

OWATONNA PLANNING COMMISSION MINUTES FOR OCTOBER 8, 2024

The Owatonna Planning Commission met in regular session at 5:30 p.m. in the Crandall Center – Chambers with Chairperson Kelly Rooks conducting the meeting. Present at roll call were Commissioners Kelly Rooks, John Eickhoff, Nick Peake, Rachel Springer-Gasner and Dave Effertz. Commissioners Mark Wilson, and Mark Meier were absent. Community Development Director Troy Klecker and Administrative Technician Nikki Callahan were also present.

A motion was made by John Eickhoff and seconded by Dave Effertz to approve the minutes of the regular meeting of September 24, 2024. All Commissioners present voting Aye, the motion carried.

Preliminary Plat of Aire Apartments Addition, which is a 3.5± acre tract of land zoned B-2, Community Business District, requested by Darrin Stadheim, Stadheim Properties of Owatonna, LLC, and located at 525 & 605 Hillcrest Avenue, was presented by Community Development Director Troy Klecker. (Refer to report on file.) Public hearing opened at 5:38pm

1. Dr Mark Magnus and Dr. Kelli Iceman – 803 E School St
Their property abuts the development to the North. They have reviewed the plans for the Aire development. The existing and proposed drainage plans verify that the overland drainage path where it discharges toward Hillcrest Avenue, currently is located on the Aire development property. To accommodate the new parking area the developer is proposing to shift the overland drainage path onto our property. We would like to emphasize that we are not in favor of this encroachment onto our property and believe that the overland drainage path should remain on the developers property. We have contacted the developer to voice these concerns and we remain open to a solution that will not adversely affect our property or his. I urge the zoning board to take these concerns into consideration when reviewing the development plans to protect our property rights and ensure responsible development.
2. Michelle Merxbauer - 710 Bixby Rd. – Her concern is the apartment building is taller than most apartments in this town. This is zoned B-2 and this is pocket zoning. The rest of the neighborhood is residential. This new apartment is equivalent to the size of the hotel downtown or the apartments downtown- The Pearl. The 4-story building will change the look and feel of the current neighborhood. Housing is important and 73 units is appropriate and an asset to our neighborhood. She does not feel the 4 story building fits in with our community and neighborhood.
3. Eric Merxbauer- 710 Bixby Rd - His concerns are with the rain. In 2007 and 2010 they had 18 inches of rain that flooded. He has worked with the city and county and engineers and realized that when the highway was built the drains were put in too small. When we get rain that is more than 1 inch the highway floods and people drive through water. We had a valve put in to stop the water from backing into their yards. But when the highway fills up they had to shut the valve off . In 2010 they had to work on putting in a culvert across the highway to relive the extra water that was pooling. He is concerned that by putting in this apartment and parking lot that it will cause more back up of water draining into their yard. He wants to know if there has been a study done to make sure that is not going to happen. On the south end of town he stated there has been a lot of flooding where we have had to go back in and rework it so that it doesn't flood. He is concerned with the large parking lot being put in at the apartments is going to cause problems that we are not ready for.

4. Peter Moothart– 737 Phelps St. When they moved here in 1987 it was quiet. The proposal changes that. It will be busy on Hillcrest and Phelps. The neighbors are not opposed to an updated building but to go from 1 story at 25 units to 4 stories at 73 units is excessive. The other apartments in the area are 2 or 3 stories. We will have an extra 100 cars on our street between Phelps and Hillcrest. Kids will have to be careful with bikes and balls. Why was this designed with the access on Hillcrest and Phelps; why not keep access on School Street? He is concerned the unique tree will be cut down in order to make the driveway entrance and exit. He would like to know if we have considered the following:
 - Reduce light and noise pollution by adding a fence along Hillcrest. 4 trees are not going to do that. An example of a responsible business is Fareway. They added landscaping to minimize the light pollution from the back entrance and exit.
 - How will this affect our property values? They have put an awful lot into their house and they would hate to lose what they put in.
 - I hope you looked at the proper infrastructure so that we don't have issues like we have had on the south end. He is also concerned about the parking with 130 stalls. He is concerned the visitors will be parking on the streets.
 - He is disappointed in the proposal but thanks us for listening to his concerns.
5. Tim McManimon - His family was the former owner of the Hillcrest Building. They looked at the future of the property and it is an important corner going forward. This street is a main connection from downtown highway 14 and the new High School. They looked at how to utilize this extra space and the research they did lead them to find a developer to use this property to its full potential. The Modern Aire was deteriorating so the next steps were to contact Darrin. They chose him to take on the development of this land for residential housing. These new apartments create 73 new homes for different income levels and brings diversity to this area. Tim feels strongly about Darrin meeting all the requirements to making this successful. Studies show the runoff is less than what it is today. He understands the concerns but the accountability is shown in the requirements. He has no doubt that the owners of the property will abide by the requirements and make it great.
6. Sandy Northman - 720 Bixby Her main concerns are water and traffic. She believes units are needed but it doesn't take much rain to fill the culvert with water. She is also concerned with traffic and the high school. Traffic speeds go up to 50 mph after Jaycee Park so she is concerned with the extra cars and traffic with the apartment at those speeds.
7. Darrin touched base on the concerns. There will be some fine tuning to do with the final plans on the grading. They are not maximizing the space with the 73 units. They are trying to maximize the feasibility of the project. They had to get the approval for the 4 stories which is a concern for some. Looking at Owatonna's future, there will be 4 and 5 stories apartments. They decided on 4 stories instead of 3 to keep the building smaller and allow more parking. They are eliminating 3 means of egress which was driven by Steele County. By their standards they are reducing the traffic flow. Another concern was property values. Darrin believes this project will increase property values.

