



PLANNING COMMISSION MEETING
Tuesday, September 9, 2025 at 6:00 PM
Council Chambers, City Hall at 540 West Hills Circle

This is a Joint Meeting with the Planning Commission and City Council Members.

1. Welcome & Overview

1.a. Memo - Greg Kruschke, Community Development Manager

1.b. Introductions & Icebreaker

2. Presentation: Existing Code Diagnosis, Key Themes and Issues

2.a. Code Diagnosis – Variance Applications Analysis and Recommendations

2.b. Summary of Memos

3. Rotation Input Stations - Participants will rotate through 3 stations focused on:

3.a.

- Districts: Review zoning map and district boundaries; gather feedback on alignment with land use patterns, clarity, and applicability.
- Accessory Uses & Structures: Discuss current standards, common variance requests, and preferences for accessory buildings, ADUs, and secondary structures and uses.
- Subdivision: Explore compliance issues, design standards, and opportunities for streamlining subdivision review and approval processes.

4. Mapping Activity

4.a. Participants will mark areas of concern or opportunity directly on zoning maps.

5. Wrap-Up & Next Steps (5 minutes)



September 5, 2025

TO: Mayor Jessop, City Council & Planning Commission Members

We're excited to announce that the City of Owatonna has selected **Bolton & Menk** to lead the update of the City's **Zoning and Subdivision Code**—a key step in implementing the community's long-term vision.

As the primary implementation tool of the Comprehensive Plan, the Zoning and Subdivision Code translates the plan's goals and policies into clear regulations that shape how land is used and developed in Owatonna.

About the Zoning & Subdivision Code Update

Please share the project website with your contacts: <https://arcg.is/1ujeLO1>

This project will modernize Owatonna's development regulations to:

- Align with the City's Comprehensive & Strategic Plans
- Support economic development and housing opportunities
- Improve clarity, consistency, and usability for constituents, developers, businesses, residents and staff

This joint work session with the Planning Commission and City Council will focus on identifying key **issues and opportunities** within the current zoning and subdivision regulations. Your insight will help guide the direction of the update and ensure it reflects the needs and priorities of the community. We will follow up with an Agenda and details soon.

We look forward to your participation and leadership in this important initiative.

If you have any questions or would like more information before the workshop, please don't hesitate to reach out. Thank you for your continued commitment to Owatonna's future!

Below is a brief intro from our consultant, Bolton & Menk that has been hired to assist with the update to our Zoning and Subdivision ordinances. This joint meeting is an opportunity to share your beliefs and visions for what the City should look like in a more specific nature through the development of our ordinances. The Consultants will be here looking for your input on some certain items as they facilitate small and large group exercises. Please come ready to participate and share your thoughts.

Attached are two memos that describe a few of the items we are looking at in this process. They have helped guide the process to this point. Following this meeting, the consultant

Please let me know if there are any questions prior to the meeting.

Greg Kruschke
Community Development Manager

MEMORANDUM

Date: August 7, 2025

To: Greg Kruschke, Community Development Manager, City of Owatonna
 Emma Bransford, Planning Specialist, City of Owatonna

From: Mojra Hauenstein, Bolton & Menk, Senior Planner
 Robin Cauffman, Bolton & Menk, Planning Project Manager

Subject: **Code Diagnosis – Variance Applications Analysis and Recommendations**
 City of Owatonna, Zoning and Subdivision Code Update

Overview of Variance Activity

Between 2022 and 2025, Owatonna received 18 variance applications, with the following outcomes:

- Approved: 16
- Withdrawn: 2

Most Common Variance Types

Variance Type	Count
Lot Size (request to fit 2 family dwelling)	9
Accessory Building/Structure	3
Side Yard Setback	2
Sign Dimension	2
Curb Setback, Side Yard Setback	1
Fence Height	1

