

City of Excelsior

Planning Commission Meeting

Minutes
Tuesday, June 5, 2012

1. CALL TO ORDER

Chair Gaylord called the meeting to order at 7:02 p.m.

2. ROLL CALL

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

Also Present: City Planner Richards, City Attorney Staunton, and
City Planner Braaten

3. APPROVAL OF MINUTES

a. Planning Commission Meeting of May 8, 2012

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

Commissioner Craig moved, Commissioner Busch seconded, to approve the
Planning Commission Minutes of May 8, 2012. Motion carried 7/0.

4. PENDING ISSUES/PROJECTS

a. Appoint Liaison to City Council (June 18, 2012)

Commissioner Busch will be the Planning Commission Liaison to the June 18,
2012 City Council meeting and Commissioner Jensen will be the alternate.

5. PUBLIC HEARINGS – (Continued)

a. None.

6. PUBLIC HEARINGS

a. Planned Unit Development Concept Plan to Construct Hotel at 10 Water Street,
P.I.D. 34-117-23-11-0059 – Thomas F. James Properties, LLC – (Continued)

Richards reported that Neil Weber, representing Thomas James Properties
LLC, has made application for a Planned Unit Development (PUD) Concept
Plan review for the Excelsior Hotel project to be located at 10 Water Street.
The PUD process is a three stage review consisting of Concept Plan, General
Plan of Development, and Final Plan. The Concept Plan allows for an
applicant to discuss land use and basic site design issues with the City prior
to making a full application with all of the required details of a General Plan.

Richards said that at the final plan stage a rezoning, possibly a subdivision,
and the development agreement would be finalized. The applicants for the

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Excelsior Hotel are expected to ask for the General Plan of Development and the Final Plan stages to be combined. The City Council will need to agree to this as part of the Concept Plan review.

The applicant has proposed a 58 unit hotel with a restaurant, ballroom on the roof level, a retail space on Water Street, and underground as well as surface parking at 10 Water Street. The property is currently zoned B-1, Central Business District. The proposed retail and restaurant uses that front on Water Street and the hotel use that fronts on Lake Street is consistent with the permitted uses of the B-1 District.

The property is located within the Downtown Historic District. If the Concept Plan is approved by the City Council and an application is submitted for a PUD General Plan, the Heritage Preservation Commission must consider a Site Alteration Permit for the development.

In 2010, applications for Excelsior Hotel Project were received for design standards and site plan review and a variance from the building height requirement. The variance became a difficult issue for the City in light of the Supreme Court case, Krummenacher v. City of Minnetonka, as it related to granting variances. As a result, the applicant withdrew their application.

In May of 2011, the City Council adopted an ordinance that slightly changed the wording as it relates to properties that are eligible for a PUD. Prior language would not allow a PUD unless it included multiple buildings or uses and at least one use that was not provided in the underlying zoning district. The word "may" was added with the amendment so that now all uses can be permitted by the underlying zoning district.

The application for PUD Concept Plan review was submitted in December of 2011. Issues with easements in favor of adjacent properties delayed City Staff in being able to deem the application complete. These issues have been addressed to the satisfaction of the City Attorney.

The project has been changed slightly from the original submittal in 2010 to accommodate the easement on the northwest property line and a moveable easement for access through the hotel site in favor of the adjacent theater property. The moveable easement has been placed over the existing easement on the northwest property line and the hotel has been moved 12 feet, six inches to the south to accommodate the easement. With this change, the project has maintained the same number of rooms and approximately the same square footage of structure by slightly cantilevering the structure over the exterior parking court.

The hotel will have 58 rooms with the appropriate lobby spaces. The hotel rooms are mainly on the second and third floors with five rooms and a ballroom on the roof level. The roof is a combination of decks, solid surfaces,

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and green roofs.

The first floor includes the hotel lobby and a restaurant. On the Water Street side of the building a 900 square foot retail space would be available for lease. Behind the building façade, and out of site from Water and Lake Streets, 38 parking stalls are to be constructed. The building is setback at the Water and Lake Street corner to preserve lake views and allow for an open public area.

The second floor would contain 26 hotel rooms. The building has been designed at this level to step back at various points to create variations in the façade. The third floor would contain 26 hotel rooms and would also be stepped back to reduce massing and give variety to the façade.

The fourth floor, or roof level, would contain five hotel rooms and the ballroom. The ballroom would be able to seat 120 persons with an adjacent outdoor area. The mechanical units are located on this level and are enclosed from view. This floor is completely stepped back along the Lake Street façade.

The Excelsior Design Standards address the architectural, site planning, and sign elements for buildings. The site is within the area described as the Downtown Business District of the City. Elevations of the proposed building are not required at the Concept Plan stage. The full Design Standards review occurs at the General Plan of Development stage.

The 2008 Comprehensive Plan Land Use Map designates this property for commercial use. The plan identifies this as a potential area for redevelopment and discusses maintaining and enhancing design and physical connections between the lake and the Downtown through the Port of Excelsior. The Hotel project could be seen as an important linkage between Lake Minnetonka, the Port, and the Downtown. The Hotel will also be seen as a prominent feature of the gateway into Excelsior from the lake and the Port.

Richards said that the Comprehensive Plan also discusses the issues of mass and scale as well as building height. In reviewing this project, the Planning Commission and City Council will need to weigh the benefits of a hotel at this location with the impacts that may be created by it. During the initial review of this project in 2010, there were concerns with the height and mass and scale of this structure. The current plans show the hotel at the same height, but the mass, at least from the view of Lake Street and the lake is reduced by 12 feet, six inches to accommodate the easement at the northwest property line.

