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**DATE** : August 4, 2020  
**TIME STARTED** : 7:01 p.m.  
**TIME ENDED** : 9:22 p.m.  
**MEMBERS PRESENT** : Councilmember Carr, Rog, Giefer,  
Schafer and Mayor Huber  
**MEMBERS ABSENT** : None

Staff members present: City Attorney, Dave Snyder; City Engineer, Brad Reifsteck; City Planner, Jennifer Swanson; City Treasurer, Sharon Schwarze; and Administrator/Clerk, Kim Points

**CALL TO ORDER**

The meeting was called to order at 7:00 p.m.

**PUBLIC INPUT**

(1) Ms. Gina Kallam, 11480 75<sup>th</sup> Street, stated she is looking for information on how to view previous City Council meetings.

(2) Ms. Danielle Jeffrey, 9700 68<sup>th</sup> Court, thanked Council Member Carr and Mayor Huber for working with various entities for solutions to the flooding in the Sunnybrook area.

**PLEDGE OF ALLEGIANCE**

**SETTING THE AGENDA**

**Council Member Rog moved to approve the agenda, as presented. Council Member Schafer seconded the motion. Motion carried unanimously with a roll call vote.**

**CONSENT AGENDA**

July 7, 2020 City Council Meeting Minutes	Approved
July 2020 Bill List, \$42,820.82	Approved
Kline Bros. Excavating, Road Work, \$22,430.00	Approved
WSB & Associates, Road Engineering, \$35,428.50	Approved

1 **Council Member Rog moved to approve the consent agenda, as presented. Council Member**  
2 **Giefer seconded the motion. Motion carried unanimously with a roll call vote.**

3  
4 **STAFF AGENDA ITEMS**

5  
6 **City Engineer, Brad Reifsteck**

7  
8 **Consideration of 2020 Seal Coat Bids** – City Engineer Reifsteck advised the following streets have  
9 been identified for maintenance work in 2020:

- 10  
11 • 66<sup>th</sup> Street  
12 • Ivy Ave / Itaska Tr / Ct  
13 • Maple Street  
14 • 110<sup>th</sup> Street  
15 • Lockridge Ave  
16 • 115<sup>th</sup> Street  
17 • Hillcrest Court  
18 • Honeye Ave  
19

20 This year’s project will include a combination of patching, crack repair and fog seal. Quotes were  
21 received August 4<sup>th</sup> at 10:00 am. Bid summary was emailed to Council prior to the Council meeting.  
22 It was noted the bid did not include Lockridge Avenue, 115<sup>th</sup> Street, Hillcrest Court and Honeye  
23 Avenue.  
24

25 As in year’s past we will be sending out invitations to the various neighborhoods to discuss the City’s  
26 special assessment policy and the opportunity to use maintenance dollars towards a street  
27 reconstruction project.  
28

29 Any patching required will be completed by the City’s bituminous patching contractor - Asphalt  
30 Restoration Co.  
31

32 **Council Member Schafer moved to approve the Allied Bid, as presented. Council Member**  
33 **Giefer seconded the motion. Motion carried unanimously by a roll call vote.**

34  
35 **City Planner, Jennifer Swanson**

36  
37 **Consideration of Application for a Conditional Use Permit for Two Silo Farmhouse Resort,**  
38 **7040 117<sup>th</sup> Street North** – City Planner Swanson advised the Applicants and Owners (“Applicant”),  
39 Keith and Jan Dehnert, are requesting a Conditional Use Permit to develop and operate a farm winery  
40 and farmhouse resort on the subject property. Early in 2020, the City Staff met with the Applicant to  
41 discuss the proposed operations and site improvements in a pre-application meeting. During the pre-  
42 application meeting the Applicant indicated that the vision for the property was to 1) grow grapes and  
43 produce local wine; and 2) to allow those staying in the Farmhouse to have a vineyard/winemaking  
44 and wine tasting experience. Based on that description, the use sounded most like a resort per the  
45 City’s table of uses, which is permitted with a Conditional Use Permit.

1  
2 On May 11, 2020 the Applicant submitted their Conditional Use Permit (CUP) application for the  
3 proposed operation, which expands on the original concept discussed at the pre-application meeting.  
4 In response staff scheduled a meeting with the Applicant on June 9, 2020 to seek clarification  
5 regarding the proposed uses on the subject site since the proposed operation evolved, particularly with  
6 respect to intensity. Through the course of the discussion staff indicated that additional information  
7 was needed to adequately review the subject request. On July 14, 2020 Staff had a follow-up  
8 conversation with the Applicant to seek clarification regarding some items contained in the  
9 Applicant's Narrative (Attachment B) which were presented at the Planning Commission. In general  
10 staff discussed occupancy, bathroom facilities, and the phasing and/or timing of the proposed  
11 improvements. All of these issues are documented and further clarified within the Addendum  
12 (Attachment B) submitted by the Applicant on July 26, 2020 in response to Staff's comments, public  
13 testimony and Planning Commission discussion and recommendations.  
14

