

City of Excelsior

Planning Commission Meeting

Minutes

Tuesday, December 4, 2012

1. CALL TO ORDER

Chair Gaylord called the meeting to order at 7:00 p.m.

2. ROLL CALL

Commissioners Present: Busch, Craig, Duyvejonck (arrived at 7:10 p.m.),  
Jensen, Wallace, Wright, and Chair Gaylord

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

3. APPROVAL OF MINUTES

a. Planning Commission Meeting of November 7, 2012

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

Commissioner Busch moved, Commissioner Jensen seconded, to approve the minutes from the Planning Commission November 7, 2012 meeting as written. Motion carried 7/0.

4. PENDING ISSUES/PROJECTS

a. Appoint Liaison to City Council (December 17, 2012)

Chair Gaylord and Commissioner Busch will be the Planning Commission Liaison and Chair Gaylord the alternate to the December 17, 2012 City Council meeting.

5. PUBLIC HEARINGS

a. General and Final Plan, Planned Unit Development District, Design Standards, and Site Plan Review, Article 65. PUD of the Excelsior City Code, to Construct a Hotel at 10 Water Street, P.I.D. 34-117-23-11-0059 - Thomas F. James Properties, LLC

Richards said that Neil Weber, representing Thomas James Properties LLC, has made application for a Planned Unit Development General/Final Plan review for the Excelsior Hotel project to be located at 10 Water Street. 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 zoned B-1 Central Business District. The proposed hotel, retail, and restaurant uses are permitted uses in the B-1 District. The property is located within the Downtown Historic District.

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- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

Richards said that the PUD process is three stages (two stages if the General and Final Plan stages are combined), Concept Plan being the first stage in which this application was considered. The Planning Commission, at its June 5 and June 21, 2012 meetings, reviewed the Concept Plan for the hotel. The Planning Commission was favorable to the mass and scale of the structure as well as the building height and recommended approval of the Concept Plan at the June 21, 2012 meeting. The City Council approved the Concept Plan at their July 16, 2012 meeting.

The application for the General/Final Plan was first submitted in September 2012. There were a number of items, both Planning and engineering related that were identified as necessary to make the application complete. The additional information was received and the General/Final Plan was deemed complete on November 8, 2012.

The Heritage Preservation Commission (HPC) process was initiated after the Concept Plan was approved. The HPC met on the Site Alteration Permit application at their October 6, 2012 meeting and a Special Meeting on October 30, 2012. At the October 30, 2012 meeting the HPC approved a motion to deny the Site Alteration Permit. They approved the Decision and Order of denial at their November 20, 2012 meeting. The applicants have 10 business days from November 20, 2012 to appeal the Decision and Order. The City Council would consider the appeal and could overturn or concur with the decision of the HPC.

The project consists of a hotel of 58 rooms with the appropriate lobby spaces. The underground parking garage will be accessed from Lake Street and will contain 79 parking stalls, 15 of which are compact spaces. The first floor includes the hotel lobby and a restaurant, the second and third floors will contain 26 hotel rooms, and the fourth floor, or roof level, will contain six hotel rooms and the ballroom. The roof is a combination of decks, solid surfaces and green roofs.

The applicants have submitted the market analysis for a hotel in Excelsior. The Planning Commission and City Council requested that as part of the General Plan review, the market study be updated in that it was done a number of years ago. A revised market study was provided.

The City Council approved the Concept Plan with conditions. One condition is that a site alteration permit be issued. The HPC has denied the Site Alteration Permit, so the project cannot move forward unless the Site Alteration Permit decision has been overturned or a new application is filed and approved by the

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HPC. Another condition is that the project must receive General and Final PUD approval before a building permit can be issued. The General and Final plan approvals need to be consistent with the plans approved as part of the Concept Plan stage. The current application is consistent with the plans that were approved as part of the Concept Plan stage. The General and Final Plans may be combined as one step for this project; the applicant has applied for General and Final plan approvals. A number of items were required by the City Engineer to be submitted with the General Plan to address access, parking, circulation, and traffic. The final condition is that the General and Final Plan proposals continue to pursue ways to connect the port and downtown and satisfy other purposes of the PUD ordinance.

The City Council approved the Concept Plan for the Excelsior Hotel on July 16, 2012, with conditions. The conditions of approval included that a site alteration permit be issued, the Applicants receive General and Final Plan approval before seeking a Building Permit, General and Final Plan applications must be consistent with the Concept Plan as approved, the General and Final Plan submittals and review may be combined as one step for this project, the City Engineer's issues with regard to access, parking, and traffic be addressed, and the General and Final Plan proposals continue to pursue ways to connect the port and downtown and satisfy other purposes of the PUD ordinance.

