THE MEETING OF THE PLANNING COMMISSION HELD ON JULY 16, 2018, AT 7:00 P.M., AT THE CITY HALL COUNCIL CHAMBERS
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The meeting was called to order at 7:00 P.M., by Dan Erickson. Members present were Victoria Hallin, Jeff Reynolds, Eldon Johnson, and Scott Moller. Staff present were Robert Barbian (City Admin.) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent Scott Moller (arrived at 7:02 P.M.)

APPROVAL OF MINUTES OF REGULAR MEETING ON JUNE 18, 2018
JOHNSON MOVED, SECOND BY REYNOLDS, TO APPROVE THE MINUTES OF JUNE 18, 2018. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

AGENDA ADDITIONS / DELETIONS:
HALLIN MOVED, SECOND BY JOHNSON, TO APPROVE THE AGENDA WITH NO CHANGES. UPON THE VOTE, THERE WERE 4 AYES, 0 NAYS. MOTION CARRIED.

Moller arrived at 7:02 P.M.

NEW BUSINESS:
A. Site Plan Review for West Birch Apartments
Administrator and Comm. Dev. Assistant Memo:

BACKGROUND
The property site is located in R-3 Multiple Family Residential along West Branch Street. This was where the old Arcadian Home site was located and the City purchased the property with NSP Funds and demolished the three buildings because of their inhabitable condition.

Central MN Housing Partnership, Inc. (CMHP) is proposing to utilize Low Income Housing Tax Credits and bond funds to build a multi-family, 16-unit apartment building. CMHP is the owner of West Birch Townhomes, a 24 unit, four-building property constructed in 1998. The new 16-unit apartment building will be built directly east of the townhome property. The townhomes and apartment building will together be named West Birch Estates, a 40-unit property offering a mix of apartment and townhome units with sizes from one to four bedrooms.

SITE PLAN ANALYSIS
Signage: The site plan shows the placement of a monument sign, no sign plans were provided. The applicant is aware that plans will need to be reviewed. Staff recommends delegating to staff.

Landscape: The plans show overall landscaping. A few details needed to complete review.

Maximum Lot Coverage: The Zoning Ordinance states maximum lot coverage of 60%. The plans show 47%.
**Parking**: The parking area, parking spaces and maneuvering lanes meet ordinance requirements of being a durable dustless surface. Storm water flows and specifications are being reviewed by the City Engineer. Documentation of the maneuverability of a 46’ fire truck is being requested as well as the posting of No Parking Signs on the drive to the underground parking. Upon submittal of verification and or revisions meeting requirements the parking area shall be completed to approve specification within one year of the date of the building permit issuance.

**Fire Protection**: A clear area by building fire connection and installation of Knox Box at front door. A hydrant and post indicator valve added by the building. The hydrant location to be at the southeast corner of the Center Island after confirmation of sufficient flows or along the east property line in the existing easement. The hydrant roughly centered between the northeast corner of the building and the entrance to the underground parking garage. A hydrant in the Center Island requires a 15’ easement from the road to the hydrant.

**Building Materials**: All siding and roofing used in residential construction shall consist of materials commonly used in residential construction but may also include other building materials which the Planning Commission finds to be in similar form, function, and esthetically pleasing. Metal roofs in residential districts required to be standing seam.

**Zoning**: The property is zoned R-3 Multiple Family Residential. A 16 unit apartment building is allowable in the R-3 zoning. The required setbacks are 15’ side, rear 30’ and front 30’. The setbacks are met. The maximum height in R-3 is a three story building, not to exceed 30 feet. The three story building with ground floor parking is proposed to be 46’. Therefore consideration of a Conditional Use Permit (CUP) is required. An application has been filed and an analysis of the CUP consideration follows.

**CONDITIONAL USE PERMIT REQUEST:**
Zoning Ordinance limit a building eve height to be no greater than 30 feet in height unless a conditional use permit is issued. An application has been filed by the developer with all appropriate notifications completed by City Staff.

Consideration of a Conditional Use is required.

