

MINUTES OF A REGULAR MEETING OF THE
INDEPENDENCE CITY COUNCIL
TUESDAY, SEPTEMBER 13, 2016 –7:30 P.M.

1. CALL TO ORDER.

Pursuant to due call and notice thereof, a regular meeting of the Independence City Council was called to order by Mayor Johnson at 7:30 p.m.

2. PLEDGE OF ALLEGIANCE.

Mayor Johnson led the group in the Pledge of Allegiance.

3. ROLL CALL

PRESENT: Mayor Johnson, Councilors Betts, Spencer, Grotting and McCoy

ABSENT: None

STAFF: City Planner & City Administrator Mark Kaltsas, City Administrative Assistant Horner

VISITORS: Lynda Franklin, Scott Hines, Derek Walsh, Bob Lamp, Donna Hendley, Dave Truax, Dale Hoikka, John Fought

4. ****Consent Agenda****

All items listed under Consent Agenda are considered to be routine by Council and will be acted on by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- a. Approval of City Council minutes from the August 23, 2016 City Council Meeting.
- b. Approval of City Council minutes from the August 31, 2016 City Council Workshop.
- c. Approval of Accounts Payable; Checks numbered 16441 (reprint) 16442-16460.
 - For Information - Checks numbered 16426-16440 are Payroll Checks.
- d. Approval of Four (4) New Election Judges.
- e. Approval of Administrative/Planning Services Contract.
- f. Escrow Reduction Request for Serenity Hills Subdivision.
- g. Agriculture Preserve Renewal Request for the Following Properties:
 - 09-118-24-41-0002
 - 09-118-24-44-0001
 - 10-118-24-32-0004
- h. Payment Request #2 from Knife River for the 2015 Street Overlay Project in the Amount of \$146,437.85.
- i. Date Change for the November 8, 2016 City Council Meeting Due to National Election.

Motion by Grotting, second by McCoy to approve the Consent Agenda. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

5. SET AGENDA – ANYONE NOT ON THE AGENDA CAN BE PLACED UNDER OPEN/MISC.

6. REPORTS OF BOARDS & COMMITTEES BY COUNCIL AND STAFF

Spencer attended the following meetings:

- WHPS Budget Workshop
- MnDOT Stencil project “Buckle-Up”
- Sensible Land Use Coalition Luncheon
- City Budget Workshop
- Lake Sarah Invasive Species Training by Hennepin County
- Gehrman site visit
- Hennepin County Comprehensive Plan Commission for 2040

Grotting attended the following meetings:

- City Budget Workshop
- Met with Kaltsas about LMCC
- LMCC Committee Meeting

McCoy attended the following meetings:

- City Budget Workshop
- Maple Plain Fire Department Commission Meeting
- Highway 12 Safety Coalition Meeting
- Haven Home Pig Roast

Betts attended the following meetings:

- City Budget Workshop
- Sensible Land Use Coalition Conference
- Highway 12 Safety Coalition
- West Hennepin Chamber of Commerce Meeting
- Police Commission Meeting

Johnson attended the following meetings:

- Community Action Partnership Suburban Hennepin County Board Meeting
- City Budget Workshop
- Maple Plain Fire Department Commission Meeting
- Highway 12 Safety Coalition Meeting
- Haven Homes Pig Roast
- Gehrman site visit
- Regional Council of Mayors Meeting
- West Hennepin Emergency Collaboration Meeting
- Metro Cities Policy Committee Meeting
- Police Commission Meeting
- LMCC Police Department Filming

Horner attended the following meetings:

- City Budget Workshop
- Post-Primary Election Meeting

Kaltsas attended the following meetings:

7. DONNA HENDLEY (OWNER/APPLICANT) REQUESTS THAT THE CITY CONSIDER THE FOLLOWING ACTIONS FOR THE PROPERTY LOCATED AT 4150 LAKE SARAH DR. S., INDEPENDENCE, MN (PID NO. 02-118-24-43- 0003):

- a. **ORDINANCE 2016-04:** Rezoning from Ag-Agriculture to RR-Rural Residential.
- b. **RESOLUTION 16-0913-01:** A preliminary plat to permit a five (5) lot subdivision.