Since Concept Plan approval, City Staff has worked with the Applicant in exploring options for public and private improvements that will better tie the Hotel project and the Downtown to the Port of Excelsior and Lake Minnetonka. It has long been recognized that the Hotel property, and the way in which it is developed, is critical to provide this linkage between the Downtown and the Lake. Basic streetscape and infrastructure improvements, as well as enhanced streetscape and Port improvements have been identified.

The 2008 Comprehensive Plan Land Use Map designates this property for commercial use. The plan identifies this as a potential area for redevelopment. The Plan includes a strategy to continue to maintain and enhance the facilities and operations at the Port of Excelsior and provide design and physical connections between the lake and the Downtown through the Port. The Hotel will be seen as a prominent feature of the gateway into Excelsior from the lake and the Port.

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

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Richards said with the revised design, the hotel will have two entrances and one exit point onto Lake Street. This will improve the safety of pedestrians, reduce conflict points and eliminate exiting hotel traffic from the residential neighborhood.

Section 19-7 of the Zoning Ordinance 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 calculated at 75 percent of the requirements. Retail space requires 2.5 parking spaces for each 1000 square feet of area. The required parking for the Excelsior Hotel project is 111 and 113 parking spaces are provided. He noted that a seating plan was not provided for the restaurant, so staff used 120 seats when calculating the parking. Based on this, a condition should be placed on the approval that the restaurant cannot exceed 120 seats.

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. 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, 6 inches. As part of the Concept Plan consideration, the Planning Commission and City Council determined that the proposed building height was appropriate for this site. Conclusions were identified in the resolution approving the Concept Plan justifying the increased building height.

As part of its review, the Planning Commission should make a determination that the hotel project is consistent with each of the purpose statements of the PUD. In addition to the purpose statements, the Planning Commission should consider the general standards criteria of the PUD.

Dawley reviewed the engineering report. He noted that the review focused on traffic, circulation, and stormwater. There were no significant issues. The circulation was revised from the earlier plan. No public right-of-way is necessary to move from one parking level to the other. There are some conditions that will need to be met, and confirmation will be needed to show that the stormwater requirements are met. These are not significant issues, so they can be addressed either prior to the City Council review or issuance of the building permit.

Staunton said that when the City Council granted Concept Plan approval they added a condition to continue to pursue ways to connect the Port and Downtown

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Excelsior. Staff has worked to develop some options as a start to satisfy that condition. Staff has identified a number of basic and enhanced public improvements. The basic public improvements are items that the City would typically expect from any project. The enhanced public improvements are broken down into two areas. The first part deals with public improvements adjacent to the project area. The second part is improvements in the Port area that have been outlined in the Master Park Plan. As the Planning Commission considers compliance, the Commission should consider which of these options should be included in the final approval. The basic improvements would be paid for by the developer. It is possible that the developer may not be able to pay for the enhanced improvements and it will be up to the City Council to determine whether tax increment financing (TIF) would be made available. If the City Council decides to pursue TIF, the Planning Commission's role will be to determine if the project is in concert with the Comprehensive Plan. These are already listed in Comprehensive Plan so this will be an easy analysis for the Commission.

Busch asked for clarification on the Port improvements. Staunton said that if the Commission determines that any of the enhanced or Port improvements are necessary to comply with the concept approval condition, and if the applicant is not capable of paying for those improvements the City Council will need to determine if any public financing will be offered.

Craig asked when the Commission will see the items identified in the engineering report. Will the items be provided between the General and Final Plan? Dawley said that most of the items could be considered conditions of approval and submitted prior to the issuance of a building permit. None of the items affect the intent or overall plan. There are some discrepancies between the grading plan and ramp, which staff would like to see corrected. He would also like to see additional information on the traffic and circulation to confirm some minor documentation. This is something he would want to see prior to the City Council meeting. Dawley said that he would provide an updated memo for the Council if he received any of the information.

Chair Gaylord said that as long as the General/Final Plan application was packaged together the Commission should treat those two applications as one. Busch said that the City Council has the ability to split the two stages if they need or want to.

Richards said that if there is any information that the Commission would like to see, it should identify what is needed so the applicant can provide it for the Special Planning Commission meeting scheduled for December 10<sup>th</sup>. He said that the City Council reviews the Final Plan, the Planning Commission's role is to review the General Plan.

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- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

Chair Gaylord asked Dawley to review the changes in the parking and circulation that were made following the Concept Plan approval and the General Plan application. Dawley provided an overview of the changes to the circulation and parking.

Craig asked if the easement needs to be addressed. Dawley said from an engineering standpoint, this is not a concern. Staunton said that there was an extensive discussion at Concept Plan approval on whether the application was complete or not. The applicant needs to show sufficient control over the property. The easement allows for uninterrupted access to the theater property, so he is comfortable that the applicant has sufficient control over the property. It is not an exclusive easement. It does not prohibit the applicant from using the easement area, it just cannot be blocked.

