



PC Members: Nicole Kruckman, Thomas Humphrey, Brad Smith, Melissa Hanson, Bryce Schuenke and Harry Anderson
City Staff: Community Development Specialist Renee Christianson, Planner Haley Sevensing and City Engineer Rich Revering

AGENDA

TUESDAY, SEPTEMBER 29, 2020 @ 7:00 PM

The City has determined it is not practical or prudent to conduct an in-person Planning Commission meeting due to the local state of emergency and social distancing guidelines. Accordingly, Planning Commission will participate in this meeting via an electronic meeting and the Planning Commission meeting will be conducted under Minnesota Statutes section 13D.021 at the date and time stated above.

To the extent practical, members of the public may attend the meeting by utilizing this link: <https://us02web.zoom.us/j/84065296205> or by phone call @ 1-312-626-6799, using meeting ID #840 6529 6205

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. APPROVAL OF AGENDA**
Consider Approval of the Agenda
- 4. PUBLIC COMMENT** (public opportunity to comment on items not listed on the agenda)
- 5. ANNOUNCEMENTS**
A. None
- 6. APPROVAL OF MINUTES**
Consider Approval of the following:
A. July 28, 2020 Minutes
- 7. PUBLIC HEARINGS**
A. Consider Request for Variance from Parking Requirements @ 461 Main Street, New Market Bank, applicant
- 8. GENERAL BUSINESS**
A. Accessory Dwelling Units
- 9. MISCELLANEOUS**
A. Community Development Updates & Reports
B. Planning Commission Questions & Comments
- 10. ADJOURNMENT**

BOARD NOTICE:

TO DETERMINE IF A QUORUM WILL BE PRESENT, PLEASE CONTACT ELKO NEW MARKET AREA HALL AT 952-461-2777 IF YOU ARE UNABLE TO ATTEND

PUBLIC NOTICE:

ANYONE SPEAKING TO THE BOARD SHALL STATE THEIR NAME AND ADDRESS FOR THE RECORD

**MINUTES
CITY OF ELKO NEW MARKET
PLANNING COMMISSION MEETING
JULY 28, 2020
7:00 PM**

At the start of the meeting, Community Development Specialist Christianson read the following statement into the record: The City has determined it is not practical or prudent to conduct an in-person Planning Commission meeting due to the local state of emergency and social distancing guidelines implemented by Governor Walz. Accordingly, this meeting will be an electronic meeting and conducted under Minnesota Statutes section 13D.021. To the extent practical, members of the public may attend the meeting by utilizing the published link and call in information.

Christianson also stated that due to the electronic meeting format, the meeting would be largely led by City staff, as opposed to being led by the Chair, which is typical. She read allowed the meeting protocol as follows:

- The host will keep all participants muted until the public hearings are opened.
- The Planning Commission will not be muted.
- Staff will specifically solicit question or comments from the Commission and public at various points during each item. Please hold questions and comments until requested.
- If you wish to speak, please “Raise Your Hand” virtually.
- Staff will individually recognize those wishing to speak and will invite you to speak and unmute your microphone. If you are not being recognized, provide an obvious visual indicator such as raising your hand or waving at the camera. Or, send an email to the Community Development Specialist at rchristianson@ci.enm.mn.us
- Your microphone will be re-muted after you have spoken.
- All votes will be by roll, called by Staff.

She explained for audience members how to “raise their hand” to participate in the meeting on a PC, on a phone or tablet, or if one dialed in by phone. Introductions of the City’s Planning Commission, and City staff were made.

1. CALL TO ORDER

Chairman Kruckman called the meeting of the Elko New Market Planning Commission to order at 7:05 p.m.

Commission members present: Smith, Humphrey, Kruckman, Hanson, Schuenke, and Ex-officio member Anderson

Members absent and excused: None

Staff Present: Community Development Specialist Renee Christianson, Planner Haley Sevensing, City Engineer Rich Revering

2. PLEDGE OF ALLEGIANCE

Chairman Kruckman led the Planning Commission in the Pledge of Allegiance.

3. APPROVAL OF AGENDA

A motion was made by Kruckman and seconded by Hanson to approve the agenda as submitted.

By Roll Call Vote:

Commissioner Hanson - Aye
Commissioner Humphrey – Aye
Commissioner Kruckman – Aye
Commissioner Schuenke – No Vote
Commissioner Smith - Aye

Motion carried: (4-0)

4. PUBLIC COMMENT

There was no public comment.

5. ANNOUNCEMENTS

A. None.

6. APPROVAL OF MINUTES

A. Chairman Kruckman noted a correction on Page 3 of the draft meeting minutes. It was then moved by Kruckman and seconded by Hanson to approve the minutes of the May 26, 2020 meeting with one correction.

By Roll Call Vote:

Commissioner Hanson - Aye
Commissioner Humphrey – Aye
Commissioner Kruckman – Aye
Commissioner Schuenke – Aye
Commissioner Smith - Aye

Motion carried: (5-0)

7. PUBLIC HEARINGS

A. Consider Requests by Kwik Trip, Inc.

- Request for Rezoning #R2-2020 to Rezone Property from PUD to B5
- Request for Preliminary Plat Approval of Kwik Trip 1116
- Request for Conditional Use Permit #C1-2020 to Allow a Convenience Store and Commercial Car Wash
- Request for Variance #V1-2020 to allow signage on the pump island canopy, and to allow less than the required 24' between fuel pump island curb faces

Christianson provided an overview of the request and information outlined in the Planning Commission staff report dated July 28, 2020. She explained that the area was rezoned to Planned Unit Development (PUD) by the City of Elko in 2006. The area was intended to include a multi-user commercial development. The subject property is 4.08 acres. She displayed multiple concept plans for the commercial area as presented in 2006 and 2008.

She reviewed the following items:

- Neighborhood conditions / adjacent land uses
- 2030 land use plan which guides the property to commercial land use
- Current zoning of the property
- Minimum lot size, width, setback and height requirements
- Design requirements for commercial zoning districts and motor fuel stations
- Design requirements for pump island and fuel canopies
- Commercial car wash design and stacking space requirements
- Off-street parking requirements, including reductions allowed if proof of parking verified
- Truck circulation modeling for a WB-67 semi-truck
- Landscaping requirements and proposed landscaping plan
- Approved signage plan for Elko Marketplace and proposed Kwik Trip signage
- Drainage and utility easements requirements
- Access and transportation issues
- Stormwater, sanitary sewer, and water utilities and proposed layouts
- Sidewalks and trails, including pedestrian access into the site
- Park dedication requirement, which has been satisfied

Christianson noted that the Kwik Trip application depicts fuel island canopies with fascia that is 4' in vertical height and staff recommends this be corrected to meet the requirement of 3'. She noted that City Code requires 24' between pump island curb faces and Kwik Trip is requesting a variance to allow a 21.5' separation. She also noted that Kwik Trip is requesting a variance to allow signage on both the building and fuel canopies. Commissioner Humphrey questioned the purpose of the City's 3' fascia requirement. Christianson stated that she did not know but some limited research found other communities that also had the 3' requirement.

Christianson reviewed the existing Elko Speedway pylon sign that is located on the subject property and also the proposed Kwik Trip pylon sign. She noted that the Kwik Trip sign is proposed at 35' in height which exceeds the City's 30' height requirement. She also noted that the pylon sign is proposed too close to the existing Elko Speedway sign, as the ordinance requires a minimum of 50' between pylon signs. Christianson stated that she recommends a monument sign in lieu of the proposed pylon sign.

Transportation issues were reviewed in detail. A Traffic Impact Study was prepared to determine the effects of the development on the surrounding transportation system. Christianson explained that a private drive is proposed to connect the existing private drive near the post office to France Avenue. This private thru drive is consistent with original plans presented during the original PUD approvals. The private drive is proposed at 35' in width. A shared maintenance agreement will be needed, as the City will not participate in maintenance. She noted that pavement markings have been suggested to delineate the thru drive from the Kwik Trip fueling area.

Christianson reviewed the proposed utility plans for stormsewer, sanitary sewer, and water. She noted that the stormsewer, as shown on the plan, would require a private easement from R & F Properties, or be moved into a drainage and utility easement with an approved encroachment

agreement. Regarding water, she noted that an easement would be required to construct it as proposed, and an additional hydrant is being recommended closer to the Kwik Trip building.

Christianson noted that comments regarding the Kwik Trip application were solicited from the City Engineer, Public Works Director, Fire Chief, Police Chief, Building Official, and Scott County Highway Department. She noted that staff is recommending approval of the rezoning, preliminary plat, conditional use permit and variances. She specifically reviewed eighteen conditions being recommended related to the conditional use permit.

Dean George representing Kwik Trip addressed the Commission and stated that their vision for the site is to provide fresh grocery, fresh dairy, and meal options, and he believes they will fit well into the community. He stated that all the conditions that are currently being recommended seem like things they can comply with.

City Engineer Rich Revering then addressed the Commission regarding the truck turning movement model. He noted that a semi-truck may be able to maneuver off of France Avenue without jumping the curb by using a different turning movement than currently depicted. Revering also noted that one of the stormsewer structures contains a device that would sense a potential fuel spill, which would then swell to prevent runoff from entering into the stormwater system.

It was then moved by Humphrey and seconded by Smith to open the public hearing at 7:57 p.m.

Tom Ryan, owner of R & F Properties, 26518 France Avenue, addressed the Commission. Mr. Ryan suggested that the private driveway connecting Marketplace Boulevard to France Avenue should be 44' in width. He also explained that was the original plan was for the private drive to be 44'. His recommendation is partly because of the proposed double-s curve, and larger vehicles could use the extra width to maneuver the s-curve and commercial development area. He noted that his commercial vehicles are 80' in length. He stated that the 44' wide street is non-negotiable for R & F Properties, noting that the private drive is proposed half on his property which will require an easement from R & F. He stated that he does not want the area to the south to be landlocked and wants full access to the area south of the private drive. Regarding the proposed stormsewer on his property, he prefers that it be within the public easement rather than on his private property. Regarding the sign, he would support the sign being a monument rather than a pylon sign. He stated that Kwik Trip will be a beautiful addition to the City and will be very busy.

Christianson then entered into the record a letter submitted by the law office of David S. Holman, Ltd. from Burnsville, MN, representing R & F Properties, LLC and dated July 27, 2020. The letter was read aloud verbatim. The letter addressed stormwater drainage issues, the shared access road, and signage.

Dean George representing Kwik Trip, 1626 Oak Street, LaCrosse, Wisconsin, asked City staff if the stormsewer line proposed on the R & F Properties parcel could be moved into the drainage and utility easement with an approved encroachment agreement. Christianson stated that the City would be agreeable if there were not any other utilities located in the easement.

It was moved by Smith and seconded by Humphrey to close the public hearing at 8:13 p.m.

By Roll Call Vote:

Commissioner Hanson - Aye
Commissioner Humphrey – Aye
Commissioner Kruckman – Aye

Commissioner Schuenke – Aye
Commissioner Smith - Aye
Motion carried: (5-0)

Christianson then asked the City Engineer to provide comment regarding R & F's request for the 44' wide private-drive. Revering stated that extra width may makes things easier for some types of vehicles to maneuver within the development. He stated the City's primary focus is the function of France Avenue and Marketplace Boulevard. He stated that the topic is largely for further discussion between R & F Properties and Kwik Trip because it will be located on their private properties.

Commissioner Smith supported the idea of the wider (44') road and asked who would pay for the addition driveway width near the New Market Bank property, to the west. Christianson stated that would be determined at a future date or when that property develops.

Commissioner Schuenke asked if traffic would be allowed to drive in both directions on the private drive. There was discussion regarding the pros and cons of allowing one-way versus two-way traffic. The Commission supported two-way traffic.

Dean George from Kwik Trip stated that he would meet with Mr. Tom Ryan of R & F Properties to review his concerns.

Commissioner Hanson stated her support for the project and for a monument sign versus the pylon sign. Chairman Kruckman agreed that she supported the monument sign versus a pylon sign. Commissioner Smith asked if there was a requirement for 50' between a pylon and monument sign. Christianson indicated there was no requirement.

Commissioner Smith asked about the length of a WB-67 vehicle. Revering stated that it is the largest truck that would regularly be seen on the road but didn't know the exact length.

It was moved by Smith and seconded by Hanson to recommend approval of:

The request to **rezone** the property from PUD to B5 for the following reasons:

- 1) The proposed rezoning has been considered in relation to the specific policies and provisions of, and has been found to be consistent with, the official City Comprehensive Plan which guides the property to a commercial land use.
- 2) The proposed commercial use of the property for a convenience store / motor fuel station and commercial car wash is compatible with present and future land uses of the area.
- 3) The proposed use of the property complies with performance standards contained in the City's Zoning & Subdivision Ordinances, except as specifically identified in requested variances.
- 4) The proposed commercial use of the property can be accommodated with existing public services and will not overburden the City's service capacity.

