ADOLPH NEIGHBORHOOD SMALL AREA PLAN

Amendment #1 to the Hermantown Comprehensive Plan [DATE]



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Acknowledgments

A special thank you to the following citizens, elected and appointed officials, and city staff that attended meetings and contributed their time and energy to the development of this small area plan.

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I. Introduction

The Adolph Small Area Plan provides recommendations developed by community members and the City of Hermantown to implement a shared vision for a stronger, more livable Adolph. This plan recommends changes to zoning and land use patterns and the transportation system that are designed to preserve and enhance the rural character of Adolph.

This plan supplements and updates the recommendations of the 2001 Hermantown Comprehensive Plan. As such, it is adopted as an amendment to the Comprehensive Plan.

Study Area Location

The Adolph Small Area Plan study area is a 3.5 square mile area located in Southwest Hermantown. It is centered on intersection of Highway Two and Midway Road.

II. Existing Conditions

Existing Zoning and Land Use

The study area is comprised of a variety of zoning districts. The largest zoning district is S-1 Suburban which is applied to most of the western half of the study area. A large M-1, Manufacturing and Light Industrial zoned area is oriented along the Trunk Highway Two corridor. R-1, Residential and O, Open zoning make up the remaining zoning designations in the northeast corner of the study area. A significant amount of land is also covered by the SO, Shoreland Overlay zone because several rivers and streams cross through the area.

The predominant land use in the study area is undeveloped land. Development is clustered adjacent to major roads in the area: Midway Road, Morris Thomas Road, Highway Two, and Hermantown Road. Much of the interior of parcels and lands are undeveloped.



There are approximately 70 single-family housing structures in the study area. This study did not conduct an assessment of occupied and vacant housing structures.

There are approximately 20 commercial and transportation related businesses located in the M-1, Manufacturing and Light Industry zoning district. Many of the uses are non-conforming uses within the M-1 District.

Adolph Planning Area Existing Zoning and Land Use

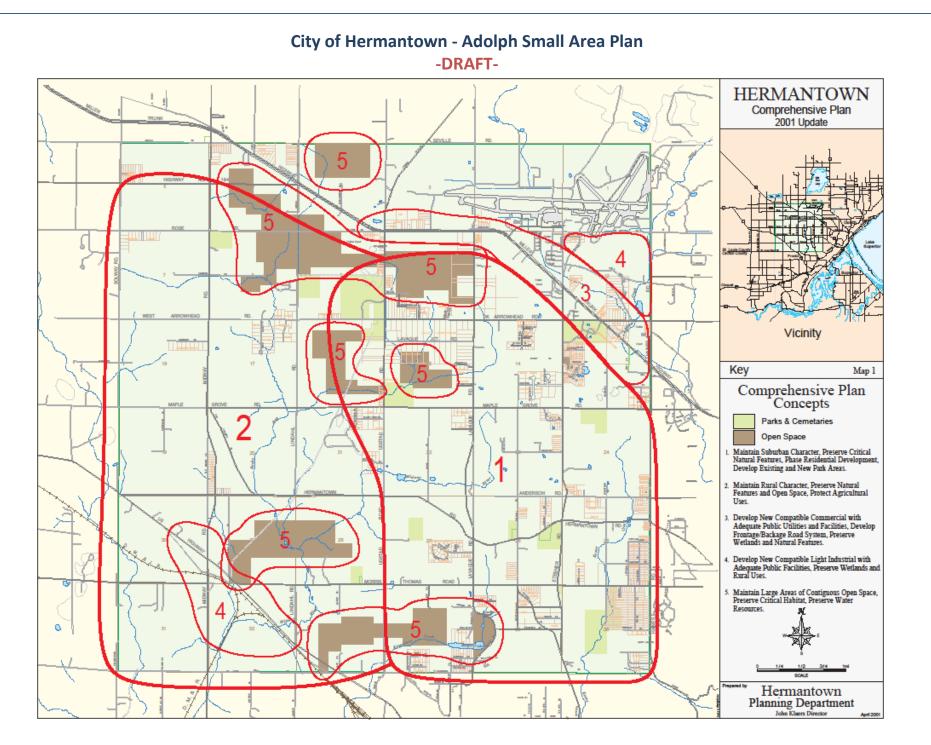
Existing Plans

The **2001 Hermantown Comprehensive Plan** identified several concepts that were to be applied throughout the City. The concepts for the various sections of the study area are:

- Manage residential development to maintain rural character, preserve natural features and open space, protect agricultural uses, and preserve existing, established neighborhoods.
 - Locate new light industrial development in areas with similar uses, adequate public facilities, highway and arterial road access, and without conflicts with existing, established residential, public, recreational or commercial development.
 - Maintain large areas of contiguous open space that will provide passive and active recreational opportunities for all residents of Hermantown. Preserve critical habitat and water resources.

