

City of Excelsior  
Planning Commission Meeting  
Minutes  
Wednesday, February 8, 2012

1. CALL TO ORDER

Chair Gaylord called the meeting to order at 7:03 p.m.

2. ROLL CALL

Commissioners Present: Busch, Craig, Duyvejonck, Jensen, Wright, and Chair Gaylord

Commissioners Absent: Wallace

Also Present: City Planner Richards, City Attorney Staunton, and City Clerk Johnson

3. APPROVAL OF MINUTES

a. Planning Commission Meeting of January 4, 2012

Chair Gaylord asked if anyone had any additions or corrections to the Minutes.

Commissioner Jensen moved, Commissioner Busch seconded, to approve the Minutes of the January 4, 2012 Planning Commission meeting. Motion carried 6/0.

4. PENDING ISSUES/PROJECTS

a. Appoint Liaison to City Council (February 21, 2012)

Commissioner Craig will be the Planning Commission Liaison for the February 21, 2012 City Council meeting and Chair Gaylord will be the alternate.

5. PUBLIC HEARINGS - (Continued)

a. None

6. PUBLIC HEARINGS

a. Conditional Use Permit for Establishment of a Micro-Brewery at 421 Third Street, P.I.D. 34-117-23-11-0027 – Excelsior Brewing Company

Richards said that the Excelsior Brewing Company has made an application for a conditional use permit to allow the establishment of a microbrewery at 421 Third Street. The microbrewery will be located in the rear portion of the building and

6. PUBLIC HEARINGS

- a. Conditional Use Permit for Establishment of a Micro-Brewery at 421 Third Street, P.I.D. 34-117-23-11-0027 – Excelsior Brewing Company – (Continued)

will include the production and packaging facility for the production of beer. The brewery will take approximately 2,900 square feet of space of the building. East Lake Collision and Petunia's retail store will remain at that location.

At their January 24, 2012 meeting, the Heritage Preservation Commission (HPC) reviewed a Site Alteration Permit to allow replacement of the windows in the brewery portion of the building. The HPC requested that the applicants research whether the existing windows can be restored and report back to the February 28, 2012 meeting.

The applicants are planning to apply for approvals in two stages. First, they have requested the Conditional Use Permit to determine if the land use is acceptable before proceeding with renovations to the building. If the CUP is approved, they will come back to the City at a later date for Design Standards and Site Plan review as well as a Site Alteration Permit for changes to the exterior of the building.

The first stage of the project will be the main brewing room in the northeast side of the building. The applicants expect to begin brewing by the middle of May 2012. In October of 2013 the business plans to expand the operations into the middle third of the building where the body shop is located. Ultimately, the microbrewery plans to host tours and provide beer education through a tasting room and interpretive center. The retail store Petunia's will remain at the front of the building facing Third Street.

The Comprehensive Plan guides the subject site for commercial uses; the proposal is consistent with the Comprehensive Plan. The subject property is zoned B-1 Central Business district. The City Council, at its August 1, 2011 meeting, approved an amendment to Appendix E to allow microbreweries, micro-distilleries, and micro wineries as a conditional use in the B-Business Districts.

Conditional use permits are to be reviewed against the criteria listed in Section 4-3. (5) and Section 50-5 of Appendix E. Staff has reviewed the criteria and found no issues.

In the B-1 District, microbreweries, micro-distilleries, and micro-wineries can be granted a conditional use permit if the business meets certain conditions. Excelsior Brewing Company shall be required to obtain the proper brewer and liquor licenses from the State and the City of Excelsior, it must comply with all conditions specified in the Excelsior City Code, and the hours of operation shall comply with the State requirements. The vehicular access points shall be adequate for traffic movement and deliveries required by the microbrewery.

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Richards said that any changes to the exterior of the building shall be subject to Appendix E and Design Standards review. The Planning Commission, Heritage Preservation Commission, and City Council will have an opportunity to review the building and site plans at a later date. Appropriate conditions shall be placed on the CUP to address performance standard concerns.

The plans for lighting and signage will be addressed at the time of Design Standards and Site Alteration Permit review. The building and site will comply with the setbacks, building heights, and impervious surface requirements of the B-1 District.

Municipalities may issue, with approval of the State Alcohol and Gambling Enforcement Division, an off-sale malt liquor license to a licensed brewery within its jurisdiction. The brewer's off-sale malt liquor license allows the off-sale of containers of malt beverages commonly referred to as "growlers". Off-sale of brewer's malt beverages may only be sold during the hours permitted by law for off-sale liquor stores.

A new law became effective this past year that gives a municipality the authority to also issue a taproom brewer liquor license to the holder of a Minnesota Brewer's License. A brewer taproom liquor license authorizes the sale of on-sale malt liquor produced by the brewer to be consumed on the premises or adjacent to one brewery location owned by the brewer.