Most Affected Zoning Districts

Zoning District	Count
R-1	5
R-3	4
R-6	3
R-5	2
Others (B-2, R-4, I-1, B-3)	1 each

Recommendations to Reduce Variance Requests

Lot Size

- **Scope:** 9 requests across R-3, R-5, R-6 zoning districts
- **Intent:** Enable two-family or multi-family housing on lots that do not meet current minimum size requirements
- **Expanded Recommendation:**
 - Reduce minimum lot sizes in R-3, R-5, and R-6 to reflect existing neighborhood patterns
 - How are the existing multi-family units working? Can we duplicate with amended standards?
 - Introduce flexible lot size overlays or a “small lot infill” district
 - Allow two-family dwellings by right on lots $\geq 7,500$ sq ft
 - Consider shifting from fixed lot size to density-based zoning (e.g., units per acre)

- Consider making this a CUP not a variance

Accessory Building/Structure

- **Scope:** 3 requests in R-1 zoning district
- **Intent:** Allow additional accessory structures or placement inside yards to preserve trees or site layout
- **Expanded Recommendation:**
 - Permit more than two accessory structures if total square footage remains (e.g., under 200 sq ft, exempt from permit per Building code)
 - Allow side yard placement with screening or design standards
 - Reduce setbacks for small accessory structures (e.g., under 200 sq ft, exempt if no MEP from permit per Building code) when not adjacent to habitable space
 - Perhaps, allow accessory units with a size cap but also a max impervious surface cap to make sure there's still a "yard" in the yard.

Side Yard Setback

- **Scope:** 2 requests in R-4 and I-1 zoning districts
- **Intent:** Accommodate development on non-conforming or narrow lots
- **Expanded Recommendation:**
 - Introduce a graduated setback scale based on lot width (e.g., 5 ft for lots <60 ft wide)
 - Allow 3 ft setbacks by right for detached garages or accessory buildings with fire-rated walls
 - Enable administrative adjustments for setbacks on lots platted before a certain year

Sign Dimension - sign chapter not to be changed per Greg but here are some comments

- **Scope:** 2 requests in R-1 and B-3 zoning districts
- **Intent:** Allow larger or more visible signage for institutional or commercial uses
- **Expanded Recommendation:**
 - Allow larger signs for civic or institutional uses in residential zones
 - Use a tiered sign standard based on frontage or building size
 - Permit monument or digital signs with design review in B-3 and mixed-use zones
 - Regulate the nighttime illumination of all signs
 - All signs over x could trigger a design review with a maximum allowed sign for all types.

Curb Setback, Side Yard Setback

- **Scope:** 1 request in B-2 zoning district
- **Intent:** Likely related to commercial site layout constraints
- **Expanded Recommendation:**
 - Review B-2 setback standards to allow site-specific flexibility for redevelopment

Fence Height

- **Scope:** 1 request in R-1 zoning district
- **Intent:** Likely to improve privacy or security beyond current height limits
- **Expanded Recommendation:**
 - Allow up to 8 ft fences in rear yards by right
 - Permit taller fences with landscaping or transparency (e.g., 50% open)
 - Create a fence exception process for unique site conditions

