

**Town of Duluth
Planning Commission
Meeting Minutes
September 22, 2016**

The meeting was called to order at 7:00 p.m. by Chair Paul Voge.

Present: Paul Voge, Wayne Dahlberg, Jerry Hauge, Larry Zanko, and Liz Strohmayr.

Absent: Jo Thompson and John Schifsky.

Also present: Sue Lawson, Planning Director, and Dave Edblom, Town Board supervisor and liaison to the Planning Commission.

The agenda was approved as presented.

The minutes were approved with the following corrections: Liz's last name should be Strohmayr, not Strohmeier; line 54: delete the sentence "It is in the SENSO overlay;" line 69: change "zoning" to "conformity;" and line 82: change "feasible" to "realistic."

Schedule for Moving Greenhouse on Clover Valley Drive

Mike Mageau was at the meeting to update the Commission on the status of his greenhouse on Clover Valley Drive which the Commission had directed him to remove by the end of October. He said that he had intended for the greenhouse to be a one or two year project to explore the feasibility of growing commercially at that scale. They have been harvesting since March and have made \$6,000 to \$10,000 a month. They are eager to expand and move to a permanent site but are having a hard time finding one. They have looked at locations in West Duluth, on Arrowhead Road at Cummings Greenhouse, and at a property on Claymore Road off Jean Duluth Road. They have been working with the City of Duluth. The City grappled as well with how to categorize their business. They ended up categorizing them as agriculture or as urban agriculture, both of which are allowed anywhere in the City except commercial space. The West Duluth site was not the best option for them. They are in the process of trying to purchase the Cummings Greenhouse site, but that has not been smooth. The location on Jean Duluth is 10 acres but has no well and no electricity so there would be significant delays to moving onto that property. Because they have been able to consistently deliver produce on a weekly basis, they have developed a reputation. It would be a significant blow if they had to shut down the greenhouse on Clover Valley Drive before they were up and running somewhere else. Mike said he really needs more time.

Larry asked how much more time they were talking about.

Mike said that if the Cummings purchase worked out, they could be up and running there in November. If not, it would be October before they could get onto the Claymore Road site.

Paul said that some concerns were noise and light. Will noise and light increase as the days get shorter?

Mike said that they only run lights to subsidize existing sunlight. He said he was not sure what the noise issue was. They have an air pump that aerates the trough water. He doesn't feel that it is loud, but they could build a box to insulate it and reduce the noise.

Larry asked if he has talked to the neighbors.

Mike said the neighbors stop in all the time and are very interested in what they are doing. The neighbors are supportive and sorry that they have to leave the Township. They have not talked to their immediate neighbor, Cindy Hale, since last spring.

Larry asked where they were in the process of acquiring the Cummings property.

Mike said that they have submitted a counter offer, but the owner has been slow responding. They should know something in a week. If that doesn't come through, they would be looking at purchasing the Claymore site in October. Depending on the weather and contractors' schedules, they may not be able to get a gravel pad, well, and electricity in before winter, so it could be April before they could move to that site. They have a contractor who has said he could do the gravel work this fall. Minnesota Power's schedule changes on a daily basis, but it may be possible to get electricity this fall. He didn't know about the well. It is possible that they could get started without a well if necessary.

Wayne made a motion that the Town extend the conditions originally granted and give them until May to get the facility moved. They must continue to respect the original conditions and see what can be done about muffling the noise from the pump.

Jerry seconded.

Liz made an amendment to the motion that Mike or other greenhouse personnel check in regarding their progress at or before the monthly Planning Commission meetings.

Larry seconded the amendment.

The motion, as amended, passed unanimously.

SMU-8 Zoning Review

Since the last Planning & Zoning meeting, Wayne and John examined maps of the Greenwood Beach area to get an idea of average lot sizes and widths. Wayne chose a lot from each block in the plat that was representative of the size and width of the lots in that block. With this information, he established some possible boundary lines between areas of smaller and larger lots that might better represent what exists in the area and that could be used to delineate new zones. The goal would be to establish zone districts with dimension and setback requirements that better fit existing conditions. As the zone district for this area is currently defined, the majority of lots and/or their associated buildings do not meet the dimensional requirements of the zone district.

Wayne pointed out that even if the lines are redrawn and dimensional requirements are adjusted per his drawing, a quarter to a third of the lots will still not conform.

Paul noted that there are many blocks where the average lot size is less than .5 acres.

