

**MINUTES OF THE
ORONO CITY COUNCIL MEETING
Monday March 13, 2017
7:00 o'clock p.m.**

Council
Exhibit I
17-3944

12. #17-3903 ALEX UGORETS, 2520 SHADYWOOD ROAD, SKETCH PLAN

Barnhart stated the property owner is seeking City Council feedback on a sketch plan for a proposed development at 2520 Shadywood Road located south of the Freshwater Business Center. The lot is currently vacant. The proposed use and density is within the guidelines of the City's Comprehensive Plan but the property will need to be rezoned from the current business zone to a residential zone to accommodate the residential use. The development, the site plan approval of the actual building, and the rezoning will require a formal public hearing since it represents a policy change. Barnhart stated it is appropriate to review it as a sketch plan at this point but there will be formal public hearing if the property owner chooses to proceed with an application.

The proposal includes a 49-unit apartment building. The building will be three stories in the front and four to five stories in the rear depending on the angle. There will be parking for 100 cars, with 50 of those being surface parking and 50 underground. Access to the site will be off of Shadywood and will line up with the church access across the street. This will require reconfiguration of the access that services the Freshwater Business Center. Hennepin County appears to be supportive of the proposed driveway location.

The proposed density is slightly higher than what is guided for in the Comprehensive Plan. The property owner owns four lots in this area and the lot lines can be rearranged if necessary. Barnhart stated the Council should provide some direction on what they feel is appropriate density for the site. The hardcover as currently proposed appears to meet the requirements of the zoning district.

Barnhart displayed an aerial of the area and pointed out the location of the Freshwater Business Center, Shadywood Road, Lund's and the bank. Barnhart noted those three businesses recently went through a facelift last summer. The most impacted residential homes are to the east and south of the site.

The site plan shows the proposed parking lot sits on the upper portion of the vacant lot. The property slopes towards the wetland. As the property drops down, the building is sighted to accommodate that drop. The proposal minimizes grading impacts to the wetland. The grading plan will be reviewed as part of the zoning process in greater detail.

Barnhart stated a sketch plan is primarily an opportunity for the applicant to prepare a project for the Planning Commission and City Council to review and comment on what is being proposed. There is no public hearing scheduled with a sketch plan and it is more of an opportunity for feedback.

Barnhart indicated the applicant has a number of photographs he would like to show as part of his presentation but that this aerial picture depicts the building from the front with three stories and a penthouse. A flat roof building is proposed, which is different than most residential structures in town, but the Planning Commission indicated they are comfortable with the flat roof, citing the fact that a number of commercial buildings in Navarre have flat roofs. Barnhart stated a flat roof may also appear to be less massive.

Barnhart displayed a view of the building from the wetland. From the back the building does appear to be 5.5 stories with the penthouse level. Barnhart noted the penthouse does not cover the entire upper level of the building. Barnhart displayed a number of sketches depicting the proposed building on the site from different angles.

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The Planning Commission reviewed a number of issues and indicated they were comfortable with the density. In addition, the Planning Commission discussed the height and recognized that Orono has historically stood firm on three stories. Last summer the City adjusted the height limitation to not be calculated on the number of stories but rather calculated on the actual height elevation. From a height standpoint, this project will likely be a PUD and the City will have some flexibility on the height.

The Planning Commission also talked about fire safety and the expectation that Fire Code would be met. It is Staff's expectation that some sort of driveway will be required around the back of the building to meet Fire Code but that Staff will defer to the Fire Chief on those issues.

One of the comments that the Planning Commission noted was the residential homes will be the most impacted from a visual standpoint based on the proximity of the building to the homes. There is a large wetland that separates the property and impacts the property owner's ability to develop the entire site. The developer has provided some sketches to illustrate the separation between the proposed building and the residential area.

Crosby noted the people on Lydiard will also be impacted.

Barnhart stated it is likely there will be some type of development on this site and that the question is what is the most appropriate. The site is currently guided for mixed use, which could either be business use or an apartment building.

Crosby asked whether this area could be developed as single-family homes.

Barnhart stated the Comprehensive Plan would need to be amended and that the site is currently guided for 6 to 15 units per acre. When the Comprehensive Plan amendment was approved for Shadywood Villas, the density on this site was increased.

Seals asked how many acres the site consists of.

Barnhart stated to his knowledge it is approximately three acres of upland. Barnhart stated the applicant is proposing 15 units per acre.

Printup asked if sewer, utilities and infrastructure can handle that many units.

