

CITY OF APPLE VALLEY  
PLANNING COMMISSION MINUTES  
FEBRUARY 3, 2010

**1. CALL TO ORDER**

The City of Apple Valley Planning Commission meeting was called to order by Chair Churchill at 7:00 p.m.

Members Present: Jeannine Churchill, Tom Melander, David Schindler, Keith Diekmann, Ken Alwin, Tim Burke and Paul Scanlan

Members Absent: None

Staff Present: Community Development Director Bruce Nordquist, Assistant City Administrator Charles Grawe, City Planner Tom Lovelace, Associate City Planner Kathy Bodmer, Associate City Planner Margaret Dykes, City Attorney Sharon Hills, Assistant City Engineer David Bennett and Department Assistant Barbara Wolff

**2. APPROVAL OF AGENDA**

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

MOTION: Commissioner Schindler moved, seconded by Commissioner Diekmann, to approve the agenda. The motion carried 7-0.

**3. APPROVAL OF MINUTES OF JANUARY 13, 2010**

Chair Churchill asked if there were any changes to the minutes. There being none, she called for approval of the minutes.

MOTION: Commissioner Burke moved, seconded by Commissioner Diekmann, to recommend approval of the minutes of the January 13, 2010, meeting. The motion carried 7-0.

**4. CONSENT ITEM**

--NONE--

**5. PUBLIC HEARING**

**A. Consideration of Ordinance Amending Section 155.378(D) – Parking lot curbing.**

Associate City Planner Kathy Bodmer stated that this is a request to consider a “housekeeping” amendment to the zoning chapter of the City Code. The draft ordinance would amend Section 155.378(D) to require perimeter curb around parking areas and driveways for commercial, industrial and institutional uses.

When the City Code book was changed from a 6" x 9" to 8-1/2" x 11" format in 2001, language was dropped in Section 155.378(D) which addresses curbing around parking lots and driveways for certain land uses. The current Code is missing language that would require the installation of curbing around the perimeter of parking lots for commercial, industrial and institutional uses. The zoning code needs to be amended to reinsert "commercial, industrial or institutional uses."

Section 155.378(D) was also amended to change the term "driveway" to "parking lot" to make it consistent with the zoning definition. Lastly, very minor grammar edits were made.

The amended language corrects the omission of "commercial, industrial and institutional uses" and reads as follows:

*"Curbing.* All open off-street parking areas for multi-family residential buildings of over four units, **and commercial, industrial and institutional uses** shall provide a concrete curb along the perimeter of ~~any~~ all parking areas or driveway and parking lots. (Emphasis added.)

Bodmer asked if there were any questions or comments from the Planning Commission.

Chair Churchill hearing no comments from the Planning Commission, asked for comments from the public. Hearing none, she stated that although it is not the policy of the Planning Commission to take action on an item on the night of its public hearing, this is a housekeeping item, and no issues have been raised; she called for a motion.

MOTION: Commissioner Melander moved, seconded by Commissioner Burke, to recommend approval of the draft ordinance amending Section 155.378(D) to require perimeter curb around parking areas and parking lots for commercial, industrial and institutional uses. The motion carried 7-0.

**B. Cobblestone Lake South Shore 5<sup>th</sup> Addition – Consideration of rezoning and subdivision of 9.14 acres to allow for a ten unit detached housing development on the easterly 2.04 acres and 7.1 acres of public park.**

City Planner Tom Lovelace stated that the petitioner is requesting approval to allow for the rezoning and subdivision of 9.14 acres. The proposal calls for the rezoning of 2.04 acres of property from Planned Development-703/zone 8, which allows for sand and gravel mining, to Planned Development-703/zone 2, which allows for single family dwellings; and amendments to area requirements and performance standards that would be applicable to a detached single family "townhome" development. The 2.04 acres would be subsequently subdivided into 10 residential lots for the purpose of constructing the detached townhomes, with the remaining lot to be used for common open area and the location of a private street and driveways. The 7.1-acre outlot would be rezoned from Planned Development-703/zone 8, to Planned Development-703/zone 7, which allows for parks, playgrounds, recreational and community buildings, and public utility buildings and structures.

The petitioner is proposing to plat a 2.04-acre parcel into 11 lots for the purpose of constructing 10 single family detached townhomes, with Lot 11 to be used for common open area for the residential development. The remainder of the property within the proposed preliminary plat will be platted as an outlot (Outlot A) and will be dedicated to the City for public park purposes.

