

**ANOKA PLANNING COMMISSION  
WORKSESSION MEETING  
ANOKA CITY HALL  
TUESDAY, FEBRUARY 15, 2022  
5:00 P.M.**

CALL TO ORDER:

The worksession meeting of the Anoka Planning Commission was called to order at 5:00 p.m.

ROLL CALL:

Planning Commissioners present: Chair Don Kjonaas, Karna Brewer, Borgie Bonthuis (attending virtually), Nancy Coleman, James Cook (attending virtually), Shari Nemec, and Peter Rech

Planning Commissions absent: None.

Staff present: City Planner Clark Palmer and Community Development Director Doug Borglund

DISCUSSION – PHASE TWO DAVID WEEKLY HOMES AT THE CORNER OF 4<sup>TH</sup> AVENUE AND JOHNSON STREET – SITE PLAN REVIEW

City Planner Palmer provided background information on phase one of David Weekly Homes, which was approved in 2020 and is currently under construction. There are a total of 56 detached townhomes, varying between two and three stories. He provided details on the required exterior finishes and provided photographs of some of the finished homes. He stated that David Weekly is interested in phase two on the parcel located at the southeast corner of Grant Street and 4<sup>th</sup> Avenue. He displayed the proposed site plan and noted that the purpose of the discussion tonight is to discuss deviations from the exterior finishes in phase one.

Zach Mahan, David Weekly Homes, provided an overview of Riverside I and the impact that material and labor increases have had on the development costs and related home prices. He also provided details on the new construction market in Anoka, noting that they have to stay at or under \$400,000 for the homes in order to stay competitive in the market for Anoka. He reviewed market changes and material constraints, along with higher labor costs. He provided a general overview of the proposed Riverside II which would propose 31 homes and stated that in order to remain affordable to the Anoka market, they would need to relax the exterior stone requirement of the homes and allow the use of vinyl rather than hardboard. He provided comparison pictures of what exists in Riverside I and what would be proposed for exterior finishes in Riverside II.

City Planner Palmer asked if enhanced stone sides were done on the Maple Grove project.

Joe Flynn, David Weekly Homes, replied that they did not, and it was clarified that enhancement was unique to Anoka.

Commissioner Bonthuis asked if all the homes currently have stone on the sides or whether that only applies to the end units.

Mr. Flynn replied that only the corner homes have the enhanced stone in Riverside I.

Chair Kjonaas asked and received confirmation that there would still be stone on the front, it would just be a lesser amount.

Commissioner Brewer commented that when materials were agreed upon, durability was a factor just as much as aesthetics. She agreed that vinyl may look similar but asked for information on durability. She noted that once a home product is built, the long-term maintenance becomes the responsibility of the HOA and repair would be needed on all homes at the same time because there were all constructed at the same time.

Mr. Flynn stated that the association is not responsible for the exterior finishes on the homes. He explained that these are single family detached homes and the HOA is only responsible for maintenance of the grounds and the homeowners would be responsible for the maintenance of the homes. He stated that the current hardboard siding would have to be painted before the vinyl would need to be changed out.

Chair Kjonaas asked the other modifications that have been made to cut costs.

Mr. Flynn stated that they have looked into different floor systems but that could not be modified. He stated that the mechanical systems cannot be modified because of Code requirements. He stated that they looked at several elements and the only options seems to be the exterior materials. He confirmed that the changes would not deteriorate the quality of the product compared to phase one. He also confirmed that the interior quality would remain the same between the two projects. He clarified that the stone percentage in phase one is around 30 percent while they would propose a reduction to ten percent for phase two along with the change from hardboard to vinyl siding.

City Planner Palmer stated that he reviewed the application for phase one and the original proposal included a request for some vinyl siding on the sides and rear, but the City held firm to require hardboard. He noted that the zoning standard prohibits vinyl siding.

Commissioner Bonthuis asked where the homes in Maple Grove were built with vinyl siding.

Mr. Flynn confirmed that the homes toured by the Commission had vinyl siding and are depicted in the photograph. He confirmed that the only stone would be found under the window.

Commissioner Bonthuis commented that it is interested that the enhanced stone version is shown for the comparison photo of what exists in phase one because there are only a limited number of homes in that phase that have the enhanced stone. She asked if phase two would look cheaper than phase one as it will sit kiddy corner from the original development.

Mr. Flynn commented that he did not believe people would notice the difference.

Commissioner Bonthuis commented that as a homebuyer she would notice.

Chair Kjonaas commented that home finishes have been important to the Planning Commission and to the community. He explained that the buyer chooses the home because of the inside, while the outside is important to the rest of the community that has to see it for years to follow. He stated that if reductions are made to the inside, that would only be noticeable to those that choose to live there while reductions to the exterior would impact the larger community. He noted that the buyer can always choose to enhance the interior at a later time.

Mr. Flynn commented that the buyer in Anoka is not giving them credit for the upgraded exteriors. He stated that when they have updated the price to reflect the required exterior materials, the interest in the homes has been reduced. He stated that the market is not interested at that price point in Anoka. He explained that they did have a lot of interest in the homes but as the materials and labor costs increased which caused an increase in the price of the homes, the market interest was reduced.