Wayne said that more information is needed. A minimum lot width of 70 ft would allow most of the lots to be conforming, but setbacks would still be an issue. In the City of Duluth the setback for areas of small lots is 5 or 6 feet.

Possible PUD

Carla Blumberg and Barb Neubert, prospective owners, and Rachel Wagner, architect, were present to discuss a possible PUD project in the Township on the corner of Lismore and Bergquist Roads.

Rachel said that Sue encouraged them to come to the Commission. The more questions the Commission has, the better. They hope they are not here prematurely. They have a lot of questions too, especially whether the project is something that feels suitable for Duluth Township. If it is a good fit, what would make it better, what would the Township like to see?

Rachel said that one issue is affordability. Not all people have the means to purchase a property. Renting makes sense for quick turnover of units as resident situations change. At this point they are planning all one bedroom units. The current concept is for four buildings with four units in each. One of their questions for the Commission is whether additional units could be added to the development later.

Carla said that she and Barb believe that there is a scarcity of housing for older people, particularly older women, who would prefer to live in a rural setting and don't have a high income. They would like to do something in Duluth Township to fill this need. Such a project would need to be dense enough to be financially viable. They would like to establish a grouping of housing with a community building that would provide food service, meeting space, and maybe a wine bar. Ideally the community center would not be limited to residents but would include residents of the community who are friends of the residents.

Carla said that the current standard price for assisted living is \$3500 per month. Their vision is that the community will not be assisted living, per se, but will offer some of the services of assisted living on more of a concierge service basis. The goal would be to keep the costs to residents as low as possible. The living units would be small, 600 to 750 sq ft each with a minimal kitchen. Water and wastewater are major items to be worked out. A septic system mound for 16 units, or approximately 32 people, would be bigger than what they would consider aesthetically pleasing. They are considering alternatives to mounds.

Carla said that the site is mostly clear, with trees along the perimeter. It has a 4 bedroom house and mound system on it. They chose it because it doesn't need a lot of initial work. It is 19.87 acres. The units would be long-term rental units, not owned. The existing home might have a full time resident, but would be used mostly for staffing.

Sue said that they are looking at 2600 sq ft per quad plus shared laundry and maintenance space. The average size of a house constructed in the US now is 2400 to 2500 sq ft.

Rachel said that their plan exceeds the Town Ordinance's density requirements for PUDs, but they intend to request higher density based on bonus conditions. They will meet the federal requirement for senior housing. They will also need to prove that site can support the development. One way to consider density, is that, under the Ordinance, the site could be divided into four 4.5 acre lots with a 2500 sq ft house on each lot.

Wayne said that the density bonus allows up to a 50 % increase in density.

Carla said that the development would be to the south of the existing house. There will be the existing house, four quads, a common building, a garage, and a maintenance building. Going to a model with one larger apartment building would cause it to lose much of the rural appeal, but would be cheaper to build.

Rachel that that their intent is to cluster the buildings and have low lot coverage, open space, minimum roadways, and shared sewer and water. In addition, they may have shared heating and water heating. The residences would be single story. They looked at two stories with one apartment above and one below, but that would require half of the residents to be able to do stairs. The size calculations are driven by the need to make all units accessible for seniors with varying disabilities so that they can age in place. It is also cost effective to cluster the units. The Ordinance has allowances for duplexes, triplexes and quad units, but there is nothing regarding 8 or 16 units under one roof. It would be harder to maintain the rural character with a larger building, but it can be done. The building would not be more than two stories in any event.

Liz said that as a first responder, she thinks of the potential impact of 32 more medically fragile people.

Rachel said that staffing has been an ongoing discussion. They are considering what qualifications will be needed and whether nursing and emergency training will be a part of the staffing.

Wayne asked how much staff they would have on a daily basis.

Carla said that a 16 apartment assisted living project in West Duluth has a daytime staff of two for cooking, cleaning and laundry. She said that they hope to have more than two staff.

Paul asked if the public can come in, will they need more parking accommodations.

Carla said that they own a restaurant in Duluth. They tore down two houses for parking. The City of Duluth has rigid parking requirements. They are looking to have a system that will take them into the future. They hope that major parking requirements will not be an issue. They will have a service to take residents' places. They will have a wine bar and café that will also be available to the public and will generate income. They are also trying to figure out a product that they, with the residents' help, can manufacture. Although they don't yet know what the product will be, they hope it can be a supplemental income for the property to help keep expenses down.

Wayne said that the PUD with a possible bonus equation for increased units was one thing, but a business was another. They are entirely different entities and have different zoning requirements. Including a business could compromise the initial request.