**ANALYSIS:**
**Conditional Use Review Standards**: According to Section 3 of Chapter IV of the Zoning Ordinance, *the Planning Commission shall grant a Conditional Use Permit if at the proposed location complies with the following standards:*

1. *The proposed use does not violate the health, safety or general welfare of Princeton residents?*

   **Comment**: The purposed structure is a 16 unit apartment building and will not violate the public safety and general welfare.
2. The proposed use has been reviewed and approved by the City Engineer in regards to erosion, runoff, water pollution, and sedimentation?
Comment: The City Engineer has reviewed the proposed storm water plan and provided questions and comments to obtain an acceptable storm water plan. It is recommended that approval be subject to the recommendations of the City Engineer.

3. Adequate parking and loading is provided in compliance with the Ordinance.
Comment: Parking is provided in compliance with the Ordinance.

4. Possible traffic generation and access problems have been addressed.
Comment: The access to this apartment site will be off of West Branch Street. The 16 unit apartment building does not pose a concern with overall traffic generation or access.

5. The proposed use can be accommodated with existing public services and will not overburden the city’s service capacity.
Comment: The proposed use can be accommodated.

6. The proposed use conforms to the City’s Comprehensive Plan and is compatible with present and future land uses of the area.
Comment: The Comprehensive Plan has this area designated as Mixed Residential and is compatible with the present and future land uses of the area.

CONCLUSION:
Conditional Use Permit: To allow construction of a multi-family residential structure exceeding 30 feet in height as measured to the eaves.

SITE PLAN REVIEW RECOMMENDATION:
That the Planning Commission consider approval, denial or conditional approval of the Site Plan and Conditional Use Permit applications. The Conditional approval to include the following conditions:
* That a Conditional Use Permit be issued.
* That the City Engineer approve the Storm Water Plan with appropriate sewer/water related connection items, including appropriate fire hydrant connections.
* That the monument sign and landscaping plan be approved by staff.
* That all building permits be submitted and approved.
* Documentation of authorization allowing sidewalk connections and erosion control on neighboring property.
* Verification of maneuverability within drives/parking area of 46’ truck, clear area by building fire connection and installation of Knox box at the front door.
* Any unknown sewer lines are abandoned in a manner acceptable to the Public Works Director.
* That a clear area by building fire connection and installation of Knox box at front door.
CONDITIONAL USE PERMIT RECOMMENDATION:
The CUP meets the review standards in the Ordinance provided the conditions of the Site Plan Review are met. Therefore staff recommends subject to the Site Plan conditions being met approval of the CUP.

Deanna Hemmesch, Central MN Housing Partnership Executive Director, gave an overall of the project. This is a private non-profit development. They work in 16 counties in Minnesota. West Birch Estate is a 24 unit townhomes and they are doing renovations at that site along with building this 16 unit apartment building. The cost for the apartment site will be 1.8 million. There will be garages on the ground floor and the rental units are two floors above. MN Housing Finance will be the first mortgage provided.

Ryan Day, Senior Project Manager with Blumentals Architecture added that the existing townhomes are on west side of the proposed apartment site. They plan to put in a playground, trash enclosure, monument sign, and delivery area at the apartment site. There will be a sense of community between the two facilities. The community room will be shared between the townhomes and the apartments. The storm water retention will be on site. The driveway will accommodate a fire truck. Run off will be on the site. The exterior finishes will intergrade with the townhomes. The siding will be a hardy board and standing seam metal roofs.

Barbian said there is a sewer line that is no longer utilized and that will be cemented in if they come across it.

Erickson asked what size of units there will be.

Day said they will have one to four bedroom units.

Hemmesch said they have a couple families that need a four bedroom place. Central MN Housing Partnership is looking at purchasing the Belle Haven site in Princeton.

Barbian asked on the townhome units what door renovations will be done.

Day said all the exterior doors.

Hemmesch said they will put in new central air in the townhome units. There will be new windows where all the units will be energy efficient. It will be one million to upgrade the townhomes. There are no grants taken, there are investors that pool funds together and look for investment opportunities.