Outlot A and approximately 0.12 acres of Lot 11, Block 1, represent a portion of property that currently has a park, sidewalk, trail, drainage and utility and temporary construction easement over it. The petitioner would like to vacate certain areas of the easement to allow for the incorporation of 0.12 acres of property within the easement into the residential portion of the plat. The petitioner is proposing to eliminate the most westerly 0.5 acres of the property identified in Area L, as indicated on the attached easement plan, from the area in Outlot A, which will be dedicated for public parkland. The petitioner is proposing to dedicate a 0.16-acre section of property located between the east edge of Area L and west edge of the proposed residential development, which is not part of the park, sidewalk, trail, drainage and utility and temporary construction easement, for public parkland. The City is reluctant with giving up its rights to this property, therefore, we are recommending that the park, sidewalk, trail, drainage and utility and temporary construction easement remain or be reestablished over the 0.5 acres of property.

The original preliminary plat identified a drainage and utility easement, varying in width from 4 to 50 feet around the perimeter of Lot 11. Staff recommended that the petitioner create a drainage and utility easement over all of Lot 11, which they have done on the revised preliminary plat.

The city's Traffic Engineering Consultant has recommended that the west side of Eastbend Way from the private street intersection, south to Cobblestone Lake Parkway, be designated "No Parking" and signed appropriately.

The elevation drawings do not indicate the type of material that will be used for the exterior siding. The use of vinyl, steel, aluminum, or similar materials for the exterior finish is prohibited in this planned development ordinance zoning district.

The petitioner has submitted a landscape plan that has been reviewed by the Natural Resources Coordinator. Several issues were identified that should be rectified prior to issuance of any building permit for the 10 dwelling units.

The Assistant Engineer identified several issues in his January 7, 2010, memo which have been adequately addressed by the petitioner.

Lovelace asked for questions and comments from the Planning Commission.

Chair Churchill hearing no comments from the Planning Commission, asked the petitioner if he would like to add anything.

Jacob Fick, representing South Shore Development stepped forward to address the Planning Commission. He stated that the only additional comment he wanted to add to Lovelace's comments was that the "Smart Siding" material will only be used for the fascia and soffit material. The siding will be James Hardie materials.

Commissioner Scanlan asked Mr. Fick what the intent is in regards to the appearance and differentiating one unit from another.

Mr. Fick said that there are two different floor plans. The units will look similar, although there will be three different color palettes. The intent is to have a little different appearance than the Charles Cudd units to the east, but have a similar architectural feel overall to match the neighborhood.

Commissioner Scanlan inquired if there would be additional landscaping elements added to the front of units 1-4 to minimize the impact of the parking area if that is added.

Mr. Fick said that they hadn't planned on planting anything there, although they would not be opposed to looking at that. They could plant some sort of low-growing shrubbery there as that is a view corridor to the lake.

Commissioner Scanlan asked Lovelace if he could add that to his notes when the time came to review the landscape plans.

Lovelace assented.

Chair Churchill hearing no further comments from the Planning Commission asked for comments from the public.

Mr. Al Hoff, 15853 Eastbend Way, stepped forward to make comments. He stated that he moved in last summer to one of the Charles Cudd homes adjacent to this proposal. He asked which of the units would face the lake.

Lovelace replied that none of the units would face the lake.

Mr. Hoff asked how many units were proposed.

Lovelace replied 10 units.

Mr. Hoff asked when construction would begin.

Mr. Fick replied that construction is anticipated to begin in the spring or summer of 2010 and they're hoping to have a model completed for the Fall Parade of Homes.

Mr. Hoff asked if the land located opposite the proposal was owned by Cudd.

Mr. Fick replied that Cudd does own two lots that have been replatted into detached units.

Mr. Hoff stated that there was no maintenance on the property in regards to weeds, trees or grass cutting on the land owned by Cudd this past year. He asked Mr. Fick if they plan on taking care of the property that will await build-out.

Mr. Fick stated that South Shore Development has a large investment in the community as a whole, as well as this project. He stated they will be the builder and developer for the site of this proposal. They will invest the money into the plantings and will make sure they are watered. The whole site will be irrigated.

Mr. Hoff stated that there is an open piece of land, which is called a community garden, that only was cut twice last year and the brush grew up 2-3 feet high. He said he considers that a fire hazard and unsightly. He said he doesn't know who is responsible for maintenance of that area. He would like to see more care taken for the trees that aren't on the owner's lots.