15 Staff's conclusion based on the materials submitted is that the Two Silo Farmhouse Resort operations  
16 now includes a variety of uses from the City's permitted and conditionally permitted land use table.  
17 As stated with the Applicant's materials the proposed use of the property include the farmhouse resort  
18 experience and farm winery, retail and wholesale sales of the wine curated on site, and associated  
19 activities that are commonly associated with agritainment and/or agritourism types of uses. Based on  
20 what staff now understands of the proposed operations, there is an increased intensity which would be  
21 most similar to a combination of a resort (the farmhouse overnight winery experience), a small-scale  
22 rural event facility (wine tasting, vineyard tours, etc.), and potentially a seasonal business (retail sales  
23 of products/wine, potentially tours, etc.) use all of which are permitted with a CUP within the A-1  
24 zoning district.  
25

### **Public Hearing & Planning Commission Recommendation**

26  
27 On July 21, 2020 the Planning Commission held a duly noticed public hearing on the subject  
28 application. Five members of the public provided public testimony and three emails and/or written  
29 testimony were entered into the public record. A summary of the testimony is provided:

- 30 • Neighbors and adjacent property owners expressed concern about the lack of specificity  
31 regarding the operations and requested additional details regarding the intensity of the  
32 operations (i.e. questions such as number people on site at a time, how site will be managed,  
33 etc.).
- 34 • Concern regarding the potential increase in traffic was identified and the desire to maintain the  
35 area as a quiet, rural neighborhood was expressed.
- 36 • Several neighbors stated opposition to any type of outdoor amplification of music and  
37 requested that a condition be included prohibiting such activity. Their comments were  
38 regarding both live and recorded music.
- 39 • Neighbors expressed concerns regarding the potential for large-scale events and requested that  
40 such uses be prohibited.
- 41 • Concerns regarding overnight guests were stated, and questions regarding management and  
42 detailed operations of the farmhouse were posed.

- 1 • Questions regarding outdoor lighting were noted and requests made to ensure compliance with
- 2 the City’s ordinances to protect the night sky.
- 3 • Hours of operation were questioned, with specific concerns related to the noise and level of
- 4 activity on the site.
- 5 • A specific request was made for 8-foot fence along property lines to protect adjacent
- 6 residential uses. Some request/discussion also occurred requesting vegetative screening and
- 7 buffering.

8  
 9 City Planner Swanson stated that after the public hearing was closed the Planning Commission  
 10 discussed the application and public testimony. The Planning Commission echoed and supported  
 11 many of the concerns and comments of the public and the Commission asked the Applicant to submit  
 12 additional information prior to the City Council meeting. Ultimately the Planning Commission  
 13 unanimously recommended approval of the CUP with conditions as drafted by staff and included  
 14 specific requests for additional information from the Applicant.

15  
 16 On July 26<sup>th</sup> the Applicant submitted additional information for consideration. Staff has begun review  
 17 of the materials, but at the time of this staff report a few items are still in the review process. A few  
 18 items to note, the City Engineer is reviewing the application and will provide a memo and/or verbal  
 19 update to the City Council at the August meeting, and staff will reach out to Washington County  
 20 regarding access prior to the meeting. Additional items requested by the Planning Commission  
 21 included:

Planning Commission Requested Information	Status
Updated to-scale site Plan to include: <ul style="list-style-type: none"> <li>• Parking Areas accommodating up to 30-vehicles</li> <li>• Driveway expansion to allow for ingress and egress of vehicles to pass by</li> <li>• Semi-permanent/temporary bathroom location identified</li> </ul>	Applicant submitted update 7/26/2020
Floor Plans (to-scale) of indoor uses associated with the proposed CUP	Applicant submitted 7/26/2020
Updated Narrative to address: <ul style="list-style-type: none"> <li>• Maximum occupancy</li> <li>• Revised hours of operations</li> <li>• Staffing</li> <li>• Description regarding tour groups – size, length of tours, etc.</li> <li>• Small group activities – occupancy and scheduling</li> <li>• Specific standards/requirements regarding overnight stays</li> </ul>	Addendum provided 7/26/2020

23  
 24 Given the short turnaround time between the Planning Commission and City Council meeting staff  
 25 has not had time to prepare the draft Conditional Use Permit (CUP) reflecting the Planning  
 26 Commission’s recommendation of approval with conditions.. A draft of the CUP will be emailed to  
 27 the City Council under separate cover later in the week of 7/27/2020. The following staff report is

1 generally as presented to the Planning Commission, with revisions and/or updates to reflect the  
 2 information submitted by the Applicant on July 26, 2020.