- 5) Traffic generation by the proposed development is within capabilities of existing streets serving the property.

The request for **preliminary plat approval** of Kwik Trip 1116 containing one lot on 4.08 acres for the following reasons:

- 1) The proposed plat complies with the purposes of the Zoning Ordinance and Comprehensive Plan.

And subject to the following conditions:

- 1) Preliminary plat approval is granted in accordance with the following plans, except as otherwise noted in the conditions below:
 - a. Preliminary Plat drawing prepared by Sunde Land Surveying and dated June 8, 2020
 - b. Final Plat drawing prepared by Sunde Land Surveying and undated
 - c. Stormwater Drainage Report (including geotechnical) containing 13 sheets, prepared by Carlson McCain and dated May 15, 2020
- 2) The developer must enter into a development contract with the City of Elko New Market at the time of final plat approval.
- 3) The plat shall be revised to include 10' drainage and utility easements on the westerly and southerly property lines.
- 4) Approval is subject to the recommendations and approvals of the City Engineer, Public Works Director and City Attorney.

The request for **conditional use permit** to allow a Convenience Store / Motor Fuel Station and Commercial Car Wash for the following reasons:

- 1) The proposed use of the property as a convenience store / motor fuel station and commercial car wash is consistent with the purpose and intent of comprehensive plan and the B5 zoning district.
- 2) The proposed development conforms with all applicable performance standards, including performance standards for motor fuel stations and commercial car washes as stated in Section 11-26E-4 of the City Code, except as specifically identified in requested variances.
- 3) The proposed development can be accommodated by existing public services.
- 4) Traffic generation by the proposed convenience store / motor fuel station and commercial car wash is within the capabilities of the existing streets serving the property, which has been documented in a Traffic Impact Study prepared by Kimley Horn and dated April 10, 2020.

And with the following conditions:

- 1) Approval is granted in accordance with the following plans, except as otherwise noted in the conditions below:
 - a. Preliminary Plat drawing prepared by Sunde Land Surveying and dated June 8, 2020

- b. Final Plat drawing prepared by Sunde Land Surveying and undated
 - c. Construction Plans containing 16 sheets, prepared by Carlson McCain and dated May 15, 2020
 - d. Signage Plan containing 12 sheets, prepared by Kwik Trip and dated May 18, 2020
 - e. Building Elevations containing 3 sheets, prepared by Kwik Trip and undated
 - f. Stormwater Drainage Report (including geotechnical) containing 13 sheets, prepared by Carlson McCain and dated May 15, 2020
 - g. Traffic Impact Study prepared by Kimley Horn, dated April 10, 2020
 - h. Floor Plan, undated
- 2) The applicant shall comply with recommendations contained in the City Engineer's memo dated July 17, 2020, and the recommendations of the Public Works Director and City Attorney.
 - 3) The plan shall be revised to show the sanitary sewer line be tied into the existing trunk sewer line rather than the sanitary manhole.
 - 4) If parking on the site becomes overburdened, the applicant agrees to construct additional parking on the site to meet the minimum city code requirements of 62 parking spaces.
 - 5) The access / curb shall be redesigned so that a WB-67 truck will not jump the curb as they access the site at the France Avenue / private drive entrance.
 - 6) Trees shall be located outside of drainage and utility easements.
 - 7) The proposed pylon sign shall be redesigned as a monument sign.
 - 8) Evidence of a private easement allowing the proposed stormsewer line to be located on Outlot B must be provided to the City prior to construction.
 - 9) Evidence of a private easement allowing the proposed water line to be located on the New Market Bank property must be provided to the City prior to construction.
 - 10) The plans shall be revised to include additional fire hydrants, if recommended by the building official or fire chief.
 - 11) The plans shall be revised to include pavement markings or colored concrete across the drive aisle to further delineate the pedestrian access into the building.
 - 12) The plans shall be revised to include signage and pavement markings that direct customers to, and clearly delineate, the car wash stacking area.
 - 13) An emergency / rapid access system (Knox Box) will be required on the building at the time of construction.
 - 14) The sign plan shall be amended to add a sign at the northerly entrance into the site stating, "vehicles only / no semi's".
 - 15) The plans shall be revised to comply with the 3' maximum vertical height requirement for the fuel island canopy fascia.
 - 16) A shared access maintenance agreement will be needed to memorialize roles and responsibilities related to maintenance of this shared private drive.
 - 17) Pavement markings shall be added to the plans to help delineate the private drive "thru movement" from the fuel pumping area.
 - 18) Evidence of a private easement allowing the proposed private drive to be located on Outlot B must be provided to the City.

And noting that:

- 1) The stormsewer, sanitary sewer, and water improvements are considered private and will not be maintained by the City.

The request for **variance** to allow signage on the pump island canopy and to allow less than 24' between fuel pump island curb faces for the following reasons:

- 1) The variance requests will not alter the essential character of the neighborhood.
- 2) The applicant is proposing to use the property in a reasonable manner not permitted by City Code.

By Roll Call Vote:

Commissioner Hanson - Aye
Commissioner Humphrey – Aye
Commissioner Kruckman – Aye
Commissioner Schuenke – Aye
Commissioner Smith - Aye

Motion carried: (5-0)

8. GENERAL BUSINESS

A. Accessory Dwelling Units

Sevening presented the agenda item which is related to the topic of housing. Sevening noted that the City Council was invited to the meeting to also hear the presentation and participate in the discussion. She recalled that a general presentation regarding housing was made of the Planning Commission and City Council in May and June, the purpose of which was to inform the Commission and Council regarding the topic of housing in general and what the City could do to further foster affordable housing in Elko New Market. She noted that following those presentations there was direction to further research various tools which the City could consider in this regard. The first topic that staff researched was the topic of Accessory Dwelling Units (ADU).

She displayed various types of ADU's (attached, detached, interior) and noted that they have their own kitchen, living area, bathroom and sometimes entrance. She noted that they represent gentle or hidden density that are often located within a single-family home and fit into the context of the neighborhood. They can provide affordable housing without expensive land acquisition costs.

She explained that there are many things to consider including parking, utilities, size requirements, types, lot size, owner occupancy restrictions. She stated that ADU's are not currently allowed in Elko New Market. She reviewed the benefits of allowing ADU's including creating new housing options, increasing access to rental units, potential rental income, increased property values, allowing for aging in place, space for family or caregivers. She reviewed estimated costs to construct ADU's which ranged from \$50,000 to \$200,000 based on research.

She reviewed common concerns related to ADU's which include negative impacts on the character of existing single-family neighborhoods, increased density adding to traffic and parking concerns, pressure on fire and police service, parks, or water/wastewater systems.

She reviewed the research that was conducted by staff and noted that the Minnesota Family Housing Fund does annual housing policy research and found twenty Metro-area cities that allow ADU's. She also conducted research regarding cities that do not currently permit ADU's to better understand why they have chosen not to allow them. She also noted that Scott County does permit ADU's. She provided a summary of the research that was included in the Planning Commission packets.

Sevening stated that if ADU's are supported by the Commission and Council, the City needs to be cognoscente of overregulation because if the purpose is to foster more affordable housing, the City can easily increase the price by overregulating. She also reviewed feedback received from City's that allow ADU's, stating that there were no substantial issues or concerns noted by those communities.

Sevening reviewed housing goals and housing implementation strategies identified in both the 2030 and draft 2040 Comprehensive Plan which both supported the idea of considering ADU's. She stated that the City may want to consider a rental registration ordinance in conjunction with ADU's. She also suggested consideration of a short-term rental ordinance which would regulate short term rentals such as Airbnb or VRBO.

Humphrey asked if there has been interest by the public in creating ADU's. Sevening stated that residents have made inquiries regarding the ability to create an ADU. Schuenke stated that he likes this type of housing and likes the idea of requiring the property to be owner occupied. Kruckman stated that she likes the idea of ADU's which will help increase the City's population and believes the City should further explore the topic. Humphrey suggested looking at ordinances that other communities are using which might work well for Elko New Market. Kruckman suggested gathering community input regarding the topic to see what concerns people may have about the topic. This would allow staff to research concerns people may have. Kruckman also stated concern regarding overregulation. Hanson stated that this topic fits right into providing options for life cycling housing, by providing units for both young adults and aging adults. She also stated concern for overregulation. Smith stated regarding the increasing cost of housing and supported further researching ADU's as an option to provide affordable housing units.

Councilmember Berg stated that he would like to get creative and not necessarily follow only what other cities are doing. Councilmember Novak also supported reaching out to the community to see if this topic is something that the community is interested in pursuing. She stated that she wants to work on issues that the community is interested in as opposed to things that people may not use. Mayor Julius stated that he supports doing further research on the topic and was interested in obtaining community feedback, and that he was supportive of things that could be done to make living in Elko New Market more affordable.

Sevening indicated that staff would continue to conduct research and work on the topic over the next few months.

9. MISCELLANEOUS

A. Tip of the Month – Social Media Policy and Computer Policy

Sevening stated that, with the issuance of laptops to the Planning Commissioners, she provided the City’s policies on social media and City computer use. The policies are included in the Planning Commissioner packets.

B. Community Development Updates & Reports

Christianson provided an update regarding the City’s draft 2040 Comprehensive Plan, Pete’s Hill, Boulder Heights and the roundabout.

C. Planning Commission Questions and Comments

Commissioner Hanson inquired about the status of utility extensions to the interchange area. Christianson stated that a work group continues to work on the topic and will be meeting again in August or soon after.

10. ADJOURNMENT

It was moved by Smith and seconded by Humphrey to adjourn the meeting at 9:23 p.m.

By Roll Call Vote:

- Commissioner Hanson - Aye
- Commissioner Humphrey – Aye
- Commissioner Kruckman – Aye
- Commissioner Schuenke – Aye
- Commissioner Smith – Aye

Motion carried: (5-0)

Submitted by:



Renee Christianson
Community Development Specialist



601 Main Street
Elko New Market, MN 55054
phone: 952-461-2777 fax: 952-461-2782

MEMORANDUM

TO: PLANNING COMMISSION
CC: NEW MARKET BANK
FROM: HALEY SEVENING, PLANNER I
RENEE CHRISTIANSON, COMMUNITY DEVELOPMENT SPECIALIST
RE: NEW MARKET BANK REQUEST FOR VARIANCE V2-2020
DATE: SEPTEMBER 29, 2020

PLANNING COMMISSION MEETING:	SEPTEMBER 29, 2020
CITY COUNCIL MEETING:	OCTOBER 8, 2020
60-DAY REVIEW DEADLINE:	NOVEMBER 1, 2020
120-DAY REVIEW DEADLINE	DECEMBER 31, 2020

Background / History

New Market Bank has approached the City with plans to renovate their old office building located at 461 Main Street in Elko New Market. The purpose of the renovation is to accommodate continued banking operations. The property is currently zoned B-2 - Downtown Business District. Banks, without drive-through lanes are a permitted use in the B-2 District.

The B-2 district requires off-street parking meeting the requirements contained in Section 11-9-10 of the Zoning Ordinance. For banks, this section requires one (off-street) parking space for each 300 square feet of floor area. The code defines “floor area” as the net usable floor area of the various floors, exclusive of hallways, utility space, restrooms, window showcases, and ornamental space not used for assembly. Based on the architectural plans submitted by New Market Bank (included as an attachment), the net useable floor area in their renovation will be approximately 1,247 square feet, resulting in a total of four required parking spaces.

Before moving to their new office location on Old Town Rd, New Market Bank operated out of 461 Main Street with a legal nonconforming status. A legal nonconforming structure or use is defined by the City Code as, “the use of land, buildings or structures legally existing at the effective date hereof which does not comply with all the regulations of this title or any amendments hereto governing the zoning district in which such use is located.”

Section 11-3-9 states that any structure or use existing upon the effective date thereof which does not conform to the provisions of the zoning ordinance may be continued subject to certain conditions. One of those conditions is that use of the building or premises has not been discontinued for a period of one year or more. Section 11-3-9 (B) (4) of the City Code states:

In the event a nonconforming use of any building or premises is discontinued for a period of one year, the use of the same shall thereafter conform to the regulations of the district in which it is located. If a nonconforming use is interrupted or prevented

from operating because of governmental action, such as road construction, that period shall not be deemed as discontinuance of the nonconforming use.

Although use of the building as a bank is not changing, the building has been vacant for more than one year, so the property has lost its legal nonconforming status and is now required to meet the parking requirements under section 11-9-10 of the City Code. New Market Bank has requested a variance from providing the required off-street parking spaces since there is no way to access the back part of the lot to provide parking.



