



**MONTROSE
PLANNING AND ZONING COMMISSION MEETING
AGENDA**

**Wednesday, October 11, 2023
7:00 PM**

**Montrose Community Center
200 Center Avenue South
Montrose, Minnesota 55363**

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Approval of Agenda

5. Approval of Minutes

A. July 12, 2023 Planning and Zoning Commission Meeting Minutes

6. Old Business

A. Update on Preserve Developer and Progress

7. New Business

A. "Sacred Settlements" Zoning Amendment Discussion

8. Next Meeting

A. Wednesday, November 8, 2023 to be held at the Montrose Community Center – 7:00 p.m.

9. Adjournment

*** * Please note that a quorum of the City Council may be present at the Planning
and Zoning Commission Meeting. * ***

City of Montrose
 Planning and Zoning Commission Meeting
 Montrose Community Center
 200 Center Avenue South
 Wednesday, July 12, 2023
 7:00 P.M.

1. CALL TO ORDER

Pursuant to call and notice the Montrose Planning and Zoning Commission met in Regular Session on Wednesday, July 12, 2023 at 7:00pm.

Planning and Zoning Commission Chair, Mr. Charles Smallwood, called the meeting to order at 7:00 p.m.

2. ROLL CALL

Present: Commissioner Charles Smallwood
 Commissioner Catherine Neiberger
 Commissioner Roger Fraumann
 Commissioner Shawn Cuff
 Commissioner Sylvia Henry
 City Council Liaison Sam Solarz

Staff Present: Ms. Jessica Bonniwell, City Administrator
 Mr. Steve Gritman, City Planner

3. PLEDGE OF ALLEGIENCE

The Pledge of Allegiance was taken.

4. APPROVAL OF THE AGENDA

Commissioner Henry motioned to approve the July 12, 2023 Planning and Zoning Meeting Agenda as presented. Commissioner Cuff seconded the motion. Motion carried 5-0.

5. APPROVAL OF THE MINUTES

A. May 24, 2023 Planning and Zoning Commission Meeting Minutes

Commissioner Henry motioned to approve the May 24, 2023 Planning and Zoning Commission Meeting Minutes as presented. Commissioner Fraumann seconded the motion. Motion carried 5-0.

6. OLD BUSINESS

No Old Business.

7. NEW BUSINESS

A. The Preserve Proposal Review

Mr. Grittmann prepared a comparison document to help emphasize differences in the projects that he presented as follows:

JP Brooks Proposal for Preserve Property

Land Use and Unit Styles:

- Townhouse style residential. Follows existing approved plat closely – private streets and townhouse buildings.
- Residential (174 total units)
 - 17 8-unit buildings (back-to-back), 2 6-unit buildings (back-to-back), 3 4-unit buildings (row-style), 2 4-unit buildings (back-to-back) and 3 2-unit buildings (twin homes)
 - All units 2-story, with tuck-under garages at grade
 - “Future Park” area shown to south

Unit Styles and Organization

- This project relies on a similar unit type in various clusters including both back-to-back and row orientations, with 2-car incorporated garages. The units would be in the 1,700-1,725 square foot range, depending on 3-or-4-bedroom designs. All units would have front-facing window exposure, with end units adding side windows on both floors. An HOA is planned for common maintenance, including private streets.

Infrastructure

- This project proposal provides some detail on infrastructure replacement, but relies on the original layout, working with the existing plat, but replacing and addressing utilities, and replacing all or most of the streets and curb/gutters.

Schedule

- The proposer would initiate infrastructure in 2023, relying on the existing plat, and models open by March 2024. No end date is forecast. This proposal specifies a 90-day due-diligence period after acceptance prior to closing.

Financials

- The proposer does not specify a total investment, and has identified a need for consideration of TIF.

Other Elements

- The proposal includes an expectation of constructing the park enhancements and other open space preservation.

Mr. Grittmann stated that no formal recommendation is being made at this time and makes this summary conclusion regarding the JP Brooks Proposal:

For the Brooks Project: The proposer is seeking to follow the existing plat. A new development agreement would be necessary to address the contemporary requests, and a Final PUD consideration would be necessary to validate approval of any changes to the PUD by City Council. The TIF request would parallel the development review consideration, and is also a Council-level process. Because this project follows the existing plat, the land use mirrors that plat and the original PUD, and the buildings are within the scope of the plat and the original PUD density and size. The City Council may require a new Development Stage PUD process, or it may waive any requirement for new zoning approval, with the exception of the building designs.