Commissioner Rech asked if there would still be homes being completed in phase one and listed for sale when homes in phase two are completed and listed for sale.

Mr. Flynn commented that there may be some overlap in the sales, but the system would not allow them to sell both phases at the same time with different specification levels. He noted that all homes in phase one would need to be in progress before they would begin construction on phase two.

Commissioner Brewer asked if a different style of home has been considered that would keep the standards but perhaps be a smaller size.

Mr. Flynn commented that they would no longer offer the third story as that is a way to reduce the price point.

City Planner Palmer asked if the third story option is being removed for phase two, or also for phase three.

Mr. Flynn reviewed the different floor plan options for phase one. He confirmed that there will not be any more three-story homes in phase one.

Chair Kjonaas clarified the request of the developer to reduce the percentage of stone and use vinyl siding rather than hardboard.

Commissioner Bonthuis stated that there would also only be two story homes rather than a mix of two and three stories. She asked if 19 homes have been sold for phase two and that was confirmed by the developer.

Commissioner Nemec commented that there is no market guarantee that the conditions in the market today would continue by the time phase two begins. She noted that material and labor costs could continue to increase and asked what would happen in that scenario.

Mr. Flynn commented that the material price has eroded their profits because they need to list the homes at a price the market will bear.

Commissioner Brewer asked if the market cap of \$400,000 is across the metro or unique to Anoka.

Mr. Mahan commented that location is everything, therefore every market is different. He stated that for Anoka that has been the price point demonstrated.

City Planner Palmer stated that in Maple Grove he would assume that a home with vinyl siding and less stone would sell for the same price as a home with hardboard siding and enhanced stone in Anoka.

Mr. Mahan confirmed that to be true.

Commissioner Bonthuis asked what would happen if the cost of lumber decreases.

Mr. Flynn commented that lumber is at a higher point right now compared to this time last year and was not confident that the price would come down. He confirmed that they would like to begin construction on phase two at the end of 2022. He stated that they are attempting to bring a housing product to the community at an affordable price point desired by the community but still economically feasible for them. He commented that they like Anoka and the community and everyone has been great to work with, which is why they came to have this discussion.

Chair Kjonaas stated that he understands the dilemma and will struggle with this over the next few weeks as the Commission and City has remained strict in its requirement for exterior finishes. He again explained that the outside is what is seen by the community and visitors which is why that is more important than the inside.

Mr. Flynn asked if the Code requirements for new construction apply to existing residential homes that are making improvements.

City Planner Palmer stated that the City does not have such requirements for a homeowner making improvements to their home or replacing their siding. He stated that the City does have more control over this parcel because it is City owned. He noted that the City implemented similar

requirements for the Lennar proposal as the City owned that parcel. He stated that the City is willing to wait in order to gain the development it desires.

Chair Kjonaas commented that he thought the homes would feel narrow on the inside, but the floorplan is amazing and commended the developer for that.

Mr. Mahan stated that homeowners have agreed and love the floorplans.

Mr. Flynn commented that appraisers also do not provide much credit for the enhanced exterior finishes of the homes, therefore it is hard to recoup that material cost. He understood that the City has drawn a line in the past but could make the argument that they see the value in being flexible to the market conditions.

Chair Kjonaas noted that it would be helpful to have better comparison photos rather than comparing the proposed phase two unit to an enhanced corner unit from phase one.

It was the consensus of the Commission that a second worksession would be helpful prior to formal application.

DISCUSSION – HANSON BUILDING MATERIALS (1100 BUNKER LAKE BLVD)  
PROPOSED EXTERIOR STORAGE YARD

City Planner Palmer provided background information on the Hanson project developed at 1100 Bunker Lake Boulevard. He stated that the applicant would propose to establish an enclosed exterior storage yard. He noted that the site does have some outdoor storage and has found a need for more exterior storage. He stated that the proposed materials would include steel panels which are not allowed on buildings. He provided an example of the building materials for the storage yard. He stated that the request is reasonable for the user and the intended use. He displayed an aerial photo of the property as it exists today.

Commissioner Brewer asked if the business is outgrowing the site.

City Planner Palmer commented that construction is booming, and the business is doing well, which causes the need for additional materials to be stored.

Commissioner Rech asked if the steel building would be along Bunker with the remaining sides to be fenced.

City Planner Palmer confirmed that is what has been discussed at this time. He asked if the City wants to encourage this look in the industrial area.

Commissioner Bonthuis asked if a metal wall is allowed in the industrial park.

City Planner Palmer commented that the gymnastics building was constructed before the zoning code requirements were updated. He noted that this would be unique in allowing the material and outdoor storage yard.

Commissioner Brewer asked if another material could be used that would not make it as obvious as to the use.

City Planner Palmer stated that perhaps there is a way to dress it up. He stated that this parcel is within the light industrial district.

Commissioner Rech asked if this would be done through a variance or Conditional Use Permit.

City Planner Palmer commented on the different options that could be considered.

