

**CITY OF HANOVER
PLANNING COMMISSION
JULY 14, 2016
WORKSHOP – OFFICIAL MINUTES**

Members present: Stan Kolasa, Jim Schendel, Michelle Armstrong, Dean Kuitunen, and Mike Christenson. Also present: Doug Hammerseng, Council Liaison (arrived at 6:10 pm), City Planner Cindy Nash, and Administrative Assistant Amy L. Biren. Guests present: Thomas Jones, Clark Lee, Steve and Lynn Beise, Dr. Dave and Nancy Sibley, and John Vajda.

The workshop began at 6:05 pm. Biren reviewed the goals and format of the workshop meeting as sent out earlier in the week. Kolasa stated that there was not a Public Forum in the workshop, but that at some point may take comments from the guests present.

Armstrong had additional two story homes listed for sale in the area from the cities of Hanover, St. Michael, Albertville and Otsego. She stated that the members needed to look at what other cities are doing, what is realistic and what is the future of building. She suggested that the members look at total finished square footage above grade rather than foundation size. Builders are created more finished square footage above grade and having a smaller foundation size. She referenced the national builders following this format and that if Hanover requires a larger foundation size, many of the national builders will not see Hanover as a desirable place to build. Armstrong also said to keep in mind that homeowners have the cost of the lot in addition to the cost of the home, so that if a larger foundation is required, the overall cost of building in Hanover will become too great and future residents may not be able to afford it.

Christenson asked what the smallest foundation size of the two story home presented was and Armstrong said that it was 765 square feet as that particular builder was trying to keep the home price under \$400,000. She also mentioned DR Horton and the homes by the St. Michael Elementary School where the homes were built too big and prices had to be reduced.

Christenson brought to the discussion the idea of having a minimum length in addition to the already required minimum width of the house. He wondered if this was a way to ensure that smaller homes and larger garages would not be built. Kuitunen said that we needed to be careful with length as lots are not always designed as a rectangle and if there was a length requirement, some homes would not be able to be built. Nash also said that the minimum width and length requirement harkens back to the past when cities may not have had ordinances regarding manufactured homes. Christenson wanted to know if variances were an option if the length did not allow a house to be built on a lot. Nash said that is not a good practice since there would be costs incurred by the homeowner (additional expense to building a home) and also additional staff time required.

Nash referred the members to the 2000 letter from McCombs Frank Roos Associates, Inc. which spoke to the design of the Crow River Heights development. In the letter, Michael Gain explains the new design of “coving” or a variable front yard depth, which provides variable lot sizes and prices, in addition to variable housing styles, size and market opportunity. Nash also mentioned that the City’s Comprehensive Plan speaks to life cycle housing: renting to first home buyers to

luxury homes. If too strict of design standards are adopted, it would go against the Comprehensive Plan.

Christenson played devil's advocate and asked if a \$100,000 home could be built. Armstrong replied that the price of the lot is usually included, so a builder wouldn't typically build a house for \$60,000 or under that was left after purchasing the lot. It isn't economically feasible.

Christenson asked if what would prevent someone from building a big garage and a little home attached to it. Nash replied that builders or developers wouldn't do this as there are costs attached to building in addition to the building materials such as water and sewer hook-up that would not make this cost effective.

Hammerseng restated the goal that the members need to come up with simple regulations that would protect both existing and future homeowners. Nash's suggestion based on the discussion was to set simple above grade minimums without getting into housing styles. Armstrong agreed adding that the minimums decided need to take into consideration that with a split level style, the basement is not considered above grade. Kuitunen said that at the last meeting, Albertville's design standards seemed the most favorable to the members. Nash replied that if the members included minimums based on number of bedrooms, this would also apply to townhomes and apartments and that a one bedroom minimum would need to be added. She added that the members need to also look at the "definitions" section and make sure any redefinitions are not exclusionary.

Schendel said that he believes the simpler the minimums are, the better. Kolasa said that he has toured the different developments and they look good and do not appear to have "problem areas".

Christenson agreed with having variety, but that there should be something included to prevent building a house too small. He said that he doesn't know anyone that regulates building a bigger house and that sometimes pushing for a bigger house is a good thing. He stated that his builder pushed him to a bigger house and now he wishes that he had been pushed for even bigger.

Schendel replied that members need to also consider people's budgets and that pushing them to a bigger house with bigger payments may lead to foreclosure. The City has seen that in the past with the recession. He also said that it is dependent on what the homeowner wants to put in the house—building smaller but having a higher quality inside or upgrades is not a bad thing.