As part of the PUD review, the City would utilize the lot requirements, setbacks, building height, and impervious surface coverage requirements for

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the B-1 District. The building setback and impervious surface requirements are met with the proposed hotel. The building height issue is dealt with as part of the PUD review.

Access to the underground parking garage and the surface parking will be from Lake Street. The building is designed with vehicle entrances at the northeast corner of the building. The entrances have been designed to comply with emergency vehicle access requirements. Access between the main level where the rear entrance to the hotel and restaurant are located and the lower parking level involves a traffic movement on Lake Street. There is no internal access between the two levels of parking. The City Traffic Engineer will report on this aspect for the Commission.

The City Code requires at least one parking stall for each rental unit plus one parking space for every 10 rooms for hotels. Parking for the ancillary uses to the hotel such as restaurants, banquet halls and conference rooms is to be calculated at 75 percent of the requirements. Retail space requires 2.5 parking spaces for each 1000 square feet of area. The parking requirement for the Excelsior Hotel project is 111 spaces. The site has been designed with 112 parking spaces, 38 surface spaces and 74 in the lower level parking garage. The underground parking garage has been designed to allow for a future lower level parking interconnection with the adjacent property (26 Water) if redevelopment were to occur.

Parking setback requirements in the commercial districts require a five foot setback from property lines for interior side and rear yards. A two foot setback is provided along the shared property line with the theater. There is adequate space to allow the parking to be pulled back to provide a five foot setback.

Richards said that the City of Excelsior measures the height of a building from the point on a building where it emerges from the ground to the top of a cornice of a flat roof. The lowest point is on the parking garage entrance ramp where it meets the building façade. The highest point is the flat portion of the roof. The corner cupola element is exempt from building height requirements as per Section 17-4(5) of the Zoning Ordinance. Based on the diagrams provided, the building height will be 55 feet, 10 inches (55.83). That height is achieved at the northwest corner of the building on Lake Street at the lower parking level entrance. From the Lake Street elevation, the building height is 47 feet, six inches.

With a PUD, the City Council may consider building heights that vary from Appendix E standards in cases of unique site topography with grades of 18 percent or more or if the building includes below grade parking. In the case of the hotel, there is a change in topography, but not with a grade of 18 percent. The elevation at the Water Street intersection is approximately 942.0 feet and drops to 938.0 feet at the north corner of the building. The

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building does include below grade parking. The difference between the point where the building emerges and the first floor elevation is 8.33 feet. As part of the Concept Plan consideration, the Planning Commission and City Council should determine if the intent of the ordinance language is to allow a building height that is 20.83 feet above the 35 foot building height limit or equivalent to the distance between the point where the building emerges on the parking entrance ramp and the first floor elevation which is 8.33 feet. The Dock Cinema is 25.42 feet from grade to the top of the parapet. The apartment building at 322 Lake Street is three stories and 43.91 feet in height. The only commercial building in the Downtown that is three stories is at 434 Lake Street and is 37.10 feet in height.

Richards said that there are several issues that the Planning Commission should discuss prior to making a recommendation. Those issues are: conformance with Comprehensive Plan regarding mass and scale/building height; conformance with PUD standards regarding building height; and, internal circulation issues related to access between levels and use of public right of way.

The Planning Commission has three options with the Concept Plan application. The Commission can recommend the application with conditions, deny the application with findings, or continue the applications and request additional information from the applicant and City staff.

Charlie James, the applicant and owner of the property, said that he had met his wife 48 years ago at Danceland. Subsequently they got married and went off to college. When he got out of college, 10 Water Street was the first piece of property he purchased. He agreed to a 30 year lease with the tenants, which tied the property up until 2006. In 2007, he started the process with the City to redevelop the property. His wife and he would like to bring back one of the old grand hotels that graced the shores of Lake Minnetonka years ago. Up until 1921, the White House Hotel sat on this site. The structure itself was demolished in 1946. They want to give something back to Excelsior, because Excelsior is special to them. Their hope is that this hotel becomes a prize place for Excelsior and becomes a focal point for years to come.

Neil Weber, the project architect, said that about five years ago a preliminary plan for the hotel was brought forward and critiqued by the Heritage Preservation Commission, Planning Commission, and City Council. The plan has been fine tuned along the way. This project will bring a synergy to the downtown. Jobs will be created and it will bring people into the City that will interact with the rest of the downtown. It is a 58 room boutique hotel. The building is large, but the site is large. A hotel consultant did a market study and it was determined that there is a tremendous market for a hotel in this area. The hope is to have a 72% occupancy rate. The hotel industry is probably 5 or 6 years ahead of other developments. This is the #1 hotel site in the twin cities and it would be the only hotel on Lake Minnetonka.

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Weber said that the design is similar to what the Planning Commission saw previously. The building has been repositioned due to the easement. He has created a model to provide a better visual of how the hotel will fit on the site. The details are not included on the model. The grade drops approximately 8 ½ to 9 feet from one corner to the other. The building has been pulled back so the view from the lake is maintained. There will be a lot of vegetation incorporated on the building. The restaurant will be on the corner of the main level and the hotel will face the lake.