Mr. Fick stated that he can definitely ask Cudd and bring it up at the homeowner's association. Mr. Fick stated that the homeowner's association that Mr. Hoff belongs to is responsible for the maintenance of all of those items which are directly east of the proposed development.

Mr. Hoff stated that there was a recent meeting of the owners of the five twinhomes and they voted to take over the association, and according to the president of the association, Charles Cudd is in arrears of \$18,000 on association dues, so he doesn't expect a lot from that right now. Overall he likes the plan that South Shore Development is proposing. He stated that he likes three driveways instead of ten. He also asked when the park would be built as part of this proposed site.

Mr. Fick replied that they are working with city staff on the design of the park. The grading will take place when the grading of the site takes place. Mr. Fick said that they would like to see the park move forward with the building of the homes so it doesn't sit as a vacant piece of land with no use or function.

Mr. Hoff asked that if it will it be maintained if it's not built right away.

Mr. Fick replied that they take pride in their site and they mow and bale it on a regular basis. The owners have a large investment in the whole development and will continue to protect this investment moving forward by maintaining the site.

Lovelace added that although South Shore Development will be dedicating the property for park purposes, there are certain criteria that must be met before the City will actually take ownership of that property.

Mr. Fick responded that their agreement requires that they have a completed park before turning it over to the City.

Mr. Hoff stated that overall he thinks it's a good plan and he hopes that South Shore Development maintains the property.

Mr. Fick replied that they will.

Chair Churchill asked if there were any further comments from the public. Hearing none, she asked Lovelace if he had anything to add.

Lovelace commented that although it is not the policy of the Commission to act on an item the same evening as the public hearing, staff is requesting action this evening since there were no items of issue that would need further investigation from the public.

Chair Churchill asked for a motion from the Commission.

MOTION: Commissioner Diekmann moved, seconded by Commissioner Burke, to recommend approval of the rezoning of Outlot A, COBBLESTONE LAKE SOUTH SHORE 5<sup>TH</sup> ADDITION, according to the preliminary plat, from Planned Development No. 703/zone 8 to Planned Development No. 703/zone 7. The motion carried 7-0.

MOTION: Commissioner Diekmann moved, seconded by Commissioner Burke, to recommend approval of the rezoning of Lots 1-11, COBBLESTONE LAKE SOUTH SHORE 5<sup>TH</sup> ADDITION, according to the preliminary plat, from Planned Development No. 703/zone 8 to Planned Development No. 703/zone 2. The motion carried 7-0.

MOTION: Commissioner Diekmann moved, seconded by Commissioner Burke, to recommend approval of a motion to have the City Council direct staff to prepare planned development ordinance amendments for Planned Development No. 703/zone 2 that will include the addition of detached townhomes as a permitted use and establish area requirements consistent with the proposed development. The motion carried 7-0.

MOTION: Commissioner Diekmann moved, seconded by Commissioner Burke, to recommend approval of the COBBLESTONE LAKE SOUTH SHORE 5<sup>TH</sup> ADDITION preliminary plat subject to the following:

- Approval of the vacation of the park, sidewalk, trail, drainage and utility and temporary construction easement over Areas D and L as indicated on Exhibit D of the recorded easement document at the time of approval of the COBBLESTONE LAKE SOUTH SHORE 5<sup>TH</sup> ADDITION final plat.
- A park, sidewalk, trail, and drainage and utility easement shall be reestablished over that part of the property identified in Area L, as indicated on Exhibit D of the recorded Park, Sidewalk, Trail, Drainage And Utility And Temporary Construction Easement document, not included in Outlot A of the COBBLESTONE LAKE SOUTH SHORE 5<sup>TH</sup> ADDITION preliminary plat.
- The west side of Eastbend Way from the private street intersection, south to Cobblestone Lake Parkway, shall be designated "No Parking" and properly signed.

The motion carried 7-0.

MOTION: Commissioner Diekmann moved, seconded by Commissioner Burke, to recommend approval of site plan/building permit authorization to allow for the construction of 10 detached townhomes on Lots 1-11, COBBLESTONE LAKE SOUTH SHORE 5<sup>TH</sup> ADDITION, according to the preliminary plat, subject to the following:

- A revised landscape plan that incorporates the Natural Resources Coordinator's comments as identified in his report shall be submitted for approval prior to issuance of any building permit for the 10 detached townhomes.

