

**HOPKINS PLANNING & ZONING COMMISSION
REGULAR MEETING PROCEEDINGS
JULY 26, 2022**

CALL TO ORDER

Pursuant to due call and notice thereof a regular meeting of the Hopkins Planning & Zoning Commission was held on Tuesday, July 26, 2022 at 6:30 p.m. in the Council Chambers at City Hall, 1010 1st Street South.

Chairperson White called the meeting to order with Commission Members Terrill, Wright, Sedoff, Nur, Goodlund and Green attending. Also present was City Planner Ryan Krzos, Planning and Economic Development Director Kersten Elverum and representatives from Kaas Wilson Architects and Enclave Companies.

ADOPT AGENDA

Motion by Green. **Second** by Wright.

Motion to move the Presentation item related to backyard chickens after Old Business.

Ayes: All.

Nays: None. Motion carried.

Motion by Sedoff. **Second** by Wright.

Motion to Adopt Agenda as amended.

Ayes: All.

Nays: None. Motion carried.

COMMUNITY COMMENT

None.

CONSENT AGENDA

Motion by Wright. **Second** by Goodlund.

Motion to Approve the Consent Agenda

1. Minutes of the June 28, 2022 Planning & Zoning Commission Meeting

Ayes: All.

Nays: None. Motion carried.

PUBLIC HEARINGS

1. 2022-08 Cambridge Towers Site Plan Review

City Planner Krzos provided a summary presentation of the staff report for this item. The applicant, Kaas Wilson Architects on behalf of Hopkins Apartments LLC, is requesting site plan approval to allow renovation of the property located at 1301 Cambridge Street. The proposal consists of converting four existing offices into four apartment units,

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recladding portions of the exterior of the building and installation of exterior amenities and landscaping. Planner Krzos continued with an overview of the plans for the renovation and the comprehensive plan guidance.

After a brief discussion by the Commission, Chairperson White opened the public hearing.

Brady Lee Hodge-Yang, resident at 1301 Cambridge Street #706, shared concern over the proposed lighting attracting insects, which was addressed by the applicant at the neighborhood meeting.

Link Wilson with Kaas Wilson Architects addressed the Commission to provide clarification on a few aspects of the proposal. Mr. Wilson stated that the windows in the entire building will also be replaced and additional common space amenities will be added inside of the building as well as outside. Mr. Wilson also stated that the exterior lighting changes as well as some interior improvements are intended to increase overall security for the building. Commissioner Sedoff commented in support of the proposed improvements.

Motion by Terrill. **Second** by Green.

Motion to close the Public Hearing.

Ayes: All.

Nays: None. Motion carried.

Motion by Sedoff. **Second** by Nur.

Motion to Adopt Resolution 2022-05, recommending the City Council approve the site plan application from Hopkins Apartments LLC to rehabilitate the property located at 1301 Cambridge Street (PID 19-117-21-11-0126), subject to conditions.

Ayes: All.

Nays: Motion carried.

2. 2022-01 Enclave Site Plan Review and PUD

City Planner Krzos provided a summary presentation of the staff report for this item. The applicant, Brian Bochman with Enclave Companies is requesting rezoning, conditional use permit and site plan approvals for redevelopment of the former Hopkins Cinema 6

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movie theater located at 1118 Mainstreet into a 4-story, 150-unit mixed use building with 5,300 square feet of commercial space.

Commissioner Wright questioned if the new proposal had been presented to the City Council in any way prior to the Planning & Zoning Commission meeting. Director Elverum responded that the current proposal has been brought to the Council twice in the previous month, mostly related to financial assistance and parking requests. Commissioner Terrill asked if there had been any discussion on affordability. Director Elverum replied that there have been conversations between staff and the developer and the developer stated that adding affordability would create a wider gap in the financial proforma of the project and would require greater financial assistance from the City. Commissioner Sedoff asked if financial assistance for the project is coming solely from the City or if there are other sources of funding that could help with adding affordability. Director Elverum responded that there are a number of funding sources that developers typically look to, but those sources are very competitive and can be difficult to secure. Commissioner Sedoff questioned the rent structure of the development. Brian Bochman with Enclave Companies responded that rates have not been established yet but average rent prices for similar Enclave properties in the metro area are \$1,150-\$1,250 for studio, \$1,350-\$1,450 for one bedroom and \$1,650-\$1,750 for two bedrooms. Commissioner Green questioned if the leased parking spaces in the municipal parking ramp would be assigned. Mr. Bochman responded that there would be permits to park overnight in the ramp but they would not be assigned spaces. Director Elverum also responded that the City has a similar lease agreement with Gallery Flats apartments but the difference with that agreement is that it may be terminated at any point by either party and this development would have a longer agreement period.

Commissioner Terrill questioned if there had been any discussion regarding sustainability features. Mr. Bochman responded that the building would be wired and prepped for solar panel installation in the future but would not be an immediate feature due to cost. There will also be electric vehicle charging stations and energy efficient appliances. Commissioner Goodlund questioned what happens when the parking ramp lease expires after 20 years. Mr. Bochman responded that the project was designed around parking as the development will consist mostly of studio and 1-bedroom units.