Variance Request Criteria

Section 11-3-7 of the City Code contains criteria for granting variances within the City. The purpose of a variance is to provide for deviations from the literal provisions of the Code in instances where their strict enforcement would cause practical difficulties because of circumstances unique to the individual property under consideration, and to grant such variances only when it is demonstrated that such actions will be in keeping with the spirit and intent of the Code. The criteria, as taken directly from the City Code, are shown below. Any proposed variances would need to be evaluated against the criteria.

D. Criteria: The board of adjustments and appeals shall not approve any variance request unless they find that failure to grant the variance will result in practical difficulties. The following criteria must also be met:

- 1) That the variance would be consistent with the comprehensive plan.*
- 2) That the variance would be in harmony with the general purpose and intent of this title.*
- 3) That the purpose of the variance is not based exclusively upon economic considerations.*
- 4) That the plight of the landowner is due to circumstances unique to the property not created by the landowner.*
- 5) That the granting of the variance will not alter the essential character of the neighborhood in which the parcel of land is located.*
- 6) That the property owner proposes to use the property in a reasonable manner not permitted by this title.*
- 7) That the requested variance is the minimum action required to eliminate the practical difficulty.*
- 8) That the proposed variance does not involve a use that is not allowed within the respective zoning district.*

E. Practical Difficulties Defined: "Practical difficulties", as used in connection with the granting of a variance, means that:

- 1) The property owner proposes to use the property in a reasonable manner not permitted by the zoning ordinance; and*
- 2) The plight of the landowner is due to circumstances unique to the property not created by the landowner; and*
- 3) The variance, if granted, will not alter the essential character of the locality.*

Economic considerations alone shall not constitute practical difficulties. Practical difficulties include, but are not limited to, inadequate access to direct sunlight for solar energy systems.

Staff Recommendation

In evaluating the variance request using the criteria set forth in the City Code, Staff's opinion is that the variance can be justified, as follows:

- 1. The property owner proposes to use the property in a reasonable manner not permitted by the Zoning Ordinance.** New Market Bank's request to be granted a variance from providing the required off-street parking spaces is both reasonable and necessary for the existing building to be usable. There are currently no vehicle access points that would allow parking to be constructed on the north part of the lot.
- 2. The plight of the landowner is due to circumstances unique to the property not created by the landowner.** New Market Bank's inability to provide the required off-street parking spaces is due largely to the existing conditions of the property. The existing building on the property was constructed in the early to mid-1900s and takes up all but approximately 6' of street frontage. No vehicle access was provided off Main St. or to the back of the lot.
- 3. The variance, if granted, will not alter the essential character of the locality.** A variance from providing the required off-street parking spaces will not result in a structure that is out of scale, out of place, or otherwise inconsistent with the surrounding area.
- 4. That the variance would be consistent with the comprehensive plan.** The property is currently guided to the Town Center land use district. The Town Center district is for the recognized traditional Town Centers which have retained attributes of a "downtown" and provide a sense of place based on historic nature and character elements. The district also allows for public on-street parking. Granting the variance would be consistent with the comprehensive plan.
- 5. That the variance would be in harmony with the general purpose and intent of the Zoning Ordinance.** The purpose of the B-2 - Downtown Business District is to provide for a mix of business and multi-family housing in the downtown area of the City. Use of the building as a bank is permitted in the B-2 district and meets the intent of the zoning ordinance.
- 6. That the purpose of the variance is not based exclusively upon economic considerations.** The variance is required due to the location of the building on the property. There is currently no way to provide off-street parking spaces that meets all the City's requirements.
- 7. That the requested variance is the minimum action required to eliminate the practical difficulty.** A variance from providing the required off-street parking spaces is the minimum action required to eliminate the practical difficulty and meet all other City requirements.
- 8. That the proposed variance does not involve a use that is not allowed within the respective zoning district.** The bank use is permitted in the B-2 zoning district. The variance from providing the required off-street parking spaces does not impact/change the proposed use.

Requested Planning Commission Action

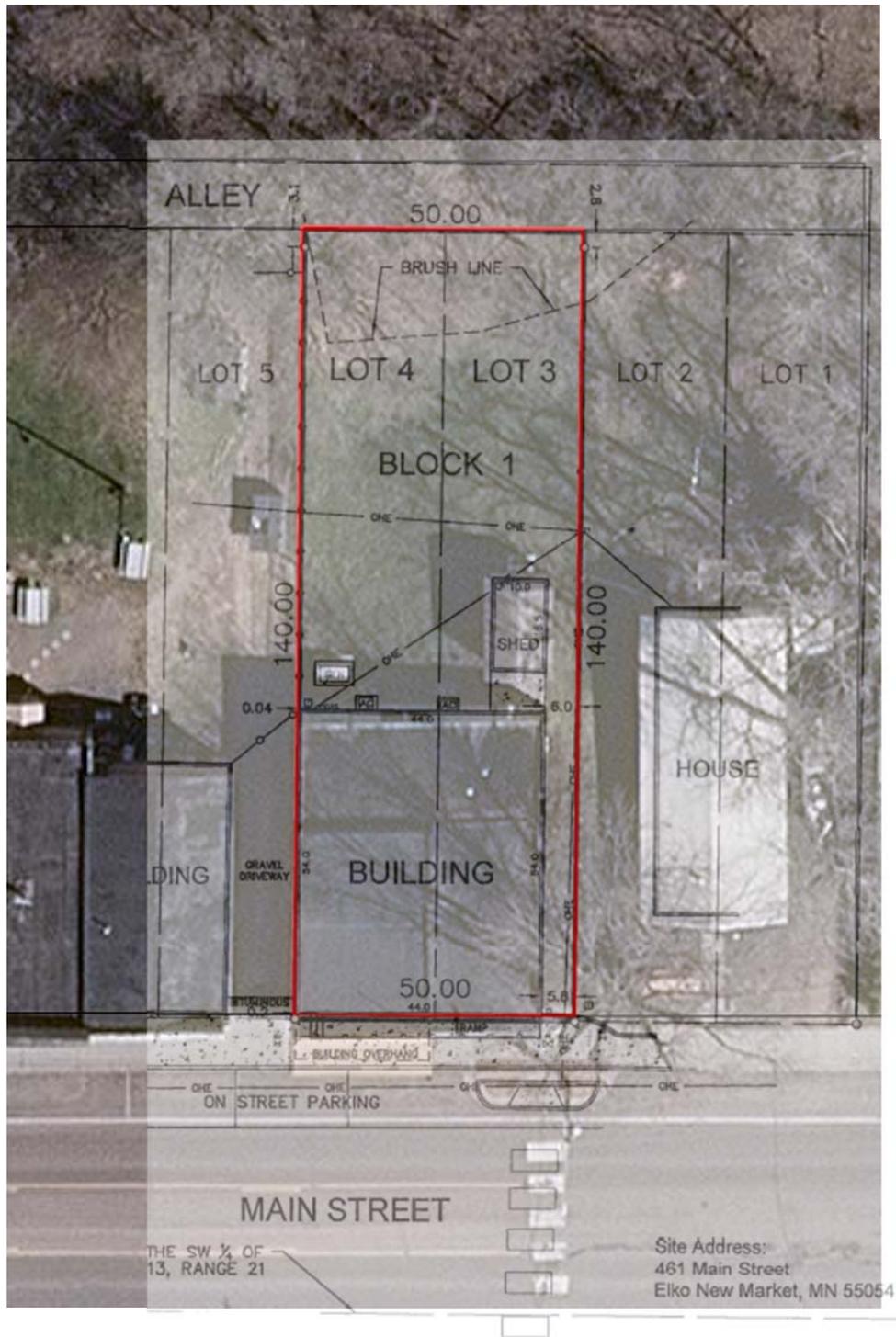
The Planning Commission is being asked to hold a public hearing regarding the request for variance V2-2020 and make a recommendation to the City Council regarding the request.

Attachments:

- Location Map / Aerial Imagery
- Letter from New Market Bank
- Architect Sketch
- Certificate of Survey
- Written Public Comment Received

**Location Map
Request for Variance
at 461 Main St.**







September 2, 2002

City of Elko New Market

New Market Bank would like to remodel the 1912 bank building on main street in Elko New Market so it can continue to be used as part of the NMB operation, and remain a solid structure on main street. The customer banking operations were discontinued when we moved to our new office at 101 Old Town Road in ENM.

Since that time, we have had ongoing conversations on how the building could be used in an economically sound manner and so it would be preserved since it is one of the few remaining buildings from the original town site. After considering a number of options we came to the conclusion the best alternative was to move some of our operations now based in our Lakeville office to Elko New Market. This would help in serving the need for more space, as well as utilizing space in Elko New Market opposed to leasing space in another city or place.

To accomplish the renovation we are requesting the city allow a variance for onsite parking since when the building was constructed in the early 1900's it used nearly the entire frontage so there is less than a 5' lot line on either side of the building (survey enclosed). Due to this lack of space there is absolutely no way any of the back space on the lot could be accessed for parking. There is also no way to access the back part of the lot from the north because no street exists there.

We recognize that variances are not something to be asked for as a convenience, and we assure you that is not our request. Rather, we are requesting the variance because without it the building becomes pretty much useless because until there is access from the north side (which is probably years if not decades away) there is no way in which off street parking can be accommodated for this building.

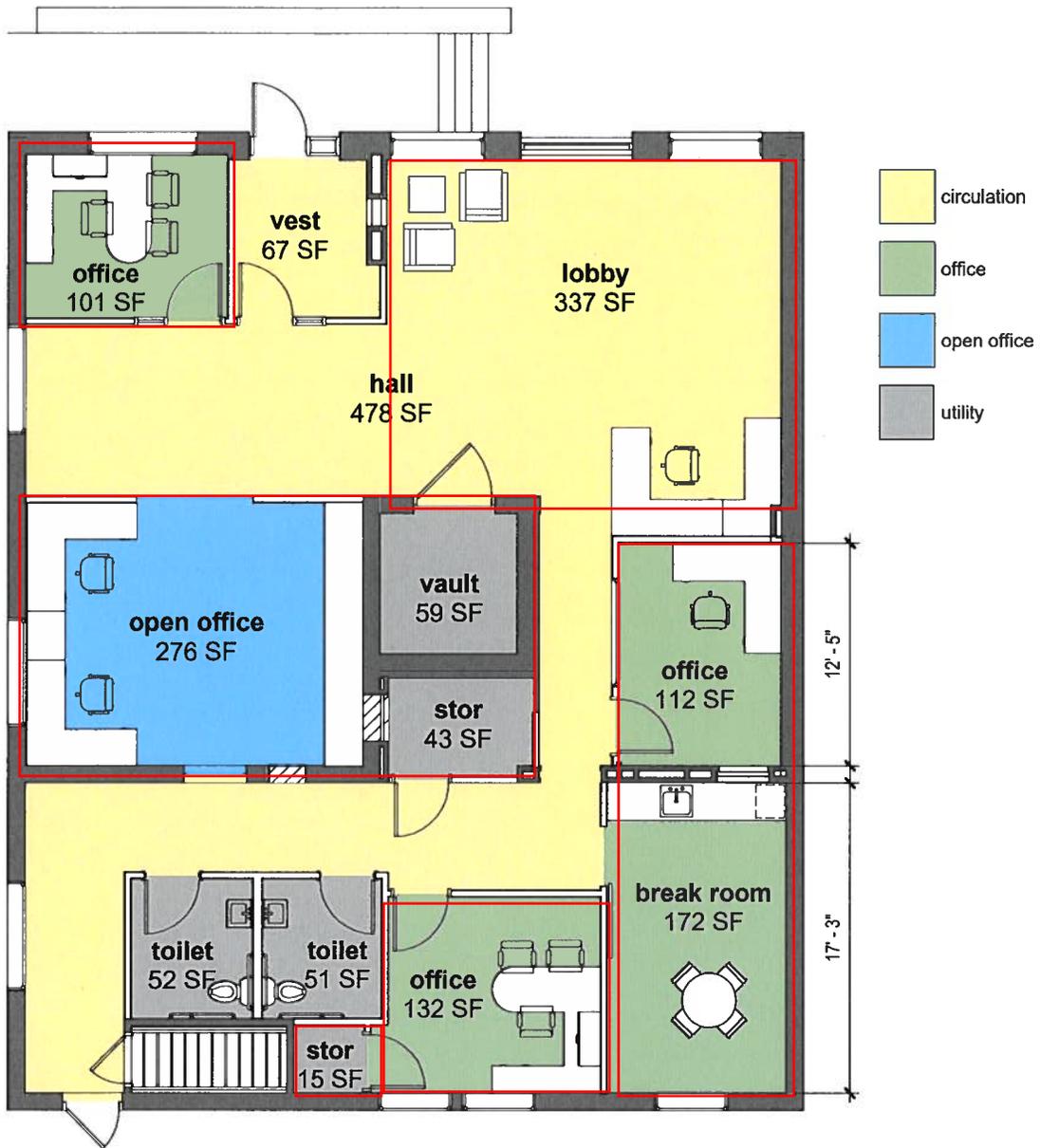
We have also attached an architectural draft of a plan for the interior configuration. At this point we plan to have 5-7 employees working in the building. There would not be any customer service rendered at this location as had been the case in the past since it will not be considered full service banking office.