- A landscape bid list or other form of documentation which verifies that the minimum cost of live landscape materials in accordance with city code shall be submitted for approval prior to issuance of any building permit for the 10 detached townhomes.

Commissioner Diekmann asked if the City normally requires the live cost of the materials.

Lovelace replied yes and that also excludes the cost of the sod.

The motion carried 7-0.

**B. 2010-2014 Capital Improvements Program – Consider adoption of the 5-year Capital Improvements Program as an amendment to the 2030 Comprehensive Plan.**

Assistant City Administrator Charles Grawe stated that as part of its Comprehensive Plan, the City prepares a 5-year Capital Improvements Plan (CIP) to establish an anticipated timeframe for physical improvement projects and major equipment acquisitions relative to the need for them and the fiscal capacity to pay for them. The CIP is a planning document intended to assist policy makers and staff to plan for major capital improvement, renewal, and replacement expenditures. As a planning document, the CIP does not bind the City to the anticipated expenditures in the projected years. The CIP is not a budget, nor is it an authorization to expend funds. The authorization of the expenditures occurs through City Council action and in adoption of the annual budget.

As a planning document, the CIP facilitates two distinct planning purposes. First, the CIP is a tool with which to implement the City's Comprehensive Guide Plan. As the City looks at future projects, it is important to make sure that they will appropriately integrate with the Comprehensive Guide Plan. Second, the CIP is a financial planning document. As many capital purchases are made in various dollar amounts in various periods of time, it is important to appropriately plan so that the necessary funding mechanisms are available as expenditures take place.

The CIP document generally line itemizes outlays which exceed \$50,000, but there are a few major exceptions. The CIP is not intended to be all inclusive of every item categorized as capital outlay in the annual budget, nor is it intended to anticipate the sporadic purchases of very small tools or equipment.

Grawe presented the Planning Commission with a brief overview of the proposed 2010-2014 CIP:

**Why Have a Capital Improvements Program (CIP)?**

- Anticipate future service demands and costs
- Identify and prioritize projects and outlays
- Encourage financial planning so that funding is available for future expenditures
- Ensure that future projects will integrate with the Comprehensive Guide Plan
- Demonstrate City policies for growth, maintenance, and development

#### CIP as a Planning Document, Not a Budget

- The CIP is a strategy for anticipated future expenditures and investments.
- The CIP is not a budget, nor is it an authorization to expend funds.
- The CIP does not bind the City to the anticipated expenditures in the projected years.
- The authorization of the expenditures occurs through City Council action and in adoption of the annual budget.

#### CIP Integrates into Budget Process

- The departmental CIP review begins in the first quarter.
- The draft CIP is a basis from which departments formulate their budget requests around mid-year.
- The annual budget is reviewed and modified through the remainder of the year. Projects may be added or subtracted for the upcoming year.
- Once the budget is approved, the CIP is reconciled and adjusted based on the approved budget and sent to the Planning Commission.

#### Differences between the CIP and Budget Documents

- The CIP and Budget are not identical.
- The CIP is largely constrained to large capital costs.
- Budget covers personnel services, capital outlay, and other.
  - The budget includes very small capital outlays, but the CIP does not include some smaller outlays.
  - Some expenditures in the CIP are not categorized as capital outlay in the Budget.
  - Budget documents deal with funds, but not necessarily expenses funded by debt service or other funding sources.

#### What is in the CIP?

- The CIP includes significant capital outlays, especially those that are not repetitive or where costs deviate significantly.
- Not intended for sporadic purchases of very small tools or equipment.
- Generally line itemizes outlays which exceed \$50,000, but there are a few major exceptions:
  - selected small divisional expenses such as computer and video related equipment where capital purchases tend to be aggregated,
  - improvements, renewal, or replacements to City buildings exceeding \$5,000,
  - improvements, renewal, or replacement to key infrastructures exceeding \$5,000, and
  - sub-totaled minor expenditures found in the appendices to the CIP.

#### Reasons for Exceptions

- Cost of any individual item might be quite small, but when purchased in large bundles or as a system, can amount to a very large total expenditure.
- For land use planning, a more comprehensive listing of buildings and key infrastructure is desirable.
- The exception for subtotals in the appendices (replacement schedules) is primarily to provide internal consistency to the document.