Kaltsas said the subject property is located at the northeast intersection of County Road 11 and Lake Sarah Drive South. The property has an existing home and several detached accessory structures. There is an existing Conditional Use Permit on the property for a Commercial Riding Stable. The property is heavily wooded with a diverse terrain and widespread wetlands.

Kaltsas said This property was recently subdivided in 2014 in order to separate two existing homes that had historically occupied this property (One of the homes was used as a caretaker's house - home located near the stables in the northwest corner of the property and accessed off of Lake Sarah Drive South and the other as the principal home of the owner - located in the middle of the property with access off of County Road 11). The previous subdivision was permitted under the provisions of the rural view subdivision ordinance. At the time of that subdivision, the City required the applicant to submit a ghost plat of the remaining property in order to ensure that the surrounding property could be subdivided in the future. The owner is now interested in rezoning the property to Rural Residential which would allow the subdivision of four new lots in addition to the existing lot. Following consideration for rezoning, the applicant is requesting that the City consider the proposed preliminary plat

The City allows the subdivision of property in the rural residential zoning district if it can be shown to meet all applicable criteria of the ordinance. Based on the rural residential lot provisions, the maximum number of lots this property could yield would be twelve (12). This number is only possible if all applicable requirements were met. It is not anticipated that this property could realize the maximum number of lots due to the unique topography and wetlands. One factor that was considered in reviewing the preliminary is the location of the wetlands on the property. The wetlands bisect this property in a manner that appears to limit the future development potential.

The proposed subdivision would create four new lots along with the existing lot. The applicant has worked to develop the property in a manner that would respect the natural topography and wetlands, capture the best building site locations and limit construction of additional public infrastructure. The 4 newly created lots will be required to pay the City's requisite park dedication fee.

Other Considerations:

1. The property is guided for rural residential by the City's Comprehensive Plan. The proposed subdivision is keeping with the intent and guidance provided by the Comprehensive Plan.
2. The existing 5 acre property (5850 County Road 11- in the middle of the property) along with the subject property will be rezoned to Rural Residential as noted during the approval of the initial minor subdivision.
3. There is a small upland portion of the property that is proposed to remain with Lot 3, but is separated from the principle portion of the property by a wetland. This upland portion may be difficult to access in the future. It would be possible to access the property from Lot 4 via an additional easement, but the City would then require a full private driveway to be constructed. At this time the applicant does not want to

develop any infrastructure. This upland portion may not be developable in the future unless another means of access is provided. The City will want to note that this portion of the Lot 3 cannot be further subdivided without access that meets the City's applicable requirements.

4. The applicant has prepared a wetland delineation for this property. All wetlands and their requisite buffers will need to be located within the drainage and utility easements.
5. The City will require the applicant to enter into a Development Agreement for the proposed public sewer improvements and the costs of the park dedication. The individual lots will be required to apply for and be granted a grading permit at the time of building permit application. At that time the City will review the individual lot grading.

The proposed subdivision of this property appears to be in keeping with the vision of the comprehensive plan and with the character of the surrounding properties. The proposed lots conform to all applicable criteria for rural residential lots. The proposed plan is in keeping with the previously submitted ghost plat that was reviewed by the City. Given the extensive wetlands on the property and its proximity to adjacent geographic features as well as the surrounding properties, there does not appear to be anything that the City would be preventing for future development. The proposed subdivision appears to meet all of the applicable standards of the City's zoning and subdivision ordinance.