We want to thank you for your consideration of our request. We believe not only will repurposing the office bring some jobs to Elko New Market, but it will also preserve one of the last remaining parts of our city's history by making a substantial investment in improvements that can not be justified if the variance is not issued.

Sincerely

Robert Vogel, Chairman & CEO

ARCHITECT SKETCH



Parking Required: 1 per 300 SF of floor area
 Net Usable Space: 1,247 SF
 Total Spaces Required: 4

DOWNTOWN

New Market, Minnesota

9/1/2020

And that this survey and certificate was prepared by me or under my direct supervision and that I am a duly licensed Land Surveyor under the laws of the State of Minnesota.



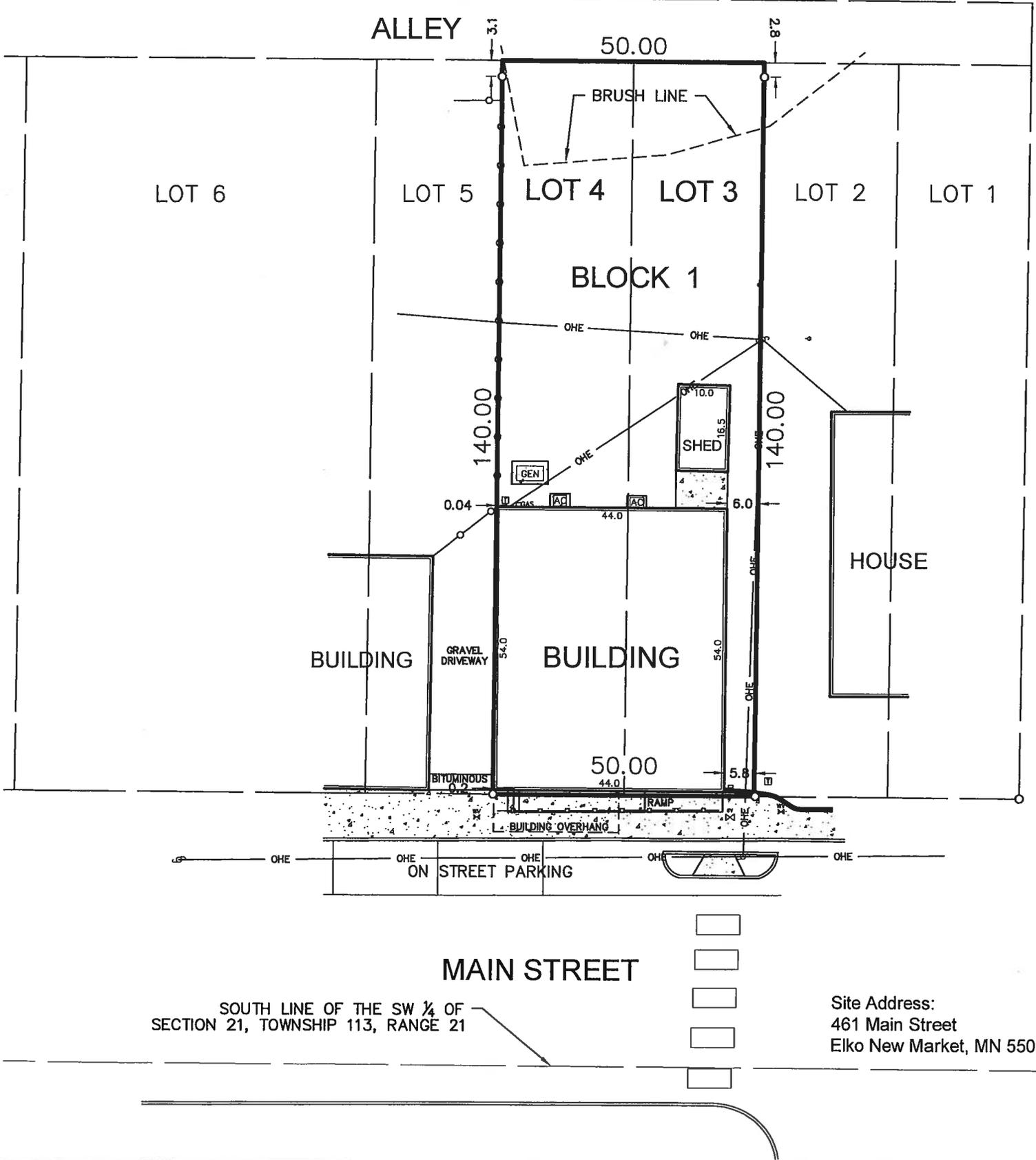
Grant D. Jacobson

Grant D. Jacobson, MN License No. 23189
Dated this 25th Day of June 2020.

SURVEY



OUTLOT D WHISPERING CREEK NORTH 2ND ADDITION



**Public Comment Received for the Public Hearing Scheduled for 9/29/2020
Variance Request #V2-2020**

**Tim Sadusky
541 Main St - Farmers Insurance
Written Comment via Email on 9/15/2020**

I am very much in FAVOR of granting the variance. I would pose the question back on ANY property on Main St as this "What would the options be for the building if no variance is allowed?"

If the City of ENM were to hold tight in restricting the usage - are we left with a vacant building providing nothing but a few tax dollars? Having an empty building - in my opinion - is worse than allowing a variance. AS a person who did choose to invest in a property that needed updating to qualify...the market conditions don't lend well to a company to buy a building and dump in huge amounts of dollars. It may not be a good financial decision. So they choose NOT to do so. This only compounds the length of time that a vacant or limited use is happening. Poorly maintained property sends a message as well.



601 Main Street
Elko New Market, MN 55054
phone: 952-461-2777 fax: 952-461-2782

MEMORANDUM

TO: PLANNING COMMISSION
FROM: HALEY SEVENING, PLANNER I
RENEE CHRISTIANSON, COMMUNITY DEVELOPMENT SPECIALIST
RE: ACCESSORY DWELLING UNITS
DATE: SEPTEMBER 29, 2020

Background / History

At the July 28, 2020 Planning Commission meeting, the Planning Commission and City Council began discussions regarding Accessory Dwelling Units (ADU). ADUs are small, self-contained living units that have their own kitchen, bedroom(s), bathroom space, and, depending on the type, entrance. Often called granny flats, mother-in-law suites, or secondary dwelling units, ADUs are apartments that can be located within the walls of an existing or newly constructed single-family home (known as internal or interior ADUs), an addition to an existing home (known as attached ADUs), or freestanding structures on the same lot as the principal dwelling unit (known as detached ADUs). More general information regarding ADUs is included in the attached Family Housing Fund ADU Policy Brief and Strong Towns ADU Article.

ADUs have been recognized around the country as a strategy to increase the amount of affordable housing in a community and assist homeowners with mortgage and ownership costs without requiring City funding. Elko New Market does not currently permit ADUs, yet many metro area cities do.



▲ Accessory dwelling units (or ADUs) come in many shapes and styles.

Costs, Benefits, & Concerns

Costs associated with ADUs include:

- Cost of construction.
- Utility and maintenance costs for ADU.
- Increased property taxes.

Despite these costs, there are several benefits that make ADUs an attractive option for Elko New Market and property owners. Allowing ADUs has the potential to:

- Expand housing options for current and future residents (i.e. increase in rental units, life cycle/aging in place housing, or guest/independent living space for family/friends).
- Increase housing inventory without expensive land acquisition costs (more units at a more affordable price).
- Increase the customer base to support existing and attract additional local businesses.
- Provide supplementary income for property owner.
- Increase property values.

According to the American Planning Association, public resistance to ADUs usually takes the form of a perceived concern that they might transform the character of the neighborhood, increase density, add to traffic, make parking on the street more difficult, increase school enrollment, and put additional pressure on fire and police service, parks, or water and wastewater. However, communities that have allowed ADUs find that these perceived fears are mostly unfounded or overstated when ADUs are actually built.

Research & Insights from Area Cities

Staff have researched ADU ordinances in 18 suburban cities in the Twin Cities area. The 18 cities included: Apple Valley, Belle Plaine, Bloomington, Burnsville, Crystal, Eagan, Faribault, Inver Grove Heights, Lakeville, Long Lake, Mahtomedi, Minnetonka, Plymouth, Prior Lake, Richfield, Roseville, Shoreview, and White Bear Lake. Within these cities, the most common reasons cited for allowing ADUs are to:

- Create new housing opportunities and choices while respecting the look and scale of single-dwelling development.
- Support efficient use of existing housing stock and infrastructure.
- Provide housing that responds to changing family needs.
- Provide affordable housing options.

A summary of the ADU ordinances from each of the 18 cities is included as an attachment. The research summary reviews common performance standards that should be considered when drafting an ADU ordinance. Table 1 highlights the most common performance standard from the 18 cities. If the Planning Commission is supportive of an ADU ordinance, performance standards must be carefully considered to avoid overregulation. Overregulation has the potential to increase the cost or preclude many properties from being able to construct ADUs.

Table 1: Most Common Performance Standard for ADUs

Performance Standards	Most Common Standard
Type	Attached, internal, or detached
Approval Method	Permitted by Right
Size Restrictions	Min: 300 SF, Max: Varies, but most often SF limit and % limit
Number of Bedrooms	Not regulated
Maximum Occupancy	Not regulated
Minimum Lot Size	Must meet zoning district standards
Setbacks	Subject to existing zoning standards
Where Permitted	Single family lots only
Utility Service	Same service as principal unit
Parking Requirements	Two off-street parking spaces required
Addressing	Separate entrance, separate address
Owner Occupancy	Owner occupancy in one of the units
Design Requirements	Consistent with principal unit
Home Occupations	Not regulated

Staff also reached out to each of the Cities to get further insights and recommendations regarding ADUs. Table 2 includes comments received from their Staff.

Table 2: Comments Received from Other Cities

Performance Standard	Most Common Standard
Belle Plaine	We have not had anyone step forward for an IUP for one. The ordinance was placed into effect in Aug of last year (2019). I'd say demand is not there at this time. We do try to mention to developers and builders as educational outreach. I'm glad we have the option though we are probably too restrictive requiring an IUP.
Bloomington	The most common ADU we get requests for is a tiny house or separate unit on the lot. We also found some who had been interested were landlords looking to capitalize on the second unit. So we have home owner occupancy and rental license requirements as well.

Eagan	We get more questions about Tiny Homes, which often don't or can't meet ADU requirements.
Inver Grove Heights	Overall, the response allowing ADU's has been positive. The main issue we run into are the size maximums regarding ADU's in detached accessory structures. For example, the footprint of the building is 1,000 square feet which complies with our code; once they add the upper level for the ADU they now exceed the maximum size of accessory building and would require a variance or a smaller footprint.
Lakeville	Most ADU permits have been issued in new developments.
Mahtomedi	Using the CUP process to permit them has worked well. It is nice to be able to look at the property on an individual level to see if it can accommodate a second dwelling and to also have a chance for neighbors to provide input.
Minnnetonka	We are beginning the process of considering detached ADUs. Detached ADUs were not originally allowed in the adopted ordinance because there were concerns over the visual/massing of having multiple homes on a single-family property.
Richfield	Our code requires that ADU utilities be totally separate from the primary residence, even if it's an attached ADU. I've heard that this can sometimes dissuade people from building an ADU.
Roseville	As more people have recently begun inquiring about ADUs over detached garages we've discovered that even though the zoning code says it's allowed, the height limit for detached garages effectively prohibits the height needed to locate an ADU above a detached garage. We have an occupancy permit requirement that serves two purposes: it allows us to ensure that proposed ADUs conform to the applicable standards, and it requires us to inform nearby homeowners of an application. Our expectation, frankly, was that informing nearby homeowners of a neighbor's intention to build an ADU would basically be an invitation to oppose the permit or appeal its issuance. To our surprise, if those notified homeowners even bother to contact us (as the notification invites them to do), the vast majority of them are simply inquiring about their own ability to add an ADU. So far, I think the only reason we haven't seen more ADUs is that the substantial cost to build them has remained greater than the potential benefit.
White Bear Lake	Resident concerns about traffic or use as short-term rental have not been realized. Currently considering changing CUP requirement to allowing ADUs by right. No notable issues or concerns with existing ADUs.