3 **Project Summary (Operations, Proposed Improvement Schedule & Site Plan)**  
 4

Applicant: Keith and Jan Dehnert Owner: Arthur F Schaefer Family Living Trust	Site Size: 21.01 Acres
Zoning & Land Use: A1 – Agricultural Large Scale	Request: Conditional Use Permit (CUP)
Location Description and PIDs: PID 0503021220001, subject property generally located northeast of the 117 <sup>th</sup> Street N and Bayhill Road intersection	

5  
 6 The Applicant is proposing to develop and operate a farm winery and farmhouse resort to be called  
 7 the Two Silo Farmhouse Resort. A detailed description of the proposed operations is provided in the  
 8 Applicant’s Narrative and Addendum provided in Attachment B. For purposes of this staff report the  
 9 “resort” use is described in connection with the overnight guest accommodations in the existing  
 10 Farmhouse and their experience on the property as a winery (similar concept to what you might  
 11 expect on the west-coast where vineyard resorts are popular). This is consistent with the Applicant’s  
 12 initial description in the pre-application meeting. The remaining uses including guests that would  
 13 visit the site and NOT stay in the Farmhouse, are classified as both a small-scale rural event facility  
 14 with consideration for classifying retail operations as a seasonal business. The following staff report  
 15 addresses all of the contemplated uses, and the Applicant’s intent is to provide seamless operations.  
 16

17 As previously noted, the Applicant described in their narrative a phased approach to the proposed  
 18 operations with minimal to no site or physical improvements contemplated in the first 3-4 years of  
 19 operation. The Farmhouse has already been remodeled and is currently in use as a vacation rental, and  
 20 therefore no significant structural improvements are proposed in the initial few years since the focus  
 21 will be on creating and making wine. As presented, the Applicant indicates that the major site  
 22 improvements would not be completed until post-2024. Given the timeline, staff recommends that the  
 23 improvements contemplated post-2024 be required to obtain an amendment to any CUP issued since  
 24 the details are unknown at this time, which is discussed in subsequent sections of this report. A  
 25 summary of the operations as presented by the Applicant is provided in the following sections.  
 26

27 **Approximate dates 2020 – 2024**

28 **Proposed Site Improvements:** The Applicant’s narrative states that the site improvements  
 29 contemplated in the initial years of operations are minimal and will include the construction of a  
 30 gravel parking area to accommodate 22 vehicles, and some outdoor landscaping areas for guests to sit  
 31 and chat over a glass of wine. All other guest parking is provided on existing driveways and parking  
 32 areas on site, with a total of 30 parking spaces/stalls available. The existing Farmhouse was  
 33 remodeled in 2015 and is currently used as a vacation rental and no further improvements are  
 34 contemplated to the structure at this time. As stated in the Applicant’s Addendum (Attachment B)  
 35 port-a-potty units, one to ADA compliance standards, will be located on-site to accommodate guests.  
 36 The following summary of the operations is provided.  
 37

1 Farmhouse Overnight Vineyard Experience (use - resort): The existing farmhouse has been  
2 remodeled to accommodate the proposed overnight experience and/or use. This use will be  
3 operational as of 2020 and will remain an integral part of the available “experience” on site.  
4 The Farmhouse was remodeled as detailed within the Applicant’s narrative and sleeps 12. As  
5 indicated in the Applicant’s narrative the Farmhouse is intended to provide overnight  
6 accommodations as well as small-scale activities and events such as DIY wine making, paint  
7 and sips, etc. The proposal indicates that the intent is to provide the farm winery experience  
8 for those staying on the property – similar to the types of “experience” based locations in wine  
9 country out west, etc. Guests of the Farmhouse will have the opportunity to take tours, to  
10 attend wine tastings, etc. The Farmhouse will be managed through a reservation system and  
11 will be rented to one group at a time only (i.e. no room rental, one party rents the whole  
12 home). Housekeeping services will maintain the property, and there is no on-site management  
13 proposed. The rental agreement will include requirements that quiet time on the property is  
14 between 10 PM and 7 AM.

- 15
- 16     ▪ *Proposed Hours of Operation:* 24-Hours a Day (overnight accommodations)
- 17     ▪ *Proposed Parking:* Guests will use the existing driveway located adjacent to the  
18 farmhouse.
- 19     ▪ *Proposed Staffing:* No staffing on-site. The Farmhouse is anticipated to operate  
20 similarly to VRBO, etc.
- 21

22 Wine Tasting and Activities (use - resort, rural event facility): The Applicant has indicated  
23 that the number of people that could be accommodated onsite for wine tastings, tours, etc., is  
24 correlated to the amount of wine that can be produced based on the maturity/availability of  
25 grapes on site. Early in the production years the Applicant projects that approximately 50  
26 guests total per day could be served approximately 12 days of the year, with increasing  
27 capacity to approximately 190 days of the year with a guest capacity of 150 total per day  
28 (2025). As stated in the narrative, the number of guests will not all be onsite at the same time  
29 and the activities such as the wine tasting, tours, etc., will have smaller participant levels and  
30 will include various timeslots throughout the day and/or evening. Given the areas of indoor  
31 spaces available to accommodate guests, a total occupancy on-site permitted at any time will  
32 be a maximum of 75-guests. As indicated in the Addendum, this will not be a daily occurrence  
33 and it is likely that the highest number of guests will visit seasonally and on weekends. As  
34 provided in the addendum activities will include wine tastings, vineyard tours, and activities  
35 such as paint and sip, food and wine pairings, DIY wine making, etc.

