

CITY OF APPLE VALLEY
PLANNING COMMISSION MINUTES
OCTOBER 19, 2016

1. CALL TO ORDER

The City of Apple Valley Planning Commission meeting was called to order by Chair Melander at 7:01 p.m.

Members Present: Tom Melander, Ken Alwin, Angela Polozun, Paul Scanlan and David Schindler

Members Absent: Tim Burke and Keith Diekmann

Staff Present: City Attorney Sharon Hills, Community Development Director Bruce Nordquist, City Planner Tom Lovelace, Planner/Economic Development Specialist Alex Sharpe, City Engineer Brandon Anderson and Department Assistant Joan Murphy

2. APPROVAL OF AGENDA

Chair Melander asked if there were any changes to the agenda. Hearing none he called for a motion.

MOTION: Commissioner Alwin moved, seconded by Commissioner Scanlan, approving the agenda. Ayes - 4 - Nays - 0.

3. CONSENT ITEMS

MOTION: Commissioner Alwin moved, seconded by Commissioner Polozun, approving the minutes of the meeting of October 5, 2016. Ayes - 3 - Nays - 0. Abstain – 1 (Melander)

Commissioner Schindler arrived at 7:02 p.m.

4. PUBLIC HEARINGS

--NONE--

5. LAND USE/ACTION ITEMS

A. Menard's Redevelopment of the Hanson Property – Consider 2030 Comprehensive Plan Land Use Map and text amendments and rezoning to allow for 18.5 acres of commercial and 18 acres of industrial. **(PC15-36-PZ)**

LOCATION: Northwest corner of CSAH 42 and Johnny Cake Ridge Road

PETITIONER: Menard, Inc.

Planner Tom Lovelace stated Menard, Inc. is requesting a text amendment to the 2030 Comprehensive Plan, amendment to the 2030 Land Use Map, and rezoning of 50.66 acres of

property. The subject property is located in the northwest corner of 150th Street West and Johnny Cake Ridge Road and is currently guided and zoned for industrial uses. The original request was to re-designate the southwest 16.5 acres "C" (Commercial) for commercial/retail uses and the remaining property tech/flex, consistent with the Comprehensive Plan's "MBC" (Mixed Business Campus) designation.

Menard, Inc. has revised their request and is now asking that the southwest 18.5 acres be designated for commercial uses, the southeast 9.25 acres for office/medical office uses, 8.75 acres for industrial uses, and 7 acres for storm water/open space uses.

Parcels 1 and 2 are currently designated "IND" (Industrial) on the 2030 Land Use Map. Others currently own portions of these parcels.

The "MBC" designation is currently limited to the property in the City's South Central Planning Area (SCPA), which is bounded by CSAH 42 on the north, Pilot Knob Road on the east, 153rd/155th Street West on the south, and Flagstaff Avenue on the west. The applicant is requesting a text amendment to the 2030 Comprehensive Plan to allow for the inclusion of select areas north of CSAH 42, adjacent to the South Central Planning Area into the "MBC" designation. Finally, the applicant is also requesting that the property be rezoned from "I-2" (General Industrial) to "PD" (Planned Development) to allow for a mix of commercial/retail, medical office and limited industrial uses.

Commissioner Alwin commented that when we look at where we would ideally place commercial business in Apple Valley when we look at land use, he feels that this is just pushing the sprawl further east on County Road 42. It is not anywhere near the rest of our concentrated commercial district. Aside from rather we want to lose industrial space, he felt this is just random planning, not a thoughtful placement of more commercial when we already have an existing place of commercial space. He said yes this is an empty site but it does not seem right to stick a Menards store there. It would be more of the same. He asked why put more commercial in this place. He felt there was a disconnect.

Mr. Lovelace said this is what the applicant is proposing from a land use perspective.

Commissioner Alwin said historically we had resisted variances to let commercial operations go in industrial or office zones in order to protect the integrity of the other zones. He feels that this is the reverse by putting commercial in that had been zoned industrial and it seems like it would degrade other commercial areas in the City because it contributes to sprawl.

Commissioner Scanlan questioned the traffic and that staff had discussions with Holiday. He asked if there were similar discussions with Uponor.

Mr. Lovelace answered yes that City Engineer Brandon Anderson would be able to expand on that.

City Engineer Brandon Anderson said he looked at seven different options for various traffic controls at these intersections. The main concern is at 149th Street that had a potential for backup. He reviewed 4-way stops, signaled intersection and roundabouts.

Commissioner Scanlan inquired how big trucks would handle multiple roundabouts and if 147th Street would be fully signalized. He asked about a 3rd roundabout as shown.

Mr. Anderson said the 147th Street intersection would be fully signalized. He added that he looked at every type of traffic control configuration and that it is a challenging corridor due to spacing and volume. He said creating a mix creates a higher level of operation at the intersections.

Mr. Lovelace asked Mr. Anderson for clarification if the 147th Street signal is already warranted or is pretty close to being warranted.

Mr. Anderson said that 147th Street intersection currently meets the warrants for a signal but a 4-way stop is functioning now.

Commissioner Scanlan inquired about the medical and that they are just proposing medical at that site and if there was a developer yet in play looking at constructing based on proposals.

Mr. Lovelace answered that in 2015 a potential developer was looking at the property.

Commissioner Scanlan inquired about the medical office building and what the timeframe was. He asked where we are at with the property to the south and possibly able to build on that.