Finally, Staff reached out to four Scott County cities (Jordan, New Prague, Savage, and Shakopee) that do not currently allow ADUs to better understand why they don't allow them. The most cited reasons for not allowing ADUs are:

- Concerns regarding use of ADU as a rental, especially by non-family members.
- Concerns regarding the scale, mass, and/or visual impacts of ADUs within established single-family neighborhoods.
- No push or interest, by either elected officials or residents, to consider ADUs.

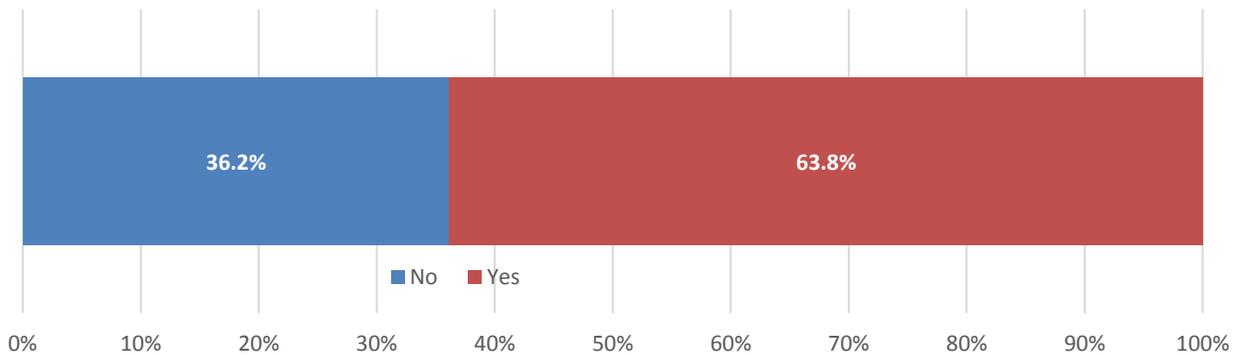
Elko New Market ADU Interest Survey

In response to direction from the Planning Commission and City Council at the July 29, 2020 Planning Commission meeting, Staff created a brief ADU survey to gauge resident interest in ADUs. The survey included a brief overview of ADUs and links to resources where survey respondents could learn more about ADUs. The survey included the following questions:

- Should ADUs be permitted in Elko New Market?
- If no, why not?
- If yes, which types of ADUs should be permitted in Elko New Market: Attached, Internal, or Detached? Please select all that apply.
- If yes, should ADUs be permitted for rental to non-family members?

A total of 47 people responded to the survey, which was advertised on the City’s Facebook and Twitter pages. Due to the nature of how the survey was advertised and the small number of respondents, the survey results are not representative of Elko New Market as a whole. The survey results included below should be taken with a grain of salt.

Q1. Should ADUs be permitted in Elko New Market? (n = 47)

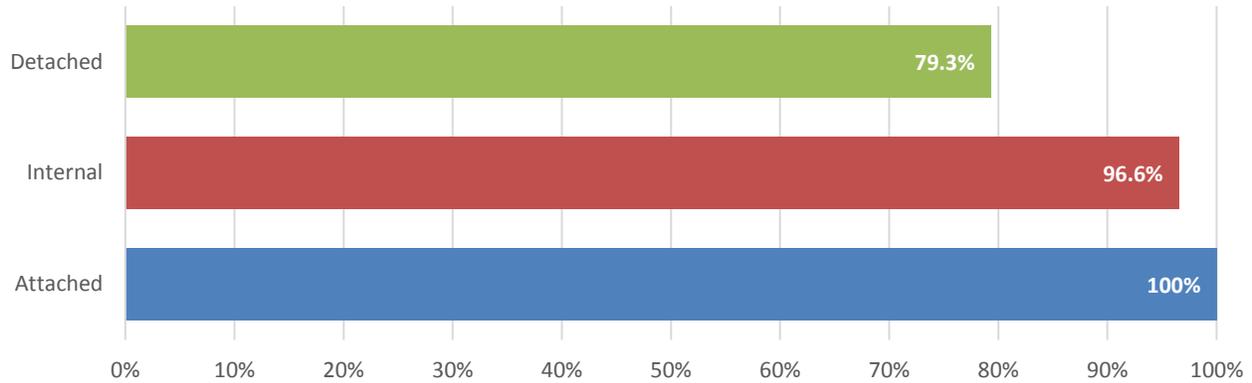


Q2. If no, why not? (n = 8)

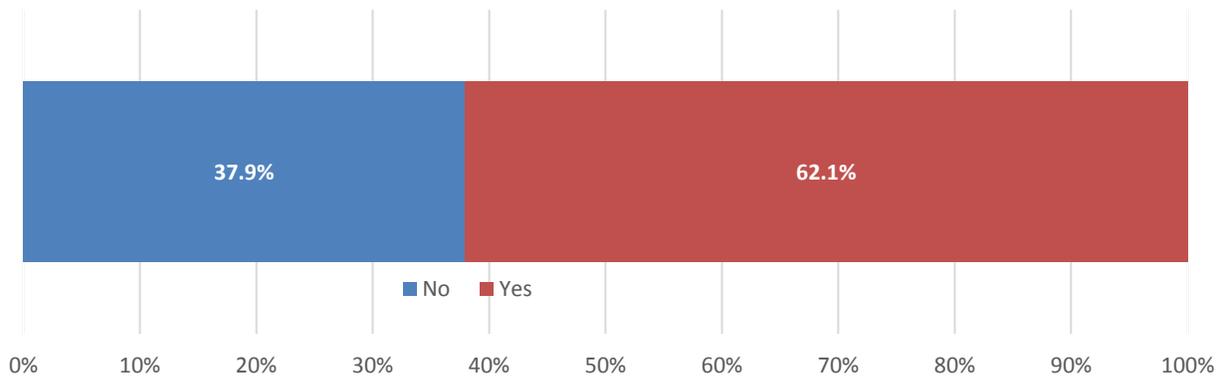
- Eye sore to the community
- Rentals attract a different type of resident than single family homes.
- Where do you park all the cars. What stops someone from building one and then just renting the space out. Does that not turn your house into a multi-family housing. How do you control size and looks? How do you control overload on current existing infrastructure that was not designed for additional loads.
- Possible renters.
- Devalue properties
- It will drop the value of our existing homes. We bought in our neighborhoods where single family homes exist because we did not want to live by multi-family units. It will open the door for people to rent them out as VRBOs and Air BNBs.
- If they start doing this, I will be moving out of the state. I didn’t move here so housing would be piled onto another housing. Screw this idea.

- We are a community of single-family homes, townhomes, and apartments. There is no need to expand to this type of setup.

Q3. If yes, which types of ADUs should be permitted in Elko New Market: Attached, Internal, or Detached? Please select all that apply. (n = 29)



Q4. If yes, should ADUs be permitted for rental to non-family members? (n = 29)



Why Should Elko New Market Consider ADUs?

ADUs have the potential to meet the following goals and policies identified in the current and draft Comprehensive Plans:

2030 Comprehensive Plan Goals

- Allow for the potential development of a variety of dwelling unit types, styles, and choices to meet the changing life cycle needs for a wide spectrum of people with a variety of income levels.
- Take a more proactive stance on developing provisions to allow for housing to meet the needs of a variety of people.
- Promote new housing which will fit within the character of the existing community.

Draft 2040 Comprehensive Plan

- Goals
 - Provide housing options for people in all life stages and of all economic means.
 - Remove barriers to providing a variety of housing options.
 - Provide opportunities for the City's share of affordable dwelling units.

ACCESSORY DWELLING UNITS

- Policies
 - Maintain zoning and subdivision regulations that allow for the construction of a variety of housing types and price ranges.
 - Evaluate current City ordinances which may provide barriers to providing housing options and make changes where necessary.
 - Provide programs and incentives to encourage the development of affordable dwelling units.

In addition to the goals and policies identified in the current and draft Comprehensive Plans, the current market indicates that affordable housing will not be constructed without some sort of intervention or subsidy. The City must proactively work to foster affordable housing in order to meet the affordable housing needs projected by both the Scott County Community Development Agency (CDA) and the Metropolitan Council. The projected affordable housing needs by both organizations are as follows:

- Scott County CDA → 208 affordable units by 2040
- Metropolitan Council → 326 affordable units by 2030

Currently, much of the demand for constructing these affordable units is being placed on developers in the private sector. However, allowing ADUs in Elko New Market presents an opportunity for individual homeowners to contribute to the affordable housing needs while reducing the burden placed on developers.

Finally, it should be noted that adoption of an ADU ordinance will likely not result in the construction of a large number of ADUs that completely transform the nature and character of single-family neighborhoods. Staff from some of the cities that were researched indicated that very few ADUs have actually been built following adoption of an ADU ordinance.

For example, the City of Bloomington, which has had an ADU ordinance in place since 2009 has had only one ADU constructed. In Belle Plaine, the city that most recently adopted an ADU ordinance (in 2019), no ADUs have been constructed. Based on information provided, the city seeing the highest level of ADU construction is Minnetonka, with approximately three to six new ADUs per year.

Other Considerations

If the Planning Commission is supportive of adopting an ADU ordinance, there are several related items that the Planning Commission may want to consider:

- Ordinance amendments related to the Detached Accessory Structure Ordinance.
- How preexisting, nonconforming ADUs will be handled.
- Whether or not the City should adopt a rental registration policy for rental ADUs and other rental properties.
- Whether or not the City should adopt a Short-Term Rental Ordinance (i.e. AirBNB/VRBO).

These items are being presented for informational purposes only. Further discussion would occur at future meetings if ADUs are supported.

Requested Action

At this time Staff is seeking direction from the Planning Commission on whether an ADU Ordinance should be drafted for consideration. Specific questions for the Planning Commission are included below and additional input is welcome. If supported, Staff would do any additional research necessary and bring back a draft ADU ordinance for review by the Planning Commission at a future meeting. Attached for reference is the City of Mahtomedi's ADU Ordinance. If Staff are directed to draft an ADU ordinance, it would be formatted similar to Mahtomedi's.

- Does the Planning Commission support the development of an ordinance allowing ADUs?
 - If supported, initial thoughts on types of ADUs to be permitted and performance standards?
 - Type
 - Approval Method
 - Size Restrictions
 - Number of Bedrooms
 - Maximum Occupancy
 - Minimum Lot Size
 - Setbacks
 - Where Permitted
 - Utility Service
 - Parking Requirements
 - Addressing
 - Owner Occupancy
 - Design Requirements
 - Home Occupations

Attachments

- Family Housing Fund ADU Policy Brief
- Strong Towns ADU Article
- Research Summary of ADU Ordinances
- City of Mahtomedi ADU Ordinance

POLICY BRIEF

ADUs: Housing Options for a Growing Region

Accessory Dwelling Units (ADUs)

are a flexible, neighborhood-scale solution to regional housing needs. Cities can encourage ADUs as part of their overall housing strategy by adopting proven policies.



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FUND**

Illuminating solutions. Sparking change.
FH.FUND.ORG



What is an ADU?

ADUs are often known as “carriage houses,” “in-law suites,” and “granny flats.” They are adjacent or attached to a primary home, and have their own entrance, kitchen, living area, and bathroom. ADUs can be located within a home, attached to a home, or as a detached structure in a backyard (sometimes above a garage). ADUs are a unique housing form created by individual homeowners and scattered throughout neighborhoods.



What makes ADUs good for cities?

*ADUs provide **affordable options** in the private market: Most ADU rents are affordable to a household earning less than \$56,000 annually.¹*

- ADUs represent **gentle, or “hidden” density** as a form of small-scale infill housing.
- ADUs provide **access for renters** to established, well-connected neighborhoods.
- ADUs are built by homeowners on **existing lots**, providing new housing without expensive land acquisition costs, and add **value** to the property, which can lead to increased property tax revenue for a city.
- ADUs typically serve **one- and two-person households**, a growing demographic segment which comprises the majority of Twin Cities households.²
- ADUs support stable homeownership by serving **lifecycle housing** needs. Over time, rental income provided by an ADU can help homeowners pay their mortgages or save up. Homeowners may use their ADU to house family members who need care, or they may move into the ADU themselves to downsize.
- ADUs are **environmentally-friendly** housing options because they are smaller and use less energy than the average home. They help reduce transportation-related environmental impacts when they are located near employment centers and established public transit routes.³
- ADUs support the **local economy**, as homeowners typically hire local construction and design firms to build them.
- ADUs help create **vibrant neighborhoods** as new residents increase the customer base for nearby businesses and services.