- 36     ▪ *Proposed Hours of Operation:* Monday through Saturday 10 AM to 10 PM, Sunday 11  
37 AM to 7 PM
- 38     ▪ *Proposed Staffing:* 2-3 Staff (total including retail and wholesale)
- 39

40 Retail and Wholesale Operations (use Seasonal Business): The existing grainery building will  
41 be used for multi-functional purposes providing a small retail space as well as information for  
42 guests visiting the winery and for wholesale sales to be coordinated. This building is  
43 approximately 320-square feet and is therefore limited in its capacity. While no specific

1 timeline is established in the narrative, staff assumes that this space is proposed to be  
2 operational as soon as wine production commences.

- 3 • *Proposed Hours of Operation:* Retail – Monday through Saturday 10 AM to 10 PM,  
4 and Sunday 11 AM to 7 PM; Wholesale Sales (will call by appointment) 8 AM to 6  
5 PM
- 6 ▪ Proposed Staffing: 2-3 Staff (total including activities and tours)

7  
8 *Grape Production (Agricultural, permitted):* In 2019 the Applicant planted their first grapes  
9 with expected full grape production of the first vines in 2023. Additional grapes are scheduled  
10 for planting in 2020 and 2021 with full grape production anticipated in 2024 and 2025  
11 respectively. Specific details regarding the plantings are provided in the Applicant’s narrative  
12 and vineyard maintenance activity is provided. To support the overall production, the  
13 Applicant is also proposing to construct an approximately 50,000 square foot greenhouse to  
14 grow non-cold climate grapes. The greenhouse is proposed to be constructed sometime  
15 between 2024 and 2025.

- 16 ▪ *Proposed Hours of Operation:* N/A; agricultural production

17  
18 City Planner Swasons advised that as stated in the Applicant’s narrative, the wine production will be  
19 at or near capacity by 2025 and as such there may be additional site improvements needed/desired at  
20 that time. The improvements preliminarily contemplated include:

- 21 ▪ Installation of the permanent parking lot to accommodate 100-vehicles.
- 22 ▪ Construction and development of the restrooms on-site (either in a separate structure  
23 or as part of one of the existing accessory buildings.
- 24 ▪

25  
26 Staff recommends that all activity and expansion associated with post-2024 business operations  
27 require an amendment to any permit issued for operations occurring in the short or near term. The  
28 Applicant has indicated that they are comfortable with this condition and acknowledge that the  
29 operations proposed in the short-term may extend well beyond 2025.

30  
31 The City Code states the following for consideration when reviewing a Conditional Use Permit (32-  
32 141):

33  
34 “(d) In determining whether or not a conditional use may be allowed, the City will consider the  
35 nature of the nearby lands or buildings, the effect upon traffic into and from the premises and on  
36 adjoining roads, and all other relevant factors as the City shall deem reasonable prerequisite of  
37 consideration in determining the effect of the use on the general welfare, public health and safety.”

38 (e) If a use is deemed suitable, reasonable conditions may be applied to issuance of a conditional use  
39 permit, and a periodic review of said permit may be required.”

40  
41 In order to determine the appropriateness of the CUP, the proposal will be reviewed for compliance  
42 and consistency with adjacent uses, the zoning district regulations, the performance standards, and  
43 other supplemental regulations. With respect to the “use” of the subject property, the proposed  
44 farmhouse resort is a conditionally permitted use, the grape production is classified as an agricultural

1 use as defined by other existing vineyards in the community, and the farm winery activities on-site  
 2 could partially be considered in the context of a rural event facility or seasonal business. With all uses  
 3 considered collectively the most restrictive permitting process requires a Conditional Use Permit for  
 4 the subject proposal.

5  
 6 The site is located in the far northwestern corner of the City which is surrounded by the City of Hugo  
 7 to the north, and the City of Dellwood to the south. The following existing site conditions generally  
 8 describe the property.

9  
 10 0503021220001 – The parcel is described as being in the Northwest Quarter of Section 5, Township  
 11 30 North, Range 21 West. The parcel is approximately 21.01 acres, is rectangular in shape, and  
 12 located north of 117<sup>th</sup> Street North which forms the border and frontage on the southerly property line.  
 13 The parcel includes an existing farmhouse (principal structure); a grainery building; a milking parlor;  
 14 five accessory buildings, a windmill; and two silos. The Applicant has planted 18-rows of grape vines  
 15 on either side of the entry driveway. The farmhouse, accessory buildings and vineyards are accessed  
 16 from an existing driveway that is connected to 117<sup>th</sup> Street North on the southerly border of the  
 17 property.

18  
 19 The site is guided A-1 in the City’s adopted Comprehensive Plan. Land within the A-1 land use  
 20 designation is generally described as supporting rural, agricultural and rural residential uses with  
 21 limited accessory commercial uses as identified and allowed within the City’s zoning ordinance. The  
 22 City’s ordinances conditionally permit resorts, seasonal businesses and rural event facilities provided  
 23 certain performance standards can be met. Agricultural production, such as that associated with the  
 24 grapes/vineyard, are a permitted use.

