

OWATONNA PLANNING COMMISSION MINUTES FOR JULY 23, 2019

The Owatonna Planning Commission met in regular session at 5:30 pm in the Council Chambers of the City Administration Building with President Josh Meillier conducting the meeting. Present at roll call were Commissioners Steve Jessop, Wes Kain, Josh Meillier, and Mark Meier. Commissioners Suzy Meneguzzo, Teri Steckelberg, and Dan Boeke were absent. Community Development Manager Greg Kruschke and Administrative Technician Kristen Kopp were also present.

A motion was made by Jessop and seconded by Kain to approve the minutes of the regular meeting of July 9, 2019. All ayes, motion carried.

An amendment to the Zoning Ordinance regarding bulk density for apartment units in the B-2, Community Business District, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:33 pm. No comments were made regarding this request. Public hearing closed at 5:34 pm. A motion was made by Jessop and seconded by Meier to recommend City Council approval of this proposed ordinance amendment regarding apartment density within the B-2, Community Business District. All ayes, motion carried.

Request to vacate a portion of Right of Way on 33rd Avenue SW, which is a request by TJ Design Strategies, Ltd, on behalf of Costco Wholesale Corporation, was presented by Community Development Manager Greg Kruschke. (Refer to report on file.) Public hearing opened at 5:36 pm. Tim Johnson of 3799 Lemond Road said that their family farm is right in the middle of this new fiasco. They use this gravel road every day for farm machinery. He said there are few cars and it's a safe road. His son Cory lives next to John Deere and it's a safe path to the farm. It's a big deal to lose this road, and Costco isn't even going to use this property. He said there a plan for another road to the east and said that maybe they should put that new road in before this road is taken out. The current road has been there over 60 years. John Deere uses it every day to run their tractors. He said that Costco should come up with a different plan. They don't need to take this road out. He said the whole project will upset the farm. Rodney Johnson of 3227 10th Avenue SW said that he was at the City Council meeting last week. He is not a bit happy about this project. His grandson Cory bought a farm just down the road that connects to his farm. He has three young children and in a few years, they could probably walk down this road between the houses. He said that Costco should wait to take the road out until they have a need. He said they need to challenge Costco a little, or they'll run over them. They're jumping over their farm and the city limits. Just because they're a huge company, it doesn't mean their family farm has to fold. It will make a big impact on their lives after forty-some years. He said his wife cannot stand diesel fumes. He'd like to see them wait a few years and asked the Commissioners to table the request in order to do some research. He said nobody wants to see this, but he's just a little guy and Costco is a huge corporation so they get what they want. Public hearing closed at 5:42 pm. Jessop said he'd like to hear Costco's reasoning for why this vacation is important now. Sean Murphy of Landform was present representing Costco. He said that a significant grade change will occur to the roadway and keeping the road is infeasible with the design. He said that they will provide an access road to the east, which he believed is platted as 32nd Avenue. Kruschke said that this is a large site security issue for Costco. He said 33rd Avenue SW exists today as township road and was there before 39th Avenue. This area has been identified as industrial, and 33rd Avenue SW is not a necessary part of the future street network. Mr. Murphy said that from a security aspect, the Costco property will be fenced in. Public hearing reopened at 5:46 pm. Tim Johnson asked if Costco could come up with a different design and suggested a gate on each side. He said this could be done in the future. He said they need to understand why it's such a tremendous cost to keep the road as they'd have better access with the road. Their family owns 200 acres in the Industrial Park, which is the biggest chunk of property and they will need access. Public hearing closed at 5:48 pm. Kain asked about