Carla said that the amenities would be primarily for the residents. When she looked at similar places for her dad, many had bars and small restaurants that were open to the public. This allowed residents to have friends and family in. Opening to the public also allows for a little more revenue. The hours would be limited.

Sue said that the property to the south of the lot they are considering is zoned LIU. Maybe they could lease an area there? That would also accommodate the manufacturing use they are considering. She read from the definition for residential PUDs: "A planned unit development with uses where the nature of residency is non-transient and the major or primary focus of the development is not service oriented."

Rachel said that Table 5.3 in the Ordinance says that both home occupation and home-based businesses are allowed in MUNS-4. But Table 5.3 also says that mixed use PUDs are not permitted in MUNS-4.

Carla asked if that meant they could serve residents and guests of the residents, but not the public.

Paul said that would be how he would interpret it.

Rachel asked about the main meal, which would be in the early evening. Would there be an interest in or benefit to allowing the community center to operate as a senior center and be open to seniors in the area?

Liz felt like that would push it into the PUD – commercial definition.

Sue asked if it could be considered a community service.

Carla said that they are not looking to make money. It would be nice if they didn't have to restrict visitors to only those invited by a resident.

Sue said that the Town has been specific about keeping commercial areas where they are. There are some businesses that existed before the Ordinance that are grandfathered in – the New Scenic Cafe, the Clearwater

Grill, and Shorecrest, when it was in business. There is an emphasis, too, in the Comprehensive Plan on avoiding sprawl.

Barb said that one of the things that make it difficult for seniors to live in rural areas is the lack of close access to food and other services.

Carla said they chose this site because it is already on the market, is mostly clear and already has the trees in place for screening. It also has an existing house. They looked for something that would be closer to amenities. Their goal is to have a nice peaceful place that is affordable for older folks. The commercial properties in the Township are on the shore and all were either very small, expensive, or not suitable.

Paul asked if they have a purchase agreement on the property.

Carla said they did and they have until the end of January to decide.

Sue asked about the lot size. Twenty acres is required for a PUD in MUNS-4. The lot they are considering is 19.87 acres. Does the Commission think that is adequate?

Larry said that it looks on the map like it is half of a 40 acre parcel.

Wayne made a motion that 19.87 rounded up is 20 and is adequate to meet the 20 acre requirement.

Liz seconded and the motion passed unanimously.

Carla asked if, according to the Ordinance, they cannot do what they have proposed, is there an option for a variance or zoning map change?

Liz said that she thought the project would need to be better defined first.

Sue said that in MUNS-4, a home-based business requires a conditional use permit. Could they request a conditional use for the home-based business as a part of the process when doing the PUD? She read the definition for neighborhood commercial from the Ordinance: "Those uses that provide neighborhood level convenience services to communities such as small grocery stores, small sundry and convenience item stores, and small professional office buildings, such as doctor and dental clinics, which uses are of such size and nature as to blend well with the existing and intended development pattern of the neighborhood."

Carla said that neighborhood level convenience was exactly what they had in mind. The business would likely just be a room with tables, and computers or sewing machines. There would not be any heavy industry. There would probably be one employee with the residents contributing to the work.

Liz asked if there are models similar to theirs that they have seen that are successful.

Carla said that most of those that they have looked at were built a long time ago with an ecological focus. There is one in Ithaca NY that is similar but it is much larger than what they have in mind.

Barb said the Twin Cities has a lot of them but they are contained in one building.

Carla said that most urban models have security that does not allow access unless buzzed in. They have not seen a model for what they are doing.

Sue asked what the likely impact would be on traffic.

Carla said that there is much more traffic there than she would have thought. Their plan would be to have the entrance off of Lismore because Lismore is the less busy road.

Paul asked Don McTavish what the Senior Housing Committee came up with regarding need for senior housing in the Township.

Don said that they found that there was a strong and growing need in Duluth Township for affordable senior housing. For the study they had people familiar with the Town and its residents go through a list of the Township residents. Between them, they knew virtually every person or family contacted. One of the ideas they looked at was tax forfeit land that is given to the Township and then conveyed to owners for senior housing.

Carla said that if they can get grant money or other support, they will. The project will require employees and caretakers. By the time you put all of those things together the cost can be so high that it is no longer affordable. They are trying to think outside the box for ways to support the effort other than through fees from the residents.

Paul asked if the enterprise would be a non-profit.

Carla said that they were told that the Township wouldn't consider a nonprofit because the property would come off the tax roll.

