.

3
4 Resident, Chris Graham, Owner of Graham Jewelers, stated that his business has been at Cross
5 Creek for twelve years. He believes that Penny's Coffee shop would be a good compliment to his
6 business and to others occupying the shopping center. He is in support of the application.

7
8 There being no one else wishing to comment on this application, Vice Chair Flannigan closed the
9 public hearing at 7:58 p.m.

10
11 Commissioner Iverson asked the applicant why they chose a location that already had a Starbucks
12 in close proximity.

13
14 Mr. Schmidt responded that he believes the people of Wayzata are interested in a more premium
15 experience than what is offered at Starbucks. Penny's is hoping to provide that experience by
16 focusing on community, conversation, and coffee.

17
18 Commissioner Bashioum asked if parking signage could delineate parking for Graham Jewelers
19 and Penny's Coffee.

20
21 Mr. Schmidt stated that he is open to the option.

22
23 Vice Chair Flannigan asked the Commissioners to provide feedback as to their thoughts on the
24 project.

25
26 Commissioner Bashioum stated that she is comfortable with the project with an added condition
27 of parking signage that delineates the different businesses peak hours.

28
29 Commissioner Parkhill stated that he continues to have concerns with parking and specifically for
30 employee parking. He is concerned with possible congestion. He questioned whether the
31 applicant should utilize the City's Fee in Lieu of Parking policy for their employees to access and
32 use public parking spots, therefore decreasing the parking congestion and demand of the lot on the
33 property. He asked Director Thomson for more information on the Fee in Lieu of Parking policy.

34
35 Director Thomson replied that the City's Fee in Lieu of Parking policy is a policy that allows
36 property owners to meet some or all of their parking requirements that they're not able to provide
37 on site. The cost is a \$10,000 fee per parking spot that can be paid over time with the Council's
38 approval. The City's public parking is provided by the City downtown to support the business
39 community that isn't able to provide adequate parking on their own sites. This would be a different
40 parking option that could be looked at if that is what the Commission wants.

41
42 Commissioner Iverson asked what the conditions were for Crisp and Green and Bellecour.

43
44 Director Thomson responded that the identified businesses are on properties where there were
45 existing restaurants. He stated that the City's parking ordinance applies when there is a change in

1 use of a property that requires additional parking. He did not think that either of those met that
2 criteria.

3
4 Commissioner Douglas stated that she believes that Penny's will follow through with their
5 employee parking requirement. She is not in favor of considering the Fee in Lieu of Parking
6 policy. She would like to see the Cross Creek Shop tenants work together to create a solution.

7
8 Director Thomson responded that the City typically does not get involved in the day to day
9 management of private parking lots, other than enforcing the parameters applied to a conditional
10 use permit.

11
12 Commissioner Iverson stated that she continues to have concerns regarding parking. She
13 wondered if restructuring of parking in the back of the building could open up possible overflow
14 opportunities.

15
16 Director Thomson stated that parking in the back of the building had been looked at for possible
17 reconfiguration. It was determined that it wasn't possible.

18
19 Commissioner Merriam stated that it looked like there was more room behind the building on the
20 east. She questioned if there was the possibility of having access available to Penny's Coffee from
21 that lot.

22
23 Applicant's consultant, Geri Wolf, stated that the parking study looked at the back lots of the
24 building at 800 and 810 Lake Street and determined that one of them would be a good option for
25 overflow parking.

26
27 Commissioner Iverson stated the importance of having appropriate signage when a business is
28 establishing itself to encourage its patron's forming positive habits and behaviors that may
29 alleviate the potential parking shortage.

30
31 Mr. Schmidt responded that their intention is to provide signage for both Cross Creek buildings
32 that would explain appropriate parking for Penny's guests as well as the other tenants of either
33 building.

34
35 Ms. Dietrich explained that the walkway from the back lot with the possible additional parking
36 does not open until 11:00 a.m. and that cannot change due to other factors.

37
38 Commissioner Plantan stated that the four conditions outlined by staff for the conditional use
39 permit will assist the tenants in working together to create signage that will create a property
40 parking policy that will meet the needs of all.

41
42 Commissioner Merriam added that she agrees with the other Commissioners, and she believes that
43 the plan could benefit all of the tenants of the buildings.

44

Vice Chair Flannigan stated that he would be in support of the condition of meeting four space requirements under the Fee in Lieu of Parking policy to help offset the shortfall in the parking requirements.

City Attorney David Schelzel responded that a CUP for parking under the City's Fee in Lieu of Parking policy is not something that the Commission can add on to the application without the applicant's agreement. The applicant would need to make an additional application to pursue that option. If the applicant does not do that and the Commission concluded that additional off-site public parking was needed under the policy, the Commission should recommend denial of the application based on the finding that there will not be enough parking on the property for Penny's to meet the City's parking requirements, even when considering the findings of the parking study.