the retention pond on the east leg of the property. Kruschke said that a pond is shown on the southeast corner of the property. He showed the Commissioners the full-size grading plans. Kain asked if there is room for expansion. Kruschke said that they do have plans for future expansion, but no timeline. 33rd Avenue SW is a public street, so fencing it off is not possible. Anything else would have to be a conversation with the land owners. Kain asked if the expansion will meet setbacks. Kruschke said that it will. Costco is purchasing the land that they need for the full operation. Everything in the plat is based on a full build out. Meillier clarified that the road to the east is not there currently. Kruschke said that is correct. He's not sure how it will plat out in the future, but it could "t" into 32nd Avenue SW and connect to 10th Street. Meier questioned the timing of the removal of 33rd Avenue SE and the addition of the new right of way. Kruschke said once 33rd Avenue SW is vacated, he's not sure when it will be graded out. He said that the new right of way may not happen this year. Jessop asked if Costco has a contractor. Kruschke said that they have been consulting and, as he understands, have not yet awarded the project to a general contractor. Meillier said that when the Development Plan was done in 2006, there was good foresight. This project belongs in the industrial park. He asked if any other neighbors were present. Kruschke said that Mr. David Buecksler is present and is donating land for 10th Street SW and a representative from Kibble Equipment is also in the audience. Kain noted that this is the Industrial Park. Jessop said he drove this road in the morning and it's beautiful country which he would love to protect, however this land has been identified as industrial. Meillier questioned land values in the Industrial Park as opposed to ag land. Kruschke said he didn't know ag land prices, but the City's industrial land is listed at \$0.80 / square foot or roughly \$35,000 / acre. A motion was made by Jessop and seconded by Kain to recommend City Council approval of this vacation of a portion of 33rd Avenue SW as shown and described in the attached survey with one condition:

- 1) The vacation shall be contingent upon the approval of the Costco Owatonna plat.

All aye, the motion carried.

Preliminary Plat of Costco Owatonna, which is a 153.32± acre tract of land to be zoned I-1 Light Industrial owned by Smith Heritage LLC and located at 3601 10th Street SW, was presented by Community Development Specialist Kruschke. (Refer to report on file.) Public hearing opened at 6:04 pm. Tim Johnson said that there is a well on the property and said Costco better find that well and have it properly capped. He said that there are storm water issues in the area and no storm water system in the Industrial Park. He said that the county tile is one hundred years old. They flood out now and will flood out big time in the future. The old tile isn't deep enough and they need a storm sewer. Water almost comes over the road in a big rain. He said the storm sewer is a bigger concern of theirs than the road. Corn crop takes more water than hard surfacing. He said since they're still in the planning stages to plan for a storm sewer. Public hearing closed at 6:09 pm. Kain asked if they need to add a condition about the tile review. Kruschke said that is a separate process which follows State law and that it is not necessary on their side. They will need to follow the county process. They have a lot of options, including leaving the tile as is. It is up to them, but there are rules they will need to follow. A condition on the plat is tying an extra step on the process. He said that it is up to a 180 day process, following State Statutes, with potentially a public hearing process similar to the pond near Daikin. The County sends notices to the neighbors. There is no need for the Planning Commission to put a condition on the plat. Kain questioned the well. Kruschke said that he wasn't aware of it before, but if there is a well that is not capped properly, Costco will have to identify and cap it. Usually this comes up in the closing documents. A motion was made by Kain and seconded by Jessop to recommend City Council approval of this preliminary plat of Costco Owatonna with the following conditions:

- 1) Final plat approval shall not occur until the annexation has been finalized.

- 2) The final plat shall be approved within one year of the date of approval of the preliminary plat.
- 3) The title opinion shall be approved by the City Attorney prior to recording of the final plat.
- 4) Approval of the final plat shall be contingent on the approval of the vacation of the portion of 33rd Avenue SW.
- 5) All environmental review shall be completed prior to approval of the final plat.
- 6) A full drainage and storm water report shall be submitted to the City.
- 7) Existing wells are identified and properly capped if found.

All ayes, motion carried.

Community Development Specialist Kruschke said that, as a part of the Costco EAW comment period, they will be taking comments. August 14th is the deadline to make comments. Public comment opened at 6:16 pm. Tim Johnson stated stormwater is a huge concern in this area and the City should install a storm sewer system. He said that there is a county tile under Viracon's building. He said this will crash in and people will die. There is no system to get rid of water in the Industrial Park. Farmland uses up most of the water that falls on it. Costco is a huge area and they are paving all of it. There could be more development in the future, such as an Amazon distribution center, and he asked what would happen then. Public comment closed at 6:18 pm.

There being no further business to come before the Planning Commission at this time, a motion was made by Meier and seconded by Jessop to adjourn the meeting at 6:20 pm. All ayes, motion carried.

Respectfully Submitted,



Greg Kruschke
Community Development Manager