Advance Hermantown (2012) set a goal to "develop a master plan for the Midway Road and Highway Two Commercial District." Advance Hermantown is seeking to determine the potential to position the area as a distribution center focused on the Highway Two and Midway Road crossroads.

December 11, 2014

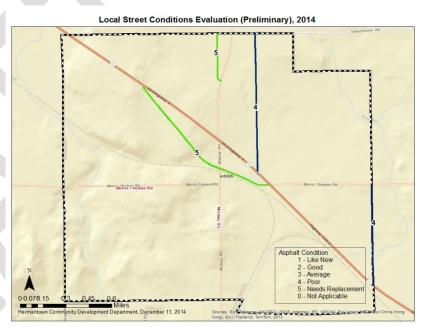


Transportation Network

The study area is an important transportation center in the city and region. Highway Two and Midway Road are busy cross-roads. Midway Road is used by regional residents traveling between Interstate 35 to the south and Highway 53 to the north. Traffic has increased significantly on Midway Road in the past 15 years.

Adolph Traffic Counts (AADT), 1999-2013					
	Midway South of Hwy. 2	Midway North of Hwy. 2	Hwy. 2 East of Midway	Hwy. 2 West of Midway	Morris Thomas West of Midway
1999	4800	7100	5400	3100	810
2002	5800	7100	5700	3650	800
2004	-	-	5700	3550	-
2006	-	-	5500	3700	-
2007	7300	8500	-	-	1200
2009	-	-	5400	3950	-
2011	7200	8400	5400	4350	1100
2013	-	-	5300	3950	-
Change	2400	1300	- 100	850	290
Source: Minnesota Department of Transportation, 2014					

The study area is served internally by a limited number of roads. Morris Thomas Road provides an east-west connection across the middle of the study area and Hermantown Road provides an eastwest connection along the northern edge. Midway Road is the only complete north-south road connection. Solway Road on the western and Lindahl road on the eastern edges have several major gaps. The Public Works and Community Development Departments conducted a preliminary city-wide assessment of local street conditions and needs. Old Highway Two and Old Midway Road received a five for pavement conditions, the lowest grade possible, indicating the pavement needs replacement. Almquist and Lindahl Roads received grades of 4 indicating poor conditions.



Railroad Operations

All CN Railway trains transporting cargo from the west coast Canadian ports to Chicago and the eastern United States must pass through the region, with some routes traversing Hermantown. The CN main track splits into two spurs, the Rainy Spur and Missabe Spur, a few miles west of Adolph. The Rainy Spur, which runs southwest of Hermantown, is CN's preferred route down the steep

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bluff at Steelton Hill into Duluth. The Missabe Spur, which runs directly through the Adolph area, is used primarily as an alternate route when trains begin to back up due to the bottleneck created at Steelton Hill. The number and length of trains has been increasing in recent years. As of August 2014, 22 unit and container trains use the Rainy or Missabe Spurs daily as they pass through the region. The Missabe Spur is also used by eight to twelve iron ore trains per day during the peak ore hauling season.

CN is undertaking a \$30 million, multi-year investment to reduce delays at Steelton Hill. The project includes improving track geometry (reducing curves) and double tracking (adding capacity).

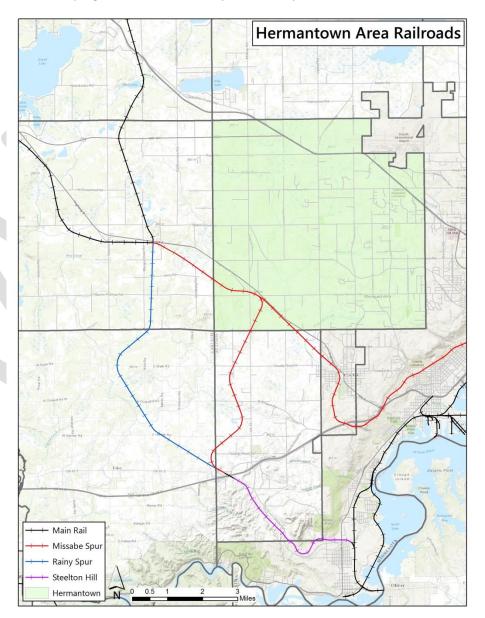
- 2014 Addition of 10,000 feet of track siding at Becks Road.
- 2015 Addition of double track from Munger Trail to Nopeming.
- 2016 Bridgework and addition of double track near I-35.