- Some expenditures found in the CIP that are not classified as capital outlay in the annual budget, such as street overlay, but are a critical component of the City's infrastructure and capital assets.

#### CIP Changes Continuously

- CIP project planning needs to respond to changing community needs.
- Rate and location of development is important.
- Changes in economic conditions may alter timelines.
- Changes in technology or work process change needs.
- Funding mechanisms change and projects may be more or less feasible based on funding.
- The use of bonding is not always easy to predict.
- Staff continues to look for opportunities for efficiency, often changing the projected needs for capital.

#### New CIP Format: Three Sections

- 1) Yearly Projects for All Funding Sources
  - All Public Works Items Grouped
- 2) Street Overlay and Reconstruction Schedule
- 3) Vehicle and Equipment Replacement Schedule

#### Street Overlay and Reconstruction Schedule

- Schedule provides detailed timeline projections for both overlays and reconstruction of all City streets.

#### Vehicles and Equipment

- Line itemizes all City vehicles and significant pieces of equipment (exceeding \$5,000 in value).
- Identifies replacement schedule.
- Subtotals of pieces costing less than \$50,000 are shown in the CIP as department minor vehicles and equipment.

#### Reasons for Reformatting

- New format shows a better picture of annual projected spending.
- Reflects costs to maintain critical Public Works infrastructure where there is less room for discretionary spending.
- Public Works costs tend to be highly interconnected requiring a strategic approach.
- Public Works uses a very different set of funding sources.

#### Examples of Revenue Sources

General Fund	Net Revenue Bonds
General Obligation Bonds	Storm Water Fund
Equipment Certificates	PEG Fund
Future Capital Projects Fund	Liquor Fund
Federal Government Aid	Golf Fund
Municipal State Aid (MSA)	Arena Fund

Dakota County  
ISD 196  
Lakeville  
Rosemount  
Utilities Fund

Cemetery Fund  
City Hall Fund  
Special Assessments  
Tax Increment  
Donations

#### Anticipated Projects Exceeding \$500,000

- Streets and Road Construction
  - Annual Street Overlay and Reconstruction
  - Extend 147th Street from Johnny Cake Ridge Road to Pilot Knob Road in 2010
  - Extend 147th Street from Flagstaff to Johnny Cake Ridge Road in 2013
  - Extend Flagstaff from 140th Street to 147th Street in 2013
- Rehab lift station #2 - \$800,000 in 2011
- Combined Stormwater/Pond Projects
- Facility Expansion/Rehabilitation
  - Replace Valleywood Clubhouse - \$3,000,000 in 2011
  - Remodel Liquor Store #1 - \$1,000,000 in 2011
  - Expand Water Treatment Plant - \$525,000 in 2011
  - Expand Water Treatment Plan - \$695,000 in 2012
  - Expand Water Treatment Plan - \$695,000 in 2013
  - Expand Water Treatment Plan - \$695,000 in 2014
  - Buy Land and Construct Fire Station #4 - \$2,225,000 in 2014
- Large Equipment Purchases
  - Replace Fire Truck - \$500,000 in 2012

Grawe concluded by asking the Commission if they had any questions or comments.

Chair Churchill commented that she did like the maps of the street projects and found them very helpful.

Commissioner Alwin added that names of key streets would be helpful on the maps.

Hearing no further comments Chair Churchill asked for a motion.

MOTION: Commissioner Diekmann moved, seconded by Commissioner Burke, to recommend approval of the proposed 2010-2014 Capital Improvements Program to the City Council. The motion carried 7-0.

## 6. LAND USE/ACTION ITEMS

--NONE--

## 7. OTHER BUSINESS

### A. Discussion of Design Concepts and Time Square

Associate City Planner Margaret Dykes stated that Time Square Shopping Center is a 10-acre site located generally northwest of the intersection of Cedar Avenue and County Road 42. The site is a critical component of the Downtown and integral to continued reinvestment by other property owners in this area. The center was constructed in 1968 and has undergone one major renovation in 1990. Since 1990, there have been some interior tenant improvements, but no major work has been done on the building's exterior or parking lot. The center is in need of exterior improvements, and the property owner is aware that making exterior improvements will ensure the vibrancy of the center into the future. Within the past year, the property owner has expressed an interest in making improvements to the exterior of the center, as well as adding a community gathering area that would improve the sense of "place". Since the summer of 2009, staff has had some initial discussions with the property owner about these improvements, the center, and the design for façade updates. The City has applied for a grant from the Dakota County Community Development Agency (CDA) to provide some portion of the funding needed to make the improvements, which are expected to begin in 2010 and be completed by 2011.