Barnhart stated the expectation at this time is that it can but that will be a key component of the formal review. Barnhart stated Staff would be more concerned if the applicant was proposing a density of 30 units per acre but that he is comfortable with the 15 units.

Seals stated it is obvious the three residential lots will be the most impacted. Seals asked how the City will go about notifying everyone. Seals stated everyone in Navarre will be affected by the traffic and that when she looks at the sketch plan, it does not appear to fit in with the Navarre area. Seals stated she wants to make sure there is a good group of people from Navarre to provide input.

Walsh noted he has discussed making the sketch plan process part of the notification process and that he would like to keep that on the burner for the City Attorney. Walsh stated he would like to avoid having the developer spend a lot of money on plans if it turns out the neighborhood is opposed to the project.

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Crosby commented traffic is a major issue in that area and that traffic will tie up all the way to the Narrows Bridge at times and that it is a very dangerous intersection.

Walsh stated this lot will be developed in some way and that it is a matter of what is appropriate from a size, height, and density point of view. Walsh stated they all agree there are traffic issues in the area but that Hennepin County will be dealing with the intersection in 2019, with public hearings coming up later this year.

Seals stated sometimes when there is a dramatic change, people are more hesitant to support the project and that she does not want the developer to invest a lot of money into something that does not have the support of the neighborhood. Seals stated if someone looks around Navarre, everything is so different and that every house and business is its own individual building. Seals asked if there is a way to make it look like it is not so massive.

Walsh stated the City Council can provide guidance on the density and the height of the building but that the Council cannot design it for them.

Seals commented if someone is a resident of Navarre, they will see this big flat roof building and that public feedback would be very helpful in this situation to help guide the developer.

Barnhart noted the Planning Commission recommended a formal traffic study be done as part of the application. From the standpoint of the impact to the neighborhood, the Planning Commission did discuss that as well and encouraged the applicant to reach out to the neighbors as soon as possible before final decisions are made by them on the sketch plan. Barnhart stated to his understanding the applicant did visit with some of the residents and that correspondence has been provided to the Council.

Crosby stated he would like to see that discussion expanded to the residents on Lydiard and Kelly and that it will impact more than the three residences.

Seals noted there was discussion at the Planning Commission meeting about having a meeting at the Freshwater Institute with the residents, which would be a good idea.

Walsh stated he understands there was some talk about realigning the driveway with the church across the street and then the Council also discussed aligning the driveway with the new development across the street. Walsh stated he is not sure what will happen to the other driveway.

Barnhart stated the original plan was to coordinate the Shadywood Villas' access, access for the Freshwater Building and this lot, and then eventually the church. The applicant has talked extensively with Hennepin County. Based on the future plans for turning lanes that will be proposed for this area, the County is comfortable with the driveway offset. Barnhart stated the original goal was to coordinate them all into one. Barnhart noted this alignment does have some benefits to the Freshwater building because that driveway would minimize the amount of parking. Barnhart stated businesses will experience more traffic than a residential property and that Hennepin County is comfortable with the proposal.

Crosby asked what the Freshwater site is zoned at.

Barnhart indicated the building is zoned B-4, which is office and office related uses. Currently the only use being proposed is office for that site.

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Tom Goodrum, senior planner for Westwood Professional Services, stated he would first like to talk about the neighborhood and then talk about the design of the property and why it is an appropriate use for the site.

Goodrum indicated they did send a letter out to everybody within 350 feet following the Planning Commission meeting and that they received one letter back from the neighbor behind the property. Goodrum stated they did correspond with that person and that they will be meeting with that neighbor on the site tomorrow to speak with him about the impacts. Goodrum stated that neighbor basically would like some more information on the project.

Goodrum stated when Mr. Ugorets purchased the Freshwater building, he was excited about the recent improvements in Navarre and went ahead and made improvements to the Freshwater building. Goodrum commented this area is becoming a popular place to be and that Mr. Ugorets has received a number of positive comments about how nice the Freshwater building looks.

Goodrum noted there currently are not a lot of housing choices available in this area. Goodrum stated they do not have a specific housing type in mind at this time for the site and that they are open to what best meets the needs of the neighborhood. Condominiums or market rate apartments are an option.

At 15 units per acre, the density is within Orono's Comprehensive Plan. In addition, Mr. Ugorets owns an additional 12 acres of land. If those 12 acres are added to this property to this site, the density would be five units per acre. Goodrum noted they are using approximately 12 percent of the land for building.

