

LILYDALE CITY COUNCIL SPECIAL MEETING
June 25, 2019

Present – Mayor Warren Peterson; Council Members John Diehl, Lyle Hanzal, William Kleinman and Anita Pampusch; Mary Schultz, City Clerk and Kathy Mutch, administrative assistant.

Also Present –Mike O’Brien, attorney; Phil Carlson, city planner; Jeff Weiss, city engineer; Jerry Friedmann, Planning Commission chair; Roxanne Sands and Tom Swain, Planning commissioners; Joe Mahoney, Dean Newins, Phil Cattanach, The Opus Group; Will Matz, Kimley-Horn; and Susan Farr, Ebenezer

David May, resident; P. Flynn, E. Hanton, John and Annette Whaley, the Summit; Margie Haag and Kay Frye, Tarran Pitschka, The Colony; Peggy Corbett, Lilywood; Scott and Laurie Stanek, R and L Walber, Cathy Abts; Richard Gabriel, attorney; Irene Jones, Friends of the Mississippi River; and Kevin Driscoll, Villager Newspaper

The city council special meeting was called to order at 4:30 p.m. by Mayor Peterson.

Agenda – Moved by Councilmember Pampusch and seconded by Councilmember Hanzal to approve the agenda. Motion carried 5-0.

Public Hearing – Concept Plan for Planned Unit Development at 797-871 Sibley Memorial Hwy. Mayor Peterson opened the public hearing. The Opus Group proposed a senior housing project on the two parcels comprising the River Bluffs Shopping Center site at 797-871 Sibley Memorial Highway. Opus proposes the project as a Planned Unit Development (PUD) and envisions a five-story senior assisted living facility. He asked City Planner Phil Carlson to begin and provide detail on the concept plan.

Carlson explained that at the May 22, 2019 planning commission meeting, Opus Group was asked to consider issues discussed and at the June 12 meeting they provided a revised concept plan. Carlson outlined differences between the original concept and the revisions. He referenced his May 22 and June 12 memos to the Planning Commission and his June 25 memo to the city council.

The number of units was revised from 150 to 140. The reduction was achieved by narrowing the building to stay out of the 40-foot bluff setback except in two small areas. There is a greater front yard setback with landscaping along much of the building. There is a 20’-25’ yard area in front of the building in most places. A trail connection is included in front of the building along Sibley Memorial Hwy. The entry into the parking garage is moved to near the front entry versus the end of the building in the previous concept to address a stacking problem raised. The rear of the site, on the bluff side, incorporates storm ponding areas instead of the trails and terraces. The building changed from an “E” shape to an “S” shape, with gardens and terraces at different levels where the building recedes. The new concept still assumes a service access easement on the west side adjacent to Thompson Lightning, but specific agreements have not been formalized.

At the June 12 meeting, the planning commission voted unanimously to recommend approval of the concept plan for the Planned Unit Development with the Findings of Fact as identified and revised. Mr. Carlson read the 11 Findings of Fact as documented in the June 12 Planning Commission meeting minutes.

Mike Salmen of Transwestern and representative for Joe and Linda Schaefer, owners of the River Bluffs Center, explained his efforts over the past 2 to 2-1/2 years in marketing the site. He confirmed no interest in retail space development was voiced; interest in the site in general has been slim and was all residential. Salmen explained the cost to retailers leasing or rental of new space would not be feasible or affordable.

Joe Mahoney introduced his team and invited Dean Newins, architect, to review the plan. Drawings of the concept plan were displayed on an easel and viewable on a TV screen for the public.

Dean Newins of The Opus Group addressed the council members and the public. Based on feedback they received from the planning commission at the May 22 meeting, he stated Opus's priorities were as follows: 1) reduce bluff encroachment, 2) increase setback to Highway 13, 3) enhance landscaping and 4) address building height. In addition, Opus wanted to make a safer driveway situation. He explained that they skewed the building and changed the shape from an "E" to an "S" which decreased the encroachment on the bluff and improved the front setback. It also resulted in a more dynamic building and enhanced the street scape.

Height of the building (57 ft.) was discussed. City Planner Carlson noted height is defined in city code as the average height between eaves for pitched roofs.

Will Matzek, civil engineer with Kimley-Horn, stated significant consideration is being given to stormwater management solutions due to the existing natural resources and site constraints. Kimley-Horn is working with the city engineer and MnDOT on stormwater runoff.

Jeff Weiss, city engineer, reiterated the city's long-standing efforts to reduce bluff erosion through stormwater management improvements. In future submittals by Opus the stormwater management plan must be revised to direct runoff from impervious surface to the MnDOT right-of-way.

Susan Farr, Ebenezer spokesperson, explained Ebenezer would be the management company. Ebenezer is part of Fairview, HealthEast and the University of Minnesota. Farr offered detailed information regarding resident care from independent living, to assisted care to end of life, hospice care.

Numerous concerns, questions and comments were raised throughout the public hearing. Initially the discussion focused on not wanting another senior living building in Lilydale and the desire for retail. Opus representatives assured the public that all possibilities were looked at and noted there was no interest in retail, the demand-driven interest was for some form of residential, such as condominiums, apartments or senior living.

