

City of Excelsior
Notice of Work Session
of the Excelsior City Council

NOTICE IS HEREBY GIVEN that the City Council of the City of Excelsior will hold its work session on Monday, July 18, 2022 at 5:30 P.M. at the Excelsior City Council Chambers, 339 Third Street, Excelsior, MN 55331.

Members of the public may attend the work session either in person, at City Hall or by joining via Zoom either online or by telephone at:

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City of Excelsior
City Council Work Session

Agenda

Monday, July 18, 2022

5:30 P.M.

1. Call to Order/Roll Call
2. Agenda Approval
3. Joint Meeting with the Planning Commission
 - Residential Review Permit Report
 - Parking Requirements
4. Adjournment

Note:

The purpose of a Work Session is for the Council to discuss matters informally and in greater detail than is allowed at formal Council meetings. All meetings of the Council including Work Sessions will be open to the public. While the privilege of participating in these discussions is generally limited to the Council, staff, and consultants, the Mayor may open a discussion from the floor.



MEMORANDUM

Re: Item 3: Residential Review Permit Report

Date: July 18, 2022

To: City Council and Planning Commission

From: Julia Mullin, Community Development Director

BACKGROUND

The Planning Commission and staff have conducted a review of the Residential Review Permit Ordinance and how it has operated to date. There have been 18 applications for Residential Review Permits for new construction of single-family homes and additions to existing homes since the Ordinance was adopted in September 2020.

The report is attached here for review.

RECOMMENDED ACTION

The goal at the Joint City Council/Planning Commission meeting is to begin a conversation about the report.

What are the most important takeaways?

What questions does the report raise?

What additional information is needed?

How do the City Council and Planning Commission want to pursue the report's recommendations?

ATTACHMENTS

Residential Review Permit Report, July 18, 20212



RESIDENTIAL REVIEW PERMIT REPORT July 18, 2022

A summary of activity to date and an analysis of permits issued for residential construction subject to the Residential Review Ordinance, adopted in September 2021.

Excelsior Planning Commission

Dan Wallace, chair

Lance Black, vice chair

Jules Harrison

Kate Holste

Bruce Nolls

Andrew Punch

Kara Tyler

Staff

Julia Mullin, Community Development Director

Brian Larson, City Architect

Kevin Staunton, City Attorney



INTRODUCTION

This report is a summary and analysis of the residential construction activity to date in the City of Excelsior that has been subject to the Residential Review Permit Ordinance adopted by the City Council in September 2020. The goal of the report is to understand how the Ordinance has worked over the past 21 months and to determine if the Ordinance has resulted in the consequences that inspired its creation and adoption. This report also provides some proposed recommendations for changes to the Ordinance and process.

BACKGROUND

The Excelsior City Council adopted the Residential Review Ordinance (Ordinance 610) in September 2020. In its preamble the Ordinance describes conditions in the City that prompted the creation and adoption of the Residential Review Ordinance. The desired goal of the Ordinance was to cultivate residential construction that enhances Excelsior's unique character as a historic small town. The Ordinance requires a Residential Review Permit for all new single family new construction as well as remodeling and additions:

The City of Excelsior has a diverse collection of single-family structures that have created a small-town character, making the city an especially desirable place to live. As a result of that desirability, the city has in recent years experienced a surge in single-family residential development activity, much of which has come from replacement of existing structures with entirely new houses, which has threatened the character that has made the city such a uniquely desirable place to live. The City Council finds that traditional zoning regulations have not been sufficient to preserve the small-town character that has made Excelsior such a desirable place to live.

Therefore, the City Council has adopted an ordinance that creates a Residential Review Process ("RRP") to apply Good Neighbor Guidelines standards. The RRP is intended to encourage collaboration between the community and the property owner and ensure that residential redevelopment preserves and enhances the special character that has made the community so desirable. After extensive discussion and study in the community regarding the issue, the City Council is adopting this ordinance regulating redevelopment of residential properties in the City of Excelsior.