25  
 26 The Applicant submitted an updated site plan, a “blob” diagram and Certificate of Survey for the  
 27 subject operations. The following zoning review identifies staff’s concerns and comments which must  
 28 be provided/addressed on an updated site plan and through additional narrative.

29  
 30 City Planner Swanson stated the following site and zoning requirements in the A-1 district for rural  
 31 event facilities which includes the most restrictive regulations and performance standards related to  
 32 the activities of the proposed project:

33

<b>Dimension</b>	<b>Standard</b>
Lot Size	20 acres
Frontage – Per Sections 32-245 & 32-352)	County/State Road and 300’
Front yard - centerline of County Road (Principal Structure)	150’
Front Yard Setback	65’
Side Yard Setback (Per Section 32-352)	100’
Rear Yard Setback	25’
Height of Structure	35’
Fence	May be on property line,



	but not within any ROW
Driveway Setback	5'
Parking Lot setback	10' from ROW
Wetland Setback Structure (Buffer)	75' (50')
Impervious surface coverage	50%
Floor Area Ratio	30%

1

**Lot Area and Frontage**

The subject property is approximately 21.01 acres and is oriented north-south. The subject property is accessed from 117<sup>th</sup> Street North (CR-7) from the southern property line which is a County Road. The property has direct access to a County Road as required by Section 32-352 (c)(4-5). *The lot meets the City’s ordinance requirements for area and access to a County Road.*

**Farmhouse and Accessory Buildings Setbacks & Frontage**

The existing farmhouse is setback approximately 172’ from the westerly property line (side), 270-feet from the southerly property line (front), 317-feet from the easterly property line (side) and 1,422 feet from the northerly property line (rear). The accessory building closest to any yard is the Single Door Machine Shed which is setback approximately 95-feet from the east property line. It should be noted that the Single Door Machine Shed accessory building is not proposed to be used as part of the operations, and therefore is not required to meet the 100-foot sideyard setback. *All existing buildings proposed for use as part of the operations, both principal and accessory, meet the City’s setback requirements. No new structures are proposed as part of this application.*

Staff notes that any proposed parking area or outdoor event spaces shall be setback appropriately from side-yards with adjoining residential uses. *Staff suggests including a condition that any future improvements must be setback a minimum of 100-feet from the property lines, and that additional buffering may be required between such uses (32-254 (c)(8).*

**Architectural/Building Plans & Bathrooms**

The Applicant has identified three existing buildings that will be used for operations, with the intent of remodeling a fourth building in the future. A floor plan for each facility to be used as part of the operation was submitted on July 26, 2020 (attachment C):

- The **tasting room** will be located within the existing Milking Parlor. The structure is approximately 728-square feet and approximately 308 square feet will be used for the Tasting Room, while the remaining 420 square feet will be used for wine making. The tasting room could seat approximately 15-20 guests.
- The Farmhouse lodging sleeps up to 12 people.
- The main level of the Farmhouse provides seating for tasting and

food pairing with approximately 1,000 square feet. Estimated occupancy is 15-20 guests.

- The “welcome center” including retail operations and wholesale coordination is approximately 320 square feet. 10-20 people could be accommodated in the space at a time.

The estimated occupancy based on the facility sizes, which must be confirmed by the City’s building official based on commercial building code, is approximately 52 – 72 guests. ***Based on this approximation, staff would recommend including a condition that the site occupancy should be restricted to 75 guests, excluding employees on site. This allows for some variation and flexibility, while still being correlated with the structures planned to be used as part of the operations.***

As provided in the Applicant’s Addendum, two (2) port-a-potty facilities are proposed, one that will be ADA accessible. ***The number of toilets should be confirmed in coordination with the Building Official based on the site occupancy indicated. Staff would recommend that this be included as a condition, and that the port-a-potty facilities must be maintained on site.***

In addition, the Applicant’s narrative indicated their plan to renovate one of the other accessory buildings on site in the future to accommodate a new tasting room and winery, which could subsequently accommodate more guests. ***At this time staff recommends that a condition be included that any new/additional indoor space would represent an expansion of the use and that an amendment to their permit would be required.***

#### **Traffic/Trip Counts**

The Applicant has provided an Addendum which states an occupancy of up to 75 guests on site. The provided Trip Generation Statement from the Traffic Impact Group identifies trips associated with the winery that are generally consistent with the occupancy identified (Attachment D). The Applicant noted in the public hearing that traffic and/or trips associated by the wholesale operations will be minimal given the restrictions on wine sales by farm winery operators.