The project meets everything according to the zoning with the exception of the building height. With a PUD, they would not be requesting a variance but rather an allowance for the additional height. With this design, the setback is increased. Using the model, he showed what a 35-foot building would look like with no setback and illustrated what part of the building would be higher than the 35 feet. They are willing to step back the building in exchange for the height allowance. They are giving up 120,000 square feet of allowable space, because they think this is a better design. Every room in the hotel will have a functional terrace. The lower three levels are all brick and the top level is copper. Depending on where you stand, you may only see a two or three story building. The further you go out into Lake Minnetonka is when you see the whole elevation.

Weber said as part of the process, the Council decided to have a small group of the adjacent property owners meet to see if there was a possibility for multiple properties to develop at the same time. One advantage would be to create additional parking underground. The group consisted of owners of the properties of Haskell's, Dunn Bros., the theater, and the hotel site. Through these meetings, it was determined that Haskell's and Dunn Bros. were not ready to redevelop at this time. The theater property stated that they were ready, but they did not have any plans prepared.

If the building is moved back further, it raises the height about another foot and creates problems with parking in front of the building. They have looked at other designs, but it would have reduced the number of rooms significantly. This design has the least impact on neighboring properties. If they designed a 35 foot building, a variance would still be needed but it would be in keeping with the variances that the City has already granted for underground parking.

James said the height that is shown now is not the same as what as in 2007. At that time, the roof was higher and had a pitch design. The roof on this building is flatter with an element on top. There was a comment about there being two easements. He noted that there is actually only one easement because the prior easement was rewritten and superseded by a new agreement.

Weber said another comment they received in 2007 was that the building was too industrial looking so they modified the design. He said there was a series

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of the old hotels that had vertical features on them.

Busch asked what are the materials for the terrace? Weber said brick and stone.

Busch asked if the top is copper. Weber said the top is copper, the doors and windows are wood, and there is also some soldier coursing. This will be a boutique hotel with 12 different room types. With the unique rooms, there will be people who return and want to stay in a specific room.

James said there is a hexagon wooden element on the first floor. The fourth floor will have copper instead of brick. He noted that the copper will develop a blue green color over time, so it blend in and not be as pronounced. It's surprising how this building will look from the lake. There are buildings that are taller and this building will be tucked down into a canopy of trees.

Chair Gaylord said that the last time this plan was before the Commission the height was an issue, yet the same plan has been submitted. He asked what has changed. Weber said the perception might have been that the building is too high. It is a difficult concept to explain, so that is why he's put together the model to give people a better idea of how it works on the site.

Chair Gaylord asked if the fourth floor was eliminated and that space was put into the other floors, what affect would it have on the project. Weber said it would reduce the building by 11 feet. Chair Gaylord asked if the project would still be viable. Weber said it would not be possible because it would not be a good building design.

Chair Gaylord said if one level was removed that would alleviate the height issue and everyone would like the hotel. Weber said the probability of having a three level building is slim.

Chair Gaylord said the setbacks really do not address the view from the lake. This is a gateway to the City and the structure will be quite high. Weber said it will not appear larger because there will be buildings behind this building which are much higher.

Chair Gaylord said as you approach the shoreline it will be a large structure. Weber said it is what it is; the perception from the lake and the shore are two different things. It is a 40,000 square foot building and one of the biggest buildings in Excelsior, but it is also on a large site.

James said they are not talking about a 3 floor Holiday Inn Express; they are trying to create a building that is much better than that. It will have activity and be welcoming to the City. People on the sidewalk will not be able to see the parapet from the sidewalk. The goal is to build the best building they can build, which is why they've made very conscious design decisions.

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Weber said there would be much more impact with a 35 foot building with no setback than with the stepped back building.

James said when this plan was brought forward last time, they brought in just the drawings and didn't do a good job presenting it. For the normal person it is difficult to read architectural drawings. They are willing to give up some of the square footage because they don't want a building that goes straight up.

Busch said the ballroom feature on the fourth floor is very attractive; this will be a good addition and provide views out over the lake.

Craig said that the market study has not been updated since 2007. Weber said the packet has the original study. The study has been updated twice since then and has actually improved. There is a demand for a hotel in the western suburbs. Three other cities in the western suburbs are considering hotels. The Holiday Inn Express on Highway 5 struggled when it first opened. This hotel will probably stabilize in two years. The rates would be \$20 to \$25 a room higher than other rooms. Business travelers will pay the extra just to be in Excelsior and have a restaurant on site. Statistics show that 25% to 30% of the people who stay in a hotel with a restaurant eat at the hotel at least one night. This hotel will also be in demand because of the lake.

Craig said that she thought there was a hotel that was in the works in Wayzata. Weber the hotel is still a possibility, but it is dependent on retail and the market for retail is not as strong.

Wallace said the Commission should focus on what this building will do for the next 100 years versus looking at the market study. What if the use is different in 60 years? The use should be secondary.

Chair Gaylord said there is an emotional desire for a hotel. If the hotel does not establish itself, there was a Plan B to change from a hotel to a condominium use in the documentation that hasn't been discussed. What is the possibility that the hotel will fail in the next five years? Weber said they aren't going to build something that is going to fail. The only reason they provided a Plan B is because people questioned what would happen if the hotel failed. It was done only to show that the density drops.

Chair Gaylord said this is a prominent location and he questions whether the City would want a condominium on the lake. Weber said with any business there is the question what happens if the business fails.

Chair Gaylord said those businesses are not asking for a height differential. Weber said he expects the basis for the height difference is the design, which will not change. This building will have less impact than what they could build, no matter what the use is.