Wallace asked if the applicant is using the easement to go from one level of the parking to the next. Dawley said there is a down slope of about 12 percent to allow access out of the lower level to surface grade and to go back up.

Chair Gaylord asked if there is a stormwater catch basin in that location. Dawley said yes.

Wallace said with regard to the HPC appeal, did the Friday after Thanksgiving count as one of the ten days. Staunton said yes.

Charlie James, the applicant and owner of 10 Water Street, said that his family has owned the property for 36 years. The property is zoned for a hotel. At one time, the general vicinity was the site of several hotels, including the White House and the La Paul. He noted that the zoning allows for a 3-story office building, but he sincerely believes that a beautiful brick hotel would be a wonderful addition to the Port and Downtown Excelsior. Studies have shown that the success of the hotel will depend on the setting and the architecture together creating a destination boutique hotel. Proximity to airports or freeways is not what a boutique hotel is about. It will be a destination hotel for visitors and a focus for the community. It will be a place for friends to meet, community events, business meetings, reunions, as well as many other social functions.

The building design was inspired by a study of the many historic hotels which once graced the shores of Lake Minnetonka. This is the largest piece of land in Downtown Excelsior north of Third Street. The site is  $\frac{3}{4}$  of an acre, yet the building footprint only occupies approximately  $\frac{1}{3}$  of the land area. The hotel building has less cubic feet in volume than what is allowed under the zoning code for a 35-foot high office building.

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James said that great care has been taken to blend the building into the rhythm of Water Street. On Lake Street, every attempt has been made to avoid identical, stacked, horizontal segments. The materials have all been chosen for their authenticity and historic reference. The brick has been chosen to match that of the downtown buildings. The cupola and use of copper or other clad metal have precedent in the City.

One of the most exciting aspects of this hotel is the opportunity it creates for the City to make improvements to the Port as contemplated by the Comprehensive Plan. While the project can stand alone in terms of handling its own stormwater, utilizing a green roof and retention facilities, there is also the opportunity to work together with the Minnehaha Creek Watershed District to create a more wide ranging solution to stormwater runoff and water quality.

The plans represent the culmination of several years of planning and design and there will continue to be many more opportunities in the year ahead to leverage the hotel project into many other projects that benefit the entire City. The staff report has a comprehensive list of 30 conditions outlined for moving the project forward. He has read the conditions and agrees with them.

Neil Weber, architect for the project, said that there is a lot of information and he won't be able to cover everything. Weber showed pictures of the hotels that used to be around Lake Minnetonka. The intent is to bring back a spirit that existed in the past. The hotel is not a function that exists in Excelsior today. The hotel will be about 40,000 square feet and it will be the largest building in the downtown area. The size of the hotel was driven by how much parking could be provided on site. The boutique hotel will have higher ceilings and bigger rooms. They wanted to build something that would fit in; this is how they came up with the idea of stepping back the levels. He distributed information from the cities of Boulder and Aspen. He said that these historic cities allow a higher height through a stepped back building design feature.

When the original sketch plan was brought forward, the Council and advisory commissions suggested that some element be added at the corner so the turret was added. He noted that a lot of the older hotels had tower/turret styles on the outside corner, their design has the turret on the inside corner.

The original traffic report was done in December 2010, so it had projections for the summer months. The most current traffic study was done in August 2012. This study showed that the projected vehicular traffic in the December 2010 study was higher than the actual and the pedestrian traffic at that intersection was three times higher than what was projected in the first study. One improvement that is proposed is to have the curb bumped out, which will direct pedestrian traffic to the corner.

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Weber explained features from some of the drawings. He noted that the height of the building along Water Street is 35 feet, which is the maximum building height allowed in the B-1 Zoning District. He showed how the floors of the building have been setback to minimize the mass and scale. He noted that this is a design tool that is used in the industry to make the building seem smaller than it actually is.

The retail area will have a walkthrough to get to the back of the building and the parking. The HPC wanted the door to open onto Water Street and they are willing to make that change.

Weber showed where the restaurant will be located and provided details on the design elements that are unique to the restaurant. He provided details on the Lake Street elevation and explained how each of the floors will be stepped back. The elevation for the second floor was changed since the Concept Plan to provide a more privacy for the patrons in the hotel rooms and the outside eating area of the restaurant.

The roof of the building is set way back and the roof is copper. During the Concept Plan discussions, concerns were raised with the shininess of new copper. He showed examples of copper in its original state, and what it looks like after seven, ten, and twenty years. Copper is an authentic material, and it is a material used in a number of properties in Excelsior. Copper is a very common historic material. Using it for the whole roof is a significant feature. They have researched materials and found several alternatives. He explained each of the materials. He noted that they would welcome input from the Commission on the various materials.