Goodrum noted his office, Westwood, does have a traffic division within their company and that they will be taking a more in depth look at the traffic impacts.

Crosby asked what percentage of the property is wetland.

Goodrum stated the wetlands for this property are on the edge of the site so it would only be a small percentage. Goodrum stated he would estimate it at under 10 percent. Discussions have been had with the Watershed District and they were able to walk the property. Goodrum indicated they will be meeting the Watershed District's requirements and that they were pleased with the approach being taken to the property.

Goodrum indicated they also met with Hennepin County and they looked at the best access point for the site. Hennepin County indicated they were fine with combining access to this site with the Freshwater site. Goodrum stated based on their experience, the development would have a very small impact to the flow of traffic but that they are prepared to submit a formal traffic study.

Goodrum stated when they were designing the sketch plan, they wanted this building to be complementary to the Freshwater building because they do not want it to have a negative impact to the office building. Being proposed are similar type features to the Freshwater building, especially as it relates to the height. The front of the Freshwater building is 30 feet, the height of this building is 30 feet in the front, and the penthouse steps up another nine feet in the back corner on the far side of the property. Goodrum stated the purpose of the penthouse is to provide beautiful views, meet market demand, and to match the height of the Freshwater building, which is 54 feet tall from the back.

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Goodrum indicated they used the Freshwater building to match this building and that it will have the same visual impact as the Freshwater building. As you move south past the building, the penthouse is stepped down and the building goes down to 31 feet. Goodrum indicated that is a transitional area from the Freshwater into the residential area.

Goodrum stated the reason for that height is because the ground slopes 12 feet down into the wetland area. Goodrum commented it makes more sense to use the natural topography and having the proposed elevation than it would to haul in a bunch of fill. The lowest floor is the exposed parking garage, which will have screening around it. Goodrum stated they could bring in a bunch of dirt to cover the bottom two stories but that would result in hauling a lot of dirt into the site and does not work with the natural topography. Goodrum stated they are hoping the height is something the City will not consider to be a negative impact, especially since that corner of the proposed building matches the height of the Freshwater building. Goodrum noted the building is also set back from the road to avoid creating a tunnel effect.

In addition, a berm will be constructed as well as landscaping to help block headlights and to help screen the building. Goodrum commented they spent a considerable amount of time fitting the building on the property and have it conform to the natural topography.

Seals asked if there is a potential to put a right-turn lane into this property.

Barnhart stated the County would likely object to that. In addition, the wetland is also fairly close to that area, which is where some separation would be required. Barnhart noted there is a right-in/right-out at the north end of the parking lot. Hennepin County would like to get rid of that at some point but at this time they are willing to accept that.

Goodrum stated the visual impact of the building is focused primarily on the three residential homes and the windows in those homes are faced more away from the building.

Goodrum displayed some aerial pictures of the site, noting there are a number of trees on the site between the building and the residential homes that will remain. Goodrum displayed some pictures depicting the view of the site from the residential homes.

Crosby asked what the people on the other side of the road will see.

Goodrum stated they would see a 30-foot high structure similar to the Freshwater building. Seals stated the last time she remembered a development being discussed by the Council there were a number of residents who appeared and that she would encourage the developer to reach out to a wider area.

Walsh asked if the height of a house could be 30 feet or 39 feet if it was stepped back part of the way.

Barnhart stated on a flat roof, Staff measures from the top point of the highest adjacent grade. Barnhart stated the applicant is suggesting that there are some design elements that will mitigate some of that.

Walsh noted residential homes would be peaked at 30 feet and could not be stepped back in the front or the back.

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Goodrum noted residential homes have pitched roofs, which makes them appear taller.

Walsh commented they are actually getting more because they do not have the pitch. Walsh stated if one person is allowed a higher height, other people will want the same thing.

Goodrum noted there is a 75-foot buffer from the wetlands and that the trees in the area will not be removed. Goodrum stated they also need to incorporate some stormwater ponding in that area but that they want to preserve as many trees as possible.

Walsh asked how many acres there are total.

Goodrum indicated it is approximately 20 acres if all the lots are combined.

Walsh asked how much of that is dry buildable.

Goodrum stated the area they are looking at is approximately three acres.

Barnhart stated he does not have that exact number, but to his knowledge there are approximately three acres of dry buildable on this site and Freshwater has around five acres.

Walsh noted only the dry buildable counts towards the density.