The Planning Commission recommended approval of the requested Rezoning and Preliminary Plat. Final Plat will need to be considered following submittal of and satisfaction of all requirements contained in the findings and conditions. Approval of the rezoning and preliminary plat shall include the following findings and conditions:

1. The proposed Rezoning and Preliminary Plat meet all applicable conditions and restrictions stated Chapter V, Section 510, Zoning, in the City of Independence Zoning and Subdivision Ordinance.
2. City Council approval of the Preliminary Plat is subject to the following:
 - a. The Applicant shall address all comments and applicable requirements pertaining to the development.
 - b. The Applicant shall make all revisions requested in the staff report, by the Planning Commission and City Council.
 - c. The Applicant shall comply with all applicable regulations and conditions prescribed by Pioneer Sarah Watershed District.
 - d. The Applicant shall enter into a development agreement with the City for this development.
 - e. The Applicant shall provide a letter of credit as established by the development agreement for all improvements associated with this development.
 - f. The Applicant shall provide the City with copies of the HOA agreement and covenants, including information related to the maintenance of the common driveway.
 - g. The Applicant shall obtain all necessary City, County, PCA and other regulatory agency approval and permits prior to construction.

3. All lots approved as a part of this subdivision shall be required to connect to the City's sanitary sewer system. The cost for the connections will be further defined in the development agreement for this subdivision.
4. The Applicant shall pay the park dedication fees in accordance with the terms defined in the Development Agreement.
5. The Applicant shall pay for all costs associated with the City's review of the rezoning and preliminary plat.
6. The Applicant shall submit the final plat and associated documents to the City within one year of approval of the Preliminary Plat.

Motion by Spencer, second by Betts to approve ORDINANCE 2016-04: Rezoning from Ag-Agriculture to RR-Rural Residential. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Grotting to approve RESOLUTION 16-0913-01: A preliminary plat to permit a five (5) lot subdivision. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. WINDSONG FARM GOLF CLUB, LLC (APPLICANT/OWNER) REQUESTS THAT THE CITY CONSIDER THE FOLLOWING ACTIONS FOR THE PROPERTY LOCATED AT 18 GOLF WALK (PID NO. 32-118-24-13-0001) IN INDEPENDENCE, MN:

- a. **RESOLUTION 16-0913-02:** A comprehensive plan amendment to allow an expansion of Windsong Golf Club to the property north of CSAH 6.
- b. **RESOLUTION 16-0913-03:** A conditional use permit amendment to allow an expansion of Windsong Golf Club to the property north of CSAH 6 for a new driving range/practice facility (private facility).

Kaltsas said the applicant is seeking an amendment to the existing conditional use permit to allow the use of their property located north of CSAH 6 for a new golf practice facility. Windsong has recently acquired several properties just north of the existing golf course. The proposed practice facility would include a larger driving range, seasonal building for bathrooms, a short game practice area, putting green and small storage building. The new practice facility would be accessed via the golf cart tunnel beneath CSAH 6 that was installed last year to provide access to the overflow parking area. The overflow parking area would no longer be in use on the north side of CSAH 6.

Commercial golf courses are permitted as conditional uses in the AG - Agriculture zoning district. The golf club has a conditional use permit that was originally approved in 2001 and amended in 2012 and 2013. The CUP allows a golf course and its associated 29,000 SF club house/pro shop, guest house and overflow parking north of CSAH 6. The initial Golf Course CUP was issued under 530.01, subd. 4(s) which makes "commercial golf course" a conditionally permitted use.

The applicant is proposing to mitigate any visual impacts of the proposed practice facility by constructing 8- 10 foot tall berms along CSAH 6 in a similar fashion to the berms that screen the golf course on the south side of CSAH 6. The proposed practice facility is intended to serve the courses existing membership base and will be for the private use of the members. The new practice facility will ultimately allow the club to expand their existing parking lot on the south side of CSAH 6 into their existing driving range. A practice facility is a use that is typically associated with a golf course.

Any amendment to an existing CUP must meet the same requirements established for granting a new CUP. The criteria for granting a conditional use permit are clearly delineated in the City's Zoning Ordinance (Section 520.11 subd. 1, a-i) as follows:

1. *The conditional use will not adversely affect the health, safety, morals and general welfare of occupants of surrounding lands.*
2. *The proposed use will not have a detrimental effect on the use and enjoyment of other property in the immediate vicinity for the proposes already permitted or on the normal and orderly development and improvement of surrounding vacant property for uses predominant in the area.*
3. *Existing roads and proposed access roads will be adequate to accommodate anticipated traffic.*
4. *Sufficient off-street parking and loading space will be provided to serve the proposed use.*
5. *The proposed conditional use can be adequately serviced by public utilities or on-site sewage treatment, and sufficient area of suitable soils for on-site sewage treatment is available to protect the city from pollution hazards.*
6. *The proposal includes adequate provision for protection of natural drainage systems, natural topography, tree growth, water courses, wetlands, historic sites and similar ecological and environmental features.*
7. *The proposal includes adequate measures to prevent or control offensive odor, fumes, dust, noise, or vibration so that none of these will constitute a nuisance.*
8. *The proposed condition use is consistent with the comprehensive plan of the City of Independence.*
9. *The proposed use will not stimulate growth incompatible with prevailing density standards.*

The existing golf course is relatively secluded from the surrounding properties and County Roads. There are existing golf courses to the west and south of this property. Most impacts that would result from the use of the property would be mitigated by the remaining open space and proposed earthen berming. Golf courses are permitted as a conditional use in the Agriculture zoning district. The property is guided in the Comprehensive Plan as Public/Semi-Public. The use of the property as a golf course is consistent with the existing zoning. The City will need to determine if the practice facility is consistent with the use of the property as a golf course. In addition, the City will need to determine if the proposed amendment to the CUP meets the requirements for granting a conditional use permit.

The applicant is currently in the process of securing a grading/wetland mitigation permit from the City to allow grading and site work to be completed on this property. The City has completed an initial review of the proposed grading and wetland mitigation and has provided detailed comments to the applicant. The City will continue reviewing the grading, drainage and mitigation plans for the proposed practice facility expansion and all approvals will be subject to the City's review and approval.

There are a few additional considerations that should be noted:

1. The proposed building noted on the plans is approximately 3,500 SF. The building will be used only during the golf season and will house bathrooms, video swing analysis rooms and a small club repair area. The building will be accessed only via golf carts from the club. A fire department/emergency vehicle access route will be required to serve the building. There is an existing access route that serves the site off of CSAH 6. The applicant is working on a plan to relocate the access drive to the east and maintain an adequate fire access road and turn around. The City will review the revised access drive and any changes to the driveway locations on CSAH 6 will be subject to the review and approval of Hennepin County.
2. The applicant is designing a new septic system to accommodate the proposed building. The City will review any proposed sanitary service during building permit review.
3. The applicant is not proposing to have artificial lighting on the practice facility. The City may want to

consider a condition that specifically addresses artificial lighting of the facility.

4. The City has guided this property in the comprehensive plan as Public/Semi-Public. In an effort to maintain the comprehensive plan guiding, the City requested that the applicant amend the comprehensive plan to include the land north of CSAH 6. Staff met with the Metropolitan Council relating to the comprehensive plan amendment and it appears that there are no issues with the requested amendment. Any City approval of the requested comprehensive plan amendment will be subject to the approval of the Metropolitan Council.

In the existing zoning district, a commercial golf course is permitted as a conditional use. Resulting traffic, noise, and other measureable impacts should not be incrementally amplified as a result of the proposed practice facility expansion. The use of the facility will be limited to the members of the club and will not increase the amount of traffic or number of users at the golf course. The Planning Commission will need to determine if the requested amendment to the conditional use permit and comprehensive plan meets all of the aforementioned conditions and restrictions.

Commissioners reviewed the request and asked questions of staff and the applicant. Commissioners asked if the current CUP for the golf course was in good standing with the City. Staff noted that there are currently no violations or issues. Commissioners asked if the proposed berm along CSAH 6 would screen the proposed facility from the road. Staff noted that it is very similar to the berm on the south side of the road which screens the golf course. Commissioners asked about the impact of the proposed practice facility on the adjacent lake. It was noted that the City will require storm water related improvements which will benefit the quality of the water entering the lake. Commissioners recommended approval of the proposed conditional use permit amendment and comprehensive plan amendment to the City Council.

The City received a comment during the public hearing from the property owner to the north. The adjacent property owner had met with the golf course and was in favor of the proposed use. No additional written or verbal comments have been received regarding the proposed amendment to the conditional use permit.