The basic building is done in modular brick. He showed the sample of the brick that they proposed to use. He noted that they wanted a brick that was not necessarily smooth and had some variation in colors. Another material that they plan to use is a cast stone. The windows and doors will be wood and clad on the exterior. There will be accent lights between the rooms. A design for this element has not been decided. They would propose to bring back a final design for this element to the appropriate government body for approval.

Leaving the corner open was a subtle but important element in the design. A picture of the area with the Pizza Hut building on it and then a picture with the proposed hotel superimposed in the location was shown. Pictures of sites in downtown Excelsior were shown that depicted elements that were used in the design for the hotel.

Weber showed slides of each level and identified the materials that would be used in each level. He showed pictures of the lighting for the parking area and parking

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ramps. He noted that the building would have a green roof designed to handle 4 to 6 inches of stormwater, which helps the site meet the stormwater runoff requirements.

The City requested that a noise study be provided. This study showed that the noise level would not be more than what currently exists.

Weber showed the changes that were made to the turret and showed a picture of what the turret would look like if it was shortened.

Duyvejonck asked if the roof of the turret or the entire façade of the 4<sup>th</sup> floor would be copper. Weber said the entire façade of the 4<sup>th</sup> floor is proposed to be copper.

Craig asked if the alternate materials are less shiny. Weber said that is correct. They would prefer to use an authentic material than a colored flashing material.

Chair Gaylord said the vertical aspects of the building were offset so they would not line up, but they appear to line up. Weber said the rooms line up but the openings are different.

Weber said that the small entrance going out to a sitting area on the roof of the apartment building to the right of the property is higher than the hotel. When the building was designed, the intent was to meet the height requirement on the Water Street side.

James said they wanted to use copper because the blue green color the copper gets as it ages would help the building blend in with the sky and trees.

Chair Gaylord asked the Commission what they thought about using copper. Craig said there was a building in a development with a copper roof and it blinded people when the sun shined on it when it was new.

Chair Gaylord said he has no objections to the copper. Duyvejonck said the four or five years of shininess would concern her because of the reflection and the glow shining off it. Chair Gaylord said he has copper on his deck and it aged within two years. Duyvejonck said there is a larger area with the hotel.

Chair Gaylord asked the Commission if the alternative materials are more acceptable. Weber said that there are various levels of treated metals available.

Wallace asked Weber if he had any concerns that the materials would have a striped appearance to it. Weber said he is not concerned, noting that the color illustration is not accurate.

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Wallace asked if there was fieldstone at the base. Weber said it was always their intention to use the same material that the City has used in the Port.

Chair Gaylord asked if they had given any thought to using something other than concrete for the entrance ramp. Weber said no, but it would be something worth considering. He said that they have discussed putting heat elements in the ramps to address maintenance and safety issues.

Chair Gaylord opened the public hearing at 8:37 p.m.

Mark Kelly, 351 Second Street, said tonight's proceeding is a code mandated review as a proposed PUD. This is a most significant parcel in the City. As appointed officials, Commissioners have agreed to uphold the City Code. The burden is on the applicant to show that the PUD is consistent with the Comprehensive Plan. The application can be denied if the project does not meet the Comprehensive Plan. The Concept Plan approval does not bind the City to any action. The Comprehensive Plan is implemented through the Zoning Code. There are a number of mandates within the various City Codes, and the PUD application needs to meet those. He read the purpose section for the B-1, Central Business District on page 54 of the Comprehensive Plan. The proposed building does not meet these criteria. He objects to a PUD that allows a building that dwarfs all of the other buildings in the downtown. The HPC has said no twice to this design. Under Appendix E, Section 65-10 of the Zoning Code, the applicant must comply with Chapter 20 and Appendix E, Section 62 of City Code. The Commission cannot approve a PUD zoning element unless it is found to be consistent with the Comprehensive Plan and the building must maintain the quality and standard of architect with surrounding properties. This building does not.

Bill Damberg, 256 Water Street, said he is here representing the Board of Directors for the Excelsior Downtown Business Group and also as someone who has been active in communities similar to Excelsior. He sees this as a grand addition to Excelsior. He agrees with the size and concept and the design. He said design is very subjective. He strongly believes that will be an amazing asset to Excelsior. The PUD concept is a good use and should be passed by the Planning Commission.

Judy Mueller, 228 Center Street, said that what Mr. Kelly said about the Comprehensive Plan is key to the whole project. She is against a building that is twice the size of other buildings in the downtown historic district. She has watched proposals such as this since 1970, and she has never seen someone walk away with original plan. The advisory commissions have worked with the applicants. Everyone has to work together.