Shoreland - see separate memo

Current / Existing Zoning District Standards

District	Permitted Uses	Min. Lot Area	Min. Lot Width	Front Yard	Side Yard	Rear Yard	Source §
Residential Districts							
Single-Family Detached (R-1, R-3, R-4, R-5, R-6, R-B)	Detached homes; complementary home offices, accessory uses	9,000 sq ft	75 ft	30 ft	10 ft ¹	30 ft	157.028 ²
Single-Family Detached (R-2)	Detached homes; complementary home offices, accessory uses	7,800 sq ft	65 ft	30 ft	10 ft ¹	30 ft	157.028 ²
Two-Family Dwelling (R-3 thru R-B)	Duplexes; complementary home offices, accessory uses	10,000 sq ft	80 ft	30 ft	10 ft ¹	30 ft	157.028 ²
Single-Family Attached (R-3 thru R-B)	Townhomes, rowhomes	5,000 sq ft	40 ft	30 ft	10 ft ¹	30 ft	157.028 ²
Townhouses (R-3 thru R-B)	Townhome complexes	4,000 sq ft	100 ft	30 ft	20 ft	30 ft	157.028 ²
Multi-Family ≤ 12 units (R-5)	Apartments up to 12 units	13,000 sq ft	100 ft	30 ft	20 ft	30 ft	157.028 ²
Multi-Family > 12 units (R-6)	Mid-rise apartments	20,000 sq ft	100 ft	30 ft	20 ft	30 ft	157.028 ²
Converted S-F → M-F (R-3)	Existing S-F homes converted to multi-unit	13,000 sq ft	80 ft	30 ft	10 ft	30 ft	157.028 ²
Business Districts							
Neighborhood Business (B-1)	Small shops, personal services, offices serving adjacent neighborhoods	7,500 sq ft ³	75 ft ³	25 ft ³	10 ft ³	25 ft ³	157.021 ⁴
Community Business (B-2)	Medium-scale retail, auto-oriented uses, restaurants	10,000 sq ft ⁴	100 ft ⁴	30 ft ⁴	10 ft ⁴	30 ft ⁴	157.021 ⁴
Central Business (B-3)	High-intensity commercial: big-box, wholesale, service stations	15,000 sq ft ⁴	100 ft ⁴	30 ft ⁴	10 ft ⁴	30 ft ⁴	157.021 ⁴
Special Districts							
Agricultural-Open Space (A-O)	Farming, tree farms, farm dwellings, parks, essential services, home occupations	5 acres ⁵	—	50 ft ⁵	20 ft ⁵	50 ft ⁵	157.024 ⁴
Mobile Home / Manufactured Housing (MH)	Mobile home courts; accessory clubhouse, laundry, storage	5 acres ⁶	—	50 ft ⁶	10 ft ⁶	20 ft ⁶	157.027 ⁷
Planned Unit Development (PUD)	Mixed-use master-planned developments (residential, commercial, civic)	Per PUD plan	Per PUD plan	Per PUD plan	Per PUD plan	Per PUD plan	157.026 ⁴

District	Permitted Uses	Min. Lot Area	Min. Lot Width	Front Yard	Side Yard	Rear Yard	Source §
Floodplain (FP)	Very limited, flood-compatible uses only; all other standards follow the underlying district	Underlying district ⁷	Underlying district ⁷	Underlying dist. ⁷	Underlying dist. ⁷	Underlying dist. ⁷	157.025 ⁴
Industrial Districts							
Light Industry (I-1)	Light manufacturing, warehousing, distribution, limited outdoor storage	20,000 sq ft ⁸	100 ft ⁸	30 ft ⁸	20 ft ⁸	30 ft ⁸	157.022 ⁴
Heavy Industry (I-2)	Heavy manufacturing, processing, large-scale industrial services	40,000 sq ft ⁸	150 ft ⁸	30 ft ⁸	20 ft ⁸	30 ft ⁸	157.022 ⁴
Industrial Park (I-P)	Planned industrial/business campus; flex-use lots for manufacturing, offices, warehouse	40,000 sq ft ⁹	150 ft ⁹	30 ft ⁹	20 ft ⁹	30 ft ⁹	157.023 ⁴

¹ Side yard may be reduced to 5 ft for garages under certain conditions.

² § 157.028 “Density and Intensity Regulations” (Residential table) [1]

³ § 157.021 “Business Districts” (B-1 minimums) [2]

⁴ § 157.021 “Business, A-O, PUD, FP, I-1, I-2, I-P” district tables [3]

⁵ § 157.024 A-O “Agricultural-Open Space District” [4]

⁶ § 157.027 “MH Mobile Home-Manufactured Housing District” [5]

⁷ § 157.025 “FP Floodplain District” (underlying standards apply) [3]

⁸ § 157.022 “Industrial Districts (I-1, I-2)” [3]

⁹ § 157.023 “I-P Industrial Park District” [3]

References

[1] [TABLE OF CONTENTS](#)

[2] [Layer: Zoning Districts \(ID: 25\) - gis.owatonna.gov](#)