Utilities

The study area lies outside the City's Urban Services Boundary. It does not have public water or sewer services. Land uses are served by private wells and septic systems. The study area does not have natural gas service. A natural gas wholesale pipeline transects the area, but is accessible only to property owners with the pipeline on their property via the farm tap program. Minnesota Power's Arrowhead Substation is an important piece of the region's electrical transmission and distribution system located along Morris Thomas Road. Several regional transmission lines converge at the substation. There are also many local power service lines are located in the study area.

Community Character

Adolph got its start as an early community center in 1892 when a



depot was built to serve the Duluth, Missabe and Northern Railroad. Shortly after, a general store was built in the area. A post office, sawmills, a school, and several houses followed. A distinct early community center was created. Transportation continues to play a key role in shaping the Adolph area via access to Highway Two and Midway Road.

Development in the area did not continue, and today, Adolph is largely undeveloped and rural as one moves away from the Highway Two and Midway Road intersection. Many of Adolph's residents are long established having lived in the area for many decades. Residents report that the longevity of their neighbors, rural character with open space, and history of the area are key attributes of the Adolph area. The sawmills, school, and post office have all since closed.

The Adolph Store has existed in one variation or another for a century. The store features a large butcher shop, creating destination known throughout the region for its custom meats.

III. Community Participation Process

The small area planning process took place over several months in 2014. The City of Hermantown Community Development Department began the data collection and preliminary analysis process in May 2014. A steering committee comprised of community members was engaged during meetings in July, August, and October. The purpose of these meetings was to provide an opportunity for community members to help the City by identifying issues and opportunities and providing knowledge of the study area.

Steering Committee Meeting #1

The first meeting introduced community members to the planning process, familiarized city staff and community members with existing conditions, began identifying neighborhood character, and discussed existing and future land use options.

Steering Committee Meeting #2

The second meeting included a development typology and community visualization exercise and discussion of how infrastructure, landscape, and the environment might shape the future of the study area.

Railroad Operations Meeting

City staff met with representatives from CN Railway and St. Louis County Engineering Department in August to discuss issues that were raised by community members during the planning process. Current usage and investment plans were discussed. CN is undertaking a \$30 million, multi-year investment that will reduce delays and back-ups in the study area.

Steering Committee Meeting #3

The steering committee met for a final time in October. Staff shared the information provided by CN and St. Louis County Engineering Department. The committee reviewed staff recommendations and provided direction regarding traffic safety on Midway Road, proposed changes to light industrial zoning, and rural residential character.

IV. Themes

Themes were revealed through the staff analysis and steering committee meetings that were used direct the development of this plan's vision and recommendations.

Outline of Themes

- 1. Expand and protect the rural character and history of the Adolph study area.
 - Traditionally rural land uses and life-styles are important.
 - Allow limited, compatible rural home based businesses.
 - Large, bucolic lots will help preserve the character and rural lifestyle.
 - There is no desire for denser residential development that would require public water and sewer services.
- 2. Maintain and enhance the existing commercial areas with a focus on neighborhood services
 - The Adolph area could accommodate a limited amount of additional or improved commercial services. There is a desire for neighborhood scaled commercials services.
 - The service boundaries extend beyond the study area into western Hermantown, Midway Township, and Solway Township.
 - The Adolph Store is a destination for residents of a much larger region. The residents support the Adolph Store.
 - A desire for more intensive commercial use that would require public water and sewer services was not expressed.