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Jensen said what the Commission should be talking about is how this building represents Excelsior and the people coming into the City. If the hotel goes away, there is still the building. The building that has been represented is a quality building. He is not sure the City could ask or hope for a better design building for the Port of Excelsior.

Chair Gaylord said if the Commission takes the use out of the discussion, what would happen if another developer came forward and wanted to build a taller building. Jensen said that happened with the Wyer Hill project.

Chair Gaylord opened the public hearing at 8:38 p.m.

Bob Koens, 2 Bell Street, said everyone should appreciate what James is doing. There are so many people in the neighborhood that are happy about this. This is the best thing for Excelsior; this is more important than the grocery store. Everyone should be thanking James.

Matt Stone, 233 First Street, said he agrees that the hotel is a great idea. The design is nice, but the building is too big. A four story building will dwarf other buildings. There are a lot of small kids in the neighborhood and there is already a lot of traffic in the area, especially on weekends. If it's not economically viable to stay within the height requirements, shrink the building or do something else. The entrance point for the parking is deceiving. You enter at one point for one level and another point for the other level. This will add to the congestion that is already bad. He hasn't lived here long, but he thinks it will be difficult for a 58-room hotel to be viable so the use will change. He thinks the use will change. He has an office on Water Street and thinks that this building will affect the view to the lake. It would be better if the neighboring properties could work together so everything could be condensed.

Linda Putnam, 152 Third Street, said she has been in favor of this project for years and she hopes that the City will make it happen. She doesn't see why the height should be an issue. This is a PUD, not a variance. Some of the square footage is swapped for additional height. The space that would be a wall is being used to create something that everyone can use. This is not just for out of town people; people in the City will utilize this building too.

Jon Monson, 202 Water Street, said he has the neighboring property and he loves Excelsior and the idea of a hotel. The hotel being proposed is too big compared to surrounding neighbors. It is too large from a parking, vehicle circulation, and economic viability standpoint. With the PUD process, the City will be agreeing to this before getting into the nuts and bolts. Regardless of what the use is, it is going to create practical problems with parking and traffic circulation. He would encourage the Commission to look closely at this. This project needs to work from the ground up before you can look at mass and scale and whether it will work well as a hotel. Don't create a gauntlet situation with traffic. There are an incredible number of conflict points. He does think

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that a code conforming hotel can have a creative design and still be vibrant.

Mark Brabeck, 185 West Lake Street, said that in October 2007 he attended his first ever Planning Commission meeting and remembers hearing about this hotel five years ago. He doesn't understand why Mr. Monson seems to be the only person who seems to get anything done in Excelsior. He grew up in Excelsior and he is happy that Pizza Hut is gone. He thinks this facility will be fantastic for Excelsior. If the whole purpose of this meeting is to determine if the residents are favor of having a building that exceeds an arbitrary height limitation, he wants to go on record as being in favor. He thanked Mr. James for sticking with the five year process to get this project done.

Rhoda Brooks, 859 Excelsior Blvd., said she's been a resident of Excelsior for 45 years. She also owns a unit at Bayshore Manor and serves on their Board of Directors, and the Board is in favor of the hotel. She thinks the hotel will be exquisite; an asset for Excelsior. She doesn't know how the 35 foot height was decided. The 35 foot height seems arbitrary and she doesn't see any reason why the City needs to stick to this number.

Andy Marine, 186 West Lake Street, said he bought his house in 1981. He's attended a number of the City's meetings. The City has talked about generating revenue, and making Excelsior an attractive destination point. The City added the cruise boats at the Port of Excelsior, and he continually hears that people get off the boats and leave the City. This hotel and facility will be something that people will utilize. This project seems to reflect the character that the City wants. The applicant looked to the City's history in designing the building. It's not going to be possible to please everyone, but this is 99% of the way.

Chair Gaylord reported that the City received a letter regarding the project from Mark Kelly, which will be entered into the record.

Hearing no further comments, Chair Gaylord closed the public portion of the meeting at 9:05 p.m.

Richards said that the 35 foot height limitation was established initially because the fire department didn't have a ladder that went higher than 35 feet. He noted that when the Minnesota Department of Natural Resources (DNR) put together the shoreland regulations the building height that was standard throughout the area was 35 feet and the City did not differentiate from the height limitation at that time.

Weber said that the City of Wayzata had a 40 foot height limitation for the downtown. Wayzata switched to 35 feet to be compliant with the DNR regulations and they are considering changing that back.

Wallace said the maximum building height for residential is also 35 feet. Richards said it is 30 or 35 feet depending on the lot size.

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Chuck Rickart, WSB Traffic Engineer, said that he has looked at the site plan and the previous traffic study. He reviewed the circulation in and out of the site and within the ramp. He found some issues with circulation within the parking levels. These details will need to be worked out through the General Plan. The largest issue by far is the access into and out of the parking levels. Each is independent of each other. The middle driveway goes to the main level and the outside two driveways go in and out of the lower level parking. With a "T" intersection you have about 9 conflict points. In this situation, there is about 20 conflict points without factoring in the alleyway.

Rickart said getting from one level of the parking ramp to the other is a concern, because cars will need to use Lake Street to maneuver from one level to the next. There are operational issues with the four driveways and turning radiuses. The applicant will need to answer a number of questions. Will there be a charge for parking? How will cars be directed to the correct level? How is signage going to work? How will people know if a level is full? He noted that the internal circulation may be able to be worked out. He thinks the traffic study should be updated to address some of the changes that have taken place since the last study was completed.