The Planning Commission recommended approval of the request for an amendment to the conditional use permit and comprehensive plan with the following findings and conditions:

1. The proposed conditional use permit and comprehensive plan amendment meets all applicable conditions and restrictions stated Chapter V, Section 510, Zoning, in the City of Independence Zoning Ordinance.
2. The comprehensive plan amendment is subject to the review and approval of the Metropolitan Council.
3. The conditional use permit will be reviewed annually by the City to ensure conformance with the conditions set forth in the resolution.
4. This amendment approves the use of a portion of the property to the north of CSAH 6, and further defined on the approved plans, for a practice golf facility. The following conditions should be added to the conditional use permit:
 - a. In addition to the 18-hole golf course, 29,000 square foot clubhouse and 5,350 square foot guest house with six sleeping rooms, Windsong Farm Golf Club can use the property north of CSAH 6 for a practice facility with the following limitations:
 - 1) The practice facility shall be no greater in area than that which is designated on the

approved plans.

- 2) Landscaping and berming along CSAH 6 as detailed on the proposed plans shall be required to be installed.
 - 3) A designated and approved fire/emergency vehicle access shall be maintained into the site at all times.
 - 4) There shall be no artificial lighting of the practice facility.
 - 5) Any expansion of the practice facility, additional buildings or expansion of the proposed buildings shall be subject to the review and approval of the City through an amendment to the conditional use permit.
5. Prior to the City granting a grading permit for the proposed practice facility expansion, the applicant shall complete the following items:
 - a. Revise the plans and provide information as requested by the City's water resource consultant Hakanson Anderson.
 - b. Receive all applicable agency approvals for the proposed grading and drainage associated with the improvements to this property.
 6. Prior to the City granting a building permit for the proposed practice facility building, the applicant shall complete the following items:
 - a. Provide the City with a sanitary sewer plan for serving the proposed building.
 - b. Provide the City with cut sheets for any building lighting.
 7. Pay all costs associated with the City's review of the applications.

Betts asked what they would do when the area designated for temporary parking is gone. Kaltsas said in the short-term they have an area for overflow parking and the long-term plan is to remove a driving range and expand parking in that area.

Lash stated he manages the stormwater efforts and is working with the DNR. He said they are a third of the way through the pre-application process and all of the Ag land will be used for golf. Johnson asked how many acres were Ag and Kaltsas said 89 acres.

Grotting asked if it was ok to proceed as there were pending issues. Kaltsas said it was a good question and noted he spoke with the water resource consultants to see if anything would come up that would alter or change things. He said the land use will remain the same. Kaltsas noted it may take the Met Council sixty days to approve.

Vose stated he is less concerned about changes in ownership than with granting rights that run with the property.

McCoy asked what size the building was going to be. Kaltsas said it would be about 3000 sq. ft. He noted it will have primary and secondary septic or an on-site permanent system. Kaltsas noted it will also have a separate address than

Golf Walk.

Motion by McCoy, second by Spencer to approve RESOLUTION 16-0913-02. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Betts to approve RESOLUTION 16-0913-03. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. HOIKKA CONSTRUCTION (APPLICANT) AND BEAU'SELLE STABLE (OWNER) REQUEST THAT THE CITY CONSIDER THE FOLLOWING ACTIONS FOR THE PROPERTY LOCATED AT 1060 COPELAND ROAD (PID NO. 29- 118-24-31-0001) IN INDEPENDENCE, MN:

- a. **RESOLUTION 16-0913-04:** A conditional use permit to allow a commercial riding stable and to allow an accessory structure that exceeds 5,000 SF.

Kaltsas said the property was recently acquired by a new owner and they are seeking a conditional use permit to allow a commercial riding stable on the property. There is an existing barn located on the property that currently has 22 stables. The applicant is seeking to expand the existing barn to include an indoor riding arena, 3 additional stables and a bunkhouse. The indoor riding arena expansion is greater than 5,000 square feet. All accessory structures greater than 5,000 square feet require a conditional use permit.