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Jerry Brecke, 25510 Park Lane, Shorewood, said up until a few years ago he owned property on Water Street for 30 years. During that time, he sat on a number of Excelsior committees. Among those, was the Core Committee that looked at long term planning and feasibility for the downtown that was completed about 12 years ago. The group held a lot of meetings and not everyone agreed with everything, but an extremely good plan resulted from those meetings. One item that took a lot of discussion was height. The vote on the height was that flexibility should be taken into consideration when looking at the 35 foot height regulation, because the Committee thought there would be occasions when a project would need to be looked at outside of the box. He would love to have a place for his son to stay when he comes back to Minnesota to visit. A number of Rotarians he's talked with would love to see the hotel. He spent a number of years with Carlson companies, so he is familiar with hotels and feasibility studies. He said all the front money has been paid for by the owner and he can't believe that the property owner would want to put up anything that wasn't viable.

Jamie Keifer, President of the South Lake Excelsior Chamber of Commerce, said she is here to speak on behalf of the Board. She noted that the Board unanimously approved the concept of the hotel and think it would be a great addition. She also works at Wells Fargo, and the support for the hotel she has heard at her work has been overwhelming.

Rhoda Brooks, 859 Excelsior Boulevard, said she agrees with the points that Mr. Brecke made. She would love to see the hotel. She believes it will blend with the architecture of the City and it will be an asset to the city. She said she also served is on the Board of Directors for Bayshore Manor, who also support the hotel.

Rick Meyer, 600 Pleasant Street, said that Excelsior in the last few years has become absolutely attractive and in a way that Excelsior has kept its unique "brand". This happened because the City stuck to its standards put forth by the City Codes and Comprehensive Plan. He stated that all of the advisory commissions, City Council, and special committees have done a great job keeping the small historic city atmosphere. This project needs to slow down and everything needs to be carefully examined. This is basically about a building, not a hotel. The HPC works hard to hold to its standards and not look at the use. No single building or project should be granted a PUD just so that it can go forward. This is the very same project that the HPC rejected in 2010 for the same reasons as it has been denied this time. It would be a disservice to the oath we all have taken and the Standards we are held to protect the town to allow this project to move forward in its current form. A great success story through denial and negotiation is the Library project, which resulted in a "Landmark" building that will be admired for years to come. He asked the

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Commissioners to think very carefully about approving a building, not a hotel, which will impact the face of Excelsior permanently by not asking a developer to stick to our standards.

Monica Frederick, 603 Lake Street, said that the residents at Excelsior Bay Gables all signed a petition in support of the hotel. Everyone at the Gable supports the hotel. She would like to compliment the Planning Commission and HPC for all the hard work that everyone has done. She believes the HPC is wrong with regard to this particular project. This is a landmark and she can't think of a more perfect building on this property.

Don Hagmann, 6085 High Pointe Road, Shorewood, said he has nothing to gain or lose from this project other than to see what Excelsior does. He likes good architecture and development/redevelopment, and he is familiar with construction. Seeing the model really helped. He expected something that massed the site significantly more than it does. He thinks the architect did a wonderful job to fit something on this site. This building will be a jewel and one of the most exciting projects in the State of Minnesota. He hates to think of what the cost per square foot will be for the building. He thinks it would be a shame to shoot this down.

Bob Bolles, 229 George Street, said he is on the HPC and he was the only one who did not vote in favor of denying the project. He felt that the HPC was a little unfair to the architect and developer when the motion was made to go back to the 2010 design, because there were several members who were not even on the HPC at that time. He thought there was progress being made on the review of the design. He noticed that Stuart McDonald was listed and he had hoped that he would come to the meeting. He said that the architect has made some changes on the building. There was some discomfort on the HPC with the fourth floor. In general, a hotel is a much larger and massive building than what Excelsior is used to. The School Administration building is probably somewhere between 55 and 60 feet tall. There are other PUD's that have been approved in the City and he hopes that the Planning Commission will take that into consideration. This is not the only building that will be that tall in the City.

Becca Sanders, Chair of the Heritage Preservation Commission, said that she needed to clarify a point that Bolles had made. When the motion was made at the HPC meeting it was based on the plans that were presented to HPC in October. When the HPC discussed the 2010 plan, the discussion was that the HPC could look at the findings of fact from that decision when they put together their findings for denying this project. She would really like to see the applicant resubmit their application. She feels like this is a project that would be suited for the same type of process that the library went through.

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Charles Babcock, 20465 Manor Road, said that he owned property in Excelsior until just recently. He thinks that the City needs to stand behind the City's Code otherwise it will see a big change in other developments. The City Codes have worked well to this point. There was a negotiation with the library and modifications were made. He doesn't see why that can't occur here. He thinks a hotel in Excelsior would be good and an asset to the City, but this hotel is too large.

Linda Putnam, 152 Third Street, said this is a remarkably beautiful building and she hopes it gets built in Excelsior. There used to be a lot of historic hotels in Excelsior; this hotel needs to be in Excelsior. This project has been under consideration for five years and its ebbed and flowed and is now back on course. Excelsior does not have the same kind of hotel or needs that the 494 strip has. The City scape has not been discussed tonight. Coming into the City you have the mass and scale of the Excelsior Bay Gables, Wyer Hill, the old School Building, churches, apartments, etc. There is already a fair amount of height in Excelsior. She has heard from so many residents who want this. It is not so much if but when.