The intent of the Ordinance as codified in Article 41 of Excelsior's Zoning Ordinance is to:

- (1) Regulate mass and scale, bulk and orientation of new construction and remodeling
- (2) Ensure compatibility of new construction and remodeling with existing surrounding properties
- (3) Preserve tree canopy, green space, air and light for existing surrounding properties
- (4) Protect and enhance the City of Excelsior's appeal and attraction to residents and visitors
- (5) Nothing in this chapter shall be construed to regulate architectural design of new construction and remodeling unless it affects mass, scale, bulk and/or orientation.

To meet this intent the Ordinance:

1. Adopts Good Neighbor Guidelines, which provide the criteria to apply in administering the residential review process and review of all single-family structure remodeling, additions, and new construction.
2. Requires a residential review permit for any new construction, additions, remodels that result in the increase of volume of or for any new construction, additions or remodels that reorientation or change in setbacks of a principal structure or accessory structure requiring a building permit.
3. Appoints the Planning Commission as the reviewing body in charge of approving and denying residential review permits through the residential review process.

The Planning Commission, planning staff and city architect have reviewed the activities of the Residential Review Permit process since its inception in September 2020, drawn some conclusions, and proposed some recommendations for changes that would improve the process for applicants and result in new and renovated homes that are compatible, in terms of mass and scale, with the size of the parcel and the surrounding neighborhood.



ANALYSIS

1. Number and Type of Permit Applications

Since the adoption of the Ordinance, there have been 17 Residential Review Permit applications approved by the Planning Commission and one application withdrawn. No application has been denied.

Additionally, the Planning Commission has approved two Amendments to approved permits, and staff has administratively approved one Amendment to an approved permit. Of the 17 applications, 7 were for the construction of new single-family homes and 10 for additions to existing homes. The additions have included added living space to the home, new garages, new porches. A list of all applications is included at the end of this report.

RRP Application Type	# Permits
New Home	7
Addition	10
Amendment to approved Permit – approved by PC	2
Administrative Amendment to approved Permit – approved by staff	1

2. Applications with Variances

Of the 17 Residential Review Permit applications, three were accompanied by Variance requests. Fourteen applications would not have been reviewed by the City prior to Building Permit issuance but for the Residential Review Ordinance. These 14 applications all complied with the standards of the Excelsior Zoning Code and were reviewed during this process for adherence to the Good Neighbor Guidelines.

The two Amendments to Residential Review Permits approved by the Planning Commission were accompanied by Variance applications.

The projects with Variance applications included:

678 Pleasant Street– maximum height and size of garage, minimum setback, garage with street-facing doors must be setback at least 10' from front wall plane



366 Oak Street– maximum size of total accessory structures and garage, wall height, side yard setback, garage with non-street facing doors must be setback at least 6' from front wall plane

162 West Lake – building coverage

101 Center Street Amendment to approved permit – front yard setback

44 1st Street Amendment to approved permit – rear yard setback

3. Application Process

As with other land use applications, the City is required to act on Residential Review Permit applications within 60 days and may take up to 120 days to take action. One measure of how well the process is functioning for Applicants is to look at how long it takes for applications to be acted upon by the Planning Commission. Some applications are reviewed and approved in one meeting. Other applications are reviewed at an initial meeting during which the Planning Commission offers recommendations for better compliance with the Good Neighbor Guidelines and then a revised application comes back to the Planning Commission at a second meeting at which it is approved or denied.

Of the 17 Permit applications, 11 of them were reviewed and acted on by the Planning Commission at one meeting. Six applications were reviewed by the Planning Commission at one meeting and then continued to a future meeting so that revisions to the plans could be considered. Five of the six applications were completed in two meetings of the Planning Commission. In some cases, a Special Meeting of the Planning Commission was scheduled for the continuation of an application to avoid a month's wait to the next meeting.

Another factor in the process is whether a pre-meeting with staff (planner and city architect) regarding the application is held. In some cases, the pre-meeting helped the applicant create an initial plan that met the Good Neighbor Guidelines and the Planning Commission reviewed and approved the application with unanimous approval. In other cases, despite a pre-meeting, the application still required more than one meeting with the Planning Commission before action was taken. Sometimes this was due to a project that had more complexity, such as a lot that presented constraints, or a project vision that was less clearly adhering to the Good Neighbor Guidelines and the Applicant chose to continue to the Planning Commission with the plans as initially drawn.