Hammerseng said that members know what we currently have for design standards and what was in the past, and wondered if there was any reason to go back and look at those. Nash said that the past design standards were cumbersome and had poorly crafted definitions with multiple interpretations. She would recommend not using the past minimums and coming up with a new above ground minimum finished and not do a minimum foundation. Hammerseng asked if the new minimums would be applied to new subdivisions or if that would be handled separately. Nash replied that the new minimums would be applicable to future subdivisions. Developers could do a master plan, but tend to shy away from PUDs when there hasn't been any for a long period of time. The last development was Quail Pass Second Addition in 2006 and the last house is being built this summer. A city needs to size the minimums so that it is affordable to build, there is a

variety of sizes, it meets the needs of residents in various stages of life, and that will not chase away potential developers.

Hammerseng said that since there are only a few lots left in Hanover, the City is “built out” and the members need to look at the future. Schendel added that it needs to be feasible for a developer and that Hanover is attractive to builders. Nash added that if there are too many rules and variances away from the standard that, too, makes developers nervous. She recommends doing reasonable minimums and suggested doing either based on number of bedrooms or above grade finished footage.

Hammerseng requested that the guests explain why they were attending this workshop.

Thomas Jones, 540 Kadler Avenue, said that when he purchased his home, he had the understanding that similar homes to his would be built on the empty lots. He understands that the lots left have unique characteristics and lives next to such a lot.

Steve and Lynn Beise, 505 Kadler Avenue, both spoke. Steve said that he is trying to gain understanding what is going to be built in their neighborhood on the vacant lots and get educated on the process the City goes through when approving homes to be built. He also mentioned his concern about the value of his home and what impact future home would have on it when he goes to sell it. He is concerned about what is going to be built and believes they should fit in with the neighborhood. Lynn also said she was here to learn and asked if lots planned in the beginning were workable, why are they not now? Nash responded by explaining that after the Crow River Heights plat was approved, the City created a wetland setback that would be applied to existing or new lots. Those lots were buildable, and now the City has to look at the lot after the wetland is defined and decide whether or not a variance is needed. Lynn also referred back to the remarks about building too big and foreclosures happening, saying that she knows of people that had to foreclose because they were moving for work and couldn't sell their home because the value had dropped. Nash also responded to the concern regarding home value and said that everyone's home values have dropped, hers included, and have not recovered their value. It is a universal thing and doesn't believe that the depression in value is related to the lots remaining in Crow River Heights. Armstrong added that now people look at the price per square foot, not necessarily the assessed value, and also desire to upgrade within the neighborhood. She gave the example of a homeowner that came into the neighborhood as a first-time home owner and has lived here for a period of time and now the house they always wanted in the neighborhood is up for sale.

Clark Lee, 525 Kadler Avenue, said he is here about the rest of Crow River Heights that is waiting development because he wants to build another home in Hanover, a rambler, and wants to make sure that standards are in place.

Dr. Dave and Nancy Sibley, 6005 Goldenrod Lane, Plymouth, are the owners of lots 500-520 Kadler Avenue to which the other guests have referred. This will be their third home they have built and are thrilled with the lots. They want to move closer to family and live in a city that has a small town feeling. Both lots have been surveyed and the wetlands delineated. They visited with Brian Hagen, City Administrator, and Biren prior to purchasing the lots to ask whether or not they would be able to build on the lot. At that time, prior to the moratorium, they were told that they would be able to build on it, but that a wetland delineation would need to be done prior to that. Armstrong asked what size home was going to be built and the Sibleys answered that it would be a rambler with a basement and that the plan was for 1248 square feet. They have not had house plans drawn since the moratorium was in place.

Hammerseng thanked the guests for speaking.

Nash asked for direction from the Planning Commission and would bring a draft ordinance to the July meeting and advertise for a Public Hearing of the ordinance at the August meeting. The deadline for publishing the Public Hearing Notice had passed. This would all be dependent on Council's actions at the July 19th meeting.

The direction given to Nash was to draft an ordinance related to single family dwellings with a minimum size of between 1000-1100 square feet finished above grade. Definitions would also be reviewed and updated as part of the ordinance amendment.

Hammerseng said that Council was going to wait on Planning Commission's recommendation to terminate the moratorium until after this meeting to make their decision. He confirmed that he is hearing from Planning Commission that Council should end the moratorium and the members agreed with that statement.

The meeting ended at 7:36 pm.

Attest:

Amy L. Biren
Administrative Assistant