Commissioner Green referenced the neighborhood meeting notes that mentioned the marquee from the theater being incorporated in some way. Mr. Bochman responded that it would not be feasible to put on the building but they are working with an electrical engineer and architects to find some way to use just the portion that says "Hopkins Cinema 6" as a piece of art on the site. Commissioner Terrill expressed support for the mural. Mr. Bochman stated that there will be a focus on activating the alley behind the development with art and murals.

Chairperson White opened the public hearing.

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Don Roesner, resident at 618 W. Park Valley Drive, spoke against the City providing financial assistance for the development.

Kiley Vlasak, 4810 Caribou Drive in Minnetonka, spoke against the project for not providing any affordable housing or incorporating immediate sustainability features.

Claire Nicholson, 4810 Caribou Drive in Minnetonka, spoke against the project because there is no benefit to the youth community.

Jim Shirley, resident at 32 11th Avenue South #201, spoke in favor of the development being market rate, but against the building height and mentioned the need for more owner-occupied housing.

Gary McGlennen, resident at 32 11th Avenue South #111, spoke against the project because of concerns about parking and security at CitiGables.

Cindy Vlasak, 4810 Caribou Drive in Minnetonka, spoke against the project for not following the 2040 Comprehensive Plan vision.

Wendy Goetz, resident at 343 Van Buren Avenue North, spoke against the project and the increase of traffic on Mainstreet.

Brandon Armstrong, 11662 Foxhall Road in Minnetonka, spoke in favor of the project and addressed some misconceptions regarding multi-family housing and previous comments made during the public hearing.

Daron Dolynchuk, resident at 10th Avenue North, spoke against the project because of the requested deviations from the current zoning standards.

Marie Trafas, resident at 32 11th Avenue South #114, spoke against the project because of traffic, parking and pet waste management.

Motion by Terrill. **Second** by Goodlund.

Motion to close the Public Hearing.

Ayes: All.

Nays: None. Motion carried.

Commissioner Terrill questioned if there were other development proposals for the site. Director Elverum responded that since it is a privately owned site the City was not involved in the developer selection process. Commissioner Sedoff asked if there would be a traffic study. Planner Krzos replied that after review of the proposal, the

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Engineering and Public Works departments concluded that a traffic study was not necessary. Commissioner Terrill asked how the City is engaging teenagers and youth groups in the community. Director Elverum restated that this is privately owned property and the City cannot solicit developers to redevelop the site in a specific way. Commissioner Terrill followed by asking in a more general way how the City plans to further engage young people in the community. Director Elverum replied that the City has looked at it through various City facilities and functions that continuously work to reach out to young people such as the Depot Coffee House, Art Center and Activity Center. Mr. Bochman stated that Enclave has met with the Art Center to discuss hosting regular community movie nights.

Commissioner Wright asked for clarification on Tax Increment Financing (TIF) and the financial ask for the development, if there will be a dog park, and expressed disappointment in the lack of plans presented at the neighborhood meeting. Mr. Bochman responded that those who registered for the neighborhood meeting received a copy of the plans via email. Regarding the dog park, Mr. Bochman stated that there are no plans for a dog park in the project, but the development will allow dogs and those dogs will have their DNA on file in case of any pet waste issues. Director Elverum responded that the financial assistance request is for 1.25 million which would utilize excess TIF from the existing SuperValu district and will be structured as a forgivable loan. Commissioner Terrill questioned using the money for a wider community assistance. Director Elverum responded that those funds can only be used for redevelopment and shared that the Council will have a work session in September to further discuss affordable housing and how the city can use scarce resources to benefit the most people. Commissioner Terrill questioned if there have been any programs the City has implemented for jobs. Director Elverum responded that a Workforce Development Program was launched this year. Commissioner Sedoff stated that it would be a relatively small ask for TIF funds for this development.

Commissioner Goodlund shared his concern over the impact of losing an arts related venue without another arts facility to replace it and questioned what the tax revenue from the development would be used for. Director Elverum responded that the taxes generated from the development would fall under the general fund and each year the Council adopts the budget and decides where to allocate funds. Commissioner Sedoff shared concern over the potential traffic increase and asked if a traffic study could still be conducted. Planner Krzos stated that since the item will be presented to the Council for a first reading on August 1, there would not be enough time to conduct a traffic study.

Motion by Sedoff. **Second** by Terrill.

Motion to continue the item for more information and allow time to conduct a traffic study.

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Director Elverum stated that a traffic study would only look at the impact of the proposed development and not neighboring businesses. With 150 units, it was not anticipated that the daytime traffic volume would increase in any significant way so therefore a traffic study was deemed unnecessary. Mr. Bochman responded that due to increasing interest rates, they wish to receive approvals as soon as possible in order to secure loans. Regarding the traffic, Mr. Bochman stated that there are misconceptions about multi-family housing largely increasing traffic volumes. The property will be managed with the parking in mind.

Motion retracted by Commissioner Sedoff.