The Excelsior Brewing Company will be applying for an off-sale malt liquor license and a taproom brewer liquor license from the City of Excelsior upon approval of a Minnesota Brewer's License.

In the narrative dated January 23, 2012, the applicants have addressed the odor, noise, and waste disposal issues. A condition will be added to the CUP approvals to assure compliance once the microbrewery is in operation.

Section 19-7(b) of Appendix E indicates that the parking requirements for microbreweries shall be based upon the types of uses on the premises. The site currently has 29 parking spaces on site. The total parking requirements at this time with the addition of the production portion of the microbrewery is: 3 for retail, 6 for the body shop, and 2 for the microbrewery. The parking requirement may change slightly when the use is expanded to include a tap room, but there are sufficient parking spaces on site to accommodate that increase. The City will require the stripping and proper signage for two disability parking spaces on site, one of which shall be van accessible.

Richards said that the City Engineer has indicated there should be no traffic issues with this use. The City may need to evaluate the traffic issues at the

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time the taproom and tour aspect of the microbrewery is proposed. The applicants will need to identify how deliveries will be made to the building so as not to interfere with the drive aisles within the parking lot.

The City Engineer has also indicated that there should be no drainage and utility issues and the Public Works Superintendent has indicated that there is adequate water and sewer capacity to serve the micro brewery.

Staff has provided a list of conditions for the Planning Commission to review if it moves forward with a favorable recommendation to the City Council that it approve the conditional use permit.

John Klick and Patrick Foss, Excelsior Brewing Company, introduced themselves.

Klick said that the company's vision is to be a production brewery not a brew pub. The plan is to feature a taproom so people can come and sample products, purchase a growler of beer, and also consume a pint of beer on site. A Brew Master will be joining their staff. The hope is to be able to expand the business and have a can or bottle production. At that point, they would have a beer truck so they can distribute their beers. They plan to develop two champion brand beers that would be available year around and then throughout the year do different types of seasonal beers. All of the brands and business model will cater to the lake. They plan to get active in the community. After they get started, a percentage of the profits will go back to an organization that is associated with Lake Minnetonka.

Foss said that the hope is to have Excelsior Brewing Company be an attraction to the community, such as the brewery in Stillwater and Surly Brewing in Brooklyn Park. They do not plan to make any drastic changes to the building; the plan is to clean up the building and make it look like a professional looking establishment.

Klick said the big push will be to begin having tours. They are receiving calls daily from people wanting to come and check out their facility. Excelsior is a destination point and they hope to capitalize on that and bring more people into the City.

Chair Gaylord asked the applicants to summarize any issues that there might be with odors, noise, and waste. Foss said the production is gas powered, so there will be little smoke. The only odor will be during production. He noted that he grew up by a brewery in St. Paul and he enjoyed the odor during production.

Klick said the odor and smoke from the production lasts only about an hour or two during the brewing cycle. The production will only occur once or twice a

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week and possibly twice per day as their business grows. After the production, they transfer the beer to kegs and clean the brewery equipment. He said that the City may get a few calls, but he doesn't believe the odor will be offensive.

Foss said after the brewing most everything else happens in closed sealed containers. He noted that breweries are held to very high sanitary standards.

Klick said they will use around 1,600 lbs of grains. They will work with local farmers who will pick up the grains on a daily basis. Nothing is wasted. All of the water that is used is recaptured and used for the next batch. They will have a small footprint brewery.

Richards asked how often will there be deliveries and how will they be handled. He noted that deliveries should not be East Drive. Klick said they will get deliveries of grain once a week to begin with and then up to two or three times a week later on. The grain comes in bags on pallets. They will also have a truck on site to deliver their goods.

Foss said they have a place directly inside the door for storage so there is easy access. Klick said they have storage in the facility for 2 ½ brews. The landlord owns the alley so they can use that as an access versus East Drive.

Jensen asked if an issue does arise, can they be flexible and work with the City. Klick said yes.

Jensen asked if they know if there have been issues with other breweries. Foss said that he looked on the Internet, but he wasn't able to find anything other than one instance regarding odors when a batch went bad. Klick said there are communities in Colorado where there are dozens of breweries in neighborhoods and there hasn't been an issue.

Jensen said it is probably similar to when McDonald's is cooking or Dunn Bros. is roasting coffee beans; those odors can be smelled outside. He asked if the production time can be varied. Klick said that could be disruptive to the business, but they can certainly work with the City on that if necessary. He hopes though that they can get to a point where they would have a night shift for production.

Chair Gaylord asked what the hours of operations will be. Klick said the business would be open from 8 a.m. to 5 p.m. When the taproom portion is operational the hours will probably be whatever State Statutes allow. The taproom will typically cater to tours and probably open Thursday, Friday, Saturday, and Sunday.

