

**MINUTES  
CITY OF DELANO  
PLANNING COMMISSION  
Monday, March 9, 2009  
7:00 PM**

**1. CALL TO ORDER**

The Chairman, Jon Krieg, called the regular Delano Planning Commission meeting of Monday March 9, 2009, to order at 7:05 p.m.

**2. ROLL CALL**

**Members Present:** Jon Krieg, Chair  
David Kenison, Vice Chairman  
Leon Zeug, Secretary  
John Beussman, Commissioner  
Steve Williams, Commission  
Lars Impola, Commissioner  
Howard Glass, Commissioner

**Also Present:** Alan Brixius, Northwest Associated Consultants  
Betsy Stolfa, City Council, Liaison  
Wendy Biel, Recorder

**3. APPROVAL OF AGENDA**

Motion by Howard Glas, seconded by Lars Impola to approve the agenda for Monday, March 9, 2009. Motion carried.

**4. MINUTES**

**A. Minutes of the Planning Commission for February 9, 2008.**

Motion by Jon Krieg, seconded by David Kenison to approve the minutes of the Delano Planning Commission meeting of February 9, 2008 with the correction by Lars Impola to Item 3 D (3) to state "Motion by Lars Impala". Motion carried; Howard Glas abstained.

**5. PUBLIC HEARING**

**A. Consider request from Roger Derrick, d/b/a Cottage Homesteads at Kings Pointe for an amendment to the CUP/PUD as regulated by Section 51.32 of the Delano City Code; and Preliminary and Final Plat as regulated by City Ordinance O-03-05, Subdivisions 4 and 5 for property located at Lots 1, 2, 15, and 16. Block 3 Kings Pointe Addition.**

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Alan Brixius reviewed the Planners Report File No. 432.07 – 09.05. He referred to the application submitted by Roger Derrick, representing Cottage Homes at Kings Pointe LLC, seeking approval for converting a four unit townhome building to a six unit townhome building.

The Kings Pointe townhome development was originally approved for a total of ten four-unit townhome buildings in 2002. In the spring of 2008, the City approved a PUD amendment to allow two of the four unit buildings converted to six unit buildings. Such request was intended to respond to market demand by providing smaller, more affordable townhomes for seniors.

A decision whether the six unit townhome building is appropriate in its proposed location is considered a policy matter to be determined by City Officials. Unlike the 2008 conversion, the proposed six unit building would be located within a block occupied by four unit buildings. This is a concern and question of compatibility which is being introduced by Staff.

Should City Officials find the proposed townhome conversion acceptable, Staff's recommendation for approval of the PUD amendment and preliminary / final plat including the following conditions:

1. Exterior building elevations be submitted which adhere to the architectural precedent of the previous housing units associated with this PUD, subject to the review and approval by the City.
2. Floor plans be submitted which accurately reflect the building design that is proposed (upper and lower levels).
3. The applicants enter a PUD agreement with the City and post all the necessary securities required by it. This issue should be subject to further comment by the City Attorney.
4. Provisions for storm protection be submitted and are subject to the review and approval by the City Building Official.
5. Utility service and sewer connection compliance is condition to the review and approval by the Delano Public Works Department.
6. A homeowner's association is established for this townhome development subject to the review and approval of the City Attorney.
7. The submitted grading and erosion control plan is subject to the review and approval by the City Engineer.
8. Trash and recycling shall be contained within the principal structure.
9. Site landscaping adheres to the previously approved landscape plan and is subject review and approval by the City.

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10. The City approves the vacation of drainage and utility easement necessary to accommodate the replat. This issue shall be subject to further comment by the City Engineer.

Dave Kenison opened the meeting requesting an explanation for the third request of a six unit building within the Kings Pointe development. Alan Brixius introduced the applicant, Roger Derrick representing Cottage Homesteads at Kings Pointe, for clarification and further discussion.

Roger Derrick began explaining the premise of Kings Pointe to offer attractive housing for active, independent seniors. Derrick continued explaining that in order to create affordable housing during these economic times, more units on a smaller scale, could be constructed maintaining the aesthetics of Kings Pointe neighborhood. Derrick acknowledged the PUD agreement in 2008 for converting two four unit townhomes to six unit townhomes, pointing out these buildings were located north of the development, and the current application was within the development. Due to the location of the proposed townhome, Derrick stated that construction would begin by spring 2009, ahead of completing construction of the 2008 converted six unit townhomes.