Chair Gaylord said the support structures would need to be taken into account. Will height be an issue? Rickart said he hasn't looked at the height, but he doesn't think it will be an issue. There will need to be enough height to handle delivery vehicles.

Chair Gaylord asked if there is an exterior loading dock for deliveries. Weber said that deliveries will be handled on the main level. Richards said the plans show a 13 foot 5 inches clearance, which should be sufficient for delivery trucks.

The Commission discussed the traffic circulation.

Chair Gaylord asked if the City's ordinance required that vehicle circulation be within the parking area with underground parking. Richards said the question maybe should be whether the circulation between the two parking levels should be internal or if a public street can be used. Rickart said he can't think of anywhere that a public street is used to go between parking levels.

Duyvejonck said the traffic circulation is a bigger concern to her than the building height. She can envision someone trying to make the turn and causing all sorts of havoc. This is something she would like the applicant to address the traffic circulation to see if there is a better way to handle it.

Craig said there is a lot of vehicle and pedestrian traffic in this area.

Rickart said that a warning system could be used with the multiple driveways.

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Chair Gaylord said it appears that the building will limit the view from someone in a car. Rickart said the site line is something that they'll look at further.

Chair Gaylord asked if there would be reduced street parking with this design. Rickart said that one or two spaces may need to be eliminated. Craig said she agrees with that.

James said the first level of the ramp would be reserved for hotel guests. When the receptionist finds that all the spaces are full, guests will be directed to another level and space. He doesn't see any need for people to drive out in the street and reenter the ramp. If someone is coming to the restaurant, there would be signage to state when a level is full.

Chair Gaylord said these points are valid; maybe the applicant can address these issues in the next level. Weber said that is his hope. He noted that assumptions have been made based on lack of information. There needs to be a better understanding of how everything will work.

Duyvejonck said even with the best intentions, there will still be someone who will want to go from one level to the other.

Wright asked what the capacity is for the ballroom. Weber said 120. Wright said it's possible to have a lot of cars from people using the ballroom that aren't necessarily staying at the hotel. Weber said they acknowledge that this needs to be addressed and worked out, because if it doesn't work it will also hurt their business.

Wallace asked if there are parking spaces for compact cars. Richards said yes.

Wallace asked if there are plans for how the parking will work. Could it all be valet parking? James said he is not sure how the parking will work at this time. They may need to have someone to monitor the parking.

Duyvejonck said with the next level there needs to be measures in place to address pedestrian safety. This area is heavily used by pedestrians. The applicant needs to address how pedestrians can safely cross the drive areas.

Chair Gaylord asked the City Attorney to discuss the height limitations with regard to the PUD. Staunton said the City's PUD Ordinance permits the height of buildings in a PUD to exceed the height limitations in cases of unique site topography with grades of 18% or more or if the building includes below grade parking. A PUD application is a legislative function. The Commission has broader discretion with a legislative function than it would have in a quasi-judicial decision making process like a variance. There are items that the applicant has discussed to provide rationale as to why more than the 8 feet 3 inches of additional height is necessary. The Commission will need to create a record of those.

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Duyvejonck said there will be presentations with the concept, general, and final plan. Staunton said the City's PUD Ordinance has a three step process. The concept plan is to get a big picture view, which is followed by a general plan and final plan review. The general and final plan stages can be combined into one phase. The City has done it both ways. It will depend on the Commission's comfort level with the details.

Duyvejonck asked if each phase goes to the Planning Commission and then to the City Council. Staunton said if there are three phases, the final plan would just go to the City Council.

Duyvejonck asked when in the process the Commission should have fairly defined findings of fact to support the PUD. Staunton said issues with the height and traffic have been identified. The Commission will want to take a good enough look at both of these issues. If either of issues are problematic, they should be addressed right now in the concept plan stage. The Commission should identify what barriers there are for moving this forward.

Duyvejonck asked at what point the Commission decides whether there should be two or three stages. Staunton said the Commission can make a recommendation if it moves the concept plan forward.

Wallace asked why the 18% site grade differential and underground parking was included in the PUD when it was written. Staunton stated that when the Wyer Pearce development was done, it was approved under a previous version of the PUD. He believes the City took some items from that experience and also looked at situations where height variances were granted for underground parking.

Wallace said the way the PUD is written it appears the City is promoting underground parking. Staunton said that is correct.

Chair Gaylord said the two points that need to be discussed are the building height and parking. Maybe the question to ask is whether either of these is a complete show stopper.

Busch said she is more concerned with the parking and traffic situation and safety issues than the height. Do questions and answers to that need to be answered before this moves to the next level? Richards said that he thinks the applicant needs time to meet with the WSB Traffic Engineer to flush out some of the concerns before the Planning Commission makes a recommendation to the City Council.

Chair Gaylord said there needs to be more information from the traffic study. He would also like to see the updated market study and what happens in the case that the hotel fails. How does the building fit in our City? He is not comfortable making a decision tonight.

6. PUBLIC HEARINGS

- a. Planned Unit Development Concept Plan to Construct Hotel at 10 Water Street, P.I.D. 34-117-23-11-0059 – Thomas F. James Properties, LLC – (Continued)

Jensen said the Commission should discuss the height limitation. If there is not the vote to move this forward with the height allowance, the project is dead in the water and the Commission should let the property owner and architect know that at this point.

Jensen asked Rickart if he is confident that a parking and traffic plan can be worked out. Rickart said the parking can be worked out, the access is the issue. He would be more comfortable if the access was all internal.