¹ Rent data from FHFund survey results. See also: Garcia, David. UC Berkeley Turner Center for Housing Innovation. Dec. 2017. ADU Update: Early Lessons and Impacts of California’s State and Local Policy Changes. turnercenter.berkeley.edu/uploads/ADU_Update_Brief_December_2017_.pdf

² Metropolitan Council. Thrive MSP 2040 Housing Policy Plan. July 2015. p. 9

³ See Stephan, A., Crawford, R.H., 2016. The relationship between house size and life cycle energy demand: implications for energy efficiency regulations for buildings. *Energy* 116 (Part 1), 1158–1171. dx.doi.org/10.1016/j.energy.2016.10.038 A 2014 study found that ADU residents in Portland were less likely than the average to own cars (State of Oregon Department of Environmental Quality, 2014. Accessory dwelling units in Portland, Oregon: evaluation and interpretation of a survey of ADU

Hidden Density

Can you spot the modern, spacious ADU behind this home in Saint Paul?

Eric & Chrissi
Larsen inside
their ADU

Why do we need ADUs as a housing option?

ADUs can help reduce pressures on the regional housing market, including:

- **Increasing demand** for more housing units: To meet the needs of anticipated workforce growth and other population trends, the seven-county Twin Cities region needs to add nearly 13,000 units of housing each year through 2040.⁴ ADUs engage private homeowners as a new set of partners addressing this housing need, without public subsidy.
- **Low supply** of rental housing stock: Throughout the Twin Cities metro area, vacancy rates for studio and one-bedroom units are 2.1% and 2.3%, respectively—far below a healthy rate of 5% or more.⁵ Adding ADUs in existing neighborhoods helps to address this gap.
- **Cost** pressures for renters: The greatest demand over the next 20 years will be for rental units priced below \$1,875/month (in 2019 dollars), as ADUs typically are.⁶
- **Smaller households:** The type of new housing needed in the coming decades will be affected by changing demographic trends. Nearly half of the region's projected household growth will be individuals living alone, and ADUs are typically designed for these smaller households.⁷
- **Aging population:** Four-fifths of household growth will be in older households headed by individuals aged 65 and older, many seeking options to downsize in their own neighborhoods; ADUs provide this option.⁸



Where can I find ADUs?

Currently, an estimated 18 cities in the Twin Cities metropolitan area have policies permitting ADUs and approximately 150 permitted ADUs exist in the region. However, ADUs have always existed in the Twin Cities.

How much housing could ADUs provide?

ADUs are a cost-effective way to meet a substantial portion of the Twin Cities region's future housing need without public subsidy.

If ADUs in the seven-county metro area became as common as they are in Portland, Oregon (representing about 1.5% of single-family homes), we could create 11,000 new housing units, potentially meeting most of the region's need for new housing for households who earn \$40,000-50,000 per year.⁹

 **11,000**
NEW HOUSING UNITS

⁴ Met Council Housing Policy Plan, p. 9

⁵ Marquette Advisors Apartment Trends, 1st Quarter 2018.

⁶ FHFund/Lisa Sturtevant & Associates, 2018, forthcoming

⁷ Met Council Housing Policy Plan, p. 9

⁸ Met Council Housing Policy Plan, p. 9

⁹ Met Council Housing Policy Plan, p. 151: The region needs 9,550 new units of housing to meet the needs of households earning between 51-80% of the Area Median Income by 2030. Per Metropolitan Council 2017 estimates, there are approximately 721,035 single-family homes in the Twin Cities region. stats.metc.state.mn.us/profile/detail.aspx?c=R11000

Encouraging ADUs: Best Practices for Cities

REMOVE REGULATORY BARRIERS

- Allow different types of ADUs as an accessory to all single-family or small multifamily homes, permitted by right rather than conditionally
- Designate ADU experts within departments to facilitate a clear permitting process
- Remove or reduce parking minimums
- Remove owner-occupancy restrictions
- Make design standards more flexible

LOWER COSTS AND INCREASE ACCESS TO CAPITAL

- Offer homeowners waivers, discounts, tiered pricing, and payment plans for fees
- Develop an ADU loan program for homeowners
- Work with developers to incentivize building ADUs in new construction

PROMOTE ADUs AND INCREASE ACCESS TO INFORMATION

- Create a dedicated webpage and resource materials for ADU development
- Host quarterly informational workshops about ADUs
- Sponsor, promote, and participate in ADU tours



*Flexible for
Multigenerational
Households*



Fue Lee's parents live in the first-floor

ADU attached to the family's house in North Minneapolis. Fue and his adult siblings live in the main home.

The Lees' home and its neighbor to the north were developed by the City of Lakes Community Land Trust as the first two homes to be built with an ADU in Minneapolis.

How can local policies support ADU development?

The evidence is clear: local government policies and practices that reduce regulatory and cost burdens make a critical difference in whether ADUs can reach their full potential for communities.

- In **Austin, Texas**, allowing larger ADUs (up to 1,100 square feet) and reducing other requirements¹⁰ paved the way for permit requests to rise nearly tenfold.
- In **Portland, Oregon**, annual ADU permit volume increased from just 24 (in 2009) to 615 (in 2016) when it waived development fees for ADUs, saving homeowners \$8,000-12,000 per unit.¹¹
- In **Los Angeles, California**, ADU permits jumped from 80-90 per year to 1,980 in 2017, after California's state legislature required cities to adopt ADU policies.¹²



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FUND**

¹⁰ Austin Development Services Department. Accessory Dwelling Units. www.austintexas.gov/page/adu

¹¹ City of Portland, Oregon. City Council Extends the SDC Waiver for ADUs, with Conditions. June 27, 2018. <https://www.portlandoregon.gov/bds/article/689356>

¹² Garcia, David. UC Berkeley Turner Center for Housing Innovation. Dec. 2017. ADU Update: Early Lessons and Impacts of California's State and Local Policy Changes. turnercenter.berkeley.edu/uploads/ADU_Update_Brief_December_2017_.pdf

Encouraging ADUs in Your City

REMOVE REGULATORY BARRIERS

Allow ADUs to be permitted by right for all single-family and two-family developments.

In California, allowing ADUs to be processed ministerially (i.e. administratively/by right) has had a major impact, with a rapid rise in ADU permit applications after the enactment of SB 1069 and AB 2299 in January 2017.¹³ The City of Oakland had a sevenfold increase, from 33 permit applications in 2015 to 247 in 2017. The City of Los Angeles had a nearly 25-fold increase in applications, from 80 in 2016 to 1,980 in 2017.

Remove or reduce parking minimums.

In Oregon, a survey conducted by the Department of Environmental Quality found that ADUs had a negligible impact on parking congestion.¹⁴ ADU residents had a below-average vehicle ownership rate (less than one per household), and the dispersed nature of ADU development meant any additional on-street parking impact was also dispersed throughout the city.

Remove owner-occupancy and household size restrictions.

Most peer cities nationally and three Minnesota cities (Crystal, Stillwater, and Northfield¹⁵) do not have owner-occupancy requirements. These requirements limit the use of the property over time and may be a disincentive to homeowners considering ADU development or limit their financing options.

Make design standards more flexible.

After adjusting its regulations in 2015 to allow larger floor areas, Austin, Texas saw a marked increase in ADU development, from 250 issued permits from 1994 to 2015 to more than 600 in the three years since the change.¹⁶

Designate ADU experts in departments to facilitate a clear permitting process.

To clear its backlog of ADU applications, San Francisco is working with multiple city departments to define a checklist of consistent guidelines to help homeowners successfully navigate city processes.¹⁷

LOWER COSTS AND INCREASE ACCESS TO CAPITAL

Offer waivers, discounts, tiered pricing, and payment plans for fees.

WAIVER FOR AFFORDABILITY: The City of Santa Cruz, California waives permit fees on a sliding scale in exchange for a commitment to renting an ADU to a low-income household. Approximately 39 households have used this waiver since 2016.¹⁸

TIERED PRICING: Most cities already offer tiered pricing in some form, such as for building permits. Offering tiered pricing for other fees, such as sewer access charges, can help reduce what would otherwise be a larger fixed cost for homeowners wishing to build an ADU.

Develop an ADU loan program.

The County of Santa Cruz in California,¹⁹ the City of Portland, Oregon,²⁰ and the West Denver Renaissance Collaborative (WDRC) in Colorado²¹ are developing low- or no-interest loan programs for ADU development. Each program has an affordability focus, either creating affordable rental units or building wealth and stability for lower-income homeowners.

Santa Cruz County also has a specialized *My House, My Home ADU* loan program to help low-income senior homeowners build ADUs so that they can afford to age in place.¹⁹

Work with developers to incentivize building ADUs in new construction.

The City of Lakes Community Land Trust (CLCLT) builds and sells multigenerational-living homes with attached ADUs in Minneapolis. The homes are designed for flexibility, with ADUs at the back of the first floor that can open to the inside of the main home or can be accessed through a separate entrance, allowing the home to meet changing housing needs over multiple generations.

Continued on next page

APPENDIX BEST PRACTICES FROM PEER CITIES

...continued

PROMOTE ADUs AND INCREASE ACCESS TO INFORMATION

Create a dedicated webpage and host informational workshops on ADU development.

City of Santa Cruz, California has become a national model by appointing dedicated staff to the development of its ADU program, creating a guide for homeowners, sharing prototypes of architectural plans, hosting workshops, and creating a webpage with ADU information.²²

Sponsor, promote, and participate in ADU tours.

The city of Portland boasts an annual ADU tour, run in partnership between advocates and the City. It has been a successful beginning point for many ADU homeowners, who embarked on their developments after attending the tour.²³ Locally, a few ADUs already have been popular stops on the Minneapolis & Saint Paul Home Tour.²⁴

¹³ Garcia, David.

¹⁴ Oregon Department of Environmental Quality.

¹⁵ Northfield is noted here but is not counted as part of the 18 cities that have an ADU policy as it is outside the Twin Cities metro area.

¹⁶ City of Austin. Open Data. data.austintexas.gov

¹⁷ Sabatini, Joshua. "Just 23 in-Law Units Built after Two Years as SF Seeks to Iron out Approval Process." The San Francisco Examiner. 25 Feb. 2018. www.sfexaminer.com/just-23-law-units-built-two-years-sf-seeks-iron-approval-process

¹⁸ City of Santa Cruz 2016 Accessory Dwelling Units Fee Waiver Information and Application www.cityofsantacruz.com/home/showdocument?id=53802

¹⁹ Santa Cruz County. Accessory Dwelling Units. Plan Your Financing. www.sccoplaning.com/ADU/Planyourfinancing.aspx

²⁰ Portland Housing Bureau. Accessory Dwelling Unit Pilot Loan Program. www.portlandoregon.gov/phb/article/661992 [PDF Slides]

²¹ Martinez-Stone, Renee. 28 June 2018.

²² Peterson, Kol. 2018. Backdoor Revolution: The Definitive Guide to ADU Development. Accessory Dwelling Strategies, LLC. p. 227-228

²³ Eastman, Janet. 29 Aug. 2017. "Get inside 24 Rentable Granny Flats: Portland's Accessory Dwelling Unit Tour (Photos)." OregonLive.com. www.oregonlive.com/hg/index.ssf/2017/08/granny_flat_adu_tour_pdx_kol_p.html.

²⁴ Lee, Chris. 25 Apr. 2018. "Minneapolis & Saint Paul Home Tour Features Homes and Neighborhood Pride." Midwest Home. midwesthome.com/124463-2



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STRONG TOWNS

If You're Going to Allow ADUs, Don't Make It So Hard to Build One

[Daniel Herriges](#) - September 11, 2018

Granny flats, garage apartments, mother-in-law suites: call them what you like. Accessory Dwelling Units (ADUs) are beloved in the planning profession and among affordable housing advocates, and for good reason. These modest homes, often the size of a studio apartment, can be found in the backyard of a larger house, attached to or above the garage, or attached to another home but with a separate entrance. They are a wonderful way to make it possible for more people to live in in-demand neighborhoods without dramatically changing those neighborhoods' visual character.

Whereas new apartment buildings or other larger structures can be met with fierce resistance from nearby homeowners, ADUs ought to, in theory, be more palatable to these residents than high-density infill in their neighborhoods. The reason is simple: a street lined with attractive single-family homes with ADUs half-hiding in the backyards still looks and feels and operates a lot like, well, a street lined with attractive single-family homes.

ADUs are a way to gently and incrementally make a neighborhood less exclusionary. They are a relatively affordable rental option for those who do not wish to or have the resources to become homeowners. They are a valuable source of income for their landlords, who are usually established residents, as opposed to developers who may have no ties to the neighborhood or even the city. ADUs add pedestrians to the sidewalks, customers to local businesses, and dollars to the tax base that pays for city services. And they do all of this while making more efficient use of infrastructure that already exists.

ADUs are a quintessentially Strong Towns approach to urban growth and affordability issues: bottom-up, decentralized, incremental, scalable and adaptable. They exemplify the principle of steady, distributed neighborhood change as the antidote to sudden, disruptive neighborhood change.