Regarding the cost of staff review, planning staff time spent on applications is part of the general duties of staff. The city architect's time spent on an application is billed to the Applicant. Applicants pay a \$500 escrow deposit with the application to cover this review.

4. The Good Neighbor Guidelines most commonly at issue during Planning Commission review of projects:

There are seven Good Neighbor Guidelines used to review each project. (They are attached.) The Good Neighbor Guidelines most often cited by the Planning Commission for not being adequately met by a proposed project were:

1. Massing and scale of a new structure should be compatible with neighboring structures

2. The size and mass of a new structure should be compatible with the size of the property

5. Consider front porch element in design of new structures

Second story massing: there have been a number of projects proposed on smaller lots that included a full second story in the plans. A full second story helps maximize the amount of space inside the house, especially on a small lot. However, a full second story also makes the house feel more massive. And it is not always possible to reduce the perception of mass through architectural detailing. When elements of a one-and-a-half story structure are included in the upper level, such as dormers, gables, lowered roof lines, or on the main level a porch that projects from the front of the house with no structure above it, the home feels less massive. In Excelsior there are many one-and-a-half story homes. A new two-story home in a neighborhood where both are present, does not always fit. However, it is also true that some sites do not present a strong contextual pattern of surrounding house massing because there is a mix of massing and heights. Identifying compatibility in these areas is challenging.

Location of the garage: Traditionally in Excelsior garages are located at the rear of the lot. There are zoning standards in place to encourage this location, such as the 500 sf bonus in hardcover calculation for a garage that is 60 feet from the front property line. When a garage is proposed to be attached, it creates more mass in the primary structure. The Planning Commission worked with applicants on the issue of lowering the roof between the home and the attached garage in order to lessen mass, and worked with applicants to locate the attached garage at the rear of the home.



Front porches: The Good Neighbor Guidelines encourage a front porch be part of plans for new homes. Many original homes in Excelsior have front porches, and porches connect a home to the street, are an architectural detail on the house that provides interest and can lessen the overall massing of a home. A number of the applications that came before the Planning Commission included small front porches that could also be termed covered entryways into the home, with finished space adjacent, or front porches that had second story finished space above them. While not problematic in and of themselves, these porches did not provide the same relief of massing that a front porch which projects from the front of the house would provide. The definition of “porch” in the Zoning Ordinance is *“an entryway attached to a building and/or projecting from its main mass”*. However, that projection is not always what is proposed.

The Good Neighbor Guidelines that were less often cited by the Planning Commission were:

- # 3. A new structure should follow alignments that are predominant on the street and compatible with neighboring properties

- # 4. A new structure’s design should respect the site’s natural slope and features, minimizing cut, fill and retaining walls

- # 6. A new structure should be detailed as four-sided architecture

- # 7. Consider neighbor views, privacy and sunlight in placement and size of a new structure’s elements

5. Public/Neighbor Input

The Residential Review Permit process encourages Applicants to share their plans with neighbors and to consider their feedback as they finalize their design. Good Neighbor Guideline #7 states: *Consider neighbor views, privacy and sunlight in placement and size of a new structure’s elements*. Overall, this communication with neighbors has been a successful outcome of the Residential Review Permit process. Generally, the Applicant and neighbors talk and adjustments are made to the project design that work out for everyone. There have been some applications that have proved controversial to neighbors. Neighbors have weighed in and sometimes are frustrated when a design goes ahead seemingly unaltered by neighborhood comment. The Planning Commission has made clear that they take into consideration the efforts made by an Applicant to work with neighbors. Ultimately, neighbor input is not a deciding factor in approval decisions.