Dykes displayed some images of design elements from developments around the City of Apple Valley and surrounding communities.

Dykes asked for comments from the Planning Commission.

Commissioner Melander stated that he is familiar with the work at the Wood Park Center in Burnsville. It was not a "break the bank" transformation, although it had a dramatic change and the landlord was able to achieve a little higher rental rate. It was a win-win situation; everyone benefited from the renovation. He also commented on the umbrella design on 494. They are quite striking but he questions the durability of it over time.

Dykes replied that different materials may be applied, but it is the idea of the design or creating a gathering area that draws people in.

Commissioner Melander is encouraged that the property owner is thinking along these lines. It is a major location within the City. He asked if the property owner has asked for the input of the City.

Dykes replied that he has asked for input from the City and staff is working with him. Staff has applied for a grant through Dakota County to fund a portion of the renovations at Time Square. Staff is still awaiting a decision from the County. The owner has committed to a certain dollar amount and perhaps more in the future. He would like to know that whatever he proposes, the City will be behind him. Also, Dykes added that the City is a tenant as well so we do have an interest.

Commissioner Melander commented that this is something the Commission members can watch for as we're driving around and take a picture of it.

Dykes stated that the owner would like to begin some of the renovations this year and through next year depending on the funding schedule. Some of the renovations would be in conjunction with the Cedar Avenue improvements and making some connections.

Commissioner Diekmann stated that the last remodel of this building was in 1990. He asked Dykes what the goals of the remodel are and what the City's goals of the remodel are. He asked if the

goals are sustainability, LEED certification, a community center and a focal point for the Downtown or is it to gain a greater occupancy rate for the owner. He would like to understand what the City's goals of the remodel are and if there will be any flexibility on parking codes to do something creative.

Dykes replied that it is zoned for retail business and because they are trying to create a master design, there could be some opportunities for flexibility in the parking. The City's goals from staff perspective is to achieve all of the items that Commissioner Diekmann has brought up; sustainability, central gathering area, creating a sense of place and improving the landlord's long-term occupancy.

Commissioner Diekmann stressed that it would be nice to see this site not be designed just as a single entity. The City has four quadrants in the Downtown and they don't function well with each other because of County Road 42 and Cedar Avenue. He stated that if staff and the Commission look at this as long-term planning, the City can start looking at how to transcend those boundaries and start creating some cross-over, especially with the Bus Rapid Transit (BRT) coming on Cedar Avenue.

Dykes stated that everyone's goal is to knit together the Downtown and keep it together.

Community Development Director Bruce Nordquist commented that some of the feedback received from the Apple Valley Chamber of Commerce is what can property owners do to draw the customer into the center; what will bring the customer deeper into the center and for a return trip. It is the City's goals, but also the Chamber's goals, for improving business vitality in the area. Nordquist stated that 5-10 years ago Time Square was thought to be an ideal redevelopment location, but the reality is that retailing is stumbling along. The property owner has indicated an interest in investment so staff is trying to facilitate that and build on it. Council members have stressed that the application for grant assistance is not only for Time Square; but also needs to be for other sites in that area for the future. The City wants to improve the quadrant in its entirety and remain vital. Nordquist said that there is more to come, this is just looking at Phase 1.

Commissioner Alwin agrees that this needs to be looked at as a cohesive project as opposed to just re-facing Time Square. He also liked some of the landscaping designs that Dykes showed with buffering between the parking areas and the pedestrian areas. He said that there are a lot of great establishments in that general vicinity, and anything that the City can do to encourage people to go to the quadrant as a destination and easily maneuver from one establishment to another, would be a good thing. Also, softening the harshness of the strip would encourage people to go there and stick around. He commented that it is a good approach to look at it as redeveloping this area, not just a re-facing project.

Chair Churchill agreed as well. She said that when she thinks of that area, she sees two long strips that block pedestrian movement going north and south. She encourages staff to look at pass-thrus and trying to improve the look of the back of Time Square. If the City can do something between the two strip buildings that results in reduced parking, perhaps more parking is available on the north side, at the back of Time Square, if a pedestrian walkway is opened up. The entire area to the west of Time Square is also another sea of parking with another long strip. The City does need to

look at the entire quadrant, understanding that there are multiple property owners; this cannot happen all at once. She said that if a master plan could be developed that makes sense, then as planners, staff can encourage this sort of redevelopment, restructuring and organization.