- 3. An increase in the number, size, and nature of railroad traffic is a major concern.
 - Trains at the Midway Road crossing create traffic safety issues and traffic delays.
 - Noise from increased train traffic affects quality of life.
- 4. An increase in road traffic is a concern.
 - Noise and speed of traffic affects quality of life.
- 5. The existing light industrial zone does not reflect the demand and desires of the area.
 - Many of the businesses located within the M-1, Manufacturing and Light Industrial are nonconforming uses such as the Adolph Store and union hall, for example.
 - Many of the lands zoned M-1 are not suited for light industrial development due to wetlands, lack of public utilities, and poor transportation access.
 - Many of the best suited M-1 properties along Highway Two and Midway Road are undeveloped, underdeveloped, or used for non-industrial uses such as single family residential, retail, and ministorage warehouses.
 - Many of the allowed uses are out of date and noncompatible with the expressed rural residential character of the area.
- 6. Increased access to recreational and natural resources would be a positive for the study area community.
 - Trails are an important quality of life factor.

V. Recommendations

The following recommendations are established achieve the vision elements present in the themes identified in the previous section.

- Develop and apply a new Rural Residential (RR) zoning district. A new zoning district can help achieve the preservation of the rural character of the study area. Key concepts include:
 - a. Rezone all S-1 zoned properties west of Midway Road and south of Highway Two to the RR zone.
 - b. Rezone all S-1 zoned properties that border the east side of Midway Road south of Morris Thomas Road to RR zone.
 - c. Rezone the M-1 zoned properties south of the CN Railway curve in the southeast corner of the study area to RR zone.
 - d. Increase front yard setbacks from 50 feet to 75 feet and side yard setbacks from 15 feet to 30 feet.
 - e. Allow an expanded type and scope rural commercial operations on 5 acre minimum lots in the RR zone. Examples of possible commercial activities include egg and honey production and sales and small contractor's yards on residential premises. The process for developing the RR ordinance and completing rezoning is discussed in more detail in the Implementation and Communication section of this plan.
- 2. Replace the M-1, Manufacturing, Light Industry zoning district with the BLM, Business and Light Manufacturing

zoning district. Many of the uses allowed within the M-1 zoning district are not compatible with the existing and desired character of the study area. The planning process and a review of the overall condition of the M-1 ordinance and zoned lands within the city by Community Development Staff have revealed that the demand and actual uses of M-1 zoned lands do not conform to the stated purpose of the district. The following is a description of the changes made by the BLM zoning district:

- a. The M-1 district has not been reviewed for consistency with the Comprehensive Plan in many years. The proposed revisions include the deletion of several archaic uses that are either no longer appropriate in an urban area such as Hermantown, or are no longer land uses that exist in their form as originally conceived:
 - Clear cutting (not regulated in Hermantown; we do not have a landscaping ordinance).
 - ii. Bus line depot (an accessory use more appropriate in an HM or C district)
 - iii. Gravel or borrow pit (outdated)
 - iv. Commercial printing (now considered a typical manufacturing use)
 - v. Junk yards (outdated)
 - vi. Streetscape furniture (outdated)
 - vii. Security personnel dwelling (outdated)

Mini-storage facilities have been reincorporated into the new BLM district with a few conditions for its use.

Other changes in the district include the inclusion of new uses. Such uses include:

- i. Catering
- ii. Brewery
- iii. Indoor recreation facilities

The revisions will modernize the Zoning Ordinance for manufacturing uses. The modernizations include doing away with the Commercial-Industrial Development Permit in the M-1 district, and creating categories uses that are of "Permitted" and "Permitted with Conditions." By allowing such uses in that way, it is hoped that the development process is quicker for applicants seeking to locate a new business in Hermantown.

The revisions also adjust the dimensional standards for setbacks, lot coverage and maximum building height to be more accommodating to modern light manufacturing and warehousing needs.

To act as a safeguard, a new section on performance standards has been included. The performance standards hew to typical standards that have been required over the years for uses in the M-1 district under a CIDP permit. There has historically been an issue of retail and restaurant activities in the M-1 (now BLM) district. The district presently allows such uses without must thought given to how they fit into the overall land use pattern of the area. The now-shuttered Midway Café (formerly Starvin' Marvin's) is a good example. The revisions to the M-1 district provide some minimum standards for operating restaurants and retail operations in the district, without prohibiting such activity.

Finally, there are some modifications proposed to the setback requirements within the district. As proposed, the setbacks would generally become less stringent in areas that are strictly manufacturing in nature, but would remain the same or become more stringent in areas that are adjacent to residential areas.