Jon Monson, 202 Water Street, said he also owns property next door and across the street from the hotel property. He does support the concept of the hotel. He wants to make sure everyone understands that the Chamber Board gave support to the Concept Plan, not the plan that is before the Planning Commission tonight. This may be a wonderful building in the cities of Aspen and Boulder, but not in Excelsior. He would prefer to see the Aspen House located here. It would be perfect, humble, and authentic. The project does not meet the City Codes and Comprehensive Plan. The City must stop turning a blind eye to the fact that the current application does not meet the ordinances. This is not a group of buildings. This is a variance in PUD clothing. He reviewed the areas of the PUD ordinance that he believes the project does not meet. This has to be an unemotional evaluation. He distributed 32 examples from the Comprehensive Plan dealing with mass and scale, which he believed the project did not meet.

Steve Bubb, 174 West Lake Street and 261 School Avenue, said he thinks this is a unique project. It restores a historical business, a hotel. For 50 plus years there has not been a hotel in Excelsior. It is why Excelsior existed and why it is what it is today. This is not a small piece of property and it also has a lakeshore view. There probably is not another good use for this particular property than a hotel. The City is blessed with a developer who is not asking for financial assistance and is willing to put up millions of dollars to do this. The developer has worked patiently with the City for years to come up with a design and a viable business. He would ask that the Planning Commission work with the developer. The City must keep this in concept with the history of the hotels. There were five hotels on

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Lake Minnetonka. In Excelsior there were seven hotels of various sizes that were operating until about 50 years. The two that were on the original site, were very similar to size and scale of what is being presented. This building is very appropriate, compatible, and harmonious with neighboring buildings. He would encourage the Planning Commission to work with the developer.

Mike Monson, 140 Maple Street, read a statement from Don Shelby, 100 Grove Street.

Richards noted that the Commission had received a number of comments, which were provided to the Commission.

Chair Gaylord closed the public portion of the meeting at 9:37 p.m.

Richards said that when the Council changed the PUD ordinance a couple of years ago, it had added the word "may" propose at least one use that is not allowed by the underlying district. Prior to the change, there had to be at least one use proposed that was not allowed.

Chair Gaylord said that this is such a large property that if it was comprised of multiple buildings he is not sure that it would be a successful proposition. The scale of the development seems to fit the size of the lot, which is something that should be considered. It seems to fit the spirit of the PUD.

Craig asked staff to read the provision in the PUD. Staunton read Section 65-2 of Appendix E that deals with eligible parcels for a PUD.

Monson said that the Planning Commission is referring to 65-2 and he does not see how section 65-4 is negated. Staunton said he does not read 65-4 to mean that a parcel without multiple buildings is not acceptable.

Chair Gaylord said that this application has been in process for many years and in his tenure he can't think of another project that has gone through as much discussion or scrutiny. The Commission has had an opportunity to work with the developer and make positive changes. He would encourage the Commission to think about all of the time that has been invested. It could be a historic landmark. This building will stand for a long time and most hope that it will be a hotel. If it does not turn out to be a hotel, there are alternative plans. The Commission needs to think of this structure on the site and what it does for the community.

Chair Gaylord said that there are some design standards elements that the Commission needs to go through and address those one at a time.

5. PUBLIC HEARINGS

- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

Richards said that there were a couple of items brought up from the HPC's review that he would like the Commission to discuss. The HPC thought that the door for the retail space should front on Water Street.

Craig said she thought that was brought up during Concept Plan approval.

Richards asked the Commission to provide comments on the retail door, pergola detail, the copper roof, and cobblestone for the entrances to the parking.

The consensus of the Commission was to require the retail door on Water Street. Chair Gaylord asked if the door would be centered.

Chair Gaylord asked where the signage for the retail would be. Weber said it would be a blade or wall sign and located on either side of the door. They will apply for the signs when tenants are decided.

Wallace said it might make sense for the smaller side to be the bay, rather than have the single door in the middle. The Commission decided that the actual location of the door would be determined by the applicant or City Council.

Richards asked for comments on the pergola. Chair Gaylord said he likes the idea of having a more residential look.

Craig said she strongly believes in the Comprehensive Plan. She appreciates the details and materials, but she has an issue with the building not reflecting the small town character. It is beautiful building, but there are a number of elements that are not in Excelsior. Weber said the elements that were used are in other buildings in the City.

The majority of the Commission was comfortable with the pergola, but Craig was not.

Richards asked for comments regarding the copper material. Chair Gaylord said he thinks the copper is fine; copper is a quality product that stands up in time. It will blend in better with the landscape and be less obvious visually. Craig said she likes the patina copper, but not the original. Jensen said that the material looks much better when it patinas naturally.