CONCLUSIONS

Contributions to Successful Applications

In a review of Applications to date, the following characteristics of an Application contributed to its approval by the Planning Commission. In other words, these characteristics resulted in a project that met the intent of the Ordinance:

- Applicant reached out to neighbors in a proactive way and demonstrated how their proposed design responded to neighbor concerns.
- Applicant proposed a structure that is smaller than the maximum dimensions permitted by the Zoning Ordinance, including height, setbacks, building coverage, lot coverage.
- Applicant demonstrated in their application narrative or in their presentation to the Planning Commission how the plans met the Good Neighbor Guidelines in application materials in presentation/application. For example, one project included an open second level porch in the rear, instead of finished space, to lessen the impact of the project on the neighbor's view. Another project changed the window design on the front of the house to accommodate neighbor's interest in privacy and concern for compatibility with design of other structures in the neighborhood.
- Applicant requested no variances.
- Applicant collaborated with staff to evolve the project design.

Examples of the Residential Review Permit process that resulted in an improved project:

163 Mill – The garage addition is smaller and less tall than what was originally proposed. A reduction in roof height between the garage and home to reduce overall massing was added to the final approved plans. There is architectural detail on all sides of the garage and in the addition that connects the garage to the home, and the details on the addition match those of the original house.

197/199 Oak – The overall height of each of these new homes is lower than originally proposed. Long blank roof planes were relieved with projections and recessions in the plans. There are more windows in the structures and garages than originally proposed. has more relief.



44 First Street – The proposed home is smaller than the maximum dimensions permitted by the zoning ordinance. It is compatible with the small size of the lot (under 5,000 sf) and with homes in the surrounding neighborhood.

No Applications Denied

Of the 18 applications received by the Planning Commission, one was withdrawn and none were denied. Applicants used the Good Neighbor Guidelines to create their designs, and in some cases worked with the Planning Commission to revise and reshape project plans during the application process. Each of the 17 applications was ultimately approved by the Planning Commission. As a result of the Residential Review Permit Ordinance, residential construction was shaped by the Good Neighbor Guidelines.

RECOMMENDATIONS

After approximately 20 months of implementing the Residential Review process, the Planning Commission and staff recommend the following improvements to the process:

1. Require for every Applicant a pre-submission meeting with city staff. Staff can share elements of a successful process, initial zoning compliance issues can be addressed so that they do not cause delay, and staff can provide initial advice regarding adherence to the Good Neighbor Guidelines. This gives the applicant an opportunity to make some revisions before review by the Planning Commission and could result in more applications completing their review with the Planning Commission in one meeting.
2. Define one, one-and-a-half story, and two-story massing more clearly to help applicants create designs that are compatible with the lot size and the surrounding neighborhood. The definitions could identify elements, such as dormers, gables, porches, etc. that are consistent with each type of structure and provide graphic examples of each.
3. Clarify the definition of a front porch and the purpose a porch serves in meeting the Good Neighbor Guidelines. For example, a front porch can activate the streetscape if it is large enough to be occupied. It can act simply as an entryway, and landing spot before entering the house. Or it can reduce the massing of the overall structure by acting as a one-story transition to the upper level. Clarify that if a front porch is used to meet some of the Good Neighbor Guidelines, particularly appropriate mass and scale, it must project from the main structure.



4. Consider making “garages” a separate category for review in the Good Neighbor Guidelines. Consider changing the zoning standards or the Good Neighbor Guidelines to ensure that garages are compatible in mass and size with the principal structure and surrounding area. Consider requiring that an attached garage be visually separated from the house in order to reduce the mass and scale of the structure. An example of a change to the Zoning Ordinance might be to remove the standard that permits an increase in height for a detached garage if the side and/or rear setbacks are increased. This provision permits larger garages and incentivizes pulling them away from the rear property line.
5. Currently, the Code requires that wall planes of a certain length be broken up by the addition of 2' x 8' projections or recessions. This is too prescriptive. Consider adding other acceptable techniques for breaking up wall planes, such as different size projections/recessions, windows, fireplace/chimney, etc.
6. Consider conducting a survey of all the Applicants or all residents to date to find out about their experience with the Residential Review Ordinance and process. Use the information gathered to inform revisions to the Ordinance or Zoning Code. Questions would include: Is the Residential Review Permit process a barrier to entering Excelsior? How much does the process cost? Did it result in a better project? Are new homes and additions enhancing Excelsior’s unique character? Together with this report, these survey results will help the City determine if the intent of the Ordinance is being met.
7. Consider the Good Neighbor Guidelines themselves. Streamline the Guidelines so that they are easier to use. Re-order the Guidelines to increase clarity and avoid redundancy. Start with the larger, broader impact and move to the specific and local impact of the proposed project. For example, #3, #1, #7, #2, #4, #6, #5.
8. The City chose to make the Planning Commission the decision-making body for Residential Review Permit Applications, with the opportunity for an Applicant to appeal a denied application to the City Council. Are there circumstances that suggest this should be revisited?