Sue said that that would be more of a county issue.

Liz asked if they had considered buying undeveloped land.

Carla said that they have looked at plain parcels but they would like to have the home in place to get started with. They also didn't see anything that had the combination of open space and forest.

Don asked if they had considered the old Clover Valley High School site. It is zoned LIU and is tax forfeit land.

Sue said that St Louis County is tearing the building down and revegetating the area. It is two parcels that together are 35 acres. Tax forfeited land is owned by the State but managed by the County. They would need to talk to St Louis County Land Department. The County generally wants to get some of this land back onto the tax rolls.

Rachel said that there is the deadline of the purchase agreement. If it won't work, they need to know that. She said that they have been in contact with Jim Balogh for site analysis. He can begin on October 4 and will need 2 to 3 weeks. They would like to come back in October, hopefully with a better idea of what they are doing.

The Commission said that that would be helpful and they would welcome additional discussion at the next meeting on October 27.

Rachel said that if things fell into place, they could have a draft preliminary plan at the end of October or early November. Maybe they could get an idea of the area of impact at the October meeting. An open house could be scheduled for the beginning of December. Agencies have 30 days to comment. If a full preliminary application is submitted, a hearing could conceivably be held in mid-December.

Sue said that the draft preliminary plan goes out to the agencies. Their comments are then addressed in the preliminary concept plan. It's possible to do it on that timeline, but it may take longer. Meetings in November and December can be set up at the October Commission meeting.

Rachel said that if the site analysis happens in a timely fashion, it would be doable.

Sue asked the Commission about the density bonus. They are asking for four quads. A density bonus of 50 % would allow them up to six. She read from the Ordinance: “Density bonuses may be allowed to meet the following conditions: 1. If public usage is allowed onto the development’s designated open space. 2. To encourage the provision of housing that would be more affordable to a broader range of residents.” Does that mean that both conditions have to be met to allow for a density bonus or just one of the two conditions? Carla and Barb will need to know to continue. Can the Commission have an answer for them by the October meeting?

Rachel said that if a quad building is counted as one, then they are well within the 50%, so it depends on how you are counting. Would a duplex be counted as one or two?

Wayne said that it would be two units but it would be allowed on a single parcel provided the parcel width is at least 1.5 times the required minimum width for the zone. He felt that a fourplex would be four dwelling units.

Rachel said that the size of each of the buildings would be equivalent to the size of an average house. They are small.

Larry read the definition for a dwelling unit from the Ordinance: “Any structure or portion of a structure, or other shelter designed as short- or long term living quarters for one or more persons, including rental or timeshare accommodations such as motel, hotel and resort rooms, and cabins.”

Rachel said that that would mean a quad would be considered four dwelling units. So then the density bonus question becomes important.

It was agreed that the Commission needed to consider how the definition for dwelling units applied in this case, as well as consider the density bonus requirements for the next meeting.

Wayne said that the strength of the concept and its merits will be what determines the density bonus. Making it available, affordable, and accommodating for senior citizens is a plus.

Sue read from the CLUP regarding the community vision: “A few well designed and affordable multi-unit housing developments (one is an assisted living complex) have also been developed.” So a facility like this is part of the Township’s vision.

Carla, Rachel and Barb thanked the Commission and said they would return for the next meeting.

Old Business

Zoning Review for LIU-3 District, the old Clover Valley High School

Sue said that the County has approved the demolition. It will start in October. Darren Jablonsky is the contact person with the County. It would be best to do this before the County puts it on the sales list. It would be nice to do it at the same time as the SMU-8 zoning update, but that might not be realistic.

Director’s Report

Permit applications are still coming in. The construction for Dryco is underway at their new site. Josh plans on moving over there as quickly as possible.

There are two possible variance hearings in October. One on Olson Road and another on the corner of the Scenic Highway and Ryan Road. The one on the Scenic Highway needs a variance for a garage. They want to add on more than the 25% that is allowed for a nonconforming structure. It is currently about 700 sq ft. If the addition is another 700 sq ft does that make it an accessory structure between 1000 and 2000 sq ft? It was agreed that it did, so according to Table 5.3, it will have to meet performance standards.

Sue said the Town has also been looking into a flood insurance program. It is a program where the Town can buy into a flood zone program to get cheaper insurance, but there is so little area in the Town in the flood zone that it might not be worth it. Dave Mount asked that the Commission give it some thought. It is a program that would make the Township an authority to reevaluate a FEMA map designation for a property.

The meeting adjourned at 10:10.