Jensen asked Mr. Weber if he believes he can work with WSB on the traffic issues. Are there some additional ideas how this can be resolved and worked through that puts the traffic and pedestrian safety at a high standard. Weber said yes.

Wright said the presentation tonight was good and the model helped. He has a better idea what it will look like. He likes the tradeoff with setbacks to allow the extra height. It is a good design. He also likes the idea that they have all the parking onsite. The access is definitely a concern that needs to be figured out and addressed.

Wright asked if the restaurant and roof top will be open to the public. Weber said yes.

Busch said she also believes that the tradeoff to step the building back for an increase in height is acceptable, especially for such a well-designed building. She has same concern with regard to pedestrian safety and access.

Wallace said he agrees that the 35 feet height limitation is arbitrary and that is why they get so many variances. Every property deserves its own regulations and guidelines. The fact that this is a legislative versus quasi-judicial application doesn't make the Commission's job any easier. The legislative piece is not as black and white to him. It's a massive building, but it will be massive because that is what the zoning allows. It's a big piece of property and it will be 35 feet tall regardless. He needs to think about this further before deciding.

Craig appreciates the references to the history. She doesn't have as much difficulty with the height on Water Street. She would like to see how the parking and traffic will work.

Duyvejonck said she did the math and quickly came up to a total height of 47 feet. She also looks at it from a mass and scale perspective. She appreciates that the architect provided the height and scale on the model compared to the neighboring properties. Given that, she is establishing a comfort level with the height of the building but does see that the height of the building is related to the number of parking spaces, the number of rooms, the occupancy, and how this relates to how the circulation works. Her main concern is how the traffic and access is working. She would like to see that handled internally.

6. PUBLIC HEARINGS

- a. Planned Unit Development Concept Plan to Construct Hotel at 10 Water Street, P.I.D. 34-117-23-11-0059 – Thomas F. James Properties, LLC – (Continued)

Jensen said that the flow of the parking is the biggest issue for him, but he thinks it can be worked out. He is getting comfortable with the height. This is a beautiful building and it will be very expensive to build. He has not heard of any other projects in that area. This project needs to be judged on its own merits.

Chair Gaylord said that this is really a very good proposal. The presentation the second time was good. The model was great to have because it shows the building height so people can get an idea what the building will look like. The building will be massive, but there is no way around that. A lot of people think the 35 feet height limitation is arbitrary. This is not a variance request so the City has some latitude. He does not see how the structure could be built in three stories and still be viable. There are a lot of advantages with taking the volume out and putting it on top. It's a trade off and there can be a trade off with the PUD. There is a lot of sentiment in the City that a hotel will be a good thing. This will be an anchor in town, just like grocery store will be anchor in other end of town. There needs to be more information on the traffic and market analysis. He would also like staff to begin drafting the findings-of-fact so the Commission has those at the next meeting. He suggested that staff also have a discussion with the applicant to see if he intends to ask to combine the general and final plan.

Commissioner Duyvejonck moved, Commissioner Craig seconded, to schedule a special meeting for 7:00 p.m. on Wednesday, June 20, 2012 and continue this agenda item to the special meeting. Motion carried 7/0.

8. NEW BUSINESS

- a. Design Standards Review for 470 Water Street – KTJ 207 LLC

Commissioner Wallace moved, Commissioner Busch seconded, to move Item 8(a) up on the agenda. Motion carried 7/0.

Richards said that Paul Tucci, representing KTJ 207, LLC, has made application for Design Standards and Site Plan review for 470 Water Street, the former Choice Inc. Building. The three exposed facades of the building will be updated. The site layout will remain as it is today, but improvements will be made to the landscape. It is the intent of the applicants to lease the building for retail use or other permitted land uses as found in the B-2 General Business District.

The perspectives and elevations represent the current proposal for 470 Water Street. The changes to the building include new aluminum storefront doors and glass over approximately 85% of the current storefront, new canopy areas located over the entry doors of the building, extended brick pilasters on the northern portion of the building, new ColorKlad metal siding for the top portion of the elevation between the new brick pilasters, new face brick

8. NEW BUSINESS

a. Design Standards Review for 470 Water Street – KTJ 207 LLC – (Continued)

on the remaining areas of the storefront. The applicant is proposing to maintain the current sign tower and add new metal siding as a base material. The sign area on the storefronts are intended to be individual letters on a raceway and affixed to the brick face of the building. There will be new storefront windows on the Oak Street side of the building for the initial 25 feet, similar to the new storefront glass. New face brick (similar to the front side of the building) will be added to a single pilaster located just to the rear of the new storefront glass installed. The current windows will be replaced along the balance of the balance of the Oak Street elevation, the existing block and brick in the rear will be painted to blend with the new colors of the building, and new steel service doors will be installed in the rear of the building. The signage is designed to meet City Code. The elevation shows the dimension of the signs being proposed.

The Comprehensive Plan guides the subject site for future commercial uses.

Richards said that the proposal is consistent with the Comprehensive Plan. The subject site is zoned B-2, General Business District. Retail, offices, commercial service and restaurants are among the allowable permitted uses within the B-2 District. A restaurant use would be acceptable as long as the parking requirements are met for the 470 Water Street property.

The building setbacks will not to be changed with this application and the parking will remain the same. If there is no change to the parking, a variance is not required for the 50 foot setback requirement. Ninety (90) percent impervious surface coverage is allowed in the B-2 District. The hardcover will be reduced slightly as a result of these improvements.