Pat Briggs Proposal for Preserve Property

Land Use and Unit Styles:

- Mixed Residential, with approximately 2 acres along Hwy 12 reserved for future commercial/industrial. Follows existing private street layout, but substitutes central townhouse area for multi-family; exterior townhouse areas reflect current plat.
- Residential (164 total units)

- 90 units multi-family rental (2 45-unit buildings), with covered and open parking, phased dependent upon demand. Approximately 3 stories (1st story parking), plus detached garage buildings.
- 44 “Tiny Houses” in 4-8 unit clusters – optional to create as patio-home style units, depending on demand/absorption
- 30 units in 6-8 unit (back-to-back) townhouse clusters
- Two other development areas are undesignated

Unit Styles and Organization

- This project shows a mix of apartment units from studios to 2-bedroom units. The tiny homes are not detailed, but could be converted to patio homes based on market demand as noted by the proposer. The proposal suggests that the patio homes would be for a senior market – no additional detail is available for either market product. For tiny houses, there is typically no covered garage, but patio homes will often include a garage. These details, among others, would require additional clarity. The applicant implies an HOA or similar organization for various common elements.

Infrastructure

- The project description does not detail the infrastructure plans for the development. The site plan layout relies on the existing street layout, but would require investigation and replacement of utilities and streets as determined.

Schedule

- The proposer plans for a 2024 project, over a 60-month period for full build-out. The proposer would like to see approvals happen throughout the rest of 2023. Both mixed products to proceed on the same timeline.

Financials

- The proposer mentions a \$20M+ investment – no other financing detailed.

Other Elements

- The project proposal includes an intention to develop a fishing pond feature in the open space area of the site, and a controlled-access dock.

Mr. Grittmann stated that no formal recommendation is being made at this time and makes this summary conclusion regarding the JP Brooks Proposal:

For the Briggs project, there would be a new platting requirement, and both Development Stage and Final Stage PUD consideration. These would require public hearings at the Planning Commission level, then consideration by City Council. A new final development agreement would be necessary as part of final approval. As noted, the proposer has not identified a request for public financing, which if sought, would require additional consideration.

Brief discussion was held by commission members to discuss the different plans. Commissioner Neiberger asked about the footprint for each development and how much space they are taking up in relation to streets and the ability to maintain and plow the streets to ensure that there is enough off-street parking to accommodate the residents so that people are not parked on the street during snow removal. Mr. Grittmann stated that he would think the Briggs proposal has slightly less footprint since he has apartments that would be stacked on top of each other and occupy less land overall. Mr. Grittmann also stated that both of these projects would be managed by either a property management firm or HOA to ensure ongoing repair and maintenance of roads and the developers would need to make sure the HOA or management firm would be well funded and managed so things are cared for properly. Commissioner Neiberger stated her concerns about relying on an HOA to manage properties as in her experience the rental properties that should have an HOA are not cared for or maintained properly. Mr. Grittmann stated that since the 2008 crash when a lot of developers failed, and as a result, the HOAs never were properly set up or funded. Mr. Grittmann stated that cities have since learned to include that information into the developer agreement contract so that cities have measures to enforce the HOA creation and ensure that it remains in operation. Commissioner Neiberger is worried about having another development with rental properties as these areas tend to become neglected and the city will have code enforcement issues.

Commissioner Fraumann asked what the City Council is looking for as far as a recommendation and if it needs to be a formal motion of recommendation. Ms. Bonniwell stated that they could make a motion, but the council was just looking for their opinion on which developer they think would be best suited for the Preserve area. Commissioner Fraumann stated that his preference would be to go with the JP Brooks developer. Commissioner Neiberger stated her preference would be to go with the JP Brooks developer. Commissioner Henry stated that her preference would be to go to with the JP Brooks Developer. Commissioner Smallwood stated that JP Brooks was the only one that submitted an actual plan, as the other is some ideas for the area but not a definite plan. Commissioner Cuff asked what the process going forward after this would be. Mr. Gritman stated that the council would choose which developer they would like to work with and enter into an agreement with the developer regarding the property and plans would be reviewed for approval. Commissioner Smallwood stated that he sees pros and cons for both developer proposals, but would worry about a lot of traffic coming out of that one access point onto Hwy 12 where it is 55mph. Ms. Bonniwell stated that having more traffic in the area may allow future traffic safety improvements in the area, such as a roundabout at Clementa and Hwy 12. Commissioner Smallwood stated he would like to see more information from Briggs regarding the layout of the different types of products he is proposing. Ms. Bonniwell stated that she would be following up with the developer to try and get more information since Council also requested more information about the products and the layout.

8. NEXT MEETING

A. Wednesday, August 9, 2023 to be held at the Montrose Community Center – 7:00 p.m.

9. ADJOURNMENT

Commissioner Henry motioned to adjourn the meeting at 7:38 p.m. Commissioner Cuff seconded the motion. Motion carried 5-0.