The existing barn is approximately 8,750 square feet in size and houses 22 stables. The proposed expansion would add an additional 18,700 square feet and 3 additional stables. In addition to the indoor riding arena, the applicant is seeking a conditional use permit to allow a bunkhouse within the proposed riding arena addition to house a property caretaker. The proposed barn addition would be designed to complement the existing barn and be constructed with matching materials. The proposed expansion would maintain an approximately 100 foot setback from the east property line (closest property line). The applicant has provided the City with a floor plan of the proposed barn addition. The existing barn is currently connected to the septic system for the property. The additional bedroom and bathroom facilities may cause for the system to be expanded. The City will require the applicant to submit a full septic analysis with the building permit.

The City generally allows 1 animal unit on the first two acres and then 1 additional animal unit for each additional acre of property. The subject property is approximately 85 acres. Of the 85 acres, approximately 67 acres is useable open space. Applying the City's typical standard, the site would accommodate 84 animals using the gross acreage or 66 animals using the useable acreage. The 25 horses being sought by the applicant would fit within the allowable number of animal units on the property.

The applicant is seeking permission to board up to 25 horses on the subject property. The City has historically required that the applicants maintain a manure management plan, maintain all applicable permits relating to the management of manure on this property and maintain 1/3 acre of open space per animal unit.

There is an existing manure retention area located on the site. The applicant is proposing to fully enclose the retention area with concrete as a part of the construction for the new addition. The manure generated from the existing barn has historically been spread on the fields. In addition to the subject property, the applicant owns an additional 40 acre parcel to the southeast that could also be used for manure spreading. The applicant anticipates that there would be approximately 2 to 6 guests utilizing the stables and riding arena per day. The only other additional traffic proposed would be for the delivery of bedding materials for the stables.

The criteria for granting a conditional use permit are clearly delineated in the City's Zoning Ordinance (Section 520.11 subd. 1, a-i) as follows:

1. The conditional use will not adversely affect the health, safety, morals and general welfare of occupants of surrounding lands.
2. The proposed use will not have a detrimental effect on the use and enjoyment of other property in the immediate vicinity for the purposes already permitted or on the normal and orderly development and improvement of surrounding vacant property for uses predominant in the area.
3. Existing roads and proposed access roads will be adequate to accommodate anticipated traffic.
4. Sufficient off-street parking and loading space will be provided to serve the proposed use.
5. The proposed conditional use can be adequately serviced by public utilities or on-site sewage treatment, and sufficient area of suitable soils for on-site sewage treatment is available to protect the city from pollution hazards.
6. The proposal includes adequate provision for protection of natural drainage systems, natural topography, tree growth, water courses, wetlands, historic sites and similar ecological and environmental features.
7. The proposal includes adequate measures to prevent or control offensive odor, fumes, dust, noise, or vibration so that none of these will constitute a nuisance.
8. The proposed conditional use is consistent with the comprehensive plan of the City of Independence.
9. The proposed use will not stimulate growth incompatible with prevailing density standards.

The City has visited the site and discussed the operation of the proposed commercial riding stable with the applicant. Given the location of the property on Copeland Road, the adjacent commercial riding stable (810 Copeland Road to the south), the orientation of the buildings and their relationship to the surrounding properties, it appears that the proposed application can be found to meet the requirements for granting a conditional use permit to allow a commercial riding stable, accessory structure larger than 5,000 square feet and a bunkhouse for a caretaker on the property.

The following conditions should be considered:

1. The conditional use permit will be reviewed annually by the City to ensure conformance with the conditions set forth in the resolution.
2. Any new signage shall comply with all applicable standards of the City's ordinance.
3. No more than 25 horses shall be boarded on the property.
4. The applicant and facility must operate in compliance with manure management permit from MPCA. A copy of the valid MPCA permit with amendments to be attached to and become a part of the conditional use permit.
5. City roads will not be littered in the hauling of manure.
6. A minimum of 1/3 acre or green covered open space, excluding wetland, is required within the horse facility, for each horse allowed by this permit. Grass shall be maintained and be the primary groundcover in all pasture areas.
7. The hours of operation are: summer 7:00am-10:00pm., winter 7:00am-9:00pm.
8. Horse shows will require special approval from the City
9. No renting of hack horses.
10. No riding on private land unless authorized by owners.