Commissioner Cook commented that he is surprised that a metal building would be proposed for a company in the wood business. He commented that the price of wood for the business is probably comparable to the price of metal and therefore did not anticipate much cost savings for a metal shed. He commented that it would be nice to architectural continuity along Bunker, noting that he would not be concerned with what happens along the other property line.

Commissioner Brewer noted that it appears there is a road along the east side.

City Planner Palmer noted that was a fire lane proposed to go with phase two if phase two were to be a full building. He explained that the applicant is instead choosing to pursue an outdoor storage area and therefore the fire lane would not be needed.

Commissioner Bonthuis asked the exterior building materials of the existing building.

City Planner Palmer provided a sketch of the original building which is precast.

Commissioner Bonthuis noted that would not look consistent. She asked if outdoor storage is allowed in the zoning district. She also asked if metal buildings are allowed.

City Planner Palmer stated that outdoor storage is allowed in an enclosed building, noting that this concept could be considered enclosed. He also confirmed that metal buildings are not allowed in the zoning district. He stated that he can go back to Hanson with thoughts and ideas to potentially bring back other options to consider. He noted that he did not believe Hanson was ready to move forward with formal application at this time.

#### DISCUSSION – LMC FEBRUARY 1<sup>ST</sup> WEBINAR

City Planner Palmer referenced the webinar which was held on February 1<sup>st</sup>. He reviewed the different topics that were covered in the presentation.

Commissioner Brewer commented on technical difficulties she experienced. She asked if there was a recording of the webinar available to watch. She hoped there would be continued training opportunities.

City Planner Palmer noted that he would attempt to find a link to the recording.

Commissioner Rech noted that this information would have been very helpful for new members joining a Planning Commission.

City Planner Palmer agreed that it would be helpful to new members but was also helpful as a refresher of the role and authority of the Commission. He noted that he also thought that this would be a helpful introduction to additional training opportunities.

Commissioner Brewer stated that she would like to see something that provides demographics and explains how that is used in planning.

DISCUSSION – PHASE TWO DAVID WEEKLY HOMES AT THE CORNER OF 4<sup>TH</sup> AVENUE AND JOHNSON STREET – SITE PLAN REVIEW (Continued)

Commissioner Cook stated that he found an article dated February 3<sup>rd</sup> which mentions that lumber prices have dropped by 30 percent. He noted that he emailed that article to staff.

Commissioner Cook lost connection.

City Planner Palmer stated that he understands that as the David Weekly project moves along, it has squeezed their profit margin. He noted that they do not have to continue to move forward at the same pace and could wait for the material costs to drop a bit. He stated that without having a third story option, there would not be variation in the development.

Commissioner Bonthuis stated that her neighbors own Kinghorn Construction and have owned a lot on the river for the past three years but waited to build until the lumber costs came down. She stated that they are planning to build this year. She commented that she did not like the comparison photos provided and did not like the mention that they would only be able to continue to build in Anoka if these concessions are given. She noted that only 34 percent of the homes in phase one have been sold at this time and perhaps it is not the right product.

Chair Kjonaas stated that he does not like the reduction of cost on the exteriors.

Commissioner Bonthuis stated that the developer got a prime piece of property and questioned if the reduced materials were a result of the second site not being as prime.

City Planner Palmer stated that David Weekly Homes was ready to move forward with formal application but that has been postponed because this issue arose. He believed that the applicant would proceed with formal application because of the work that has been done thus far, but perhaps that would be revised to reflect the relaxed standards requested. He confirmed that the district prohibits the use of vinyl.

Commissioner Brewer stated that if the Commission denies the request, there should be definite reasons why as she had a feeling that the Council may side with the developer if there are not good reasons provided by the Commission.

Commissioner Cook rejoined the meeting.

City Planner Palmer stated that the Council has remained focused on architectural requirements in that area even through other developments.

Commissioner Cook recognized that the developer would like to increase their price margin but with the cost of materials decreasing he would not support a change to the materials. He noted that the parcel for phase two is a gateway area and those homes will be visible and should provide a look of quality. He noted that others have been required to follow the Code and this builder should as well.

City Planner Palmer agreed that once the TOD is fully developed, all the buildings will have the same quality finishes.

Chair Kjonaas agreed that the TOD standards were developed with the thought that people on the train will see that area and it should be pleasing.

Commissioner Cook stated that perhaps he could consider reducing standards on interior lots, holding the standards on the street facing lots, but was unsure he would support even that option.

Commissioner Bonthuis recognized that if the standards are reduced in this case, it will bring forward more requests for reduced standards as development continues.

City Planner Palmer confirmed that architectural finishes have remained important on development proposals in that area.

Commissioner Bonthuis stated that if the lots in phase one are not selling that fast, there is no rush for phase two.

Commissioner Rech stated that perhaps the developer come back when they are closer to selling out a larger portion of phase one.

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City Planner Palmer stated that he was caught by surprise to learn that the three-story option was eliminated from phase one, in addition to removing that from the phase two proposal.

ADJOURNMENT:

Time of adjournment: 6:29 p.m.

Submitted by: Amanda Staple, *TimeSaver Off Site Secretarial, Inc.*