A question and answers session opened up between Commission members (CM) and Roger Derrick (RD). (CM) How many open units within the development? (RD) There are three completed units and two units from the current construction. (CM) How many units sold in 2008? (RD) Two. (CM) Why is there an urgency for a decision on a third building? Why not apply in April, May or even June? (RD) Approval early gives more lead time for sale advertising. Spring is the best time for the real estate market, fall is second, summer is quieter and winter there's no movement in the market. (CM) Have any units been re-sold? (RD) No. (CM) What is the change in square footage per unit from a four unit to a six unit building. (RD) Square footage per four unit building is approximately 1600 sq. ft each unit; square footage per six unit building is approximately 1100 sq. ft. each unit. (CM) Cost of units? (RD) Slab on grade for four unit townhomes, base price is approximately \$229,000 to \$279,000. Four unit basement townhome base price is approximately \$250,000. Slab on grade base price for six unit townhomes would be approximately \$168,000. Six unit basement townhome base price is approximately \$200,000. (CM) Were the current homeowners told that Kings Pointe development would potentially have six unit townhomes? (RD) No. (CM) There is resident concern that the lower prices affect their resale value. (RD) Buyers are much more attentive, they are aware of actual value such as cost per square footage, amenities, upgrades, etc. The lesser price on a smaller unit would not have adverse affects to the larger units.

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**Motion by Leon Zeug, seconded by Steve Williams to open the public hearing for the purpose to hear public comment on the amendment to the CUP/PUD and preliminary and final plat for property located at Lots 1, 2, 15 and 16, Block 3 – Kings Pointe Addition. Motion carried.**

John McCashin, 224 Kings Pointe Dr, introduced himself as a three year resident and originator to the Petition submitted to Commission Members to table any decision due to one-fourth of the homeowners are out of town for the winter. They were granted approval last spring for 2 buildings, and he's only aware of one unit being sold since. The marketing campaign they keep talking about didn't work very good last year, not sure what the difference is now. Mr. McCashin was upset due to the fact he was told last year at a meeting with Bob, that the starting price for the units would be \$180,000, now there's signage with starting price of \$149,000; that's quite a bit of difference and actually that is half of what he paid for his home. He stated he cannot understand how that is not going to affect the resale value somewhere down the line; if he goes to resale and another less expensive goes to resale, then the buyer looking will go for the least expensive.

Bill Schwegler, Kings Pointe, stated he has a two level unit with a walkout on the west side of the development. Mr. Schwegler described that the newer base price advertised is the starting price and depending on a homeowners upgrades, that would affect the final price. He voiced that the new units would not affect the resale value of his home due to his upgrades and additions. His concern is eight buildings are either built or the one under construction and would like to see the last two buildings done so that the project is complete. Mr. Schwegler reiterated sooner or later the situation is going to calm down and some time in the future, he believes, that when the market quiets down it will be where your home is located, what you have for square footage, the upgrades you have, you're probably going to get a little bit more; he's not worried.

Pete Theis, Kings Pointe, felt he was the newer guy on the block up here moving in November 2008. His first hope was to move into the building that is under construction now. He described that when he put his previous home on the market, he was told they would be starting construction in July [2008], and then it was July-August-September-October-November-December [2008] and they just got a good start on it. And if approval is granted, which Mr. Theis is not opposed to home construction, than his hope is that they move ahead and not drag their feet as they have on the other two buildings. If Mr. Theis understands the plan, they are going to move the focus to the new building delaying the construction of the previous two. Mr. Theis feels as though they should complete the buildings already approved and then begin construction on the proposed building if approved tonight.

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Duane Rasmussen, 269 Kings Pointe Dr, a resident for almost two years relocated from Northern Minnesota and feels he looked the city over very well in choosing Kings Pointe development. The unit they found they do like very much, but his long term plans is to sell in two to three years at retirement. At the time of moving in, Mr. Rasmussen questioned the two vacant lots and was told they too would be four-plex units. He felt assured because this maintained continuity throughout the project. Last spring at the meeting noted by Mr. McCashin the sales pitch went out for smaller units due to buyer's request and the intention was to build these units north of the development. Nothing had been discussed about redesigning units within the development. Mr. Rasmussen feels they should build this unit as it was intended to be built and finish building the two six unit buildings at the north end of the development as previously approved.

Mr. McCashin came back to the podium to inform Commission that as stated in the petition there are one-fourth of the homeowners out of town and feels they should have the opportunity to be heard as well. A year ago they were approved for two six unit buildings, he felt they should get them built, get them sold, and then return to talk about the other one and at that time discussion can be made to reconsider this proposal.

Bob Seliski, Realtor with Edina Realty representing Cottage Homestead, acknowledged the homeowners concerns and were appreciated and valued. However the current housing market situation, he stated, has brought us to this discussion. He referred to a previous conversation with a local Pastor and the need for affordable senior housing in the area. Mr. Seliski noted that one-third of Delano proper is aged 55 +. A graph specific for Delano demonstrated the home value was down 13% in the past 1 ½ years. However, Mr. Seliski feels very strongly that there is a demand not only for senior housing, but also for homes valued below \$200,000 which is what the proposed townhomes would be priced at. Mr. Seliski also reviewed the current housing market and peak sale times. Seliski reiterated the peak time for advertising and majority of sale interest is in the spring; making the proposal to construct another six unit townhome very time specific.