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Jensen said from the looks of the business plan, it appears this is a long term commitment. He asked how long until they will outgrow the space; do they hope to become the next Surley. Klick said if they are wildly successful the thought would be to go to another city and build a facility but still have a hub in Excelsior. If the business becomes that successful, then they will probably consider becoming a brew pub.

Chair Gaylord asked if the Minnesota Pollution Control Agency has any governance over the brewery. Foss said not that he is aware of. He said that the Public Works Department will monitor the discharge.

Chair Gaylord asked what happens to a batch if it goes bad. Klick said that it would go into the sanitary sewer. He has discussed this with Public Works Superintendent Wisdorf.

Foss said based on their size and equipment it should not tax the public utilities; the biggest batch is 1,000 gallons.

Duyvejonck said as she looked at the site plans, it appears that there will be some items outside of the building. Klick said if they are successful and can begin canning their beer, a trailer may be placed outside to house the cans and there could possibly be a silo to house the grains.

Duyvejonck asked where things will be delivered. Klick showed where items would be delivered. At this time, everything will be stored in the building.

Duyvejonck asked about the keg wash diagrams. Klick said everything is interior. Once they expand the cold room will need to be moved.

Richards said that these items will be addressed in conjunction with the site plan and design standards review.

Wright asked how the barrels are put into the truck. Klick explained the process.

Chair Gaylord opened the public hearing at 7:33 p.m.

Thom Lofquist, 740 Pleasant Street, asked how they deal with the fluoride and other chemicals that are in the City's water.

Klick said that water samples were taken and they will need to have some filtering.

Jon Lewin, Excelsior Brewing Company, said some mild chemicals will need to be added to balance the ph.

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Klick said the water is softened in Excelsior, which is not the best thing for a brewery.

Chair Gaylord closed the public portion of the meeting at 7:35 p.m.

Richards asked if there will be any outdoor improvements. Klick said that the windows will be rebuilt or replaced and the outside of the building painted.

Chair Gaylord asked what year the building was built. Klick said it looks like pre 1927 and an addition was probably added in the 1960's.

Duyvejonck asked if design standards review is needed if they are just changing the windows. Richards said that design standards review is not required for window replacement. He noted that there may be signage that needs to go to HPC and there may also need to be some mechanical screening.

Jensen does this need to come back to the Planning Commission or can these items be handled administratively and by the HPC.

Duyvejonck asked if a condition should be added to require that any exterior changes need to come back to be reviewed by the Planning Commission. Chair Gaylord said he would like to see any changes. He suggested taking the word "qualifying" out of condition #4.

Commissioner Duyvejonck moved, Commissioner Jensen seconded, to continue the public hearing to the City Council's March 5, 2012 meeting and forward the recommendation to the City Council that it approve the conditional use permit and site plan review subject to the following:

CONDITIONS

1. The brewer shall obtain a license from the Commissioner of Public Safety to brew 15,000 barrels of malt liquor per year, obtain approval of the Commissioner of Public Safety and be issued a license by the City for off-sale of malt liquor.
2. All conditions for a brewer off sale malt liquor license as specified in Chapter 4, Article II, Division 2, and Section 4-72 of the Excelsior City Code are complied with.
3. Microbrewery, micro-distillery and micro-winery operation hours shall be limited to the hours specified in Minnesota State Statutes Chapter 340A for off-sale intoxicating liquor unless further limited by the City Council as part of the Conditional Use Permit.

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4. All exterior changes to the building and site shall require Design Standards review and a Site Alteration Permit as specified in Appendix E.
5. All qualifying signage shall require a Site Alteration Permit and shall be compliant with the provisions of Appendix E.
6. All performance standards related to Sec. 16-6. Smoke; Sec. 16-7. Dust and other particulate matter; Sec. 16-8. Air pollution; Sec. 16-9. Noise; Sec. 16-10. Odors; Sec. 16-11. Vibration; Sec. 16-13. Waste; of this Appendix E shall be compiled with. The City shall require the applicants to take corrective measures, at their expense, if a violation of any of these standards is determined by the City Council.
7. The applicants shall provide stripping and proper signage for two disability parking spaces in site, one of which shall be van accessible subject to review of the City Engineer.
8. The applicants shall identify an off-street loading area for the building. There shall be no loading or unloading of materials within the public right of way of Third Street or East Drive.
9. The City shall evaluate the traffic issues at the time the tap room and tour aspect of the microbrewery is proposed subject to review and approval of the City Engineer.
10. Utility connection plans are subject to the review and approval of the City Engineer and Public Works Superintendent.
11. Any changes to the drainage of the site shall be subject to review and approval of the City Engineer.
12. All applicable permits are applied for by the applicant with all supporting documentation and issued prior to the start of construction.
13. Should any issues and costs arise with existing and proposed improvements, they shall be resolved by the applicant/owner and reviewed by the City.
14. All indirect costs with the final review and final plans shall be paid by the applicant/owner.
15. All final plans shall be submitted to the City in an electronic format acceptable to City staff.