[3] [MINIMUM DESIGN STANDARDS - American Legal Publishing](#)

[4] [ZONING AND SUBDIVISION ORDINANCE - owatonna.gov](#)

[5] [§ 157.041 PERMITTED YARD ENCROACHMENTS.](#)

Accessory Buildings- existing standards

- All Residential Districts: Minimum 3 ft setback from all lot lines or per Building Code, whichever is greater
- Garages with alley access: Must be 20 ft from alley right-of-way

Side Yard Setbacks-existing

- Standard (All Residential Districts): 10 ft
- Attached garage: May reduce to 5 ft
- Conditional Use (R-4, I-1): May reduce to 3 ft if:
 - Garage is max 22 ft wide × 30 ft deep
 - At least 6 ft from adjacent garage or 10 ft from living quarters

Sign Dimensions-existing

- All Districts:
 - Freestanding signs ≤6 ft height and ≤32 sq ft: Require a Sign Permit

- Larger signs: Require a Building Permit

Fence Height

- All Districts:
 - Must comply with visibility and location rules
 - Cannot obstruct sight lines
- **Must meet minimum setbacks from property lines**

MEMORANDUM

Date: August 7, 2025

To: Greg Kruschke, Community Development Manager, City of Owatonna
Emma Bransford, Planning Specialist, City of Owatonna
Steering Committee, City of Owatonna Zoning and Subdivision Code Update

From: Mojra Hauenstein, Bolton & Menk, Senior Planner
Robin Caufman, Bolton & Menk, Planning Project Manager

Subject: **Comment Analysis and Issues Memo**
City of Owatonna, Zoning and Subdivision Code Update

Background

The project team reviewed comments received from City Staff (see [Comments Tracker - Owatonna Subd Zoning Update.xlsx](#)) to identify areas of consensus and limited feedback, and propose discussion prompts for Steering Committee Workshop #1 and receive direction and clarification for code updates.

Areas of Consensus (Based on Comment Tracker – 7/24/25)

Accessory Buildings and Structures

- **11 comments** reflect strong consensus around:
 - Clarifying definitions (e.g., pergolas, gazebos, garages)
 - Dimensional and setback standards
 - Flexibility for older homes with detached garages
 - Design standards for structures over 200 sq ft
 - Use in Mobile Home districts and regulation of chicken coops and pools

Lot Standards

- **3 comments** support:
 - Revising lot sizes to accommodate both traditional (9,000–10,000 sq ft) and smaller lots
 - Blending zoning districts for visual compatibility
 - Clarifying front yard encroachment rules to support porches and walkability

Parking

- **4 comments** raise consistent concerns about:
 - Stacking requirements
 - Access management from the transportation plan
 - Driveway and parking setbacks
 - Driveway placement relative to front doors

Uses

- **4 comments** suggest shared interest in:
 - Integrating cannabis regulations
 - Creating a dedicated section for home occupations
 - Addressing dog boarding in homes
 - Adding Interim Use Permits (IUPs)

Workshop prompts:

- What specific **regulatory barriers** are currently limiting development or innovation needed for each of the items above (accessory structures, lot standards and parking and uses)?

Areas of Limited Feedback or Unique Issues

Administrative

- **1 comment** on removing discretionary approvals from specific city positions
Review residential lot sizes to support both ¼-acre and smaller lots
- **1 comment** on clarifying submission requirements for formal submittals, including CUPs, variances, preliminary and final plats
- Evaluate PUD regulation- perhaps as district or overlay:
 - Major = rezoning
 - Minor = conditional use overlay

Workshop Discussion Prompts:

- What specific discretionary approvals do not need a public hearing/board and can be done administratively?
- What submission requirements are not working?