The building height maximum allowed in the B-2 District is 35 feet. The building height will not be changed as a result of these improvements. The main portion of the building is less than 25 feet in height. The height of the sign tower is 32 feet. The Planning Commission should consider whether the height of the tower should be reduced as part of the improvements.

The plan does not indicate any exterior wall mounted light fixtures. The applicant should clarify if any wall fixtures or soffit lighting under the canopies will be used. The existing freestanding parking lot light fixtures are nonconforming and should be replaced with these improvements to fixtures that are compliant with the Design Standards.

The building at 470 Water Street has a gross square footage of 8,774 square feet. The building has a lower level that is a mechanical room. If any of that space is used for one of the building tenants (other than for storage) the parking demand may need to be recalculated. At this time the applicant has not indicated the potential tenants of this space. The site currently has 44 parking spaces which will not change with this project. Staff has calculated the parking requirements based upon retail or office space. With a total of 44 parking spaces, there is adequate parking for retail and office uses. The applicant will need to assure that potential tenants will comply with the

8. NEW BUSINESS

a. Design Standards Review for 470 Water Street – KTJ 207 LLC – (Continued)

parking limitations of the site.

Within the B-2 District, the aggregate amount of sign space shall not exceed the sum of two square feet for each front of building plus one square foot for each front foot of building which fronts on a public right of way, for a total signage allowance of 378 square feet. He noted that roof signs are prohibited. The sign tower has not been used for signage for over a year. As such, the nonconforming status of the roof sign has expired and no signage will be allowed on this portion of the building.

Richards said that the applicants have indicated that the existing freestanding sign will remain. The City Engineer has expressed concerns with the sight lines that are obstructed by this sign. The City may want to consider a variance to allow signage on the tower in exchange for removal of the freestanding sign. An application would need to be submitted and a public hearing held after proper noticing has occurred.

The applicants have proposed landscaping for the area at the back of the building for the proposed grocery store. The landscaping will soften the rear portion of this building and make the 470 Water Street parking lot more attractive. The landscape plan will be subject to the review and approval of City Staff.

The trash/recycling area behind the building at 440 Water Street will be used by the tenants at 470 Water Street. The grocery store will have its own trash and recycling area incorporated into the loading dock area.

The proposed changes to the exposed elevations of 470 Water Street are generally consistent with the Design Standards. Staff has provided a review of the proposed changes with the Design Standards. The Planning Commission should give particular attention to the metal siding elements that are being added to the tower and the South East elevation. The black metal siding is a rather dominant feature of the façade; the Planning Commission should comment if this should be utilized as a main building material or if it should just be used as an accent material.

Craig clarified that signage would not be allowed on the roof without a variance. Richards said yes because signage on the tower element is considered roof signage.

Paul Tucci, Oppidan, the applicant, said the idea with the colors and materials is to have some continuity with the adjacent building. He is hopefully finalizing a lease with an anchor tenant this week. Windows are being added along the front and the corner is being opened up and some doors installed. All that is proposed is to update the face of the building, they are not doing anything to the parking lot. There will be adding landscaping to the backside of the grocery building. They want to retain the signage on the corner and on the tower element. The idea is to use what historically has been a sign area, which is

8. NEW BUSINESS

a. Design Standards Review for 470 Water Street – KTJ 207 LLC – (Continued)

within the allowable square footage for signage. A row of windows will be replaced on the back two thirds of the building. On the front third they are adding six panels of glass to open it up to the street and make it more attractive. In going over the staff report, he can't think of anything other than the signage that would be an issue for them.

Busch asked if the brick is the same as what is on the 440 Water Street. Tucci said it is designed to be in the same pallet to keep the continuity and some balance.

Wallace asked why they would not use the same brick. Tucci said they talked about this and decided they wanted this building to look a little different.

Wallace asked why they wouldn't match the brick with what is being used on the 400 Water Street building. Tucci said they are trying to match elements both the 400 and 440 Water Street buildings.

Wallace asked why they were installing garage doors on the front. Tucci said they are not garage doors, but rather full length windows that are designed to open if they need to be.

Duyvejonck asked the applicant if he brought a sample of the bronze. Tucci said no, just the black metal.

Jensen said he does not like the expanse of the black metal. Craig said the black would only be on the tower. Jensen says it looks too contemporary to him.

Busch asked why there isn't some black roofing. Jon Monson, the architect, said they were trying to achieve some subtle nuances.

Jensen asked for clarification on the black and bronze materials. Monson said the bronze color is the same color that they have on the 200 Water Street building. He noted that it has become a popular color on Water Street. The brick color does not match the building next door because they wanted a balance. Each of the buildings has its own identity but work with a balance of brick. If everything is that same light brick it would be weighted too heavily on that color.

Jensen asked if the brackets holding up the canopy are black or bronze. Monson said they will probably be black on black and the middle signage will be bronze.

Jensen asked if the garage doors are black. Monson said yes.

Busch asked what color the canopies will be. Monson said they will be more like a clear anodized aluminum.

8. NEW BUSINESS

a. Design Standards Review for 470 Water Street – KTJ 207 LLC – (Continued)

Chair Gaylord opened the meeting up for public comments at 10:22 p.m.; no one wished to comment.

Busch asked what the length is of the long black sign. Tucci said the sign is about 52 feet.

The Commission reviewed the list of conditions prepared by staff.

Gaylord said when the MN Inboard application came through the process, the City made them meet everything. The City needs to be consistent with all applications.

The Commission discussed the use of metal siding as a primary building material on the southeast façade of the building. Busch stated that she thought it looked too contemporary. Jensen said he not comfortable with the metal or the amount.