And yet, in practice, very few cities have seen a sizable number of new ADUs built in recent years. Most existing ones still date to eras like the 1920s, in which urban neighborhoods were still designed for walkability and without such restrictions as parking requirements, strict maximum densities and minimum lot sizes.

A key reason that ADUs aren't spreading like wildfire, even when affordable-housing concerns are, is that most recent efforts to allow ADUs come with a long list of stipulations

whose end result is to make building one into a project that's prohibitively expensive, complicated, and/or risky for all but a few homeowners.

An ordinance on the table in Raleigh, North Carolina is a great example of this. [The Raleigh News-Observers Anna Johnson explains](#):

The recommended rules outline a special district that would allow backyard cottages, but only after a resident applies for it and a majority of 10 acres worth of the applicant's neighbors agree to the district. The recommendation also outlines how close the backyard cottage can be to other properties and how big it can be. It also regulates lighting and parking.

The rules wouldn't allow the cottages to be used for short-term rentals like AirBNB and would limit the occupancy to two adults.

Unfortunately, Raleigh is the norm rather than the exception when it comes to ADU rules. Most cities that have nominally allowed ADUs have saddled them with so many restrictions that nearly everyone who might actually put one on their lot is deterred from doing so. ADU researcher Martin John Brown [runs through a litany of fine-print obstacles](#):

- *ADUs not allowed "as of right": when a homeowner must go through a special "conditional use" or "discretionary action" process before their ADU can be permitted, it makes the whole ADU development project more of a gamble.*
- *Minimum lot size required: ADUs are often prohibited on smaller lots.*
- *Offstreet parking required for an ADU: in places with small lots, it may be impossible to find the room to place new dedicated parking spaces. Meanwhile, there is **no evidence that ADUs contribute to neighborhood parking problems**.*
- *Owner occupancy is required on the property: this requirement reduces the flexibility of future uses of the property, which may be a discouragement to development in the first place.*
- *ADUs must meet affordable housing terms (rare).*
- *Permits and systems development charges (SDCs) are extremely expensive.*
- *Design constraints: common and widely accepted conditions about ADUs concern their maximum area and height, their distance from property lines, their style in relation to the primary dwelling, etc. These may act as barriers for some homeowners.*

We can observe something like a controlled experiment in ADU building by looking at Portland, Oregon and Vancouver, British Columbia: two cities which (despite the international border and a few hundred miles separating them) have similar climates, similar built environments, similar cultures of environmentalism and left-leaning politics, and similar housing affordability challenges. In a CityLab article from 2017 titled "[How Cities Get Granny Flats Wrong](#)," Bryn Davidson answers her title's question by means of photographic negative: explaining what Vancouver actually got *right*. Starting in 2009, the city allowed ADUs nearly citywide, on what totaled more than 65,000 lots. No additional parking was required, no public hearing or approval from neighbors, and no expensive or

cumbersome design requirements. You can build an ADU on just about any residential lot in Vancouver, behind just about any style of house.

The result? ADUs have proved *spectacularly* popular in Vancouver. As the [Sightline Institute documents](#), the city is adding more than 1,000 of these small, affordable homes every year, and the total share of single-family houses with legal ADUs is up to a staggering 35%.

What about Portland, on the other hand? Portland was an early adopter when it came to allowing ADU construction: they've been allowed as-of-right (i.e. without going through a lengthy petition process and public hearing) since 1997. However, very few were built up through 2010. Since 2011, [Kol Peterson documents](#), the number of permits per year has skyrocketed from under 100 to over 600. What changed in 2010 was simple: the city eliminated System Development Charges, a form of [development impact fee](#), for new ADUs, shaving thousands of dollars off the cost of creating one. Since then, Portland has also loosened design and size requirements for ADUs.

The biggest hurdles to building an ADU may be things that don't directly have to do with the zoning code. The ease or difficulty of financing, access to design professionals and contractors (or easily replicable templates), and the knowledge and confidence required to undertake a major project in your own backyard all have roles to play.

The next frontier for cities that really want to enable gentle, incremental development in their neighborhoods should be finding ways to help with these challenges. For example, [pre-approved templates](#) can take much of the uncertainty out of the permitting process. And novel business models can help with financing. A startup called Dweller [will build an ADU for you on your land](#) and take a cut of the monthly rent.

ADUs are a scalable, incremental response to high demand and high prices in cities. But this is only true if we allow the conditions for people to build them at scale: by the hundreds, not the dozens.

(Cover photo: Radcliffe Dacanay via [Flickr](#).)

Research Summary of ADU Ordinances

Cities	Type of ADU	Use Approval	Min/Max Size of ADU	Bedrooms	Occupancy	Minimum Lot Size	Setbacks	Where Permitted	Utility Service	Parking Requirement	Addressing	Owner Occupancy	Architectural & Design Requirements	Home Occupation Regulations
Apple Valley	Attached or Internal	Conditional Use Permit	Min: 300 SF Max: 40% of principal unit	Max 2	Max 3	40,000 SF	Subject to existing zoning standards.	Lowest density single family	Requires connection, but does not specify how.	Two off-street parking spaces required.	N/A	Owner occupancy of one of the units. May not be subdivided.	Must be consistent with principal unit.	Must comply with existing regulations. Home occupation permitted in only one of the two units on the lot.
Belle Plaine	Attached or Internal	Interim Use Permit	Min: 300 SF Max: 40% of principal unit or 900 SF, whichever is less	N/A	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Single family only	Same service as principal unit.	Two off-street parking spaces required.	If separate entrance is provided, unit should have same street address, with separate unit designation (i.e. XXX Main St. Unit A).	Owner occupancy of one of the units. May not be subdivided.	Must maintain appearance of principal unit.	N/A
Bloomington	Attached or Internal	Permitted by Right	Min: 300 SF Max: 960 SF	Max 2	Max 2	Subject to zoning district standards.	Subject to existing zoning standards.	Single family only	Same service as principal unit.	Must meet parking requirements for principal unit.	N/A	Owner occupancy of one of the units. May not be subdivided.	Must be designed and constructed to maintain the outward appearance of one single-family dwelling.	Must comply with existing regulations. If both units have home occupations, performance standards for a single unit must be met (i.e. drop offs/pick-ups, appointments, etc.).
Burnsville	Attached, Internal, or Detached	Permitted by Right	Min: 300 SF Max: 33% of principal unit or 960 SF, whichever is less	Max 2	N/A	10,000 SF for attached. 1 acre for detached.	Subject to existing zoning standards.	Single family districts	Same service as principal unit.	Two off-street parking spaces required.	N/A	Owner occupancy of one of the units. May not be subdivided.	Consistent with principal unit.	N/A
Crystal	Attached, Internal, or Detached	Permitted by Right	Min: N/A Max: 50% of principal unit	N/A	N/A	N/A	Subject to existing zoning standards.	Single family lots	Same service as principal unit or serviced separately, through new connection.	N/A	N/A	Both units can be rented.	Compatible with principal unit.	N/A

Cities	Type of ADU	Use Approval	Min/Max Size of ADU	Bedrooms	Occupancy	Minimum Lot Size	Setbacks	Where Permitted	Utility Service	Parking Requirement	Addressing	Owner Occupancy	Architectural & Design Requirements	Home Occupation Regulations
Eagan	Attached or Internal	Permitted by Right	Min: 300 SF Max: 33% of principal unit or 960 SF, whichever is less	Max 2	Max 2	N/A	Subject to existing zoning standards.	Low density single family districts	Same service as principal unit.	Two off-street parking spaces required.	N/A	Owner occupancy of one of the units. May not be subdivided.	Consistent with principal unit.	N/A
Faribault	Detached	Conditional Use Permit	Min: 300 SF Max: 864 SF	N/A	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Higher density single family lots	Same service as principal unit.	Must meet parking requirements for principal unit.	If separate entrance is provided, unit should have same street address, with separate unit designation (i.e. XXX Main St. Unit A).	Owner occupancy of one of the units. May not be subdivided.	N/A	N/A
Inver Grove Heights	Attached, Internal, or Detached	Permitted by Right	Min: 250 SF Max: 1000 SF	N/A	Max 3	1 acre (for detached only). Otherwise subject to zoning district standards.	Subject to existing zoning standards.	Single family lots	N/A	Two off-street parking spaces required.	Separate address for detached unit only.	Owner occupancy of one of the units. May not be subdivided.	Exterior changes must not alter single-family character. Must match principal structure.	N/A
Lakeville	Internal only	Administrative Permit	N/A	N/A	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Single family and two-family districts except CBD	Same service as principal unit.	3 stall garage at a minimum. If rented, one stall per renter required.	Same address as principal unit.	Can be rented. No more than 2 individuals who are unrelated to the principal family.	N/A	N/A
Long Lake	Attached, Internal, or Detached	Conditional Use Permit	Min: N/A Max: 900 SF	N/A	N/A	Twice the zoning district standard.	Subject to existing zoning standards.	Single family districts	Requires connection, but does not specify how.	Two off-street parking spaces required.	Same address as principal unit.	Owner occupancy of one of the units. May not be subdivided.	N/A	N/A

Cities	Type of ADU	Use Approval	Min/Max Size of ADU	Bedrooms	Occupancy	Minimum Lot Size	Setbacks	Where Permitted	Utility Service	Parking Requirement	Addressing	Owner Occupancy	Architectural & Design Requirements	Home Occupation Regulations
Mahtomedi	Attached, Internal, or Detached	Conditional Use Permit	Min: 300 SF Max: 33% of principal unit or 960 SF, whichever is less	Max 2	Max 2	10,000 SF	Subject to existing zoning standards.	Single family and agricultural districts	Same service as principal unit.	One off-street parking space required.	If separate entrance is provided, unit should have same street address, with separate unit designation (i.e. XXX Main St. Unit A).	Owner occupancy of one of the units. May not be subdivided.	Must be designed and constructed to maintain the appearance of one single-family dwelling.	Must comply with existing regulations. If both units have home occupations, performance standards for a single unit must be met (i.e. drop offs/pick-ups, appointments, etc.).
Minnetonka	Internal only	Permitted by Right	Min: N/A Max: 950 SF or 35% of principal unit, whichever is less	N/A	N/A	N/A	N/A	Single family districts	N/A	"adequate off-street parking provided"	N/A	Owner occupancy of one of the units.	Exterior changes must not alter single-family character.	N/A
Plymouth	Attached or Detached (above garage only)	Administrative Permit	Min: N/A Max: 1,000 SF or size of principal unit, whichever is less	N/A	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	New construction single family lots only	Requires connection, but does not specify how.	Two off-street parking spaces required.	Separate address pursuant to Building Code.	Owner occupancy of one of the units.	Similar to principal unit and compatible with character of neighborhood.	N/A
Prior Lake	Internal only	Permitted by Right	Min: N/A Max: 950 SF or 35% of principal unit, whichever is less	N/A	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Residential districts	N/A	Two off-street parking spaces required.	N/A	Owner occupancy of one of the units. Other limited to family or caretakers.	Exterior changes must not alter single-family character.	N/A
Richfield	Attached, Internal, or Detached	Permitted by Right	Min: 300 SF Max: 800 SF or size of principal unit, whichever is less	N/A	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Single family only	N/A	Three off-street parking spaces required.	N/A	Owner occupancy of one of the units. May not be subdivided.	Must match principal structure.	N/A

Cities	Type of ADU	Use Approval	Min/Max Size of ADU	Bedrooms	Occupancy	Minimum Lot Size	Setbacks	Where Permitted	Utility Service	Parking Requirement	Addressing	Owner Occupancy	Architectural & Design Requirements	Home Occupation Regulations
Roseville	Attached, Internal, or Detached	Permitted by Right	Min: 300 SF Max: 650 SF or 75% of principal unit, whichever is less	Max 1	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Single family lots	N/A	One off-street parking spaces required.	If separate entrance is provided, unit should have same street address, with separate unit designation (i.e. XXX Main St. Unit A).	Owner occupancy of one of the units. May not be subdivided.	Exterior changes must not alter single-family character. Must match principal structure.	Must comply with existing regulations. If both units have home occupations, performance standards for a single unit must be met (i.e. drop offs/pick-ups, appointments, etc.).
Shoreview	Internal only	Permitted by Right	Min: 500 SF Max: 800 SF or 30% of principal unit, whichever is less	Max 2	N/A	Subject to zoning district standards.	Subject to existing zoning standards.	Single family lots	N/A	Three off-street parking spaces required, two of which must be enclosed.	Same address as principal unit.	Owner occupancy of one of the units. May not be subdivided.	N/A	N/A
White Bear Lake	Attached, Internal, or Detached (must be located in an already existing structure)	Conditional Use Permit	Min: 200 SF (plus 100 SF for each additional occupant) Max: 880 SF or 40% of principal unit, whichever is less	N/A	Max 4	Subject to zoning district standards.	Subject to existing zoning standards.	Single family lots	N/A	Additional parking may be required.	N/A	Owner occupancy of one of the units. May not be subdivided.	Any exterior modifications require approval from the City Council and may not detract from character of neighborhood. Must also match principal structure.	N/A