Charles Smallwood
Planning and Zoning Chair
City of Montrose

ATTEST:

Jessica Bonniwell
City Administrator
City of Montrose

MEMORANDUM

TO: Montrose Mayor and City Council
Montrose Planning Commission

FROM: Stephen Grittman

RE: Montrose – “Sacred Settlements” Zoning Amendment

GC FILE NO: 130.02 – 23.02

DATE: October 5, 2023

MEETING DATE: October 11, 2023 (PC)

PID: NA

BACKGROUND AND ANALYSIS

During the 2023 legislative session, the Legislature passed a bill authorizing religious institutions beginning Jan.1, 2024, to site micro-unit dwellings on religious institution property. It also requires cities to permit sacred settlements of micro units either via a permitted use or conditional use. This legislation was a part of the State’s efforts to address homelessness and affordability for the target populations.

As written, cities are required to accommodate these “sacred settlements”, although as noted, the City can do so by Conditional Use.

Currently in Montrose, religious institutions are allowed in specific zoning districts, including the following:

- R-B, Residential Business (by Conditional Use Permit)
- B-2, Highway Business (in the form of the permitted use “Theater”)*
- INS, Institutional District (as a permitted use)

* The notation relating to the B-2 District (Theater) is based on a series of both Federal law and Court interpretations that require an allowance for religious land use in areas where similar commercial land uses are allowed. Theaters are the most commonly applied example of this type. Thus, it is presumed that the allowance of Theaters in the B-2 District would compel the City to also allow a religious institution.

The city has churches located in a variety of zoning districts. The operation of the statute relates to “faith communities”, not zoning specifically. Therefore, it is presumed that the allowance of these settlements would be allowed as an accessory use to any existing religious institution, and would not constitute an expansion of a non-conforming use if the church were located in a district where the church is otherwise not allowed.

The state’s legislation specifies the following aspects of these uses:

Individuals Qualifying for Micro Unit Eligibility

Micro-unit dwellings within sacred settlements are intended to provide an additional means for faith communities to serve chronically homeless individuals, designated volunteers, and extremely low-income individuals in accordance with their religious vocations.

- An individual who meets the definition of being chronically homeless is someone who is unhoused and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter for at least one year, or on at least four separate occasions in the last three years.
- An individual who meets the definition of being extremely low income has an income that is equal to or less than 30% of the area median income.
- A designated volunteer is an individual who has not experienced homelessness and is approved by the religious institution to live in the sacred settlement as their sole form of housing.
- The language defines a religious institution to include a church, synagogue, mosque, or religious organization organized under Minnesota Statutes Chapter 315.

Micro-unit Structure Requirements

There are myriad of requirements and minimum standards in the statutory language that address both the standards for the micro units themselves as well as requirements and restrictions for faith communities that chose to establish a sacred settlement of micro units on their religious property.

- Under the new law, micro units must meet certain building requirements and standards to be allowed for placement in a sacred settlement on religious property.
- All micro units must be built to the requirements of the American National Standards Institute (ANSI) Code 119.5, which includes standards for heating, electrical, fire, and life safety.
- Additionally, micro units are subject to inspection for compliance with statutory standards and must meet the following minimum requirements:
 - Be no more than 400 gross square feet.
 - Be built on a permanent chassis and anchored to pin foundations with engineered fasteners.
 - Have exterior material compatible in composition, appearance, and durability to materials used in standard residential construction.
 - Meet minimum framing standards and insulation ratings for doors and windows and include a dry, compostable, or plumbed toilet meeting Minnesota Pollution Control Agency rules.
 - Include smoke and carbon monoxide detectors and comply with municipal setback requirements if established by ordinance or be set back on all sides by at least 10 feet if no ordinance exists.
 - Have access to water and electric utilities either by connecting the units to the principal building or by providing access to permanent common kitchen facilities and

common facilities for toilet, bathing, and laundry consistent with boarding house requirements under Minnesota Rules, part 1305.2902.

Minimum Standards for Settlements

In addition to the requirements for individual units, the law establishes minimum standards for the religious institution's operation of the settlement itself, which will be important to reference if a city chooses to permit settlements and units via a conditional use permit to ensure compliance.

Minimum standards for settlements include:

- Appropriate level of insurance and have between one-third and 40% of the micro units occupied by designated volunteers.
- Adherence to all laws governing landlord and tenants under Minnesota Statutes Chapter 504B.
- A written plan provided to the city in which the settlement is approved by the religious institution's governing board that includes:
 - Plans for disposal of water and sewage if not plumbed and septic tank drainage if plumbed units are not connected to the primary worship location's system.
 - Adequate parking, lighting, and access to units by emergency vehicles.
 - Protocols for security and addressing conduct within the settlement as well as safety protocols for severe weather.
- Authorization by a municipality as either a permitted use or conditional use without the application of additional standards not included in the bill.