Mr. Lovelace said the City is having discussions and showed commercial development areas south of County Road 42. He reviewed active mining areas.

Commissioner Scanlan was concerned if the Commission were to go ahead and approve, looking at these two medical buildings, how might that affect the real intent of those southern properties going forward in the future.

Commissioner Polozun inquired if Menards is only interested in selling the existing site or do they have any interest in redevelopment themselves.

Chair Melander asked what percentage of Apple Valley's land is industrial now versus the neighboring communities.

Community Development Director Bruce Nordquist reviewed a comparison table.

Chair Melander asked for clarification that when Menards bought this land it was zoned industrial.

Mr. Lovelace answered correct.

Chair Melander asked if there were no promises made at the time that the City was going to change it or revise it.

Mr. Lovelace answered no and that they did not approach the City at the time that they purchased it.

Chair Melander confirmed that Menards bought it as industrial and they were not looking to expand. He commented he saw the old Menards in Burnsville sit for five years and that he does not want to see the current Menards sit vacant should this be approved.

Theron Berg, Real Estate Department for Menards, answered Commissioner Polozun's question regarding if Menard's is only interested in selling the existing site or do they have any interest in redevelopment themselves. He said honestly they would do it either way. He said when it hits the newspapers, they get calls. He said they could have sold the current store location 3 or 4 times over. Time kills deals so that is why they do not have a user for the old store yet because they do not know the outcome of this proposal. They are very confident that the current Menards site will redevelop.

Commissioner Alwin inquired where they might be with other potential occupants on these other parcels like office rather than the store.

Mr. Berg commented that ISD 196 is interested. Menards had also been approached by a developer about a year ago. He said they could sell the old Menards store.

Chair Melander referred to the site to the south and west of this with Pete Fischer and asked if that would still be a possibility for Menards.

Mr. Berg commented that Menards bought the Hanson property because it was on County Road 42, seemed like a great piece of real estate and was inexpensive. That was a Menard family investment. Menards was approved for a store on the Fischer property but the road access including ROW from Home Depot and a roundabout did not get resolved. He said Menards tried to extend the purchase agreement but Fischer said no.

Chair Melander inquired what the occupancy was for the Hebert industrial buildings to the west (Apple Valley Business Campus).

Mr. Lovelace answered that those building are fully occupied.

James Madsen, James Barton Design Build, Inc., said he owns land in Apple Valley that is directly impacted by this proposal. He said when his company was looking for land, he was told to find land not along the corridor but to find it in an industrial area. He referenced rules on landscaping, screening and storage. He said he was shoved out there to be light industrial. He asked where do small companies like his go. Where does light industrial go. He said you want to bring in medical. He added that does not seem to fit the master plan in Apple Valley. Where is the City headed. He expressed concern for safety. He commented there were lots of accidents at that location. He said a great business neighbor is Uponsor but that they have a lot of semi-trailers and truck traffic that goes

to Lakeville 24/7. His trucks cannot get in. He has people that need to get to the daycare center that is one of his tenants. Trucks run over their grass and irrigation. How are they going to make a roundabout turn. Now you want to add a bus garage. His main concern was for traffic flow.

Dave Edquist, Manager of Real Estate for Holiday Station Stores, commented Holiday initially had concerns with the ¾ turn access that was originally proposed but they really appreciate Menards and the City's input and spending time to come up with a plan that certainly works and functions far better than what we were looking at in the past. He said they think this is a plan that works. He appreciates everyone's efforts to look at both sides.

Mr. Madsen asked if there was anyone from engineering that could explain how he was to get out of his parking lot with the way this is designed. He will lose the access to his building.

Mr. Anderson said Mr. Madsen's comments on the access are duly noted. These are concept plans that were developed with multiple options to accommodate all the concerns with traffic along this corridor. The median as it is conceptually shown will go through a design process and we will probably flush out. There is the potential that could probably be striped, change the configuration to allow access to each of the points. These are conceptual traffic drawings intended to identify a land use for Menards and help identify right-of-way needs, concept planning. There are still some details that need to be resolved with just the specifics. The point of the median that Mr. Madsen is referring can be rectified.

MOTION: Commissioner Alwin moved, seconded by Commissioner Schindler, recommending approval of re-designation of the south 18.5 acres of the East 1/2 of Section 26 from "IND" (Industrial) to "C" (Commercial). Ayes - 2 - Nays - 3. (Scanlan, Melander, Alwin) Motion failed.

MOTION: Commissioner Alwin moved, seconded by Commissioner Schindler, recommending approval of the re-designation of the northwest 7 acres+/- from "IND" (Industrial) to Water/Pond. Ayes - 2 - Nays - 3. (Scanlan, Melander, Alwin) Motion failed.

MOTION: Commissioner Alwin moved, seconded by Commissioner Schindler, recommending approval of rezoning of the south and west 46.5 acres of the East 1/2 of Section 26, from "I-2" (General Industrial) to "PD" (Planned Development) that would allow for a mix of retail, office and medical office uses. Ayes - 2 - Nays - 3. (Scanlan, Melander, Alwin) Motion failed.

6. OTHER BUSINESS

A. 2040 Comprehensive Plan Update

Community Development Director Bruce Nordquist introduced the plans for the 2040 Comprehensive Plan Update and said staff is meeting to achieve the Metropolitan Council required deadline of December 2018. The Planning Commission will again be taking a lead. Discussion will continue routinely after that.

