Minutes for the Planning Commission Meeting of Thursday, February 27, 2025

Chair Kleissler called the meeting to order at 7:00 pm.

PRESENT: Andress, Derr, Klein, Kleissler, Petty

ABSENT: Granger, Kelly

STAFF: Rachel Juba, Community Development Director
Max Gort, Associate Planner

Pledge of Allegiance.

Oath of Office

Phil Klein recited the Oath of Office and was sworn in as a Planning Commissioner.

Approval of Minutes for the Planning Commission Meeting of December 12, 2024

Chair Kleissler said she had seen the acting chair's name listed in the minutes where her name should have been. Associate Planner Gort replied that this error would be corrected in the final version of the minutes.

Commissioner Petty made a motion, seconded by Commissioner Klein, to approve the minutes for the Planning Commission meeting of December 12, 2024.

All ayes.
Motion carried.

Public Hearing

None.

New Business: Capstone Homes, Inc. – Sketch Plan for 90 Single-Family Residential Lots at 5311 165th Street North

Community Development Director Juba presented background on the sketch plan that Capstone Homes, Inc. is proposing for the property at 5311 165th Street N. Capstone is requesting informal, nonbinding comments on their proposal to construct 90 single-family residential lots. The sketch plan shows the lots being 50 feet wide, and shows a general area of stormwater ponds and streets. There are two parcels under common ownership that total approximately 38 acres. There are two parcels facing 165th Street, both one-acre in size, that are under separate ownership and are not being considered with the development proposal. There is a judicial ditch along the eastern edge of the property, causing a portion of the property to be within the Shoreland Overlay District, and the

developer will have to demonstrate that they meet DNR shoreland standards. The property is currently zoned Future Urban Service (FUS), which allows agricultural uses in the interim for properties that are eligible for city sewer and water, and eventual development. The developer will need to apply for a rezoning of the property, and they are proposing to apply for a Planned Unit Development (PUD). The 2040 Comprehensive Plan guides the future land use of the property as Medium Density Residential (MD), which has a minimum density of 3 units per acre, and a maximum density of 8 units per acre with a PUD. The MD land use is intended to respond to the need for smaller homes on smaller lots, as well as twin homes and townhomes. Utilities are currently to the south at the Meadows at Hugo development, and there is capacity to extend sewer and water to this development. The Metropolitan (Met) Council sewer interceptor runs along the western edge of the property, and the Met Council maintains a 35-foot wide easement to protect access to the interceptor. The sketch plan shows six lots in the northwest corner of the property with their back yards in the easement. This situation also exists in the Meadows at Hugo development to the south, but the city would prefer that this configuration doesn't occur, as the Met Council does not allow any permanent improvements within the easement, leaving homeowners without the ability to have permanent items in their back yard. The sketch plan shows six lots with direct access onto 165th Street. These lots will need to be removed or reconfigured as 165th Street is classified as a collector road and cannot have driveways with direct access.

Juba showed a layout of the streets, and pointed to the long and straight road shown on the east side of the property. The City discourages long, straight residential streets as they provide opportunity for speeding. Juba explained the need to determine the long-term future of 165th Street. Currently, 165th Street is a gravel road from Highway 61 to Elmcrest Avenue. Developers are required to provide adequate public services, including a road that is capable of handling the traffic that the development and its connections would produce. The 2040 Transportation Plan identifies 165th Street as an urban section collector road, with curb and gutter and a paved trail. However, staff is considering whether interim alternatives could be in place, such as the temporary paving of 165th Street as a rural section road. Under current policy, developers are required to contribute a cash escrow of one-half of the cost to construct the urban section road for the length of their frontage. Staff has considered three options for the developer to provide adequate public facilities to their development:

1. The developer would construct an urban section road from the west property line to the intersection with Highway 61.
2. The developer would construct a rural section road from the west property line to the intersection with Highway 61, and receive a credit towards their required escrow for the urban section road based on the cost of paving a rural section.
3. The City Council approves the paving of the entirety of 165th Street between Highway 61 and Elmcrest Avenue as a rural section road, and the developer still contributes the required escrow for the urban section road.

During the 2025 goal setting process, the Planning Commission and City Council both discussed the need for 165th Street improvements, including a study of road design, construction costs, environmental analysis, an evaluation of utility extensions, and an evaluation of land use. Staff is currently creating a scope of work for such a study, and would ideally begin the study in the spring of 2025. The results of the study could help guide development along the corridor.

The Parks Commission reviewed the sketch plan at their February 19, 2025 meeting. The developer is not proposing to dedicate land to meet their park dedication requirement, meaning they would be required to pay the fee of $306,000 for 90 units. The property is in the NP-3 park service district, which is currently only served by the passive park between the Oneka Place and Meadows at Hugo, and the tot lot playground in Oneka Prairie. Nearby parks outside of the district include Frog Hollow Park, Oneka Elementary School, and Heritage Ponds Park. The 2040 Trails Plan indicates that the trail in the development to the south must be extended north through this property. The developer is not showing any trails on the sketch plan, but staff has indicated that off-road trails to enhance natural characteristics of the property could be approved. The Parks Commission was comfortable with accepting the fee payment to meet the park dedication requirements, and with the developer constructing off-road trails.