Barbian said that they have to apply for tax credits where Hemmesch has to provide benefits to the community and this site will be rented to low income families.
Hemmesch said 100% of this apartment site will be low income. If you income qualify when you move into the units you will never get kicked out. Rent fees are lower than the market rate. There is a very low turnover and they have a waiting list of 28 families for the townhome units, but now they may take the apartment sites. Central MN Housing Partnership has been in place since 1994. They do own Section 8 and USDA Rural Development sites also. There are property taxes on the site, but they will get low income credits. The base property taxes will be a little lower. Apartment and townhomes will be owned by one entity. They hire a market study firm and they do an income guideline and see what is needed for this area. The 16 unit apartment building will cost 2.2 million to build.

Barbian said the motions for the Site Plan Review will be done first and then followed by the Conditional Use Permit.

HALLIN MOVED, SECOND BY JOHNSON, TO APPROVE THE SITE PLAN REVIEW FOR THE 16 UNIT APARTMENT BUILDING AT 1103 WEST BRANCH STREET IN THE R-3 MULTIPLE FAMILY RESIDENTIAL ZONING DISTRICT, LEGAL DESCRIPTION: LOT 1, 2, AND 3, BLOCK 1, PRINCETON ARCADIAN HOMES, PID #24-686-0010, WITH THE FOLLOWING CONDITIONS:

- That a Conditional Use Permit be issued.
- That the City Engineer approve the Storm Water Plan with appropriate sewer/water related connection items, including appropriate fire hydrant connections.
- That the monument sign and landscaping plan be approved by staff.
- That all building permits be submitted and approved.
- Documentation of authorization allowing sidewalk connections and erosion control on neighboring property.
- Verification of maneuverability within drives/parking area of 46’ truck, clear area by building fire connection and installation of Knox box at front door.
- Any unknown sewer lines are abandoned in a manner acceptable to the Public Works Director.
- That a clear area by building fire connection and installation of Knox box at front door.

UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

PUBLIC HEARING:
A. #18-09 CUP TO ALLOW THE CONSTRUCTION OF WEST BIRCH 16 UNIT APARTMENT STRUCTURE TO BE OVER THE ALLOWED 30 FEET IN HEIGHT AT THE EAVES IN THE R-3 MULTIPLE RESIDENTIAL ZONING DISTRICT

JOHNSON MOVED, SECOND BY HALLIN, TO OPEN THE PUBLIC HEARING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

Barbian said the memo outlines the standards for the CUP review. This site is a TIF District.
Moller asked why does the Zoning Ordinance limit the 30 feet height.
Barbian said that is similar to other communities. The ground floor parking is a nice feature.

HALLIN MOVED, SECOND BY JOHNSON, TO CLOSE THE PUBLIC HEARING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

HALLIN MOVED, SECOND BY JOHNSON, TO APPROVE ITEM #18-09 CONDITIONAL USE PERMIT TO ALLOW CONSTRUCTION OF WEST BIRCH 16 UNIT APARTMENT STRUCTURE TO BE OVER THE ALLOWED 30 FEET IN HEIGHT AT THE EAVES IN THE R-3 MULTIPLE RESIDENTIAL ZONING DISTRICT, LOCATED AT 1103 WEST BRANCH STREET, LOT 1, 2, AND 3, BLOCK 1, PRINCETON ARCADIAN HOMES, PID #24-686-0010, WITH NO ADDITIONAL CONDITIONS. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED.

The Planning Commission Board reviewed the Findings of Fact:

1. Does the proposed use violate the health, safety or general welfare of the Princeton residents? No.
2. Has the proposed use been reviewed and approved by the City Engineer in regards to erosion, runoff, water pollution, and sedimentation? Yes.
3. Is adequate parking and loading provided in compliance with the Ordinance? Yes.
4. Have possible traffic generation and access problems been addressed? Yes.
5. Can the proposed use be accommodated with existing public services and not overburden the City’s service capacity? Yes.
6. Does the proposed use conform to the City’s Comprehensive Plan and is compatible with present and future land uses of the area? Yes.