Dykes replied that she agrees that we're all looking at this from a broad point of view, although right now we're focusing on this one area.

Commissioner Schindler asked if staff has heard from any of the bordering property owners that may be in a similar position.

Dykes replied that although staff has not been approached by any of the other property owners, staff would like to start discussions with them.

Commissioner Melander commented that he thinks the umbrella project won an award because it was different. He said that a lot of the retail development is cookie-cutter. As long as the City is trying to renovate and revitalize the area, it would be nice to use some exciting design elements.

Chair Churchill hearing no further comments or discussion items from the Commission thanked Dykes.

## **B. Review of the Upcoming Schedule and other Updates**

Community Development Director Bruce Nordquist stepped before the Planning Commission. He recognized the Planning Staff for their many years of service. He said that we the City has some of the best planners in all of the metro area. Tom Lovelace and Kathy Bodmer have been with the City each for 15 years. Margaret Dykes reached a milestone of 10 years in 2009.

Second, Nordquist stated that Lovelace is leading a discussion on the Mixed Business Campus. He said that Lovelace is working with a capstone group of students from the University of Minnesota. A meeting this past week included Pete Fischer and Liza Robson, the owners of the Mixed Business Campus area. They will be looking at general master planning that will include some sustainability principles when looking at design for the Mixed Business Campus location. Their final report will be in May of this year.

Lastly, Nordquist said there have been discussions with the City Council and the Economic Development Authority (EDA) on Tax Increment Financing (TIF). Although the Planning Commission rarely sees this, it is in Chapter 10 of the Comprehensive Plan, as a financing option. He stated that he wanted to share with the Planning Commission what is being discussed since when tax increment districts are created, a conformance action will be needed by the Planning Commission. The City is considering changing the boundaries of the master development district, although not modifying the tax increment districts within the boundaries.

The City of Apple Valley has been using tax increment since 1982, creating 14 different tax increment districts, of which only three are active now:

- District 1
- District 7; includes Time Square.

- District 13; includes Fischer Marketplace.

The City uses tax increment to meet the needs of the districts. Resources in the past have been used to update Time Square, to develop the Wings Financial building and parking structure, and to assist Uponor with site assembly and some of the infrastructure improvements that helped them develop their location. Resources can be used within the development district of a tax increment planning area, with certain restrictions based on statute.

The Economic Development Authority (EDA) is suggesting a master development district that is larger, extending north and south, and a half-mile east and west of Cedar Avenue. This would provide for transit connection and transit oriented development and allowing for Cedar Avenue to be funded. The City of Apple Valley has about a 3% share of the total project cost of the improvements, which will be about \$2 million. By modifying the master development district boundaries, it will allow the City to spend the resources available within that district for improvements such as utility and road improvements. Also, the City believes that fiber optic conduits could be installed in the future to increase the City's competitiveness with broadband resources.

The additions to the transit corridor allow the City to help define a transit improvement area, which is already defined by statute. He said that he will be bringing that information to the Planning Commission in the future. A transit improvement area could be pedestrian connections or developments that may benefit from proximity to the transit corridor. The City may be able to use some of the tax increment resources to help support this development.

Next week staff will be meeting with the Chamber of Commerce and reviewing the same information with them and some of the changes that the City is proposing. The expansion of this district is primarily to support the public improvements that will be occurring either along Cedar Avenue or the future 147<sup>th</sup> Street extension between Flagstaff Avenue and Pilot Knob Road.

The outcome of this proposal is that all property owners will benefit from having tax increment resources used for public road and utility improvements because then the City is not incurring that expense. Tax increment is a tax generated by new development where the difference in what the land was valued at in the past and what it is valued at today is called the increment. That is the dollar amount that can be contributed to other supporting development.

Nordquist asked if the Planning Commission had any questions or comments.

Hearing no comment from the Planning Commission, Chair Churchill thanked Nordquist.

## **8. ADJOURNMENT**

Hearing no further comments from the Planning Staff or Planning Commission, Chair Churchill asked for a motion to adjourn.

MOTION: Commissioner Schindler moved, seconded by Commissioner Alwin, to adjourn the meeting at 8:32 p.m. The motion carried 7-0.