LICENSE HEARING MINUTES Carver Auto Sales, 1328 Point Douglas Road S. Monday, October 1, 2018, 10:00 a.m. Room 330 City Hall, 15 Kellogg Boulevard West Nhia Vang, Deputy Legislative Hearing Officer

The hearing was called to order at 10:00 a.m.

Staff Present: Jeff Fischbach, Department of Safety and Inspections (DSI)

Licensee: David Schreiner, Applicant/Owner; Natalia Madryga, Attorney

<u>License Application</u>: Request to modify existing license conditions to increase the total number of vehicles allowed on the property from twenty-five (25) to ninety (90) to permit an increase in the number of for-sale vehicles displayed on the property from fourteen (14) to eighty (80) for a business with an existing Second Hand Dealer - Motor Vehicle, and Auto Repair Garage licenses

Other(s) Present: Tom Dimond

Legislative Hearing Officer Nhia Vang gave the following information about the hearing: This license application required a Class N notification to inform neighbors and the District Council about the application and provide them with an opportunity to submit comments. The City received a letter of concern/objection, which triggered this hearing.

The hearing will proceed as follows: DSI staff will explain their review of the application, and state their recommendation. The applicant will be asked to discuss their business plan. Members of the community will be invited to testify as to whether they object to or support the license application. At the end of the hearing, Ms. Vang will develop a recommendation for the City Council to consider.

There are three possible results from this hearing: 1) a recommendation that the City Council issue this license without any conditions; 2) a recommendation that the City Council issue this license with agreed upon conditions; or 3) a recommendation that the City Council not issue this license but refer it to the city attorney to take an adverse action on the application, which could involve review by an administrative law judge. The City Council is the final authority on whether the license is approved or denied.

Minutes:

Jeff Fischbach, Department of Safety and Inspections (DSI) gave a staff report. He said they were the same conditions that were on the license before except for modifications to conditions 1, 3 and 15; and were standard conditions for these license activities.

Recommended license conditions:

1. The number of vehicles displayed "for sale" outdoors shall not exceed eighty (80) vehicles. All display vehicles must be parked as shown on the approved site plan on file

- 2. The number of required parking spaces for customers and employees is ten (10) vehicle spaces. These spaces must be designated with appropriate weather resistant signage stating for "customer and employee parking only".
- 3. The maximum number of vehicles permitted on the exterior of the premises at any one time shall not exceed ninety (90). All vehicles on the site must be parked in accordance with the approved site plan on file with DSI dated 07/03/2018. Any changes made to this site plan must be approved by the Zoning Administrator.
- 4. Customer, employee or for-sale vehicles cannot be parked or stored in the public right-ofway (e.g., street, boulevard, etc.). This includes cars which have been repaired and are awaiting pick-up by their owners.
- 5. There shall be no exterior storage of vehicle parts, tires, oil or any other similar materials associated with the business. Trash will be stored in a covered dumpster.
- 6. The license holder agrees to maintain striped parking spaces, landscaping, vehicle location, customer/employee parking signage, and vehicle barriers in a manner consistent with the approved site plan on file with DSI dated 07/03/2018.
- 7. All vehicles parked outdoors must appear to be completely assembled with no major body parts missing.
- 8. Vehicle salvage is not permitted.
- 9. Auto body and painting are not permitted.
- 10. No auto repair of vehicles may occur on the exterior of the lot or in the public right-ofway (e.g., street, boulevard, etc.). All repair work must occur within an enclosed building.
- 11. Customer vehicles may not be parked longer than ten (10) days on the premises. It shall be the responsibility of the licensee to ensure than any vehicle not claimed by its owner is removed from the lot as permitted by law.
- 12. Provide maneuvering space on the property to allow vehicles entering and exiting the site to proceed forward as stipulated on the approved site plan.
- 13. Storage of vehicle fluids, batteries, etc. shall be in accordance with Ramsey County Hazardous Waste Regulations.
- 14. Licensee must comply with all federal, state, and local laws.
- 15. All site improvements must be completed by 07/01/2019 in accordance with the approved site plan on file with DSI dated 07/03/2018, and all required permits must be obtained to complete work as per site plan approval letter dated 07/03/2018

Ms. Vang confirmed with Mr. Fischbach that the number of cars for display referred to cars outdoors. Ms. Vang noted that the number of required employee parking spaces had been reduced to 10 from 14 on the previous conditions affidavit; she asked why that was. Mr. Fischbach said they had done the calculations for the number of vehicles that were required for the business activity, and that was the number they came up with as required parking.