Attachments

List of Residential Review Permits, 2020-present

Good Neighbor Guidelines



RESIDENTIAL REVIEW PERMITS, 2020 – present

ADDRESS	PROJECT
2020	
678 Pleasant	Garage expansion
444 Lafayette	New garage
2021	
366 Oak Street	Addition with new garage and living space
220 West Lake Street	Addition
220 Bell Street	New Construction
700 3 rd Avenue	New deck
678 Pleasant Street	Amendment
101 Center Street	Second level addition
162 West Lake Street – not built	Demolition and new construction
197 and 199 Oak Street	Demolition, lot split, new construction – two homes
186 Maple Street	Addition
101 Center Street	Amendment
181 George Street	Addition and new garage
125 1 st Street	New Construction
48 Center Street - withdrawn	Demolition and new construction
44 1 st Street	Demolition and new construction
335 George Street	New Construction
1 Bell St	Addition
2022	
44 1 st Street	Administrative Amendment – expand attached garage
631 Mill Street	Addition and new garage
162 West Lake Street	Demolition and new construction



MEMORANDUM

Item 2: Parking Requirements for Multifamily

Re: Residential Uses

Date: July 18, 2022

Julia Mullin, Community Development Director

To: City Council and Planning Commission

From: Kevin Staunton, City Attny/Asst Cty Mgr

BACKGROUND

The City has recently reviewed concept proposals for multifamily housing – at 339 Third Street and at 300 Water Street – and a concept for a hotel at 10 Water Street. Parking requirements and parking impacts for these projects have raised questions about whether our existing requirements for parking in the Downtown Commercial District (the “District”) are correct. In other words – do they result in the parking the City needs for these types of developments or are they overly burdensome and require too much parking on site which is not needed and difficult to provide? Before we can address this question, it is important to provide some background and context.

Background and Context

The District parking regulations attempt to ensure there is sufficient parking for the demand generated by the various land uses. The regulations do this by managing both the demand and the supply of parking. On the demand side, the ordinance attempts to assess the amount of parking likely to be generated by any given land use. For instance, retail uses require 2.5 parking spaces per 1,000 square feet of gross floor area while restaurants with liquor licenses require 1 space for every 3 seats (or one space for every 42 square feet of gross floor area if there is not a seating plan).

Despite this estimate of the demand generated by any particular use, the reality is that many of the properties in the Downtown Commercial District have greater demand than can be satisfied by the supply located on their property. This reality has been recognized by the zoning code for over 30 years by providing each property with a “credit” for the number of spaces they had when the off-street parking requirements were adopted. This “credit” does not change the demand created by the particular use but, instead, prevents that use from being non-conforming under the zoning code.

The supply side of the equation has been handled for decades by the east and west public parking lots and on-street parking. These facilities provide public parking that handles the demand created by those properties with insufficient onsite supply to provide for the demand generated by their property’s use. Recognizing this fact, the City assesses properties in the District based on their share of the overall parking deficit (i.e., difference between the amount of demand generated by the uses and the supply provided on each property). This is a way to fairly distribute the costs of maintaining the supply of parking that is

required by a shortage of off-street parking on each individual site. Accordingly, a property owner who includes all of the parking required by the use of her property on her site pays nothing while property owners whose parking demand exceeds the supply they provide pay a pro rata share of the cost of maintaining the public supply benefiting them.