Subdivision

- **7 comments** raise concern about:
 - Adding statutory requirements about how land can be split into subdivision
 - Need for modernization of ordinance as a whole
 - Required snow storage plan
 - Stormwater infrastructure
 - Language related to financing subdivisions

Workshop Discussion Prompts:

- What kind of standards need to be added related to splitting land? Should the same standards apply to all subdivisions, or is there variation based on size or another quality?
- What are the specific stormwater and snow storage concerns?
- What are the specific financial assurance concerns?
- Should this apply to all subdivisions or only those above a certain size or density?
- Would this be a zoning requirement, engineering standard, or part of site plan review?

Comprehensive Plan & Zoning Strategy Alignment

Comprehensive Plan Items

- Goals from the implementation chapter are still valid
- [Legislative updates to be reviewed](#)
 - **Group Homes as Multifamily Use** (MN 462.357 subd 8): mostly in compliance, but residential facilities serving 7-16 people should be conditional use everywhere multifamily is permitted. Since multifamily residential is permitted in B-2 and B-3, need to add licensed residential facilities.
 - **Manufactured Home Park** (MN 462.357 subd. 1b): Statute says a) cities cannot prohibit manufactured homes if they are in compliance with manufactured home building code and zoning regulations, and b) manufactured home parks must be allowed as a conditional use in zoning districts that allow two or more residential units in a building. Owatonna's current code states manufactured homes and manufactured home parks are not allowed outside of the MH-Mobile Home Park district.
- Eliminate outdated districts: I-P, R-B, B-1 (have Map activity)
 - What districts do these areas become?

- Several mixed-use district (R-B and B-1) were eliminated- how would the new ones be different?
- Check densities from Comp Plan if appropriate
- Create new zoning districts: (have Map activity)
 - North Downtown mixed-use
 - Other mixed-use nodes
- Integrate: Floodplain, Airport, and Sign Ordinances- no change to text
- Incorporate 2050 Plan priorities:
 - Diversified housing types and densities
 - Reduced regulatory barriers
 - Sidewalk and trail development
 - Downtown multi-level mixed-use
 - Mixed-use zoning districts

Workshop Prompts:

- OK to eliminate I-P, R-B, and B-1 districts?
- On the zoning map what will these districts become?
- Where do we place the uses that only existed in these eliminated districts?
 - The following uses are currently only allowed in R-B:
 - Funeral homes, mortuaries (conditional)
 - Hospitals, clinics, professional or commercial offices (conditional), plus associated retail sales (conditional)
 - Senior citizen housing (conditional)
 - Mixed residential and non-residential uses in the same building (conditional)
 - Ambulance service (conditional)
 - The following uses are currently only allowed in I-P:
 - Building materials sales and storage
 - Any manufacturing, production, processing, cleaning, storage, servicing, repair and testing of materials, goods or products providing no noxious or offensive trade or activity shall be carried on, nor shall anything be done thereon which may be or become an annoyance or a nuisance or constitute a hazardous or dangerous condition or activity by reason of unsightliness or the excessive emission of odors, dust, fumes, smoke or noise, vibrations or otherwise
 - Bottling establishments
 - Broadcasting antennas, television and radio
 - Camera and photographic supplies manufacturing
 - Cartage and express facilities
 - Electric light or power generating stations, electrical and electronic products manufacture, electrical service shops
 - Engraving, printing and publishing
 - Hardware manufacture
 - Jewelry manufacturing
 - Medical, dental and optical laboratories
 - Stationery, bookbinding and other types of manufacturing of paper and related products, but not processing of raw materials for paper production
 - Storage or warehousing
- New Districts:
 - What are the intended characteristics and land use mixes for the proposed North Downtown mixed-use and other mixed-use nodes?
 - R-B was a mixed use-why did it not work and how to not duplicate issue in new mixed- use district?
 - Should type of standards, should we consider for these new districts?