Ms. Vang said Mr. Schreiner had had the license since 2015, and there had been complaints called in and investigations done during that time; she asked whether there had been any actions

taken against the business. Mr. Fischbach said the license had been issued in 2013 or 2014, and this review was initiated in response to a complaint that there were an excess number of vehicles on the property. No action was taken because licensee was working towards compliance.

Mr. Fischbach said DSI had not received correspondence from the neighborhood organization, Building was not applicable, License recommended approval with conditions, Zoning approved with conditions with the variance # 18-027443 and through the site plan review process 18-018654, and DSI recommended approval with conditions.

Ms. Vang said she had questions about why building was not being applicable. Mr. Fischbach said it was not applicable for them to approve the license modifications; a building permit would be required for them to do the construction. He said they would follow up under condition 15 which gave the licensee until July 1, 2019 to make the improvement.

Ms. Vang then asked Mr. Schreiner to talk about his request to modify license condition.

Mr. Schreiner said he met with Larry Zangs, Zoning and Site Plan Review staff, and the previous owner in 2012 before purchasing the property. He said the property had never made money. He said based on his 25 years of experience running a car dealership in St. Paul Park, a 14-car lot couldn't make money. He said he didn't think any of the previous owners had operated within the 14-car limit, and the previous owner was running a U-Haul dealership. He said he had told Mr. Zangs he would have to pave the back lot to park more cars to be financially viable, and Mr. Zangs said he didn't see a problem. He said he bought the place and applied for the variance and found that he was encroaching on the City's right-of-way. He said it took two and-a-half years of working with the City, MnDOT, and Ramsey County to resolve the issue, and the City sold the property to him in approximately 2016. Ms. Natalia Madryga, attorney, further clarified the situation in response to questions from Ms. Vang.

Mr. Schreiner said he went back again to apply for a variance, and was advised by Corrine Tilly, Zoning and Site Plan Review staff, to wait until after the first of that year because the DNR was making a rule change. He said since day one they had been operating outside of the conditional use permit (CUP), and the City had been very gracious in allowing them to do that, because they couldn't survive with 14 cars. Ms. Vang again asked Mr. Fischbach whether there was any violation against the business. Mr. Schreiner said they were currently under enforcement. Mr. Fischbach said he didn't have the license history, but there was current enforcement action and that was why the license modification was taking place. He said he suspected there had been orders issued, but under the current process Mr. Schreiner was moving towards compliance, and had gotten approvals from zoning for the increase and was going through licensing review now.

Mr. Schreiner said this had been an expensive five-year process, and leaving the property vacant during those five years might have been the correct thing to do, but was not realistic and he couldn't afford it. He said the original bid to pave the parking lot was \$30,000, but he had already spent \$150,000 in attorney's fees and other expenses getting to this point. He said when he purchased property, he promised the District 1 and Mr. Zangs he would improve what was a distressed lot, and he had done that. He described the improvements he'd made and said he'd been putting money in the property on the promise that the City was going to do what they said

they would, which was to approve the property. He said even though he had been operating out of compliance he felt he was working with good will with the City and doing what he said he was going to do.

Ms. Vang asked Mr. Schreiner who he had spoken to in the district council. Mr. Schreiner said he had spoken to the current and former executive directors, and the current executive director had been very appreciative of the improvements made at the property. Ms. Vang said there was no correspondence from the district council. Ms. Madryga said a letter of support was received during the variance process. Ms. Vang requested a copy. [February 26 BZA letter to Jerome Benner]

Mr. Schreiner said the variance was approved, but because they were under an enforcement action there was a deadline to get this done, and he was trying to get it done as quickly as possible. He said permits had been issued and work had begun. Ms. Vang asked whether they were open for business. Mr. Schreiner said they were. Ms. Vang asked how much work was still outstanding. Ms. Mardryga said the lot was in a MnDOT drainage RIGHT-OF-WAY, there was a drainage permit attached to it and a significant amount of work. Ms. Vang asked for confirmation that a permit had been approved for that work. Mr. Schreiner said he'd hired a contractor who had started to work; he said as far as he knew the permits had been obtained. Ms. Vang asked Mr. Schreiner how long he thought it would take to complete the work. Mr. Schreiner said he wanted to get it done before it was too cold to pour mix. He said a requirement of the City and MnDot, and they were all for it too, was that a drainage system had to be built and installed. He said the paving and drainage system was a significant improvement as far as keeping things out of the City's storm system.