Wallace said he does not think this project has a unified design, which the Design Standards require. There are three different kinds of metals being used.

Busch said she needs to see the proposal in color and have all of the building samples available.

Commissioner Duyvejonck excused herself and left the meeting at 10:35 p.m.

The Commission discussed the height of the window sills. Tucci said the window sills that are proposed are at the same height as the window sills in the 400 Water Street building.

The Commission questioned if they needed more brick detail. Chair Gaylord asked why they chose this brick rather than a more traditional brick like they are using on the 400 Water Street building. Tucci said that 400 Water Street was a new building; this is a restoration of an existing building. He said that some of the elements are tenant driven. They've tried to use the design materials from the other buildings and creating some independence and still make some independent looks for the three different tenants.

Busch said this design does not seem at all like historic Excelsior.

Wallace stated that for him it is the unifying design standard aspect. It doesn't fit in with Excelsior. Tucci asked what part doesn't fit.

Jensen said this looks like a strip mall. Tucci asked the Commission to explain to him what needs to happen. Richards said it doesn't fit because it doesn't meet the design standards. Tucci said if everything was the same brick and they put a 12 inch sill around it would that meet the design standards.

8. NEW BUSINESS

- a. Design Standards Review for 470 Water Street – KTJ 207 LLC – (Continued)

Monson asked if the existing building fits the design standards. Chair Gaylord said the Commission is challenging the applicant to work on the design.

Monson said he can identify a number of buildings that fit the design standards that look ridiculous. They wanted to have fun with this building by bringing in some old and new elements.

Jensen said the Commission doesn't determine dimensions, colors, or other information that is needed; they just react to the design that is submitted.

Tucci said they need to know what changes the Commission wants to see.

Craig said she doesn't find this design offensive. She thought the other building at 400 Water Street looked more like a strip mall.

Monson said he doesn't know what he can come back with. He personally wanted to find the old Red Owl sign behind the old wood. Whether this design meets the design standard is fairly subjective. He has no problem raising the sill to 12 inches. He has taken a 50's building and tried to mix it up and have some fun with it. He tried to break up the storefront with pilasters and a brick header to create a specific identity. The old Knapp building will have long metal across the top, way more than there is here.

Busch said she thought of the Knapp building and thinks that's more retro. The scale with this building makes it different. Monson said he works for Oppidan and he's happy to take whatever direction they give him.

Tucci said that there are three things in question, the sill height, the hole in the sign, and the black metal in the tower. What is it that the Commission wants them to change? Is it the percentage of metal on the black or is it the black color. If they change everything to brick and change the sill height they will comply with the design standards; is that what the Commission really wants. If that is the case, they can agree to make the changes and finish this right now.

Craig asked if the black is necessary. Tucci said it is an identity issue for the tenant.

Commissioner Wright moved, Commissioner Wallace seconded, to continue this item to the June 21, 2012 Special Planning Commission meeting. Motion carried 5/1, with Commissioner Craig voting nay.

7. UNFINISHED BUSINESS

- a. Design Standards for 50-foot Setback Requirement on Water Street

The Commission continued this discussion to the July meeting.

7. UNFINISHED BUSINESS

- b. Impervious Surface Coverage Regulations – Green Technology Subcommittee

The Commission continued this discussion to the July meeting.

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

Richards reported that staff is working on the amendment and should have it available for the Commission at the July meeting.

8. NEW BUSINESS

- a. Design Standards Review for 470 Water Street – KTJ 207 LLC

This item was moved up on the agenda to follow Item 6(a).

- b. Excelsior City Code, Appendix E (Zoning), Section 6 (Variances), and 65 (PUD Concept Plan Review)

Staunton introduced Sara Gibson, an intern working with him this summer. He said that she would present this item.

Gibson said that what is before the Commission is two proposed amendments to Appendix E. One pertains to Article 6, Variances, and the second one pertains to Article 65, Planned Unit Developments.

The suggested modifications to Article 6 relate to the standard to be used when evaluating applications for variances from the requirements of Appendix E. The suggested changes to Article 6 bring the City Code into conformance with the standard established by the Minnesota Legislature, Minnesota State Statutes §462.357(b)(2).

The suggested change to Article 65, relates to the notice period, changing the notice period from 10 to 15 days. This is consistent with Minnesota law and provides staff with the complete 15 business days to determine whether an application is complete.

Gibson said that if the Commission is in agreement with the proposed amendments, staff would recommend that the Commission schedule a public hearing on the proposed ordinances at the July meeting.

Commissioner Wallace moved, Commissioner Busch seconded, to schedule a public hearing at the July meeting on the proposed ordinances to amend Articles 6 and 65. Motion carried 6/0.

8. NEW BUSINESS

c. Reschedule July 3, 2012 Planning Commission Meeting

Commissioner Jensen moved, Commissioner Busch seconded, to reschedule the July 3, 2012 Planning Commission meeting for Monday, July 9 2012.

d. Dates for Additional Work Session(s)

Additional dates for work sessions were not scheduled.

9. COMMUNICATIONS & REPORTS

a. None

10. MISCELLANEOUS

a. Recent City Council Actions

Staff updated the Commission on recent City Council actions.

11. ADJOURNMENT

Commissioner Jensen moved, Commissioner Wallace seconded, to adjourn the meeting at 11:28 p.m. Motion carried 5/0.

Respectfully submitted,

Cheri Johnson
City Clerk