Public hearing closed at 6:01 pm

Kelly Rooks asked if they commissioners had any questions or comments.

John Eickhoff thanked all those who spoke and voiced their concerns. John had further questions about how far the water is going onto the doctor's property.

John Schulte – engineer at Jones, Haugh and Smith stated the doctor's concerns are referring to the low spot on the empty lot is being filled in. They will be building the parking lot over the low spot. With the parking lot going in there, the water will be redirected to the SE storm water pond. The parking lot will be right up to the property line so the low ground will fill in and the water will be displaced onto their property. They are aware of the concern and will work on some grading on their property.

John Eickhoff asked if this will improve flooding or make it worse on Hillcrest.

John Schulte stated that we are adding impervious surface so there will be more volume of water leaving the site but the rate at which it leaves is less.

John Eickhoff asked if this was not a 4-story building would this go through this process

Troy Klecker stated we would not have gone through this process if it was less than 4 stories. We work with the developer to come up with a plan with what is the most compatible with the neighborhood. This area is zoned commercial and putting apartments will generate more traffic than what we currently have based on the unit size of 73. Some people would have like to see a gas station which would generate more traffic than the apartments. Overall, this will be similar to an office building with people coming and going. The 3 versus 4 stories could be debated. Some feel it is too tall. Trade off with 4 is you get larger setback and get more surface area to allow more parking. If it was 3 stories it would be shorter but take up more space and pushed closer to neighbors and you give up the 11 extra spaces for the building. If we lose parking it could go onto street parking at times. Because the county has an access management plan, we are restricted from having access on Bixby Road. It is best practice to line up with an existing street which is why we are looking at access on Hillcrest. If it was 3 stories there would be no conditional use permit. This conditional use permit request is to allow this building to stand at 4 stories.

David Effertz asked Troy to touch on how the city has addressed flooding in the past. Troy Klecker stated a lot of standards have changed and more stormwater requirements have been put into place since the 2007 and 2010 flooding. Currently, all plans must be engineered drawn. We are not stating that we may never have flooding again, but we have designed it with engineers to fit with the overall drainage plan. This area will be developed at some point with housing so it is great to work with an engineer on this project to use the land to its fullest potential.

A motion was made by John Eickhoff and seconded by Dave Effertz to recommend City Council approval of the preliminary plat of Aire Apartment Addition with the following conditions:

- 1) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 2) A shared parking, access, and maintenance agreement shall be recorded with the plat.
- 3) A public drainage easement shall be added to the plat to cover the overland flow from offsite so the City can ensure any future modification or grading is reviewed and approved.

All Commissioners present voting Aye, the motion carried.

CUP-17, which is request by Darrin Stadheim, Stadheim Properties of Owatonna, LLC for a conditional use permit to allow for construction of a four-story apartment building, was presented by Community Development Director Troy Klecker. Code requires an additional five-foot front and side yard setback for each additional story over three. The proposed project will contain a total of 73 units with 19 tuck under garages. (Refer to report on file.) Public hearing opened at 5:38pm

Public hearing closed at 6:01pm. See comments above.

A motion was made by John Eickhoff and seconded by Nick Peake to recommend City Council approval of these conditional use permits to allow for construction of the 73-unit apartment building with the following conditions:

- 1) All exterior signage shall meet all provisions of the sign ordinance and shall apply for and receive sign permits.
- 2) Prior to issuance of the building permit, the City and Owatonna Public Utilities shall approve all grading, drainage, and utility plans.
- 3) A joint parking, access, and maintenance agreement will be required to be recoded along with the plat.
- 4) A total of four trees shall be provided along Hillcrest Avenue north of the access to meet code requirements.

All Commissioners present voting Aye, the motion carried.

Development District No. 20-1 (Hillcrest) TIF Compliance was presented by Community Development Director Troy Klecker. (Refer to report on file.) A motion was made by David Effertz and seconded by Rachel Springer-Gasner to approve the TIF Compliance. All Commissioners voting Aye, the motion carried.

Community Development Director Troy Klecker did not have an update on previous items and is unsure of any items for the next meeting.

A motion was made by Rachel Springer -Gasner to adjourn and seconded by Nick Peake at 6:15 p.m. All Commissioners voting Aye, the motion carried.

Respectfully Submitted,

Greg Kruschke
Community Development Manager