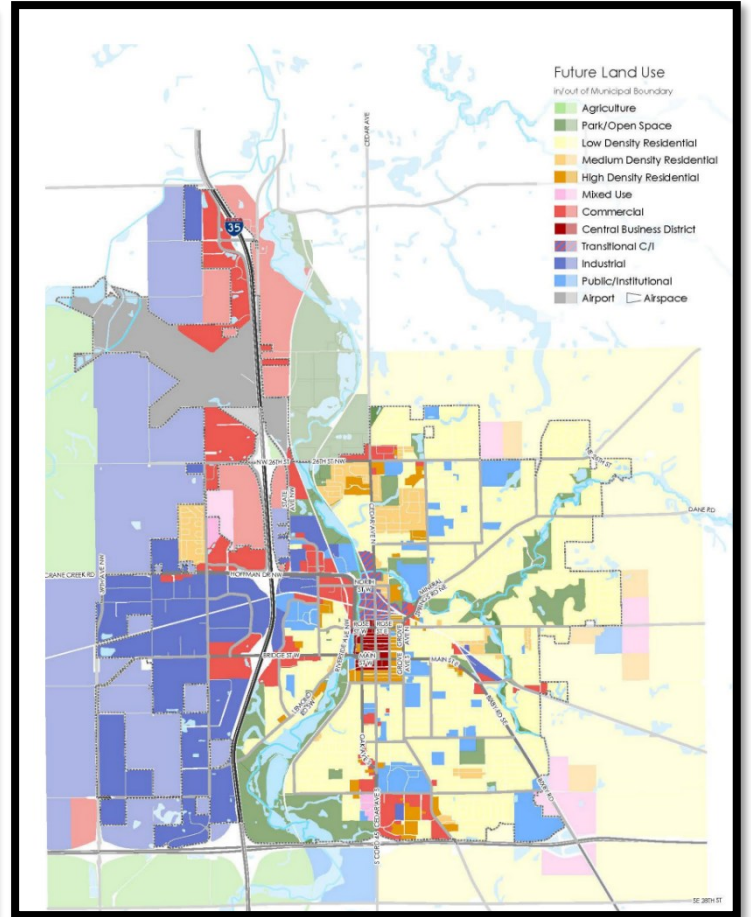
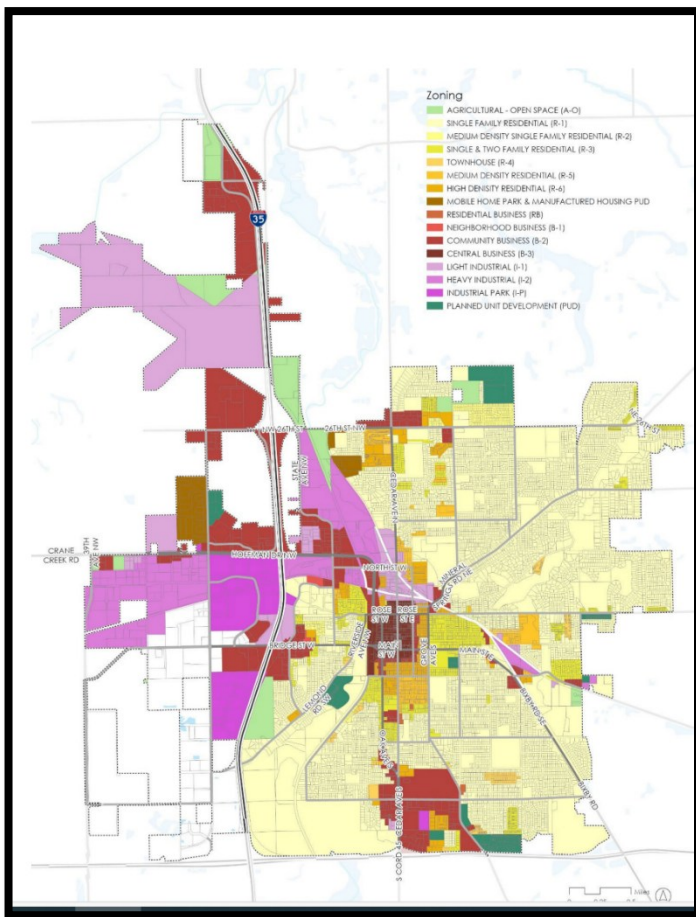
- Link to working draft tables; use tables start on page 13: https://boltonmenk-my.sharepoint.com/:w:/g/personal/mojra_hauenstein_boltonmenk_com/ES3uapNyxVpFi_zBE29ekXkBYnOvNAg30r2abEJtsQ9r9w?e=j7Q3wz