Are there conditions that could be attached to the granting of a permit that would mitigate any potential adverse impact? No.
The Commission approves the Conditional Use Permit, based upon the Findings Fact.

Hemmesch thanked the Planning Commission Board. She said they are hoping to close on the property in August or September and start construction right after that. The construction will be 9-12 months.

OLD BUSINESS: None

NEW BUSINESS:
A. Façade Improvement Grant Program
PROGRAM PURPOSE
The objective of the downtown façade grant program is to provide financial assistance for property owners or tenants seeking to improve or restore commercial properties within the
City of Princeton’s downtown. The grant program is intended to stimulate architecturally appropriate building improvements mindful of the historical significance and uniqueness of the downtown. The appearance of the downtown business area reflects not only the local business climate, but also the history, character, and quality of life of the Princeton community.

**Façade Improvement Grants**

**APPLICATION ELIGIBILITY REQUIREMENTS**

Property owners or tenants of commercial or mixed-use structures located within the downtown are eligible to apply. For purposes of this grant, the geographic boundaries will be in the B-1 District of the downtown. If a tenant is applying, the permission of the property owner is required. Property taxes and all other City account must be current. Property owners or tenants may not receive more than one award per calendar year.

**ELIGIBLE IMPROVEMENTS**

All grant-funded improvements are target for the external front facades although and visible rear and sides are eligible. The improvements must be permanent and fixed in type and/or nature. Improvements must meet all City of Princeton code requirements including zoning, building, and safety codes. The applicant must obtain all necessary permits and pay any corresponding fees. The City of Princeton Planning Commission reserves the right to determine the eligibility of all items in a project’s scope of work. Eligible items include, but may not be limited to:

* Façade rehabilitation
* Door and window repair and replacement, if part of larger project or historic restoration
* Exterior painting
* Masonry cleaning and/or repair
* Cloth awnings
* Lighting
* Shutters
* Gutters
* Hardscape service: decks, fountains, patios, etc.
* Signage
* Design/Architect Fees

**INELIGIBLE IMPROVEMENTS**

* Cost of new construction, repair, or replacement of a new roof unless it is a significant Architectural element of the building and is visible from street level in the immediate vicinity of the building
* Tinted windows
* Landscaping
* Vinyl awnings
* Removal of architecturally significant features
* Purchase of property
* Sandblasting
* Electronic signs
* Security systems
* Paving
* Land acquisition
* Equipment
* Furnishings
* Costs for a graphic designer to develop a logo or brand
* Inventory and operating capital
* New construction or additions that would increase space
* Any activity started prior to receiving final approval of grant funds

BUY LOCAL
Whenever possible, applicants are strongly encouraged to use local contractors to complete all tasks associated with their renovation. This will not only help garner support to continue this program, but more importantly help boost our local economy.

APPLICATION REVIEW PROCESS
In order to qualify, applicants cannot start on their project until after receiving the necessary approvals. If work begins before application or approval, grant funds will not be awarded.
1. Applications and supporting documentation are submitted to the City of Princeton.
2. The application is reviewed by the Planning Commission; approved projects will receive a letter of intent committing to providing the grant funds upon completion of the project. If denied, applicants may submit a revised application.
3. Applicants sign an agreement with the City of Princeton.
4. Applicants take out appropriate building or sign permits. Projects must be completed within 12 months of the approval date. Minor changes to the project will require submittal and approval by the Building Inspector and Zoning Administrator. Significant changes, as determined by the Building Inspector and Zoning Administrator, will require approval of the Planning Commission. The City of Princeton reserves the right to withhold funding for project that are not completed on time or significantly change in scope.
5. Payment is made on reimbursement basis upon completion of the project. Applicants shall provide itemized paid invoices for the project for eligible expenses of the grant.