11. No parking on public roads.
12. All feed and bedding are to be stored inside a closed building.
13. Utilize appropriate management practices to control flies and odor.
14. Training clinics offered to non-borders will require special approval from the City.
15. The bunkhouse is for the caretaker of the owners of the property only. The bunkhouse shall not be rented to anyone not employed on the property.
16. No future expansion of the barn and riding arena shall be permitted on the property without the further review and approval by the City through the conditional use permit amendment process.

At the public hearing a neighboring property owner addressed the Planning Commission. She wanted to understand if there would be an increase in traffic due to the conditional use permit. The owner addressed the issue and stated that the majority of the horses on site are their own horses. They may have one additional rider or guest at the facility on any given day. The City has not received any written or oral comments outside of the public hearing regarding the proposed conditional use permit.

Commissioners discussed the proposed request. Commissioners asked about any increase in traffic. Commissioners asked the owner whether or not they would be living on the property. The owner noted that they would have a full time caretaker and that they would maintain the primary residence as their own. They did state that they would not always be on the property. Commissioners asked about the number of horses proposed to be boarded on the property. Staff noted that the total consider by the conditional use permit was 25 horses. Commissioners felt that the proposed conditional use permit would not cause any issues or potential impacts to the surrounding properties and was generally in keeping with the character of this area. Commissioners recommended approval of the conditional use permit to the City Council.

The Planning Commission recommended approval of the request for a conditional use permit with the following findings and conditions:

1. The proposed conditional use permit request meets all applicable conditions and restrictions stated in Chapter V, Section 510, Zoning, in the City of Independence Zoning Ordinance.
2. The conditional use permit will include the following conditions:
 - a. The conditional use permit will be reviewed annually by the City to ensure conformance with the conditions set forth in the resolution.
 - b. Any new signage shall comply with all applicable standards of the City's ordinance.
 - c. No more than 25 horses shall be boarded on the property.
 - d. The applicant and facility must operate in compliance with manure management permit from MPCA. A copy of the valid MPCA permit with amendments to be attached to and become a part of the conditional use permit.
 - e. City roads will not be littered in the hauling of manure.

- f. A minimum of 1/3 acre or green covered open space, excluding wetland, is required within the horse facility, for each horse allowed by this permit. Grass shall be maintained and be the primary groundcover in all pasture areas.
 - g. The hours of operation are: summer 7:00am-10:00pm., winter 7:00am-9:00pm.
 - h. Horse shows will require special approval from the City
 - i. No renting of hack horses.
 - j. No riding on private land unless authorized by owners.
 - k. No parking on public roads.
 - l. All feed and bedding are to be stored inside a closed building.
 - m. Utilize appropriate management practices to control flies and odor.
 - n. Training clinics offered to non-borders will require special approval from the City.
 - o. The bunkhouse is for the caretaker of the property only. The bunkhouse shall not be rented to anyone not employed on the property.
 - p. No future expansion of the barn and riding arena shall be permitted on the property without the further review and approval by the City through the conditional use permit amendment process.
3. The applicant shall pay for all costs associated with reviewing the application and recording the resolution.

Spencer asked about the septic system, and if they'd have to expand. It was noted the septic system had to be expanded. The applicant would need to submit full septic analysis. Grotting asked if we should treat this as a commercial application, and not like a typical residential system. Kaltsas said we treat it according to occupancy. Spencer also questioned 'conditions h & n' regarding City approval for training clinics or horseshows. Kaltsas said it would be a Large Assembly Permit, which is allowed for only a few events per year. They are not proposing to hold numerous events. Spencer asked about setbacks on the east side to the property line which is 100 feet, and if that was typical. Kaltsas said yes, but there is a stipulation to those housing animals which is 150 feet. Betts asked if it would be used as a breeding facility. The applicant stated it may be used for that reason in the future. Johnson asked if all feed and bedding will be stored inside and the applicant said it would be. Kaltsas said the bunkhouse would be a single dwelling and falls in line with the City's ordinance.

