

CITY OF COLUMBUS  
PLANNING COMMISSION WORKSHOP

July 30, 2014

The July 15, 2014 meeting of the Planning Commission Workshop was called to order at 6:00 PM

Attendees: Commission Chairman Garth Sternberg, Commissioners Jesse Preiner, Mark Daly, Jody Krebs, and Pam Wolowski, City Administrator Elizabeth Mursko, and Recording Secretary/Planning Intern Michael Healy.

Also in attendance were: Frank Wagamon

The Planning Commission approved the Agenda for the meeting and moved on to discussion.

**DISCUSSION- DAN MIKE PROJECT/PROPOSAL**

The City Administrator provided background for the discussion. Dan Mike lives in the commercial Freeway district and operates a residential zoned business there for which he has a Conditional Use Permit. This arrangement is no longer allowed in the commercial district but because Mr. Mike's situation predates the current zoning he is considered a legal nonconforming use. Mike is interested in developing on his property and has two desires that conflict with the City's Code. Firstly, Mr. Mike would like to maintain his residence and his residential business while spinning off part of his property into subdivided lots that he can develop commercially.

The second request that Mr. Mike has made is for his land to be rezoned light industrial instead of its current designation of commercial/retail. He desires this because of the relaxed design standards that exist for buildings with the light industrial designation. Mr. Mike is hoping to erect a steel building on part of his property (once subdivided) and to lease it to North Ambulance Service. The City Council has shown a willingness to allow hospital and emergency services to be added to the list of approved uses for the commercial retail district. The commercial retail district design standards compel property owners to build masonry type buildings, however. Mr. Mike would prefer the rezoning because it would allow him to save money by erecting a cheaper building.

Sternberg is concerned that allowing this rezoning would open up the floodgates to other property owners in the area requesting similar rezoning. There is already plenty of land near the Freeway district that is zoned light industrial and the ambulance service could theoretically locate in one of those properties. Dan Mike's property might be especially appealing to them, however, because of his willingness to remain the property owner and simply lease out space. Several Commissioners are concerned that once the precedent for rezoning or reduced design standards is set, it could have far-reaching consequences for the Freeway District. The ambulance service might pull out after their five year lease is up and then the district would be stuck with the steel building and might have to settle for a less desirable business that is willing to operate there.

The city administrator provided some additional background on zoning in the district. When the district was being created, it was initially unclear how to proceed with zoning for the horse track. Ultimately it was decided to simply zone it "Horse Racing" and to hold this new zoning to the same design standards as commercial/retail zoning. There was some discussion about whether it would make sense to allow a new "ambulance zoning" which might have an intermediate design standard somewhere between commercial/retail and light industrial. After further discussion, however, the commissioners determined that this would likely be an unnecessary step and that it would be easier simply to add ambulance services to the allowed uses for commercial/retail.

Later in the meeting, the question was posed as to whether or not a house should be allowed to remain in place while part of the property was developed. Also at issue is how many acres a resident in that area should be compelled to keep as part of a residence during the subdividing process. As an example, Mr. Mike's property is 29 acres of which 12 are developable. The City Council has indicated a willingness to allow Dan Mike to stay at his home and keep his Conditional Use Permit for a while since he has been there so long. It is understood, however, that this arrangement will not go on indefinitely. Commissioners initially discussed whether it might not be acceptable to allow Mike to retain his house on just a half-acre or a one-acre lot. His house could be compelled to hook up to city utilities as part of this agreement so he would not need any extra land for a septic system. Upon further deliberation, however, several commissioners became concerned that it would be exceedingly difficult to develop the resultant one acre lot as a commercial property in the future. Most businesses would require significantly more than one acre and such a small property might become an unmarketable annoyance. It was determined that the City might want to consider requiring properties to keep following the five-acre residential property rule to keep enough property together to make it appealing for future developers.

#### **DISCUSSION- DEVELOPMENTS OF CITY OWNED LAND NEAR FREEWAY**

Members of the Planning Commission expressed an interest in learning if the city has had any success in courting development in the city owned properties. The City came into possession of these properties as part of a tax settlement deal with the Fine family who controlled a great deal of land immediately next to the freeway. The Fine family had a long history of insisting that the parcels not be separated for sale and insisting that a developer had to purchase all of their holdings if they wanted access to any of the land. According to the City Administrator, there had been considerable interest in developing some of the sites during the Fine's ownership of the land but that all developers had been deterred by the land being bundled that way. There is a plot near Hornsby on the East side of the freeway that would be a strong candidate for a gas station/convenience store due to the large volume of commuter traffic that goes by it during the evening. The Fines were approached years ago by a prominent gas station franchise but the company built in Forest Lake after the Fines refused to sell just the one parcel. The City administrator reports that the parcel in question might not be in an ideal condition for development just yet.