EVALUATION CRITERIA
The City of Princeton Planning Commission’s decision to accept an application will be based on available funds, the merits of the proposed project, and the support it provides to the general beautification of downtown Princeton. All approved projects will meet the criteria presented in this document.
* Appropriateness to the original historic façade of the building or architecturally appropriate design
* Significant improvements of the visual appearance of the building and surrounding area
* The level of investment being made to the property
* Collective participation of adjacent property owners, if applicable
* Relationship of the project to the overall existing architecture

**Façade Improvement Grants**
Grants will be awarded on a first-come, first-serve basis. This is a reimbursable program. Grants made under this program shall not exceed $2,500 and generally will not exceed 50% of the total project cost. Grant request for architectural or design fees and stand-alone signage shall not exceed $300.

**APPLICATION SUBMISSION:**
Please send the completed application form and accompanying materials to the City of Princeton.

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**Downtown Building Improvement Loan Program**

**Qualifications**
- Building to be improved must be located downtown within the B-1 Zoning District.
- Building must be determined to be suitable for investment.
- Funds must be used to improve, rehabilitate or repair.
- The property must be structurally and financially feasible for rehabilitation. The sum of the cost of rehabilitation should not exceed 50% of the current market value of the property.
- Personnel Guarantees are required.

**Types of Loan**
Designed to encourage and support economic growth and community revitalization efforts.

These loans fund reinvestment into downtown buildings & facilities.

The loans are below market rates and can include terms which defer payments of principle and interest if justified.

The length of the loan term varies with the type of improvement and building condition. The maximum term is 15 years and an average term of 7 to 8 years. Loans can be amortized for up to 20 years when accompanied by a balloon payment.

The loans require a mortgage on the property and are due upon sale, transfer or conveyance.

**Eligible Loan Improvements**
- Improvements must be permanent general improvements. Permanent general improvements include replacement, conversions, alterations, renovation, or repairs on and in existing structures.
- The improvements must correct defects and deficiencies in the property relating to health, safety, habitability, function, and energy consumption.
Each improvement must be made in compliance with all applicable health, fire prevention, building, housing and energy codes and standards.

Estimates & Bids are required.

All expenditures must occur after a loan application has been submitted and written approval received.

**How Can I Apply?**
You can apply by contacting the City of Princeton Community Development Department and completing the application.

Barbian said the CDGB dollars would be for the Façade Loan. He is looking for direction from the Planning Commission and also EDA Board on the downtown design standards. He has two firms that are interested in putting together a design standard and he would like to set-up a joint meeting with the EDA and Planning Commission Board to interview them.

The UDAG Loan is for commercial that is used for equipment and that loan is below market rate loan with a low interest rate. The Initiative Foundation Loan is a leveraged type of risk and is operated on behalf of the City. That loan has a 5-6% interest rate.

Erickson asked what would be used for the downtown loans.

Barbian said the CDGB dollars would be used for the Façade Loan.

Johnson asked if he is looking at having a theme look for the downtown.

Barbian said yes, it would just be for the downtown area.

Hallin and Reynolds both like getting outside guideline ideas. Do not spend too much money on the process.

Barbian said it could be started later in the year.

The Planning Commission Board supports this. He would like to have a member or two from the EDA and the Planning Commission Boards attend the meeting with the two firms. Hallin said she would attend. Barbian said he will email out a reminder to the two Boards. He will also have it posted in case there is a quorum. He would like that those who attend are at both consultant meetings so they could see both views.

Moller suggested to raise the dollar amount on the loan and lower the percentage rate. Improvements are expensive.
Barbian said that is true, but there are some areas that would not require as much money to do a project.

The Planning Commission Board agreed that they would like to see this loan program to move forward.

**COMMUNICATION AND REPORTS:**

**A. Verbal Report**
There was no verbal report.

**B. City Council Minutes for June, 2018**

HALLIN MOVED, SECOND BY REYNOLDS, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 5 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 8:21 P.M.

ATTEST:

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Dan Erickson, Chair               Mary Lou DeWitt, Comm. Dev. Assistant