Current Zoning with Future Land Use Alignment (Comp Plan 2050) Table

Current Zoning	Typical Density (DU/Acre)	Compatible Future Land Use(s)	Notes
R-1	2–6	Low-Density Residential	Direct alignment. R-1 dominates low-density residential east of I-35. Consider introducing R-2 or R-3 in select areas to allow for more housing diversity (e.g., duplexes, ADUs)
R-2	~6–8	Low-Density Residential	Slightly higher density than R-1
R-3	~6–10	Low- or Medium-Density Residential	Transitional zone
R-4	~8–15	Medium-Density Residential	Supports townhomes and quads. Evaluate if R-4 to R-6 zoning is sufficient or needs expansion
R-5	~12–20	Medium- or High-Density Residential	Bridges mid- to high-density
R-6	~20–40	High-Density Residential	Aligns with apartments, condos. Evaluate if R-4 to R-6 zoning is sufficient or needs expansion
R-B	~20–40	Mixed Use, High-Density Residential	Supports residential + business Eliminate
B-1	N/A	Mixed Use	Neighborhood-scale services Eliminate
B-2	N/A	Mixed Use	Community-scale retail/services
B-3	N/A	Mixed Use	Downtown mixed-use core
MH	6–10	Mobile/Manufactured Residential	Direct alignment
PUD	Varies	Any (based on design)	Flexible tool for transitions
A-O	<1	Open Space, Ag Reserve	10% of land is parks and trails.. Ensure open space zoning (A-O) is applied consistently

			• Make multimodal connections between job centers and housing areas • Narrow roads to better fit neighborhood character • Provide bike lanes and sidewalks on key roadways
FP	N/A	N/A	Environmental protection zone
I-1, I-2, I-P	N/A	Industrial I-1 includes airport	Industrial land is 17% of city, with 3 industrial zones (I-1, I-2, I-P). Eliminate I-P- what does it become I-1 or I-2. The plan suggests supporting business growth near the airport, which may require a new zoning overlay or district tailored to aviation-compatible uses.
Add 2 new districts: Commercial/industrial mix north of downtown	Create North Downtown mixed-use area and other mixed-use neighborhood nodes	Per 2050 Comp Plan: • Zone new neighborhood nodes on the east side for commercial and high-density housing • Create a mixed use node near the new high school (SE Owatonna) • Support mixed use development along the Straight River • Study potential for residential and mixed use on the fringes of the industrial park • Encourage multi-family residential near major roads, commercial areas, and amenities	• Require buildings close to the street • Place parking to the side or rear • Adopt form-based zoning for Mixed Use areas • Establish minimum building material standards • Develop design standards for façade, roof, landscaping, lighting, etc. • Develop design guidelines for Downtown to ensure historic continuity • Explore a park land dedication ordinance to support park/trail system

Current Zoning Map vs Future Land Use Map



2025–2027 Strategic Plan Alignment

Strategic Focus	Zoning-Relevant Issues	Desired Outcomes
Public Safety Facilities	Zoning for new or expanded police/fire facilities	Modern, functional facilities
Deferred Maintenance	Zoning support for amenity upgrades	Quality public spaces
Street Improvements	Zoning for right-of-way and connectivity	Improved PMI, new corridors
Housing Variety	Zoning reform to allow diverse housing	Inclusive housing environment
Airport as Economic Driver	Zoning for business park/aviation uses Staff direction to not change airport chapter	Business growth at airport
Vacant Downtown Buildings	Adaptive reuse zoning incentives	Redeveloped, active downtown
Recreational Facilities	Zoning for community center siting	New community center plan
Trail System Gaps	Easements and zoning for trail corridors	Connected trail network
Ordinances	Update zoning codes to reflect community needs	Efficient, enforceable ordinances