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16. The Conditional Use Permit is approved in accordance with the plans reviewed by the City Council on March 5, 2012.

Motion carried 6/0.

7. UNFINISHED BUSINESS

- a. Impervious Surface Coverage Regulations

Richards reported that the Green Technology Subcommittee is working on this looked at the language that the City had developed in 2008. The Subcommittee discussed some changes and wanted to share some possible changes with the Planning Commission. Richards distributed the language that the City had in 2008, the current language, and the changes the Subcommittee are considering. The Subcommittee is looking at pervious pavement and also giving credit for other technologies. Shelby's house provided an example of what technologies are out there. He will be making the changes and the subcommittee will be meeting again.

Richards said he has looked for innovative ordinances from other cities, but hasn't found many. Jensen said he has some information that he can forward him.

Jensen said that the City of Orono is in the process of rewriting their ordinances.

Busch asked Jensen if he would share the information he has with the Planning Commission also.

Chair Gaylord said at some point this information should be shared with the Residential Design Standards Subcommittee.

- b. Amendment to Article 15, Non-Conforming Buildings, Structures, and Uses

Commissioner Duyvejonck moved, Commissioner Jensen seconded, to continue this agenda item to the March 6, 2012 Planning Commission meeting. Motion carried 6/0.

- c. Parking Update – Implementation

Richards said that the Council will be discussing the parking capacity and parking impact fee amount at a Council Work Session on the Tuesday, February 21, 2012. He will update the Planning Commission on the discussions at the March meeting.

7. UNFINISHED BUSINESS

c. Parking Update – Implementation – (Continued)

Craig asked if it is possible that the parking impact fee amount will go down. Richards said yes.

Craig asked what will happen to the properties that already have a parking impact fee. Staunton said that the cost would go down for these properties also.

Richards the available parking capacity of 53 for 2011 will probably increase.

Chair Gaylord asked if there is anything on outsourcing parking. Richards said he is still working on that.

8. NEW BUSINESS

a. Training for Planning Commissioners

Chair Gaylord said that he had asked staff to place this on the agenda. He said he would like the Planning Commission to have a similar training process like the HPC has. The training could be annual for current and new Commissioners.

Staff said they will look at putting together a training that included data practices, decision-making, open meeting law, ethics, etc.

b. Dates for Additional Work Session(s)

The Planning Commission decided not to schedule any Work Sessions at this time.

9. COMMUNICATIONS & REPORTS

a. Update on Residential Design Guidelines Subcommittee

Richards said that the Subcommittee had meet on Monday. He handed out information that the Subcommittee had updated during Monday's discussion. He noted that there are provisions that the Subcommittee considered previously. It augments provisions for residential construction. In light of some of the residential buildings and the garage forward design that was recently before the Commission, the Subcommittee thought this was important to bring this portion forward. The residential design guidelines will pertain to all single and multiple family properties.

Richards reviewed the proposed language. He asked if the Planning Commission wanted to review the language further or should he schedule a public hearing.

9. COMMUNICATIONS & REPORTS

a. Update on Residential Design Guidelines Subcommittee – (Continued)

The Commission discussed whether vinyl siding was something that the City wanted to prohibit, because vinyl seemed to be progressing faster than other types of siding. Jensen discussed some of the new products that are in the market.

Duyvejonck said she loves the wide variety and style and finish of the homes and she wouldn't be in favor of removing vinyl from the list of materials that could be used.

Craig asked if steel and aluminum are comparable in price. Jensen said the cost is more for steel and aluminum. He noted that vinyl is consistently lowest in price, but there are some fiber boards that are comparable.

Chair Gaylord said other topic for discussion is the garage facing the street. Having the garage pulled back behind the house seems more appropriate. The Subcommittee came up with 4 feet as the setback.

Jensen asked how this would work with some of the smaller houses; could there be a variance process if it didn't work. Chair Gaylord said there are always exceptions, but in general it seemed reasonable. Planning Commissioners thought 4 feet sounded reasonable.

Commissioners were asked to review the proposed language and get their comments back to the Subcommittee.

c. Update on Green Technology Subcommittee

This item was discussed under Item 7(a).

d. Next Planning Commission Meeting – Tuesday – March 6, 2012

Information only.

10. MISCELLANEOUS

a. Recent City Council Actions

Staunton and Johnson updated the Commission on recent City Council actions.

11. ADJOURNMENT

Commissioner Jensen moved, Commissioner Craig seconded, to adjourn at 8:27 p.m. Motion carried 6/0.

Respectfully submitted,

Cheri Johnson  
City Clerk