E. Accessory Dwelling Units.

1. **Purpose and Application.** In order to accommodate the housing needs of residents while protecting the public health, safety, and general welfare of the community, the Council finds that these regulations are necessary in order to:
 - a. Create new housing units while respecting the appearance and character of single-family dwellings;
 - b. Provide housing that responds to changing family needs, privacy standards, and household sizes;
 - c. Make more efficient use of existing housing stock and infrastructure; and
 - d. Encourage the creation of additional affordable housing.
2. **Standards**
 - a. *Zoning district.* Accessory Dwelling Units may be located with a Conditional Use Permit within the following districts:
 1. A – Agricultural District
 2. RR – Rural Residential District
 3. All R-1 districts
 - b. *Minimum site size.* Accessory Dwelling Units must not be located on a site less than 10,000 square feet in area.
 - c. *Parking.* Accessory Dwelling Units are not permitted on residential sites that do not currently meet the minimum parking standards for single-family dwellings (two per dwelling unit). In addition, residential lots that have an Accessory Dwelling Unit must provide, at a minimum, one additional off street parking space on the property. All parking must meet the requirements of Chapter 11, Section 11.01, Subdivision 10.3 of Zoning Ordinance.
 - d. *Location.* Accessory Dwelling Units may be attached to or located within single-family dwellings. Accessory Dwelling Units are also permitted in, or attached to, detached accessory structures, including, but not limited to detached garages. The location and design standards of all Accessory Dwelling Units in detached accessory structures shall be required to meet the standards of Section 9.6 “Accessory Uses and Other Uses.” Accessory Dwelling Units are not permitted in conjunction with two-family dwellings, townhomes, or multiple-family dwellings.
 - e. *Number.* No more than one Accessory Dwelling Unit is permitted per residential lot.
 - f. *Home occupations.* Home occupations are allowed within an Accessory Dwelling Unit, subject to existing performance standards, provided the combined impacts of home occupations in the Accessory Dwelling Unit and associated single-family dwelling do not exceed the performance standards for one single-family dwelling, including but not limited to the number of employees, signs, deliveries, pick-ups, and client appointments per site.
 - g. *Size.* Accessory Dwelling Units must be at least three hundred (300) square feet in area but must be less than nine hundred sixty (960) square feet in area exclusive of utility rooms & garages. Accessory Dwelling Unit floor area must not exceed thirty-three (33) percent of the four season living area of the associated single-family dwelling (exclusive of the Accessory Dwelling Unit). The associated single-family dwelling must continue to meet minimum floor area requirements. Accessory Dwelling Units must also meet the standards of City Code Section 12.05
 - h. *Utilities.* On lots with municipal water and sewer, these services shall be connected to the detached Accessory Dwelling Unit using the same service as the principal dwelling. Separate utility metering for the Accessory Dwelling Unit is prohibited. On lots without municipal water and sewer, an application for an Accessory Dwelling Unit must be accompanied by a written report from a licensed Subsurface Sewage Treatment System Inspector that includes the following: 1) compliance inspection, 2) review of the on-site septic system to ensure that it is sized correctly for the additional dwelling unit and 3) review stating that there are no conflicts between the existing septic system and the location of the proposed Accessory Dwelling Unit.
 - i. *Ownership.* Accessory Dwelling Units may not be subdivided and may not be otherwise separated in ownership from the associated single-family dwelling.

- j. *Bedrooms.* No more than two bedrooms are permitted in the Accessory Dwelling Unit.
 - k. *Rental license.* Rental of either the Accessory Dwelling Unit or the associated single-family dwelling requires a rental license pursuant to Chapter 7, Section 7.08 of the City Code. Only one rental license is permitted per residential site.
 - l. *Occupants.* Occupancy is limited to two persons in the Accessory Dwelling Unit.
 - m. *Appearance.* Accessory Dwelling Units and associated single-family dwellings must clearly be designed and constructed to maintain the outward appearance of one single family dwelling; the appearance of a two-family dwelling must be avoided.
 - n. *Single-family dwelling standards.* Accessory Dwelling Units in combination with their associated single-family dwelling must conform to all City Code requirements for single-family dwellings, including but not limited to setback, height, impervious surface, motor vehicle, recreation vehicle, and accessory structure standards.
 - o. *Building code compliance.* The Accessory Dwelling Unit and the associated single-family dwelling must meet current Minnesota State Building Code provisions, including but not limited to fire resistance and sound insulation standards between units.
 - p. *Health & safety code compliance.* Both the principal and the Accessory Dwelling Units must meet all requirements of minimum housing standards of City Code 12.05
 - q. *Addressing.* A detached Accessory Dwelling Unit shall have the same street address as the principal dwelling unit, and using alphabetical letters for each unit, starting with “A” as the designation for the accessory dwelling unit.
3. Approval process. A Conditional Use Permit issued pursuant to Section 11.01, Subdivision 8.21: Conditional Use Permit (CUP) is required for all Accessory Dwelling Units.
- a. *Site plan requirements.* In addition to the standard submittal requirements for CUPs, all applications for a CUP for an Accessory Dwelling Unit shall include the following:
 - 1. A letter of narrative describing the proposed Accessory Dwelling Unit;
 - 2. Elevation drawings depicting both the existing and proposed structures from all four directions; and
 - 3. A floor plan of both the single-family dwelling and the associated Accessory Dwelling Unit indicating points of entrance and floor areas.
 - 4. In the event an Accessory Dwelling Unit is proposed entirely within the existing floor area of a single family dwelling, the existing conditions survey is not required and elevation drawings are required only for those elevations proposed to be altered.



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MEMORANDUM

TO: CITY COUNCIL, PLANNING COMMISSION, EDA & CHAMBER OF COMMERCE
FROM: RENEE CHRISTIANSON, COMMUNITY DEVELOPMENT SPECIALIST
SUBJECT: COMMUNITY DEVELOPMENT UPDATES
DATE: SEPTEMBER 22, 2020

Background / History

The purpose of this memo is to provide updates regarding miscellaneous projects and activities being worked on by Community Development staff. Below is a summary of projects that are currently being worked on, inquiries received, and miscellaneous information:

Christmas Pines – There are a few items left to complete in this residential subdivision including landscaping and street signs. The City has issued a building permit for one home in the development and has received two additional building permit applications.

Boulder Heights – Streets have been paved, sidewalks installed, and natural gas and electric has been installed in this 53 lot residential subdivision. The sanitary sewer lift station serving the development is now operational. The developer continues to work on grading and stabilizing the site. Construction of trails still needs to be completed. The developer is required to pave 275th Street between CSAH 91 and Oxford Lane and this work is now complete. The City has issued two building permits in the development and has received one additional building permit application.

Dakota Acres 1st Addition / Syndicated Properties – This development contains 28 attached townhome units. A private street, including water, sanitary sewer and stormsewer infrastructure have been constructed. One 4-unit townhome building has been constructed in the development and is complete. The City issued a permit for two additional 4-unit building foundations.

Dakota Acres 2nd Addition / Global Properties – The City Council approved the plat of Dakota Acres 2nd Addition containing one 3.1 acre lot, and a 68-unit apartment development is currently planned on this lot. The developer is currently in discussions with the City regarding expanding the project to include additional units and constructing it in one phase. The property is zoned High Density Residential and apartments are a permitted use. The plat has not yet been filed with the County Recorder's Office.

Ridgeview Estates – The Planning Commission has reviewed and recommended approval of a request for rezoning and preliminary plat approval of Ridgeview Estates, containing 29 residential lots. The application was approved by the City Council on May 28, 2020. The developer is currently reviewing the development contract and has not made application for final plat approval.



Pete’s Hill – Construction is nearly complete on this 45-lot residential development. Public utilities, streets, sidewalks, gas and electricity have been installed. Landscaping still need to be completed. Building permits for model homes can be issued in the development at this time. Included in this development was the paving of the existing 273rd Street adjacent to the development.



Kwik Trip 1116 – The City received application for development of a Kwik Trip site located at the southwest corner of CSAH 2 and France Avenue. A public hearing regarding the request was held before the City’s Planning Commission on July 28, 2020. The Planning Commission recommended approval of the development to the City Council. Kwik Trip is working with adjacent property owners to finalize easements before final approval by the City Council. Kwik Trip has indicated the site would be developed in 2021.



Business Leads – Community Development staff are working on the following business leads (no official development applications have been received.)

- **Industrial User (unknown)** - City staff received a request for information regarding the Park I-35 industrial park site. The user is seeking 120-300 acres for construction of a large highbay facility.
- **Multi-Family Housing** – City staff recently met with MWF Properties to discuss a potential 60 to 70-unit housing project under consideration at the southeast quadrant of CSAH 2 & 91. MWF is a multi-family housing developer who specializes in constructing affordable housing units.

Business Updates –

- Family Pharmacy – A new pharmacy has recently opened in the Elko New Market Commerce Center.
- Triage Wellness Institute – recently relocated to a larger space in the Elko New Market Commerce Center.
- Crossover Martial Arts and Fitness – recently relocated to a larger space in the Elko New Market Commerce Center.
- Shortstop Nutrition – Construction is underway on a new smoothie/nutrition shop in the Elko New Market Commerce Center.

Building Permits – The City did not issue any building permits for new homes in August, 2020. The City has issued one new home permit in September, 2020.

Ordinance Updates –

- Accessory Dwelling Units (ADU's) – The Community Development Department is working with the Planning Commission and City Council to determine if they are in support of allowing Accessory Dwelling Units in Elko New Market.
- Flood Plain Ordinance – The City is required to update its ordinance regulating flood plains within the next few months. Community Development Staff will be working on these updates during the fall/winter of 2020.
- Pawn Shop Ordinance – The City Council will be considering a temporary moratorium prohibiting pawn shops in Elko New Market on 9/24/20. The City Council is directing staff to conduct research pertaining to pawn shops and draft an ordinance regarding the regulation of pawn shops with the City.

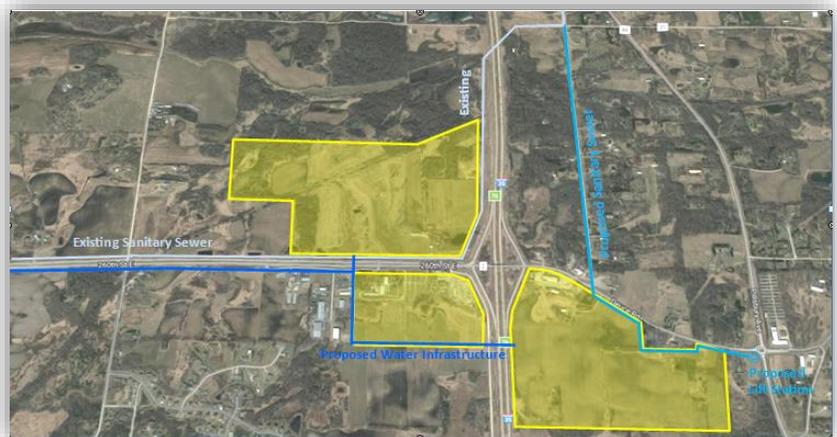
Code Enforcement – City staff has undertaken a citywide code enforcement effort during the summer of 2020. As of September 22nd, there are 34 remaining open violations to City codes. The violations are primarily related to the storage of recreational vehicles or exterior storage on residential properties. The Police Department will start issuing citations to those properties who have not complied with the City's request to correct their violations.

2040 Comprehensive Plan – City staff held a virtual open house regarding the Draft 2040 Comprehensive Plan on August 4, 2020. City staff is working on responding to comments received regarding the Plan. Staff will be bringing the Plan to the City Council on October 8, 2020. A public hearing will be held, and Staff will be asking for approval to submit the Plan to the Met Council.



Infrastructure Extension to I35/CSAH 2 Interchange Area

City staff continues to work with Scott County and the Scott County CDA regarding possible extension of municipal utilities to the interchange area. A technical committee has been formed to continue to evaluate the feasibility of the project. If constructed, the utility extensions would open up property that is



guided to commercial/industrial development. The City has worked with Baker Tilly to develop a financial model related to the project. City staff will be meeting with the Scott County CDA Board on October 13th to review the project.

Roundabout Project – The new roundabout opened to traffic on 8/25/20. Lights through the roundabout and decorative lighting through the downtown area were installed in mid-September. This project is now complete.