In response to questions from Ms. Vang, Mr. Schreiner said the lot had been gravel and old pavement and was being repaved. He said it was only a 140' x 90' piece; he said it was a very small property.

Mr. Schreiner said Mr. Zangs had suggested he clean up the boulevard and re-align the entryway, and that was part of what they were doing. Ms. Vang referred to the site plan and asked Mr. Schreiner to clarify the work being done; Mr. Schreiner clarified. Ms. Vang asked about landscaping; Mr. Schreiner and Ms. Madryga clarified. Mr. Schreiner explained the locations of bollards and a privacy fence. Ms. Vang asked about the neighbor whose home is next door and indicated that his objection was received without specifics. Mr. Schreiner said the neighbor didn't want the privacy fence because he felt it made his house feel like a prison. Ms. Madryga said there was also a Met Council easement and the tree selection was approved by the Met Council and City Forestry; she said a separate permit was required for the trees.

Ms. Vang referred to the site plan and asked how storage would be handled. Mr. Schreiner said the cars would be parked outside. He said they typically had 25-35 for sale, and the others were being prepared for sale. He said the ones for sale would be in front and marked for sale.

Mr. Schreiner said the City had been very good in working with him, and a lot of unforeseen things had come up.

Ms. Vang asked whether hours and staffing would remain the same. Mr. Schreiner said the building was only so big, and the number of employees would remain the same. He said his employees were present at the hearing. He said they were open 9:00 a.m. to 6:00 p.m. Monday through Friday, 9:00 a.m. to 3:00 p.m. Saturday, and closed Sunday.

Ms. Madryga said the reason it had taken so long was the number of departments involved and the administrative burden. She said she had been helping Mr. Schreiner through the steps of the process with the different agencies. She said they'd done a lot of listening and communicating, to get the project approved and be a great neighbor.

Mr. Schreiner said when he purchased the property he met with District 1 and neighbors, and he had complied with their requests. He said he felt he'd done a good job in working with the neighborhood and keeping the place clean and nice, and trying not to be disruptive in any way. He said the property looked nicer than it ever had.

Ms. Vang asked about security cameras. Mr. Schreiner said they had had a problem with theft, and they had cameras that were installed in locations recommended by the security company.

Mr. Schreiner said he would like to continue to improve the property but didn't want to sink any more money into something unsure; he said he hoped to restore the original 1950s look. Ms. Vang said Mr. Schreiner should be sure to work with the City staff on that. Ms. Madryga said they would. Mr. Schreiner said he had spoken with District 1 about his plans.

Mr. Schreiner said they were doing a lot of good; his business has helped his employees so that they could afford to be homeowners who raising families and paying taxes.

Ms. Vang opened the hearing for public input. She said correspondence was received from Mr. Dimond and Mr. Kou Vang; she confirmed that both writers were notified of the hearing. Mr. Schreiner said Mr. Kou Vang was the neighbor who hadn't wanted the required privacy fence. He said they had initially worked with Mr. Zangs to try to come to a compromise. He said it would be a 6' vinyl privacy fence, in the same style as the building. Ms. Madryga said they still needed to obtain a fence permit and weren't at that point in the process yet. Ms. Vang asked whether they had had a conversation with the neighbor. Mr. Schreiner said the issue first came up in 2014 when the City required the fence and the neighbor objected; he said the City agreed at that time that they did not have to put up a fence. He said they were now going to put up the fence because screening was required.