Wallace asked if the intent was to install real copper and let it patina naturally. James said yes. Weber said the intent would be to patina it so it has the blue green color.

The Commission discussed whether it wanted the copper to patina naturally or to advance the patina process to a specific color. The consensus of the Commission was to go with advancing the process to a green tone.

5. PUBLIC HEARINGS

- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

The Commission discussed the driveway going into the parking lot and whether to have cobblestone pavers. Weber said it would need to be some sort of texture concrete, because they will probably put heat cores in it. Chair Gaylord suggested that this be added as a condition – heated textured concrete. The commission agreed.

Richards and the Commission reviewed the design standards.

Commissioners discussed criteria pertaining to the unifying design concept. Chair Gaylord said the stepping back of the balconies was an essential design feature. Craig said the building has traditional elements, but it also has elements that are not found in Excelsior. To her the building is very busy, it seems too elaborate. Wallace and Craig said that they agree with the HPC that the building does not relate to the character of surrounding buildings.

Commissioners discussed the building placement. – Chair Gaylord said the stepped back design was a technique used and essential design feature; this should be made a condition of approval. Busch the step back is really important. Chair Gaylord said that the open areas will be more welcoming and used during the summer months.

Building height was discussed. Wallace said this is the absolute sticking point for him. If he had been present for the Concept Plan approval, he would have voted against this for that reason. He believes the City's building height should be under 35 feet everywhere. Wright said he would not want to see the building all the way out to the street. The consensus was that the height was not an issue. Chair Gaylord said based on the underground parking and the slope, the building does not appear to be as high. He does think it matches the apartment building, and the step back of the floors helps.

The street front entry/doorway and the use of canopies and awnings were discussed. Craig said it is quite massive, but it is a massive building. Wright thought the building looked good. Busch said it is in context with what was historically there and the diameter of the brick was decreased. Jensen said the scale of the original design is better. Duyvejonck said the design is more linear and graceful. The consensus was to go with the original design.

Richards asked the Commission about the window openings and street front windows. Was the Commission comfortable with sizes and dimensions? He noted that the HPC discussed how they did not line up on the upper level. Craig said it is like everything scales down and diminishes and then it expands again. She agrees with the HPC on this.

5. PUBLIC HEARINGS

- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

Weber said it is the function of the inside, the ballroom, which dictates the size and dimensions. The cooper will also help it fade out and there is brick below. This will help negate that look. Chair Gaylord asked what the height of the ballroom is. Weber said it is 12 feet 6 inches, so the interior will be 11 feet 6 inches. The size and height is needed to make the rooms unique and desirable.

Wallace asked if the part that is wood is the same color as the window. Weber said yes.

The Commission discussed the building materials, colors, etc.

Duyvejonck asked if there is a building that uses this kind of brick with the Kasota stone so she can get a sense of what it will look like. She can't think of a building that has brick and Kasota stone.

The Commission asked that there be a condition that there is a bike rack in the front and back of the building.

Richards said that decorative light fixtures and signage have not been decided, so these will need to go to the HPC for final approval. Wallace said his hope is that the light fixtures will be what is drawn on the plans. The Commission was okay with these elements being approved by the HPC.

Chair Gaylord asked a question on the signage. He said it seems like the signage gets lost on the side of the building. Why not put it somewhere else. Weber said that is a good point. The intent is to have minimal signage that has an elegant look.

Richards asked the Commission to discuss the public-private improvements.

Craig said there are still a number of items that she thinks needs to be discussed.

Duyvejonck asked if there should be a discussion on how the Planning Commission's process fits with the HPC process. She understands that it is not the Planning Commission's role to override the HPC's decision, but how do the two bodies work together. Staunton said the Concept Plan approval had six conditions. The first condition was that a Site Alteration Permit be issued. That condition has not been met. The Planning Commission does not have a role in whether the Site Alteration Permit is issued or not. If the applicant appeals the HPC's decision in the required timeline, then the Council will consider that. The condition that a Site Alteration Permit be issued should still remain. He noted that the HPC has a different set of standards to apply than the Planning Commission.

5. PUBLIC HEARINGS

- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

Chair Gaylord said one of the reasons the HPC denied the Site Alteration Permit is because of the mass and scale. Why shouldn't the Planning Commission take this into account? Staunton said the Commission is not prohibited from taking that into account, but it is not applying the same standards that the HPC applies.

Staunton said the PUD ordinance allows the Commission to depart from the height requirement when there is underground parking. When the Commission discusses its findings, it will need to discuss why this proposal is appropriate.

Chair Gaylord said the setback design and the addition of the 4<sup>th</sup> floor actually saves in volume and limits the mass and scale.

Chair Gaylord said there is a lot of information and details in this application. He would recommend that the staff take the information and provide some recommendations for the Commission to consider at the special meeting it has scheduled for December 10, 2012.