The information provided has been sent to Washington County for their review regarding the access. If available, staff will provide a verbal update regarding their comments at the City Council meeting. At a minimum, because the use is located on a County Road the Applicant will be required to obtain an access permit from Washington County because the CUP would represent a change in use. ***Staff would recommend including a condition that an Access Permit must be obtained from Washington County prior to any operations related to the winery commence.***

#### **Driveway/Circulation:**

The Applicant has prepared an updated site plan that shows the expansion of the driveway to a 20-foot fire lane standard width. Staff spoke with the

Applicant and they are hoping to maintain the “rural” farmstead feel and character of the site and would like the driveway expansion to be constructed as a gravel driveway, consistent with the current driveway construction. Staff requests discussion by the City Council regarding this item, as well as the parking lot materials as noted in subsequent sections of this Staff report.

**Parking:**

The Applicant has provided an updated site plan (Attachment C) that shows a proposed parking area south of the Milking Parlor and silos to accommodate up to 22 vehicles (6,600 square-feet). Additional parking area in front of the 6-car and 2-car garages provide an additional 2,400 square feet of parking area to accommodate an addition 8 spaces. Staff has used the more restrictive calculation of 1 parking space per 2.5 seats (occupancy) in the calculation for rural event facilities to determine the number of spaces needed to support the proposed use. With a guest capacity of 75, the number of spaces required is 30 ( $75/2.5 = 30$ ). Using the ratio of 1 parking space per 300 square feet, approximately 9,000 square-feet of dedicated parking area is required to support the number of stalls. *As proposed, the parking plan meets the City’s ordinance for area to accommodate the number of required stalls.*

The Applicant’s narrative proposes a gravel parking surface for all parking areas to maintain the rural character of the property. Section 32-373 requires all off-street parking areas “to be improved with a durable and dustless surface...shall utilize asphalt, concrete or a reasonable substitute surface as approved by the City engineer...” Staff requests discussion by the City Council regarding this item. Regardless of surface type, a full grading plan and engineering review of the proposed parking area shall be required, and review and permitting by the Rice Creek Watershed District regarding stormwater and erosion control may be necessary. *Staff would recommend including a condition that a full construction plan for the parking area must be reviewed and approved by the City Engineer, and that appropriate permits for such work must be obtained from the RCWD prior to the commencement of site work.* Additionally, staff has reached out to the Building Official to determine if any parking stalls are required to be ADA accessible. *Staff would recommend including a condition that if required, the appropriate number of ADA accessible stalls must be designed and provided to the satisfaction of the City Staff prior to a grading permit being issued for the parking lot.*

**Lighting**

Section 32-321 Lighting, Light Fixtures and Glare addresses lighting standards of off-street parking areas and indicates that no more than 1 footcandle may be emitted on a public street, and no more than 0.4 footcandles on adjacent residential property. The Applicant has indicated in their Addendum that no additional lighting is proposed at this time. *Staff would recommend including a condition that any proposed lighting must be provided to City Staff for review, and that any such*

*lighting plan shall comply with the City's ordinances. If staff determines that the location or fixture type has potential to violate the ordinance, then a photometric plan shall be prepared and submitted to demonstrate compliance with the City's ordinances.*

### **Hours of Operation**

The Applicant's proposed hours of operation are correlated to the specific use. A summary of the proposed hours is as follows:

- Farmhouse resort accommodations: 24 hours; Quiet Hours 10 PM to 7 AM
- Retail, Winery Activities, and Tasting Room: Monday through Saturday 10 AM to 10 PM, Sundays 11 AM to 7 PM (no tours permitted Sunday)
- Wholesale Sales (will call) by appointment, 8 AM to 6 PM

The Applicant acknowledges in their narrative that their "busy" time will be seasonal since the vineyard is an outdoor attraction. As such, staff would ask the City Council to consider and discuss whether some of the proposed operations should be restricted or classified as seasonal businesses. Per Section 32-1, Seasonal Business is defined as "a business which operates for not more than six (6) months of any calendar year, and whose primary product of service offered is based on agricultural products or activities produced on site..." Staff would suggest for example that the retail operations are a Seasonal Business, and that the tours and/or wine tastings could be defined as both a seasonal business and small rural event facility. As such, staff requests discussion regarding this item to determine whether certain uses contemplated should be restricted to occur seasonally consistent with the definition.

### **Noise/Amplification**

The Applicant's Addendum states, "Sound system to be indoor and throughout the landscape to provide ambient and background music...Live music will be 1-2 musicians to provide background ambient music. Section 32-352 (c)(7) states that only ceremonial (such as tour guide) amplification is permitted outdoors, and any other amplification is only permitted within a structure or facility. The Planning Commission as well as public testimony indicated strongly that outdoor amplification should not be permitted. It is unclear based on the applicant's Addendum what "sound system...throughout the landscape..." specifically means, but it does imply that there may be some outdoor amplification. Staff would request further discussion by the City Council regarding this item. Per the direction of the Planning Commission, a draft condition prohibiting outdoor amplification is included in subsequent sections of this report.