Motion by Betts, second by McCoy to approve RESOLUTION 16-0913-04. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

10. Consider Approval of the 2017 Preliminary Budget and Tax Levy

- a. **RESOLUTION NO. 16-0913-05** – Establishing the General and Debt Service preliminary tax levy.

b. **RESOLUTION NO. 16-0913-06** – Establishing the Pioneer Sarah Creek Watershed preliminary tax levy.

Kaltsas stated Staff and Council have had several workshop meetings to discuss and revise the preliminary budget for 2017. Based on the discussions, the preliminary budget now reflects an approximately 6.83 percent increase (down from 8.07 percent in initial draft) from 2016. The tax rate resulting from the proposed increase would remain nearly constant going from 38.59 to 38.85 percent. The primary drivers of the budget are the capital improvement fund contribution, comprehensive plan preparation fees and the increase in recycling costs. Since our last workshop, the City has received all fire department budgets from Delano, Loretto and Maple Plain. Based on the projected fire numbers, the budget now reflects an approximately \$34,000 administration capital outlay contribution. This potential contribution to capital outlay has been assembled by making reductions in the budget in all areas. This number and the final amount contributed to capital outlay for 2017 can be further evaluated by the Council.

McDonald noted the City Council will have the opportunity to further refine the budget following approval of the WHPS budget and review of the third quarter financial summary. The City is considering the adoption of the maximum tax levy by September 30, 2016. The City can adopt a final levy that is less than the preliminary, but cannot increase the final levy from the adopted preliminary levy.

Johnson thanked McDonald and Kaltsas for refining the budget. He noted Rockford and Orono will have bond votes.

Motion by Spencer, second by Betts to approve RESOLUTION 16-0913-05- Establishing the General and Debt Service preliminary tax levy. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Motion by Spencer, second by Grotting to approve RESOLUTION 16-0913-06—Establishing the Pioneer Sarah Creek Watershed preliminary tax levy. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

9. Consider Approval of Second Quarter Financial Report.

Kaltsas said the City Council receives quarterly financial reports detailing the current financial status of the City. The reports are typically presented for information to the Council on the consent agenda. The second quarter report was completed in July of 2016 and set to be presented to the Council at that time. Staff reviewed the report and found several items that stood out and needed to be further researched. Staff spent some time trying to better understand several key pieces of the budget.

There were two primary issues that staff was further investigating.

1. The City typically receives the first half tax settlement from Hennepin County in July of a given year. Many cities request an advance on that first half settlement so that they can cash flow the City's budget. The County will distribute a 70% advance of the first half settlement in May and then the remaining first half settlement in July. Upon receipt of the 70% advance, the City typically funds 100% of the Pioneer Sarah Creek budget and 100% of the debt service issued by the City. This then shows a significant gap between the year to date expenditures and revenues for the second quarter. The budget does not fully show balance until it receives the second settlement in December.
2. Fines and Forfeitures revenue is showing a significant gap between budgeted and received. Staff investigated this further and discovered that there is a software error in the system used by WHPS and the County for issuing citations/tickets. The error was causing revenue due to the City to go to

Hennepin County Attorney's Office. The County and City are now working to correct this error and refund the money owed to the City.

McDonald said the other note relating to the second quarter financial summary is that many of the City's expenditures for items like insurance, licenses, fees, certain contracts and roads, are paid upfront during the first or second quarter. Those upfront payments tend to skew the budget in the first half of the year. Staff's overall review of the budget shows that we are in line with spending and on track to be on budget for the year.

Motion by Betts, second by McCoy to approve the Second Quarter Financial Report. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

10. Open/Misc.

11. Adjourn.

Motion by Spencer, second by Grotting to adjourn at 9:00 p.m. Ayes: Johnson, Betts, Spencer, Grotting and McCoy. Nays: None. Absent: None. MOTION DECLARED CARRIED.

Respectfully Submitted,

Trish Bemmels/ Recording Secretary