Testimony:

Mr. Tom Dimond (2119 Skyway Drive) said the property was in a national park and part of state protected critical area. He expressed concern about the limited City notification area and about communication issues with the district council. He said a car lot in a residential neighborhood was a significant issue, and this business was an all-residential neighborhood. He said when he spoke to City staff, he was told it was an industrial area; he said Highwood has no industrial, and was almost all residential. He described the two layers of zoning, and said in the critical area it was all residential with two exceptions: this property and a plumbing store, and both were home occupations, which was still true of the other one. He said this business was a two-pump gas

station with very little activity. When the critical area was established and, more recently, the Small Area Plan of the Comprehensive Plan was done, this area was in the most protective zoning for the state critical area, and adopted by the City. He said the two businesses were grandfathered in, but State regulations and City code stipulated that commercial and industrial uses on the river side of the bluff could not be expanded, and a variance couldn't be granted for a prohibition. He said the City looked at when the property was sold, and said they could have 14 cars because that was not an expansion of the use. He said, repeatedly over the years, the various owners had been called out for having too many vehicles and had thumbed their nose at the City. He said property owners were impacted; he said half-acre lots were required for single-family homes in the neighborhood to protect the green space. He said protecting the nearby Mississippi River Trail and Highway 61, which was a national scenic byway, was part of the reason for the prohibition on commercial uses. He said the City's position was Point Douglas should be a neighborhood street and not a main thoroughfare. He said the City had gone through the process of setting the provisions in place, and the City Council and the district council were on record as saying the provisions should be enforced. He said the district council was on record as supporting the variance but took no position on license. He said issuing a license would be a violation of our Comprehensive Plan and City code, and implementing the variance would be a violation of the law. He referred to the site plan, and the regional water department also had a RIGHT-OF-WAY there. It is not true that the whole property has been paved. He said it was not true that the property had been paved; he referred to photographs and to documentation that pavement had been expanded illegally in the past. He said the business was habitually in violation. He said the proposed vegetation screening and tree plantings were not adequate to meet zoning code requirements, and there had been no review or variance. He said he didn't think it was appropriate to issue a license when it failed to meet the requirements. He said there was also a question about the height of the fence required, but he wouldn't address that further. He read the section of the code addressing landscaping requirements. He read from the code related to the Board of Zoning Appeals (BZA) and Planning Commission (PC) variances, and said the variance did not meet the required findings. Ms. Vang asked Mr. Dimond to read the section mentioning the body responsible for reviewing the Comprehensive Plan. Mr. Dimond said it was the OC and BZA, and he believed it went through the BZA. He said it was stated in testimony that the applicant had been told by the PC that he could come in and would be given a variance. Mr. Dimond said the applicant was given inaccurate information. He said testimony also indicated the applicant was aware it was only a 14-car lot and that purchasing in that neighborhood allowed him to buy at a lower cost, while knowing he couldn't make a profit with a 14-car lot. Mr. Dimond read from the zoning code that economic considerations alone couldn't be used for granting a variance. He said building an asphalt parking lot that filled the property and placing 90 vehicles when it was surrounded by park and restricted zoning would never happen in Crocus Hill, but was happening because it was the East Side. He said specific findings had to be made (for a variance to be granted), and the record didn't specifically address the landscaping and other issues. He read from code that new and expansion of industrial and commercial uses shall only be on lands on the landward side of the bluff, and this was in front of the bluff. He read from the code stating that lands within the district shall be managed to preserve and protect the existing and potential recreational and scenic natural historic resources, and he spoke about the significant economic impact of allowing the resources to be destroyed or deteriorated. He said if it was approved on this parcel, there should be no reason for it not to be allowed on every other parcel along Point Douglas Road. He said it was unfair to have the

restrictions apply to all the other properties and not this one. He said the applicant lived in a residential neighborhood in north Maplewood and undoubtedly benefited from protections in his neighborhood, and would likely meet opposition if he proposed parking lot on his residential property. He said his site was reviewed by the City and standards were set, and if the City came along later and said we can change those standards, that is disappointing and shouldn't be allowed. He read and provided additional code citations supporting points already made. He said there was a long track record of complaints around this property and all revolved around the incompatibility of the use, and expanding the use didn't resolve the problem but increased the problem. Ms. Vang asked Mr. Dimond what issues most concerned him related to the expansion. Mr. Dimond said the expansion itself, with more paving, more vehicles, and allowing what was prohibited when they had been cited for non-compliance. He said it rewarded that behavior and moved the property further out of compliance with the critical area, which placed a burden on the owners of the singe-family homes. He said it impacted their value and livability, and opened the door to moving onto the next lot or allowing further expansion. He read from code stating that in the case of conflicting regulations, the more restrictive provision shall govern.