Commissioner Terrill commented about the missed opportunity that the City could have purchased the property and turned it into a community focused space. Director Elverum responded that the purchase price for the property was around \$5 million and was the ultimate barrier the Council saw to acquiring the property and controlling it. Commissioner Wright noted that the loss of the theater is unfortunate, but there is a need for housing and this development will bring more people to the community who will support the local businesses. Commissioner Wright shared concern that there is no affordable housing in the project and lack of immediate sustainability. Commissioner Terrill asked if the City had discussed the first floor residential units and if the project would still be viable if it were commercial space instead. Director Elverum responded that the site is somewhat unique with some grade changes on the 12th Avenue side. The 11th Avenue side could potentially have retail space and if the Commission would like that to be explored it could be added to the motion.

Commissioner Terrill questioned what ultimately prevented solar from being included in the project. Mr. Bochman responded that it was a negative cash flow item. Commissioner Nur asked how the pricing for parking in the ramp will work for the tenants. Mr. Bochman responded that the price will be separate from rent but it will not be up-charged. Commissioner Goodlund questioned the parking for the commercial spaces. Planner Krzos responded that commercial uses in the downtown area do not have a parking requirement associated with them.

The Commission continued with general discussion regarding conditions to be added to the Resolutions for this item.

Motion by Wright. **Second** by Terrill.

Motion to Adopt Resolution 2022-06 recommending the City Council approve an ordinance rezoning the subject property (PID 24-117-22-34-0249) from B-2, Central Business District to B-2, Central Business District with a Planned Unit Development (PUD), subject to conditions to include the addition of sustainability measures and affordable housing to the delivery of the benefit of the PUD.

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Ayes: All.

Nays: None. Motion carried.

Motion by White. **Second** by Green.

Motion to Adopt Resolution 2022-07 recommending the City Council approve a conditional use permit allowing a first floor residential use in the B-2, Central Business District on the subject property (PID 24-117-22-34-0249), subject to conditions.

Ayes: Terrill, Sedoff, Nur, Green, Wright, White.

Nays: Goodlund. Motion carried.

Motion by Sedoff. **Second** by Nur.

Motion to Adopt Resolution 2022-08 recommending the City Council approve the site plan for the Hopkins Apartments Mixed Use Building on the subject property (PID 24-117-22-34-0249), subject to conditions.

Ayes: Terrill, Sedoff, Nur, Green, Wright, White.

Nays: Goodlund. Motion carried.

Planner Krzos stated that this item will be presented to the City Council at their meeting on August 1 with the Planning & Zoning Commission's recommendation of approval.

Commissioner Terrill asked how the City can use funds to retain or purchase land for public use. Director Elverum responded that decisions to acquire property happen at the City Council level and encouraged people to speak to their Councilmembers.

Motion by Terrill. **Second** by Wright.

Motion to recommend the City Council explore conducting a study or ways the City of Hopkins can more proactively manage or explore lands to be used for public good.

Ayes: Terrill, Sedoff, Nur, Goodlund, Wright.

Nays: White, Green. Motion carried.

Commissioner Green questioned the correct course of asking the City Council to explore a topic. Director Elverum suggested individually contacting Councilmembers is always an option for the public at any time. As an official recommending body, the Planning & Zoning Commission could direct staff to put together a more formal presentation for the City Council.

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OLD BUSINESS

1. Approve Amended Planning & Zoning Commission Bylaws

At the June 28, 2022 Planning & Zoning Commission meeting the proposed amendment to the bylaws was presented and discussed. City Planner Krzos summarized the additional suggested amendments made to staff during the meeting, which included reviewing the eligibility of youth members, absence policy for youth members, and specifying an allowed one-time extension to public hearing presentations.

The Commission further discussed the time limit for public hearing comment. The Commission agreed with allowing five minutes for each speaker at the onset of the meeting.

Motion by Sedoff. **Second** by Goodlund.

Motion recommending the City Council approve an amendment to the City of Hopkins Planning & Zoning Commission Bylaws.

Ayes: All.

Nays: None. Motion carried.

PRESENTATIONS

1. Proposed Ordinance Amendment Related to Backyard Chickens

City Planner Krzos stated that the proposed ordinance amendment related to backyard chickens would happen at the City Council level and does not require Planning & Zoning Commission action. However, because the Commission was involved in the formulation of the ordinance, staff felt it was appropriate to present the changes and accept feedback from the Commission.

Planner Krzos presented an overview of the proposed changes to the ordinance and the Commission was generally supportive of the ordinance amendment.

The City Council will hold a first reading of the proposed Ordinance on Monday, August 1.

NEW BUSINESS

None.

ANNOUNCEMENTS

The zoning code update was approved by the City Council on July 19 and will take effect after publication in the Sun Sailor on July 28.

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ADJOURNMENT

Motion by Terrill. **Second** by Green.

Ayes: All.

Nays: None. Motion carried.

The meeting adjourned at 9:36 p.m.

Respectfully submitted,
Courtney Pearsall, Administrative Assistant

ATTEST:

A handwritten signature in black ink, appearing to read 'Nathan White', is written over a horizontal line.

Nathan White, Chair