In the early 2000's, the City Council recognized that this system was having the effect of "freezing" uses in place. Properties were effectively prohibited from changing uses (at least to a use – such as a restaurant – that required more parking) because they could not meet the on-site parking requirements required for the new use. This led to the creation of the Parking Impact Fee Ordinance (the "Ordinance"). The Ordinance allows a project that is a new development or a change in use to pay an annual fee (currently \$1,000) in lieu of providing on-site parking for each required stall that it cannot provide. To be eligible, the redevelopment cannot reduce the number of existing spaces on the property unless those existing spaces are nonconforming.

The revenue generated by the parking impact fees is intended to help provide future additional public parking (as noted above, maintenance of existing public parking is handled separately via assessments of properties based on their share of the total required off-street parking deficit). The effectiveness of the Parking Impact Fee Ordinance depends on maintaining capacity in the overall supply of public off-street parking. Capacity is determined through an annual parking count in off-street parking areas during summer months (which staff is currently carrying out). As we reach the limits of that capacity, we will need to explore ways to add supply (supported – at least in part – by the revenue generated from the parking impact fees). That is currently a part of the conversation we are having about the redevelopment of the City Hall site.

Focus on Demand in General and Multi-Family Residential Demand, in Particular

This background and context help emphasize the importance of accurately estimating the demand generated by each type of land use. The idea is to ensure that we require enough (but no more) parking than is required by the use in question. While we ultimately should evaluate many different types of land uses, the focus of this memo is multi-family parking demand.

To provide some context for Excelsior's existing multi-family parking requirements, staff researched area communities' parking requirements for those types of residential uses.

RESIDENTIAL PARKING REQUIREMENTS

	Single family and duplexes	Multifamily
EXCELSIOR	2 spaces/dwelling unit For single family, plus an add'l space for each three roomers	2.5 spaces/dwelling unit; 1 space open and above ground and 1.5 spaces underground
HOPKINS	<1,200 sf/dwelling unit: 1 space per unit >1,200 sf/dwelling unit: 2 spaces per unit plus an additional space for each 2 roomers accommodated	2 spaces/dwelling unit
ST LOUIS PARK	2 spaces per unit (add'l spaces not required for accessory dwelling unit)	Studio – 1 space 1 Bedroom – 1 space 2 Bedroom – 1.5 spaces 3-4 Bedroom – 2 spaces (5% of the required parking shall be provided for guest parking) Age-restricted housing – 1 space/unit (or less with research)
STILLWATER	2 spaces per unit (1 must be covered)	1.5 spaces/unit (1 must be covered) and 1 space/3 units for guest parking
MINNETONKA	2 spaces per unit (1 must be covered)	2 spaces/unit (additional spaces for visitors as determined)

WAYZATA	2 spaces per family unit	2 spaces/unit May provide fewer spaces than required with CUP and payment to city parking fund
EDINA	1 space per unit	2 spaces/unit In Planned Commercial District: 1 space/unit and if units are >1,500 sf 1.5/unit
MINNEAPOLIS	Requires parking maximums	

Initial Observations

1. Excelsior requires the most parking for multifamily developments.
2. Wayzata allows some parking flexibility for multifamily developments.
3. St. Louis Park applies its multifamily parking requirements by unit type.
4. Edina’s requirement varies by location.

We can look at how the different parking requirement standards play out by taking a high-level look at the parking scenario for the proposed development on the City Hall site. The proposed multifamily development proposes 54 units of housing and 77 dedicated parking spaces. This is a parking ratio of 1.4 spaces per unit. Today, Excelsior’s parking requirement is 2.5 spaces per unit or 135 spaces for this development.

If Excelsior’s requirement were 2 spaces per unit, 108 spaces would be required.

If Excelsior applied St. Louis Park’s standard, 69 spaces would be required.

Next Steps

Some additional information would be helpful as we try to establish the right parking requirements for multifamily housing in Excelsior. It is recommended that we talk with some multifamily developers about the industry best practices for providing parking. Conversations with business owners in the District would provide valuable information about both the parking demand they produce and the supply they need. Additional information from area communities may be useful as well.

RECOMMENDATION

Staff recommends that the Council direct the Planning Commission to gather additional information and develop a proposal for any revisions to Excelsior's multifamily parking requirements and bring a recommendation to the Council.