Ms. Vang asked when the Highwood development policy was adopted. Mr. Dimond said he thought it was adopted in 2009 and had been re-done and re-adopted.

Ms. Vang said she would provide an opportunity for a response.

Ms. Madryga said the property was in RC-3 Urban Open location, and was also zoned B3 Business. She read from City code that the standards for permitted uses in RC-3 were A) Development should be limited to 40' in height, B) The development of new and expansion of existing commercial and industrial uses shall only be on lands on the landward side of the bluff line, C) Mining and extraction operations shall not be permitted, and D) no use shall be permitted which was likely to cause pollution of water unless adequate safeguards were provided. She said they were about 30 feet south of from the bluff line and on the riverward side; and the project would not do the harm the River Corridor was meant to protect from. She said the project was limited in scope, but the paving was considered an expansion of commercial use and that was why they needed a variance for the back of the lot. She said the surrounding lots to the east and south were zoned RL One Family Large Lots, and the adjoining property owner was aware of the paving project and had no objection to paving the dirt portion of the lot. She said, after speaking with District 1, they found the variance was consistent with their plan. She said it would not interfere with the proposed off-street paved rail adjacent to Point Douglas Road or construction of the off-street bicycle facility, and would not impede pedestrian use. She said the plan was consistent with the Mississippi River Corridor Plan because it would not impact bluff face or displace the critical native vegetation. She said the proposed project would maintain the current use of the property, and the expansion of the parking lot would have minimal effect on the river and surrounding natural area since they were installing a water containment system. She said the sole need for the variance was for existing compacted dirt storage, and the use was permitted in the B3 Commercial zone. She said the reason they received the variance was for the RC-3 was that it would improve its current land use and surrounding aesthetic, and fit within the corridor statute because it would not alter the natural environment or removing natural vegetation. She said she had phone conversations with the DNR about bluff line and purpose of the protections. She said the lines had to be drawn somewhere, and the reason for variances was to allow the City

to consider projects on a case by case basis. She said they had gone through an extensive process, speaking with DSI and licensing staff to make sure they were in compliance. She said they were awarded a variance with the community council's support. She said Mr. Schreiner wanted to be a good neighbor; there would not be an increased amount of traffic and they had a great partnership with the community council. She said they understood the importance of the area and would not be impeding the enjoyment of the natural area. She said the purpose was to clean up the lot and have it uniformly paved.

Ms. Vang referred to a concern raised by Mr. Dimond, and asked whether the requirement for the number of trees planted was addressed during the variance review. Ms. Madryga read from communication with Mr. Zangs stating that landscaping islands in the paved area would not be required since the proposed paved area was for display of vehicles, and the landscape island requirement was intended for parking areas. Ms. Madryga read the Code definition for parking. She said putting trees in the car display area would create potential damage for their products.

Mr. Dimond reiterated that a variance couldn't be provided which would have the effect of changing the zoning, and a variance couldn't be used to change something that's prohibited. He said the statement that the bluff face and critical area would not be affected missed the entirety of what the critical area was. He said the critical area wasn't just the bluff, and it was specifically stated that establishment or expansion of commercial and industrial uses at the base of the bluff was prohibited.

Ms. Vang said this was a B3 zone; she asked Mr. Fischbach for clarification of uses identified in the zone

Mr. Fischbach said the property was in a B3 zoning district as well as the RC-3 overlay zoning district. He said the variance process included notification of the district council and neighbors within 350'. He said there was an appeal process when the variance was approved, and there was no appeal of the variance. The variance was granted for this change to occur. He said the landscaping was discussed during the variance process as well as during the site plan review process, and no appeals were filed for either. He said the issues being raised were zoning issues and should have been appealed under the options available under the ordinance.

Mr. Dimond said to do that one would have to be notified, and he wasn't. He said he was also not aware of the private conversations between Mr. Zangs and the applicant. He said he didn't dispute from a legal standpoint that the variance could stand, but the license was another step in the process, and the license should not be issued because it became a violation of the code when a license was granted. He said the protections are much greater than what's illustrated, and this area in particular was very low density and supposed to be green space with all sorts of vegetation requirements for everyone else. He said removing vegetation requirements and expanding the amount of pavement went totally against the prohibition against expansion and against the whole set of regulations and protections in place. He said they were expanding the amount of hard surface and increasing the flow of water off the propriety. He said he had been appointed to serve on the commission for the establishment of the national park and was involved with the rulemaking for the river corridor, and the suggestion that the lines were drawn in an arbitrary way flew in the face of reality. Mr. Fischbach said he didn't believe Mr. Zangs or DSI staff would tell the applicant that this was a done deal when he purchased the property, but would have explained the process and said the applicant would have to work through the process. He said, as far as the notification process, DSI could only notify what the ordinance required. He noted that notification for the license was only 300' and the variance was 350'. He said he could ask staff if there are other ways to receive notification and that Mr. Dimond be made aware of them. He said this did go through the zoning process.