Chair Gaylord said that the Commission should spend some time on the public/private improvements and provide some direction to staff so the Commission has clear direction for the December 10<sup>th</sup> meeting.

Staunton said one way to facilitate that discussion would be to have staff draft a resolution that would have findings and conditions that the Commission can react to. To do that, staff needs direction on what issues the Commission may wish to address.

Staunton said the public improvements were designed in conjunction with condition #6 of the Concept Plan approval. Is the right approach to include the just the basic or should it also include the enhanced.

Chair Gaylord asked why the City wouldn't want to ask for all of the enhancements. Duyvejonck agreed. Craig said some of the items have been mentioned throughout the discussions.

Staunton stated that the basic improvements are what are asked for with a typical application. The enhanced is really things under a PUD application, with the scope of the project, is what the City might get for departing from what is there now and for the rezoning to PUD. The PUD ordinance says you need to comply with the Comprehensive Plan, and all of the items are identified in the Comprehensive Plan. How the items are paid for are not up to the Planning Commission to decide.

Craig said without knowing the financial aspect, she is not comfortable saying that these items should be completed.

5. PUBLIC HEARINGS

- a. General and Final Plan, PUD District, Design Standards, and Site Plan Review, to Construct a Hotel at 10 Water Street – (Continued)

James said he's not ever asked for financial assistance, but he would not be against the City utilizing tax increment financing (TIF) to pay for improvements. He explained how TIF works. If he's paying \$60,000 a year in property taxes now and with the new development the tax assessment is \$300,000 per year, State law allows the City to capture the tax increment to use toward improvements.

James said he does not think it's appropriate for him to pay for items at the Port, but he's happy to pay for items that are directly related. He doesn't want a penny of public assistance. TIF is a way to structure this so everyone wins. When the public hears tax in conjunction with the hotel alarms go off. Most people don't have a good understanding of how TIF works. This project could help fund a large stormwater improvement for the City. He is willing to take the money he would spend to manage stormwater on his property and put it in a joint pot with the City and the Minnehaha Creek Watershed District to put in a system that handles the stormwater for a larger area.

Chair Gaylord said it's important that the direction is set now and then let the Council determine how it will be funded.

The Commission agreed that the recommendation would be to ask for everything on the list.

Wallace said how it gets funded is an important issue for him. Craig said it's hard for her to separate the funding too. Wallace he said he would not be comfortable tying these to the project and then requiring the developer to pay for them. Staunton said if you think the PUD can be approved without these improvements, then don't tie the improvements.

Duyvejonck said she agrees with Wallace. In her mind, she doesn't think Port improvements are necessary for approval of the PUD, but she still doesn't want to lose track of these items. Jensen agreed. He said it doesn't seem right to require some of the enhancements. If the City and developer can come to an agreement to handle the other items, he is fine with that. He doesn't want to hold this project to a higher standard than the City has other projects.

Richards and Staunton said they are happy to bring back some recommendations based on the discussion this evening. Staff has a sense of direction from the discussions.

Commissioner Duyvejonck moved, Commissioner Craig seconded, to continue this agenda item to the Planning Commission's Special meeting scheduled for Monday, December 10, 2012. Motion carried 7/0.

5. PUBLIC HEARINGS

- b. Proposed Ordinance to Amend Article 60, Shoreland Management District of Appendix E of the Excelsior City Code of Ordinances Related to Impervious Surface Coverage and Sustainable Building Practices

Richards recommended that the Commission open the public hearing and receive any comments and then continue this item to the January 8, 2013 Planning Commission meeting.

Mayor Gaylord opened the public hearing at 11:30 p.m. Hearing no comments, Chair Gaylord closed the public comment portion.

Commissioner Wright moved, Commissioner Duyvejonck seconded, to continue this agenda item to the January 8, 2013 Planning Commission meeting. Motion carried 7/0.

6. UNFINISHED BUSINESS

- a. Formula Business Regulations (Franchises)

This item was continued to the January 8, 2013 Planning Commission meeting.

7. NEW BUSINESS

- a. Parking Update – Implementation

This item was continued to the January 8, 2013 Planning Commission meeting.

- b. Dates for Additional Work Session(s)

No dates for Work Sessions were scheduled at this time.

8. COMMUNICATIONS & REPORTS

- a. Next Planning Commission Meetings - Special Meeting - Monday, December 10, 2012 and Regular Meeting – Tuesday, January 8, 2013

Information only.

9. MISCELLANEOUS

- a. Recent City Council Actions

There was no report on recent City Council actions due to the late hour.

10. ADJOURNMENT

Commissioner Wright moved, Commissioner Busch seconded, to adjourn the meeting at 11:31 p.m. Motion carried 7/0.

Respectfully submitted,

Cheri Johnson  
City Clerk