### **Landscape Plan**

As indicated in the Applicant's Addendum no landscape improvements are contemplated at this time, only clean-up of the current site (i.e. remove weeds, overgrowth, etc.) During the Planning Commission meeting and public hearing it was recommended that buffering between

the adjacent residential properties be provided. The easterly neighbor specifically requested an 8-foot fence, and Planning Commissioners discussed either fencing or vegetation or a combination of both. In the past the City has required vegetative screening between uses such as those contemplated at the Two Silo Resort and residential properties. As such staff requests discussion by the City Council regarding this item. Given the direction of the Planning Commission and public testimony, *staff would recommend that the Applicant prepare a vegetative screening and/or buffer plan on the east and west property lines near any parking areas, site improvements or areas planned for activities associated with the CUP. Further, a condition should be included to address the installation, maintenance and management of the vegetation to ensure the buffer remains intact while the Two Silo Farmhouse Resort is operational.*

**Miscellaneous  
Operational  
Considerations**

- The Applicant provided additional details regarding the tours and activities in the Addendum provided as Attachment B. The details provided confirm that there are no large-scale events contemplated as part of the operations. Tours will be conducted for 5-15 people and will last approximately 45 minutes. Activities will be associated with the winery including paint and sip, food and wine pairings, DIY wine making, etc. Such activities will be conducted for 5-15 people and will last 1 to 3 hours.
- Retail sales: The Applicant has indicated that retail sales will be limited to items produced on-site, wine knickknacks and trinkets and branded merchandise.
- No large-scale events are proposed, which was confirmed by the Applicant during the Public Hearing. The operations described in the narrative include smaller events and/or gatherings such as wine tasting and tours. To ensure there is no confusion, *staff still recommends including a condition that no large-scale gatherings or events were reviewed as part of this application and are not permitted.* The site logistics and conditions would be different for such events and if contemplated would require an amendment to the CUP, if granted.
- Farmhouse Overnight Guests: additional information was provided by the Applicant regarding management and expectations of the Farmhouse overnight resort. The farmhouse will be rented to one party at a time and will not be a “rooming” house, or similar. Quiet times on the property will extend daily from 10 PM to 7 AM. There

is no on-site management proposed, but the Owner will be available on-call.

1 City Planner Swanson indicated she spoke to the City Engineer regarding the proposed operations and  
2 determined that a full review by the City Engineer should be completed once grading plans are  
3 available. A grading permit will be required for the installation of the small parking lot and the  
4 expansion of the driveway. An erosion control plan and surface water management plan may be  
5 required depending on the extends of the proposed work. ***Staff recommends adding a condition that***  
6 ***all comments and conditions, including any needed permits, identified by the City Engineer shall***  
7 ***be obtained prior to any commencement of operations that include guests onsite.***

8  
9 The property is located within the Rice Creek Watershed District, and the Applicant must submit a  
10 copy of the updated site plan and improvements to them once complete. It shall be the responsibility  
11 of the Applicant to obtain all necessary permits from the watershed district prior to commencement of  
12 any activities on site. Since the proposed operations represent a change in use, an access permit from  
13 Washington County shall be required. An updated site plan and updated trip count information shall  
14 be provided and submitted to Washington County. Staff recommends including a condition that an  
15 access permit must be obtained from Washington County prior to the commencement of any site  
16 work.

17  
18 City Planner Swanson advised the following draft conditions are as recommended by the Planning  
19 Commission and are provided for your review and consideration:

- 20
- 21     ▪ The occupancy of the site shall be no more than 75 guests at any one time. Such occupancy  
22     shall be inclusive of the number of guests staying in the overnight accommodations at the  
23     Farmhouse.
  - 24     ▪ The Farmhouse occupancy shall be limited to no more than 12-guests.
  - 25     ▪ Quiet times at the Farmhouse for all overnight guests shall be from 10 PM to 7 AM. Such  
26     times shall be clearly communicated to all guests staying at the Farmhouse.
  - 27     ▪ The improvements identified on the Site Plan shall be constructed prior to the commencement  
28     of any activities on-site for the proposed operations.
  - 29     ▪ The hours of operations shall be limited to the following:
    - 30         ○ Wine Tastings: Monday through Saturday 10 AM to 10 PM, Sundays 11 AM to 7 PM
    - 31         ○ Winery Tours: Monday through Saturday 10 AM to 10 PM, no tours permitted  
32         Sundays
    - 33         ○ Winery Activities: Monday through Saturday 10 AM to 10 PM, Sundays 11 AM to 7  
34         PM
    - 35         ○ Retail Operations: Monday through Saturday 10 AM to 10 PM, Sunday 11 AM to 7  
36         PM
    - 37         ○ Wholesale Operations: Monday through Sunday 8 AM to 6 PM, by appointment only