The legislation is codified in MN State Section 327.30. It is presumed to be permitted, unless the City establishes the use as a Conditional Use. Thus, if the City passed no regulations, the use could be added to any existing faith community location as an accessory use, presuming that it complies with the regulations in the State law.

Because certain such religious uses can be located in places where the introduction of residential uses could create new land use conflicts that are not anticipated by the zoning district in which the religious use exists, staff recommends the accompanying ordinance amendment to require that such uses are allowed only by Conditional Use Permit. While Conditional Uses are presumed to be allowed in the district, there is a degree of discretion over that of a permitted use that gives the City some opportunity to ensure that the residential uses are reasonably compatible with the site and the neighborhood.

The following additional standards are recommended for the Conditional Use Permit review.

1. The proposed settlement meets all conditions and requirements of MN Stat. Section 320.30.
2. Settlements established under this provision shall only be allowed on the property of the principal sponsoring faith community, and shall be an accessory use, not the principal use of the property.
3. Setbacks for the micro-units are equal to the required setback of that of the zoning district on the adjoining parcel.
4. Where such uses are located adjacent to any single family residential use, a landscape buffer providing reasonable screening between such uses is provided.
5. Where such uses are located adjacent to any Business or Industrial property, a landscape buffer and a solid maintenance-free fence shall be provided to both screen the uses and provide a physical separation.

6. Access to the micro-units in a community created under this provision shall be only through the internal private access of the sponsoring faith community, and not through other properties nor directly to the public street.
7. Parking supplies for the property shall be adequate to serve both the residential use established under this provision, and for all other principal uses of the property, including the primary religious institutional use. As the residential use is a round-the-clock use of the property, each unit shall be afforded one parking space in addition to the other parking requirements of the site use.
8. Other requirements of the City as deemed necessary to ensure health and safety of the proposed community, and compatibility with the neighborhood in which the use is located.

With these conditions, staff believes that the City can comply with the requirements of the legislation, and where the facilities are proposed, the residential uses introduced will be compatible with the areas in which they may be constructed.

STAFF RECOMMENDATION

Planning staff recommends adoption of a zoning ordinance amendment incorporating the requirements of State law, and provide the City the opportunity to ensure that the use is introduced and operated in areas that can reasonably accommodate the impacts of the use on the neighborhood, and the those impacts of the surrounding area that may impact the residential use as proposed.

ORDINANCE NO. 2023 _____
CITY OF MONTROSE
COUNTY OF WRIGHT
STATE OF MINNESOTA

**AN ORDINANCE AMENDMENT TO CHAPTERS 1107.14 AND 1110.04 OF THE
SUBDIVISION ORDINANCE; AND 1020-4 OF THE ZONING ORDINANCE OF THE
CITY OF MONTROSE, RELATED TO TREE PRESERVATION AND REPLACEMENT**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONTROSE THAT THE
FOLLOWING CHAPTER AND SECTIONS OF THE ZONING ORDINANCE ARE
AMENDED AS FOLLOWS:**

Section 1. Chapter 1031 is amended to read as follows:

Section 1031. Sacred Settlements and Micro-Units. Pursuant to MN Stat. Section 320.30, the City hereby establishes such land uses as Accessory Uses by Conditional Use Permit in any district in which the principal use of Religious Institution is located. The use shall comply with the following conditions:

1. The proposed settlement meets all conditions and requirements of MN Stat. Section 320.30.
2. Settlements established under this provision shall only be allowed on the property of the principal sponsoring faith community, and shall be an accessory use, not the principal use of the property.
3. Setbacks for the micro-units are equal to the required setback of that of the zoning district on the adjoining parcel.
4. Where such uses are located adjacent to any single family residential use, a landscape buffer providing reasonable screening between such uses is provided.
5. Where such uses are located adjacent to any Business or Industrial property, a landscape buffer and a solid maintenance-free fence shall be provided to both screen the uses and provide a physical separation.
6. Access to the micro-units in a community created under this provision shall be only through the internal private access of the sponsoring faith community, and not through other properties nor directly to the public street.
7. Parking supplies for the property shall be adequate to serve both the residential use established under this provision, and for all other principal uses of the property, including the primary religious institutional use. As the residential use is a round-the-clock use of the property, each unit shall be afforded one parking space in addition to the other parking requirements of the site use.
8. Other requirements of the City as deemed necessary to ensure health and safety of the proposed community, and compatibility with the neighborhood in which the use is located.

Section 2. This ordinance shall be published by summary publication, and the original kept on file with the City Clerk for public view.

Section 3. This ordinance shall be effective immediately upon its passage and publication.

ADOPTED this ____ day of _____ 2023, by the City Council of the City of Montrose.

Kirby Moynagh, Mayor

Moved by:
Seconded by:

ATTEST:

Jessica Bonniwell, City
Clerk/Administrator