Barnhart stated Orono only allows dry buildable but the Metropolitan Council allows the wetland area to be included in the density calculations.

Gaffron stated the dry buildable and the buffer area can be included but not the actual wetland.

Goodrum noted there is some additional dry buildable on the other lots.

Walsh stated his only issue is the height of the building. Walsh commented a house gets 30 feet and that they should try to work with the 30 feet.

Printup asked what it will look like aesthetically as someone comes from Wayzata and whether someone would be able to see this flat roof apartment building across the wetland.

Crosby stated as you go west on Shoreline, you would see it.

Goodrum noted this building would be somewhat shielded by the Freshwater building and that someone would be able to see further west on Shoreline. Goodrum stated if you look across the wetland, you will see the corners of the building.

Walsh stated the lot will get developed in some way and that the Council needs to provide the applicant direction on the height. Walsh stated he is leaning towards limiting it to 30 feet.

Seals commented she would like to get some input from the neighbors since they will be looking at it.

Goodrum noted the 30 feet from the front is doable.

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Walsh stated the penthouse would need to be included in the 30.

Barnhart stated the direction he has heard from the Council so far is to limit the height at 30 feet and that they would like neighborhood input. In addition, concerns were also expressed about the traffic impacts and the need to have a better understanding of those impacts.

Crosby stated the dry buildable on this site compared to all the lots would be interesting. Crosby stated the main issue is to get the input from the neighbors and make sure the residents in the area are aware of what is going on.

Seals commented she understands the public hearings are further down the road but that she would like to get the word out earlier.

Goodrum stated they did reach out to everyone within 350 feet and that they will do that again.

Dankey encouraged them to go beyond the 350-foot area.

Crosby commented he still has a major concern with traffic.

Dankey stated it is very difficult to pull out of Lund's since there is always traffic there.

Alex Ugorets, 175 Brentwood Avenue, Tonka Bay, stated he bought the Freshwater business center and tried to bring it back to life. Ugorets commented it is a lot of work and cost a lot of money but that he gets a lot of compliments from people stopping by. Ugorets stated he is very proud of that project and that in his view it will be very successful.

Ugorets stated his taste is very contemporary and that he noticed Byerly's and Lund's have been doing similar things. Ugorets stated the whole neighborhood is becoming more modern and that this building could be apartment units or condominiums or senior care but that he just wants to know what size box they can put in there. Ugorets stated it could also be turned into a parking lot for the Freshwater Business Center.

Dankey suggested he consider a little smaller box than what he is proposing.

Ugorets stated he has had a lot of requests to turn it into an event center and that his original idea was to turn a portion of the building into an event center. Ugorets indicated he has people who would be willing to run it and the neighbors have indicated they would like to have weddings there. Ugorets stated he put that on hold given his concerns with parking, but if this project does not go through, one of his options is to add more parking for an event center. Ugorets stated that is not a bad use for the neighborhood but that they will be looking at a parking lot rather than a building.

Ugorets indicated he will do just fine with a building or without a building but that this project would be an asset to the city and to the neighborhood. Ugorets commented there are a lot of older people who would not mind living in the penthouse and that it is a major feature of the building. Without the penthouse, it will be just another ordinary building, which he does not really want to build. Ugorets stated he wants it to be a nice property for the people who can afford it and enjoy it, but if the building is reduced in height, it will be a different building. Ugorets stated the penthouse will bring in enough revenue to make the building feasible.

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Ugorets stated as far as the distance from the wetland, the City is encouraging him to have underground parking, but that creates a whole story. Ugorets stated 30 feet in the front is not that much when there are 10-foot ceilings. Ugorets stated people like high ceilings and that he wants to put a nice expensive building there, but that if the size of the building is reduced too much, he might not be building anything there.

Ugorets noted the person that sent the letter is actually located on County Road 19 and that his property borders this property by a tiny little section. Ugorets stated he also wants a fence in there and that he is willing to give him a fence but his complaint does not make much sense since he is one of the least ones being impacted.

Seals stated the Council would like to thank him for all the improvements to the Freshwater building. Seals encouraged him to reach out to the residents to get more feedback and to try to get them to support the project.

Ugorets indicated he will be meeting with him tomorrow morning and try to keep him happy. Ugorets noted they did send out letters for an event center notification and not one person showed up. Ugorets indicated they also sent out another letter for this meeting and they received one letter back. Ugorets commented he is happy to meet with all the residents.

Barnhart noted no further action is required on the sketch plan.

The City Council took no formal action on this item.