- 1       ▪ Winery Activities, not including tastings, shall be limited to a maximum of 20 participants per  
2       activity or timeslot.
- 3       ▪ All improvements, including all parking areas shall be setback a minimum of 100-feet from all  
4       property lines
- 5       ▪ If ADA compliant parking stalls are required for the operations, such stalls shall be properly  
6       marked and designed. Such plans shall be submitted for review and approval by the City Staff  
7       including engineer, planner and building official.
- 8       ▪ Final occupancy of all indoor spaces shall be determined after consulting with the City’s  
9       Building Official.
- 10      ▪ Any expansion or of the indoor space uses as part of public/guest accommodations beyond  
11      that identified in this staff report and permit shall require an amendment to the permit.
- 12      ▪ A landscape plan shall be prepared and submitted to demonstrate vegetative screening  
13      between the improvements on site and the adjacent residential homesteads. Such plan shall be  
14      submitted for review and approval by the City Staff.
- 15      ▪ The approved vegetative buffer or landscape screening shall be maintained and kept in good  
16      repair for as long as the operations of the Permit are active.
- 17      ▪ Any proposed lighting shall be submitted for review by City Staff and shall comply with the  
18      City’s Ordinances. If it is determined that there are any fixture locations that may exceed the  
19      City’s ordinance standards a Photometric plan must be submitted to demonstrate compliance  
20      with the ordinance.
- 21      ▪ No amplification of music shall be permitted in the outdoor gathering spaces. Any  
22      amplification of music shall be limited to inside the facilities. All sound and noise shall be  
23      regulated by the MPCA’s noise standards for decibels and use.
- 24      ▪ No large-scale events shall be permitted on site. Examples of such events including weddings,  
25      or similar parties, where guests generally all arrive or depart at the same time. Review of this  
26      type of event was not conducted as part of this permit. Any request to hold such large-scale  
27      events shall require an amendment to this permit.
- 28      ▪ All requirements and conditions of the City Engineer shall be met and addressed. The City  
29      Engineer shall review all updated plans.
- 30      ▪ The Applicant shall comply with all restrictions and permit requirements of the Rice Creek  
31      Watershed District, if any.
- 32      ▪ The Applicant shall obtain an access permit from Washington County. Evidence of such  
33      permit shall be provided to the City.

34  
35      City Planner Swanson stated that due to the complexity of the proposed operations Staff is requesting  
36      discussion and direction by the City Council. The Planning Commission recommended unanimous

1 approval of the Conditional Use Permit with draft conditions as noted. The City Council may direct  
2 staff to:

- 3 • Prepare a Resolution of Approval and Conditional Use Permit to be brought back for  
4 City Council consideration at the regular September meeting. The City Council may  
5 also request additional information from the Applicant, if needed.
- 6 • Prepare a Resolution of Denial with stated Findings.

7  
8 Mr. Keith Dehnert, Applicant, stated a farm winery describes 99% of what he plans to do. Fifty-one  
9 percent of the grapes have to be grown in the State of Minnesota. The goal is to grow everything on  
10 site. There are plans for future well and septic and plans for buffering. One party at a time will be  
11 renting the facility and they are responsible for their own food. Catered food will be provided on site.  
12 The goals is to be a green site so bottle washing will not be done on the site.

13  
14 The Council discussed several revisions and suggested added conditions relating to dust control,  
15 hours, retail sales, parking, lighting, buffers and mandated septic systems. Staff was directed to revise  
16 and draft a potential Conditional Use Permit and bring back to the next Council meeting for more  
17 discussion.

18  
19 **Council Member Schafer moved to table Consideration of Application for a Conditional Use**  
20 **Permit, Two Silo Farm Resort to the September 2020 City Council meeting. Council Member**  
21 **Giefer seconded the motion. Motion carried unanimously by a roll call vote.**

22  
23 **City Attorney, Dave Snyder (no action items)**

24  
25 **NEW BUSINESS**

26  
27 **UNFINISHED BUSINESS**

28  
29 There was no unfinished business.

30  
31 **DISCUSSION ITEMS (no action taken)**

32  
33 **Staff Updates (updates from Staff, no action taken)**

34  
35 **City Council Reports/Future Agenda Items**

36  
37 No items were placed on a future agenda.

38  
39 **COMMUNITY CALENDAR AUGUST 4 THROUGH AUGUST 31, 2020:**

40  
41 **Primary Election, Tuesday, August 11, 2020, Woodbury Lutheran Oak Hill Campus**

42



- 1 **Candidate Filing Deadline, Tuesday, August 11, 2020**
- 2
- 3 **Mahtomedi Public Schools Board Meeting, Thursday, August 13<sup>th</sup> and 27<sup>th</sup>, Mahtomedi District**
- 4 **Education Center, 7:00 p.m.**
- 5 **Stillwater Public Schools Board Meeting, Thursday, August 13<sup>th</sup>, Stillwater City Hall, 7:00 p.m.**
- 6
- 7 **Washington County Commissioners Meeting, Tuesdays, Government Center, 9:00 a.m.**
- 8

9 **ADJOURNMENT**

10

11 **Council Member Carr moved to adjourn the meeting at 9:22 p.m. Council Member Rog**

12 **seconded the motion. Motion carried unanimously.**

13

14 These minutes were considered and approved at the regular Council Meeting September 1, 2020.

15

16

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18 \_\_\_\_\_

19 Kim Points, Administrator/Clerk

18 \_\_\_\_\_

19 Jeff Huber, Mayor

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21