Ms. Vang said she understood and was sympathetic to Mr. Dimond's concerns, but this was not the body to address zoning and plan review. She said there was a resolution by the BZA indicating each of the expectations, and the applicant had met all of them. Mr. Dimond said he had a copy and while he disagreed with the rationale but understood this was not the venue for addressing that. He said this could be sent on to the City Council and he thought they were the correct body for this. Ms. Vang noted for the record that Mr. Dimond felt it violated both the Highwood plan and the Comprehensive Plan. Mr. Dimond said it violated the zoning code as well.

Ms. Vang thanked Mr. Dimond for his testimony, and invited Mr. Schreiner to respond.

Mr. Schreiner said throughout the process he had tried to build a relationship with the neighbors and with the City; he gave examples of things he'd done to respond to neighbors' concerns. He said he'd done all of it without resolutions or laws, and would continue to. He said he was raising property values by improving the property. Mr. Dimond said he had to counter because, by Mr. Schreiner's own testimony, he knew there was a limit of 14 cars and knew there had been complaints. Mr. Schreiner invited Mr. Dimond to call and talk to him; he said it was about relationships. He said Mr. Zangs had told him it was great if he would clean up the property, and that was what they'd done. He said the way to settle this was by talking, and if there was something Mr. Dimond would like them to do and if it was reasonable they would do it. He said he was trying to help his employees improve their lives and wanted to help the neighbors too. Mr. Dimond said that they (Mr. Schreiner) knew what the regulations were and that there were concerns, but went ahead for years and did exactly the opposite. Mr. Schreiner said that was with the understanding they would arrive at this point. Mr. Dimond asked Mr. Schreiner whether he had brought the number of cars into compliance when there was an enforcement action. Mr. Schreiner said he thought Mr. Dimond was missing the point that the City was trying to work towards the betterment for the City and he (Mr. Schreiner) was trying to work towards betterment for the neighborhood.

Ms. Vang closed the public hearing. She encouraged Mr. Dimond and Mr. Schreiner to continue their conversation; she said it was important for them to be neighborly.

Mr. Fischbach there was an encroachment for the business into the Point Douglas right-of-way and they did get an encroachment permit

Mr. Dimond said the Regional Water Department had a right-of-way there also, and he didn't think that had been addressed. Ms. Vang asked Mr. Fischbach to look into that.

Ms. Madryga said they had reached a drainage permit with MnDOT for the MnDot drain.

Mr. Fischbach said the MnDOT drain was discussed in the site plan review. He said there was a permit for the drain, but no permit yet for the paving.

Ms. Vang confirmed with Mr. Fischbach that DSI was recommending approval and whether there was an outstanding enforcement action. Mr. Fischbach said that was correct, and the goal is to get them into compliance. He said the penalty was on hold pending the applicant working toward compliance. He said zoning had granted the site plan review and given him until July of next year to make the improvements.

Ms. Vang said there were a lot of heavy issues and the zoning questions were very valid issues, but she could only review based on how Mr. Schreiner's plan influenced the neighborhood in terms of noise, trash, and behavior issues in terms of whether it would increase traffic. She said Mr. Schreiner's had testified that it wouldn't deviate too much from the current practice. She said her hands were tied in terms of the scope of her ability, and her recommendation was for approval of the license with the conditions agreed to, and with deadlines imposed in the site plan review process. She wished Mr. Schreiner luck as he continued with the process and said she hoped he would maintain the relationship with community members and with DSI.

In response to a question from Mr. Fischbach, Ms. Vang clarified that her recommendation would come before the City Council as a Consent item in 4 to 6 weeks.

The hearing adjourned at 11:46 a.m.

The Conditions Affidavit was signed and submitted on September 1, 2018.