Dean Newins addressed parking concerns and explained traffic flow, how Opus calculated parking, and was confident the number of spaces was sufficient. On the service side Opus would like to work with Thompson Lightning on a shared turnaround.

A question was presented if an EIS has been completed. City Planner Carlson explained an EIS (Environmental Impact Statement) is not required for this size of project; however, an environmental review to some extent will be completed.

Another asked what the benefit of this development was to residents in Lilydale. Newins noted removal of the blighted and vacant River Bluffs Center, a development that is demand driven, restoration of the bluff, a pedestrian trail and improved landscaping. Ms. Farr stated Ebenezer is community driven and noted the community room is open and Ebenezer welcomes its use by groups.

Newins addressed the height of the building. The building will have a flat roof. Underground parking, typically below ground, is not possible with this development. The building has one parking level and then four levels of housing.

David May, echoing the question raised by Councilmember Pampusch, expressed the point of view that this focus of senior housing and assisted living was not in the city's best interest with our existing demographics (one of the most elderly populations in the state and our existing senior housing) it presented too high a concentration of the very elderly.

Irene Jones, Friends of the Mississippi River, commended the flexibility of the developer and its efforts. She appreciated the improvements made in the revised concept plan. Concern about the site's stormwater management plan persists. She suggested contacting Joe Barton, of the Watershed (Lower Mississippi River Watershed Management Organization) for solutions and possible creative ways to protect erosion of the bluff.

Rich Gabriel, attorney with his office across from the River Bluffs Center site, urged the city council to strongly consider approval of the concept plan. He commented on the positive discussion; and liked the idea of a walking trail. He noted the strong reputation of both Opus Group and Ebenezer and supports the proposed development.

Phil Cattnach, Opus Group, asked that the minutes record senior housing is an acceptable use under the city code guidelines.

Closed Public Hearing - The Public Hearing closed at 6:00 p.m.

Councilmember Diehl identified concern about the lack of diversity in the Lilydale demographics to which an Opus spokesperson responded by noting that nonetheless the proposed senior housing is a permitted use.

Moved by Councilmember Kleinman, seconded by Councilmember Pampusch to accept and approve the Concept Plan for Planned Unit Development at 797-871 Sibley Memorial Hwy., including the Findings of Facts set forth and determined by the Planning Commission incorporating conclusion and recommendation points 1 through 11 identified as follows:

1. The use, senior assisted living, is a reasonable and appropriate use allowed within the City's Mixed Use designation in the Comp Plan and within the current B-1 zoning.
2. The scale of the use and its density, 140 units at 25 units/acre, are greater than the underlying zoning standards, but reasonable for this kind of use and within the range anticipated for a PUD on the site.
3. The site poses significant obstacles to development, due to bedrock prohibiting underground parking and the tapering dimensions of the parcel. Consideration of variances to height and setbacks is reasonable. The proposed height of 57 feet, more than the City's code standard of 50 feet, is reasonable and necessary given these conditions.
4. The rationale for bluff setbacks includes protecting views, which this project encroaches on, but not significantly, given other existing uses nearby, and only by 7 feet above the allowed 50-foot height. The rear bluff setback is reasonable as proposed, with slight encroachments, with most of the remaining bluff setback devoted to storm ponding.
5. Variances to the side setbacks are reasonable as proposed. On one side, the shared service area with Thompson Lightning would remain and requires a minimal setback. The other side is permanent open space, not requiring a significant setback to the parking lot.
6. The other rationale for bluff setbacks is to protect structural failure of the edge and to protect the bluff from erosion. The proposed project will ensure that it will be structurally sound and will improve stormwater runoff conditions to meet City approval.
7. There must be a legal agreement in place between this property and Thompson Lightning to allow the proposed shared service access before final approval is given, or modifications made to the site plan to accommodate reasonable vehicle movements, subject to review and approval by the city planner and city engineer.
8. The front of the project along Sibley Memorial Highway provides a sidewalk and reasonable landscaping area, a significant improvement over the previous concept.
9. The context of this site in the local and regional trail system requires a connection to the southwest to connect with the existing trail on Sibley Memorial Highway, which is proposed in front of the Opus project, but also shall explore constructing the link in front of the neighboring Thompson Lightning parcel, a reasonable off-site feature for the PUD, subject to review by the city attorney.
10. The Concept PUD stage does not require detailed building design and architecture, but those details are important for ultimate approval. The visibility of this site from various viewpoints requires a high level of design and sensitivity, which can be a guiding principle within the Concept approval, even if those details won't be seen until the Final Development Plan stage. The details of architectural design and building materials must provide a tasteful and attractive addition as determined by the city, to the river valley setting.

11. The stormwater management plan must address the City Engineer's recommendations.
Motion passed 5-0.

Adjournment - The meeting ended at 6:12 p.m.

Respectfully submitted:

Final copy reviewed by:

Mary Schultz, City Clerk

Warren Peterson, Mayor

Date