



# CITY OF CHANHASSEN

Chanhassen is a Community for Life - Providing for Today and Planning for Tomorrow

## MEMORANDUM

**TO:** City Council

**FROM:** MacKenzie Young-Walters, Associate Planner

**DATE:** October 11, 2021

**SUBJ:** Fringe Business (BF) District Uses

### **Issue:**

This item was discussed at a City Council work session April 23, 2018. At that time, the Council chose not to modify the District. Now that Highway 101 is nearing completion and properties are for sale along CASH 61, there is more interest in developing. This area is the southern gateway to the City. The uses in the BF District conflict with the land use guiding of properties. By allowing conditional uses that conflict with the City's long-term vision for the area, these may not develop at the highest and best uses.

To facilitate the highest and best use of this region, the City may wish to reclassify certain permitted and conditional uses as interim uses.

### **Background:**

The City's BF District was initially created 1986 with the stated intent to "accommodate limited commercial uses without urban services" with all potential uses being listed as either conditional or accessory uses. In 1990, the City created interim use permits (IUP) and began classifying uses that it desired to be temporary in nature as interim uses. In 1994, the City amended the BF District's intent statement to state:

"The intent of the 'BF' District is to accommodate limited commercial uses temporary in nature without urban services, while maintaining the integrity, minimizing impact, and protecting the natural environment. When urban services are available, land use may change to a higher and improved use of the property."

Most business uses, with the exception of wholesale nursery/green houses with no retail which is a permitted use, are classified as conditional uses within the District; however, some uses, such as churches and outdoor storage, are classified as interim uses.

The City's 2040 Land Use plan guides the parcels currently zoned BF for office industrial, mixed use, residential medium density, and residential high density land uses. The Highway 101/61 study commissioned by the City in 2014 envisions many of these parcels as being part of the City's southern gateway.

As the reconstruction of Flying Cloud Drive and Highway 101 nears completion, the City has begun receiving inquiries about the possibility of reactivating, expanding, and/or repurposing existing businesses along Flying Cloud Drive. While any business may continue to operate under the terms of existing conditional use permits in perpetuity, the City is concerned that applications for new or expanded conditional use permits (CUP) may come in. Since the express intent of the District is to accommodate temporary commercial uses until urban services are extended, it may be appropriate to classify the area's allowed commercial uses as interim rather than conditional uses. Doing so will help to convey the City's expectation that these uses will be discontinued and the parcels redeveloped once municipal services are extended, and will also provide the City with an additional tool to help insure that the area develops at the highest and best use.

**Relevant City Code:**

*Chapter 20 - Zoning, Article IV. - Conditional Uses:* This article details general criteria, conditions, and procedures for granting and revoking CUPs and IUPs. Other divisions address specific criteria for various conditional uses by district.

*Chapter 20 - Zoning, Article XX. - "BF" Fringe Business District, Sec. 20-771, -773, and -775:* These sections respectively list the Districts permitted, conditional, and interim uses.

**Analysis:**

**Issue 1: Conditional Use Permits (CUP) v. Interim Use Permits (IUP)**

Conditional use permits govern uses which are generally not allowed in a district, but may be suitable in specific circumstances. The City classifies uses that have a high potential to substantially impact adjacent parcels as conditional uses. Applicants wishing to receive a CUP must demonstrate that the use will not unduly impact adjacent parcels or the community and that it will be consistent with the intent of the Comprehensive Plan and zoning ordinance. The City's Zoning Code lists general and specific requirements for most conditional uses. If an applicant can demonstrate that they meet all of the conditional use requirements, the City must issue a CUP; however, the City can place reasonable and justifiable conditions on the permit in order to mitigate anticipated adverse impacts associated with proposed use. This permit is recorded against property and allows that use to continue in perpetuity so long as the conditions of approval are not violated, the property is not subdivided, and the use is not discontinued for a period of six months or longer.