In response to the question regarding the previous marketing plan, Mr. Seliski explained that it takes approximately 14 months from the plan to sell a home to a the completion of the sale. This previous marketing plan is working and the peak time is right now, homes have been constructed, interior works completed and now there are units available. He stated the demand for homes under \$200,000 has spiked and with the first time home buyer credit now available people are out there buying homes hand over fist. Mr. Seliski mentioned that this developer is not running during these economic times but trying to continue drive nails and sell homes at an affordable rate. There are interested buyers, however these buyer's previous homes are on the market awaiting sale; just because there are not sold signs in front of units is not an accurate indication of available units; there are pending sales.

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Howard Glas began discussing the need for all homeowners within Kings Pointe development present for a fair public hearing. Glas went on to say that he has not heard enough compelling issues why the decision must be made tonight on a third building when there is a building under construction and another one already approved for construction. Glas would prefer to give all homeowners a chance to voice their opinions and would like to re-evaluate this proposal at a later date.

John Beussman questioned whether all homeowners were alerted to the scheduled public hearing. He also questioned whether they would hear any difference in opinions if more homeowners were available. Alan Brixius informed the Commission that protocol was followed correctly; all homeowners were contacted and given opportunity to come to the meeting. However, how many people are out of town, that information would not be available.

Jon Krieg agreed that there has not been enough information to make a motion at this time. Due to the current construction opportunity in progress on two six unit townhomes, Krieg stated he would have a hard time adding to their inventory. He also mentioned that there does not appear to be enough requests to warrant another six unit townhome at this time.

Jon Krieg called for public comment three times. None was heard.

**Motion by John Beussman, seconded by Dave Kenison to close the public hearing.  
Motion carried.**

Discussion continued between Commission Members and Roger Derrick regarding the ability to sell smaller units more effectively and discussion regarding the importance of basement units. Beussman questioned whether the smaller units with a basement would be more appealing to a buyer than the larger basement units. Mr. Derrick noted the difference would be in the cost. The cost difference between a small basement unit and a larger basement unit could be \$50,000, and felt this was a very compelling reason and justified the need for smaller units.

Dave Kenison referred back to the statement that the median home price had dropped 13%, he asked if the selling price at Kings Pointe had also lowered by 13%. Mr. Seliski informed Kenison that the sale prices have actually been lowered more than 13%. Kenison also wanted to be assured that all homeowner were notified of the public hearing and may be absent due to travels during winter weather. He questioned if there was an Association President. Mr. Derrick explained that until the development has 75% or more units sold the Developer is acting President.

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**Motion by Dave Kenison, seconded by Howard Glas to re-open the public hearing.**

Barb McCashin, 224 Kings Pointe Drive, wanted to comments on statements heard tonight. She questioned the sale time line that was earlier referred to, stating that in a previous meeting she was at with the Developer, stated a sale can be an 18 month process. So she does not feel this is a necessity at this time for approval. Next she spoke of the sale value currently and mentioned that a Brentwood style unit had sold for \$256,000 and an Essex style unit had sold for \$194,000 in November 2008. Also, Mrs. McCashin is from Minnetonka, some owners are from Independence and surrounding communities so there are buyers of interest outside of the City. He final point was that they bought into a community that was suppose to be 10 buildings with four units each built upscale, as in a higher class or standard. She feels standards should not now be lowered when there are other areas available for housing if Kings Pointe is not affordable. She would like Kings Pointe to keep to the standards they spoke of when they moved in.

Jon Krieg called for public comment three times. None was heard.

**Motion by Dave Kenison, seconded by Jon Krieg to re-close the public hearing.  
Motion carried.**

Lars Impola interpretation is that the residents may not be entirely opposed to another six unit building, but are requesting to complete the projects that have been approved. He would also like to give all homeowners a chance to give their opinions and request extending this discussion at a later date.

Kenison agreed with tabling discussion for a further date. He questioned the aesthetics of a six unit townhome in a row of four unit townhomes; developing the two six unit buildings north of the development did not interrupt the flow. He acknowledged the concerns of the residents that spoke and felt their concerns regarding the standards they originally bought into should be considered.

Steve Williams agreed with Commission members and felt all homeowners should be present before conducting a motion for this application.

**Motion by Lars Impola, seconded by Howard Glas to continue the public hearing and directs Staff to notify the applicant of the extension of the review period from 60 days to 120 days. Motion carried.**

**6. NEW BUSINESS**

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There was none.

**7. OLD BUSINESS**

There was none.

**8. UPDATES AND FUTURE LAND USE DEVELOPMENT APPLICATIONS**

There was none.

**9. COMPLIANCE WITH COMPREHENSIVE PLAN**

- A. RESOLUTION** finding that the vacation of a drainage and utility easement located within Kings Pointe Addition is consistent with the City's Comprehensive Plan.

Item tabled to later discussion.

**10. ADJOURNMENT**

There being no further business to discuss the regular meeting of the Delano Planning Commission of March 9, 2009 was adjourned at 9:00 p.m.

**Motion by John Beussman, seconded by David Kenison to adjourn meeting. Motion carried.**

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Jon Krieg, Chairman

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Leon Zeug, Secretary

ATTEST:

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Wendy Biel, Recorder