The developer has not provided a landscape plan, and would be expected to provide a plan that exceeds development standards in order to meet PUD requirements. The developer is planning to construct ponds for stormwater management, but not proposing to utilize stormwater reuse for irrigation. Staff is recommending that the developer formally evaluate stormwater reuse.

Overall, staff recommended the following to the developer for revisions to the sketch plan:

1. Staff recommends a phasing plan be submitted.
2. Staff recommends that the long road running south to north in the development be further analyzed to incorporate traffic calming measures.
3. Staff recommends that the lots with direct access to 165th Street be relocated or removed.
4. Staff recommends that the lots with back yards located in the 35-foot Met Council interceptor easement be evaluated to be relocated or reconfigured.
5. Staff recommends an off-road trail system be incorporated into the development.
6. Staff recommends that the landscape plan is designed to go beyond the minimum requirements.
7. Staff recommends stormwater reuse be evaluated for feasibility regarding water availability and design

Staff recommended that the Planning Commission discuss the sketch plan and provide informal, nonbinding comments to the developer.

Tom Bakritges of Capstone Homes, Inc. introduced himself to the Planning Commission, and talked about how the site was designed so that every lot backed up to open space. Bakritges stated that they will construct trails in the development, but would prefer that their alignment is behind houses instead of in front of them along the street, and that they will be creating a landscape plan. Bakritges stated that they would prefer that 165th Street remain a rural section road long-term, and that they may not be easily able to relocate the six lots that have direct access to 165th Street. Bakritges stated that they will go through the wetland review process and request to purchase credits for impact, and that they probably won't be able to do stormwater reuse.

Commissioner Klein said he likes the overall idea of smaller homes being more affordable, and that he understands the development challenges along the 165th Street corridor. Klein asked if they would consider constructing a large stormwater pond and utilizing stormwater reuse, rather than several smaller ponds. Klein said that he likes the idea of off-road trails, and is comfortable with the development standards they are requesting.

Commissioner Andress asked for more information on the Met Council interceptor. Juba said it's the primary sewer pipe that directs sewage from the City of Hugo and many other communities to the Pigs Eye Treatment Plant in Saint Paul. Andress asked whether the ditch on the east side of the property was a new or temporary ditch. Juba said that it's a judicial ditch that has drained surrounding properties for a long time. Andress asked why some lots are showing direct wetland impacts. Bakritges stated that there are different classifications of wetland, and that the wetlands shown with impacts are the types of wetland that they believe they can impact. Andress asked if the black dots shown on the west side of the property are existing utility poles, Juba said yes.

Bakritges stated that they will redesign the site plan after receiving comments from the sketch plan review process, and that they are hoping to have the project approved by the end of the year. Andress asked if the 165th Street study will be completed by then. Juba said that staff is hoping to have the road design and utility pieces completed first, which will be the most useful results to the developer.

Commissioner Klein asked if the slab-on-grade homes would be constructed at the minimum elevation about the water table, Bakritges said yes. Klein said that their architectural renderings are all two-story products, and asked if they've considered single-story products. Bakritges said that they have single-story products in their projects in other communities.

Chair Kleissler said that she likes the idea of every lot facing some open space to the rear, and asked if they've considered purchasing the two smaller parcels under separate ownership to make the development more cohesive. Bakritges said that they have not considered purchasing the parcels due to financial concerns.

Commissioner Andress asked if the existing buildings on the property would be removed. Bakritges said they will be removed.

Commissioner Derr asked if they've considered staggering the lots along the long, straight road to the east to break up the road for traffic calming. Bakritges said that they tend to stagger their lots in other projects, and that they'll consider it in this instance. Derr said that he would like to see visual continuity with the development to the south.

Chair Kleissler asked if they'd consider making the trail into a loop, or otherwise circulate bicycle and pedestrian traffic through the development in some way. Bakritges said that they'd utilize a combination of off-road trails and on-street sidewalks to create circulation. Commissioner Klein asked if they'd consider creating a park to bring trails together. Said that they're not proposing a park but that they'd consider amenities along the trail such as benches.

Chair Kleissler asked if they have any ideas for how to address the lots facing 165th Street. Bakritges said that they'd either create two larger lots, or create six lots along a private street. Commissioner Klein stated that he would not recommend a private street. Bakritges said that they'll need to reevaluate the site design, but that removing lots reduces the viability of the project financially.

No further discussion.

Old Business

None.

Adjournment

The next Planning Commission will be on March 13th, 2025.

Commissioner Klein made a motion, seconded by Commissioner Andress, to adjourn at 7:57 PM.

All ayes.
Motion carried.

Respectfully Submitted,
Max Gort, Associate Planner