## **DISCUSSION- REZONING OF TWO ISOLATED “COMMERCIAL ISLANDS”**

The City Administrator reported to the Planning Commission that the City Council would like them to investigate the zoning needs of two parcels of commercial/retail zoned land that are thoroughly isolated from the rest of the commercial retail district and might prove difficult to develop. One of these parcels, in the northwest corner of the Freeway District, is surrounded by wetlands and connected to the rest of the district by an old road that is in a state of disrepair. A company was in negotiations with the City to purchase this land a few years ago to build a large commercial and light industrial “campus” for their base of operations. The City was negotiating this deal with the company even though technically the light industrial components would have knocked the use out of compliance with the area’s zoning. The company ended up locating in Forest Lake due to copious amounts of tax incentives and the Columbus site remains vacant.

It was discussed that this isolated parcel, in its current manifestation, is unlikely to attract many developers. Furthermore, it is highly unlikely that it will ever attract any traditional commercial/retail business due to its isolation from the rest of the district. The only type of business that it is likely to attract would be a large campus style company headquarters where the surrounding wetlands could actually be seen as a beautiful land feature instead of a development obstacle. In order to really court this sort of development, a zoning change would be required. There currently is no zoning option in the Columbus City Code for “Commercial Campus” but it would not be overly difficult to create one.

Commissioners asked whether it might be possible just to rezone the parcel as Commercial/Industrial, as has been done in the Lake Drive commercial district. Mursko reported that when these districts had been established, the initial goal was to have the Freeway and Lake Drive districts have distinct and separate characters and not compete against each other with the same types of businesses. The City Council could, of course, elect to deviate from this initial position if they saw fit but that was the original “vision.”

A question about using TIF financing to lure a commercial/retail developer to the start initiated a discussion on the intricacies of TIF financing. According to Minnesota law, TIF cannot be used on commercial/retail properties. A City cannot use TIF to lure in a McDonald’s restaurant. However, TIF could theoretically be used to assist with luring in a large commercial campus. Mursko explained how TIF works in these situations to the Planning Commission. Commissioners seemed to think that it was fairer to Columbus residents to finance the road improvements with a TIF arrangement rather than having the City invest a lot of taxpayer money in road improvements in the hopes of luring in a company.

Ultimately, the Planning Commission determined that the rezoning of the area to “Campus Commercial” (or some such thing) is worth exploring. However, there should be no lessening of design standards. It would simply be a refinement of the commercial/retail zoning district.

The second isolated parcel is to the south of the race track and is cut off from direct visibility from the freeway by a row of Commercial Showroom properties. This property is unlikely to attract any interest from commercial retail developers due to its visibility problems. It would, however, potentially be a

good candidate for a hotel or a senior housing facility. The racetrack developers initially wanted to build a hotel to house transient employees and horse stables in Columbus when they were first building the facility. However, landowners were unwilling to sell at the time and the racetrack ended up acquiring facilities in neighboring cities instead. There may eventually be interest again in building an adjacent hotel. Most attendees seemed to be in agreement that it worth keeping these options on the table and being flexible with the zoning of that parcel.

PENCIL LOTS: The City Council, at their last meeting, was divided about whether to accept the planning commission's recommendations about lot dimensions. The current proposal sets up some fairly rigid dimensional requirements and the Planning Commission feels that these restrictions could needlessly hamstring development and prevent a lot of totally acceptable uses. They propose either reducing the dimensional requirement or eliminating it entirely. The Council is wary of ushering in an era of "pencil lot" development where houses would be built on thin lots that would meet the five acre requirement but would have driveways that are closer together than what is typical in Columbus. Members of the Planning Commission are more tolerant towards these narrow lots and report that there are several developments within Columbus that have such dimensions and the houses are very high-value houses that are aesthetically pleasing. The Planning Commission will continue to urge the Council to remove the restrictive language to allow the city to be more flexible in allowing narrow lot development. Members of the Commission are planning on attending the next Council meeting to help the Council better understand their viewpoint.

OTHER BUSINESS: Commissioners were curious whether there has been a good pace for residential development in Columbus. Mursko responded that development tends to be cyclical and that most homebuilders build homes around the same time of year. She also noted that the inventory of vacant developable lots in Columbus is starting to get a bit low so it is likely that there will be a lot of subdivision requests coming in the near future.

Meeting Adjourned at 8:15 PM

Respectfully Submitted,

Michael Healy  
Recording Secretary/Planning Intern