Vice Chair Flannigan stated that the numbers do not appear to add up to an appropriate amount of parking, but the study appears to indicate that there is adequate parking to meet the requirements.

Vice Chair Flannigan asked for a motion on the application.

Commissioner Iverson expressed concerns regarding the applicant expanding the menu to one that is outside of the coffee shop definition provided by the City ordinance.

Director Thomson reiterated that the exact language on a condition to address this concern will be determined and brought forward at the next Planning Commission meeting for their consideration as part of a draft report and recommendation.

Commissioner Plantan made a motion, seconded by Commissioner Iverson, to direct staff to prepare a draft Planning Commission Report and Recommendation, with appropriate findings, reflecting a recommendation of approval of the requested conditional use permit for Penny's Coffee at 800 Lake St E for review and adoption at the next Planning Commission meeting, with the four conditions recommended by staff related to employee parking restrictions, short-term parking signage, limits to the space as a coffee shop (no liquor license), and future use restrictions on the space. The motion carried unanimously.

AGENDA ITEM 6. Other Items:

a.) January 8th City Council Meeting Report – Commissioner Bashium

Commissioner Bashium provided a report on the January 8th City Council meeting. She noted that the oath of office was administered by City manager Jeff Dahl to Council Members Jeffrey Buchanan and Johanna McCarthy. The Council unanimously approved contracts for the design extension of the Dakota trail that will extend from Ferndale Road to Berry. The Comprehensive Plan is expected to be made available by the end of June. A media consultant was engaged to keep residents informed about the three major construction projects. The Dakota Rail Regional Trail extension open house will be February 6th. The Chili Open is expected to have 1700 golfers and it will include a family movie, popcorn, hot chocolate, ice skating, music tent, and a chili contest.

b.) January 22nd City Council Meeting Report – Commissioner Merriam

Commissioner Merriam provided a report on the January 22nd City Council meeting. A representative from the Lake Minnetonka Conservation District shared information about the harvesting program that handles invasive species, and mentioned that they are working on initiating the creation of a master plan in an effort to do things better. There was recognition of past Board Members and Planning Commission members. Council member Jeff Buchanan shared his desire to establish a sustainability commission to encourage environmentally sustainable projects in Wayzata. The Council discussed this and will hold a workshop in the next couple months regarding this. The subdivision of 353 Ferndale was approved. An encroachment permit for a retaining wall at 373 Park Street East was approved. The City Manager, Jeff Dahl, gave an annual report stating that everything is going well in the city.

c.) Review of Development Activities

Director of Planning and Building Jeff Thomson stated upcoming development activities include the Lake Effect Community meeting on Wednesday. The next Planning Commission meeting will be February 20. Aside from the consent agenda, he noted that there will be two items brought back to the table: Urness fence application and the Chase Bank application.

d.) Election of Chair and Vice Chair

Vice Chair Flannigan asked for nominations for Planning Commission Chair for the year 2019.

Commissioner Iverson nominated Commissioner Flannigan to serve as Chair.

Vice Chair Flannigan accepted the nomination.

There being no other nominations, Vice Chair Flannigan asked for a motion to elect Vice Chair Flannigan to the Chair position for 2019. The motion was made, seconded and carried unanimously.

Chair Flannigan asked for nominations for Planning Commission Vice Chair for the year 2019.

Commissioner Iverson nominated Commissioner Plantan to serve as Vice Chair.

Vice Chair Flannigan seconded the nomination of Commissioner Plantan to serve as Vice Chair.

Commissioner Plantan asked if there was an attendance stipulation for serving as Vice Chair.

Director Thomson stated that there is no additional attendance requirement for Vice Chair.

City Attorney David Schelzel stated that Vice Chair's attendance is necessary when the Chair is absent.

Commissioner Plantan accepted the nomination.

1
2 There being no other nominations, Vice Chair Flannigan asked for a motion to elect Commissioner
3 Plantan to the Vice Chair position for 2019. The motion was made, seconded and carried
4 unanimously.
5

6 **e.) Next Meeting**
7

8 Chair Flannigan stated the next Planning Commissioner meeting was scheduled for February 20,
9 2019 at 6:30 p.m.
10

11
12 **AGENDA ITEM 7. Adjournment.**
13

14 There being no further business on the agenda, Chair Flannigan asked for a motion to adjourn.
15

16 Commissioner Iverson made a motion, seconded by Commissioner Plantan, to adjourn the
17 Planning Commission meeting. The motion carried unanimously.
18

19 The Planning Commission meeting was adjourned at 8:32 p.m.
20

21 Respectfully submitted,
22

23 Jenny Groess

TimeSaver Off Site Secretarial, Inc.