- 3. Reduce the area that is zoned for Business and Light Manufacturing. When the M-1 zoning is replaced with the BLM zoning district the area designated for business and light manufacturing development should be focused on the Highway Two corridor and the commercially developed corridor along Midway Road.
 - a. Rezone the M-1 zoned properties south of the CN Railway curve in the southeast corner of the study area to the new RR zoning district.

- b. Combine the zoning of several parcels along Hermantown Road which are currently split between S-1 and M-1 zoning into S-1 zoning to be consistent with the existing residential uses of the properties.
- 4. Work with the St. Louis County Highway Department to improve traffic flow and safety of Midway Road south of Highway Two. Due to the low density of development ti in the area lowering the speed limit on Midway Road is nto an option. Several actions were identified that could improve traffic flow and safety of Midway Road.
 - a. Railroad overpass. An overpass of the CN rail line would eliminate traffic delays and existing safety issues by eliminating the blocking of the roadway by trains. An overpass is the most expensive option and would require the longest timeframe to be completed. Such an overpass may not be warranted by existing traffic volumes or patterns. An overpass would eliminate the current access to Old Highway Two and necessitate acquisition of private property. The Adolph Store would almost certainly be eliminated. The store owner indicated that he could move his business. The City would likely need to take the lead role in property buyouts and plan for impact to Old Highway Two. As a major capital improvement an overpass would need to be included in the county and state long range transportation plans.

The remaining options could be considered together or independently.

- b. Midway Road and Highway Two Traffic Signal Adjustment. The traffic signal at the Highway Two and Midway Road intersection is timed to favor traffic movement on Highway Two. When the signal is red on Midway Road a traffic queue forms towards the railroad crossing that creates a safety and congestion problem. Average daily traffic on Midway Road south of Highway Two is 1,800-2,850 higher than average daily traffic on Highway Two. Hermantown should work with St. Louis County and Mn/Dot, the owner of the signals, to adjust the signal to favor traffic movement on Midway Road. The County or City would need to bear the costs of any changes to improve traffic flow on Midway Road because it is a County road. This would need to be included in the 5 year county and state transportation improvement plans.
- c. Intelligent Traffic System. When trains block the rail crossing of Midway Road traffic forms a queue to south creating a safety issue for traffic cresting a hill a short distance south of the crossing. The City should work with St. Louis County to develop and install an intelligent traffic signaling system that accurately informs drivers to prepare to stop when a queue has developed. This would need to be included in the 5 year county transportation improvement plan.

d. Other improvements that could help alleviate the safety, congestion, and noise problems include bypass lanes on Midway near the Adolph Store, installation of a "No Jake Brake" sign between the railroad and Highway Two, and adding a right turn on Midway at the St. Louis River Road that would allow motorists to access Highway Two while avoiding the railroad crossing on Midway.

VI. Implementation and Communication

This section provides a framework for implementing the recommendations identified in this plan and outlines a process for informing steering committee members and other stakeholders of the plan's status.

1. Develop and apply a new Rural Residential (RR) zoning district.

Responsibility: Community Development Staff, Planning Commission.

Tasks:

- Community Development staff will draft a new RR zoning ordinance.
- Community Development staff will gather feedback from property owners within the area designated for rezoning to RR.
- Hold public hearing on ordinance and rezoning.
- Adopt ordinance and rezone selected areas.

Timeline: 12 - 18 months

2. Replace the M-1, Manufacturing, Light Industry zoning district with the BLM, Business and Light Manufacturing zoning district.

Responsibility: Community Development Staff, Planning Commission.

Timeline: In-progress, completion in December 2014.

3. Reduce the area that is zoned for Business and Light Manufacturing.

Responsibility: Community Development Staff, Planning Commission.

Tasks:

- Community Development staff will gather feedback from property owners within the area designated for changes in zoning.
- Hold public hearing on rezoning.
- Adopt rezone selected areas.

Timeline: 12 – 18 months

4. Work with the St. Louis County Highway Department to improve traffic flow and safety of Midway Road south of Highway Two.

Responsibility: Community Development Staff, St. Louis County Engineering Department, Mn/DOT Tasks:

 Meet with St. Louis County Engineering to present bridge, signal adjustment, and intelligent traffic system proposals. Develop preliminary costs for inclusion in

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Long Range Transportation Plan and 5 year TIP. $(1^{st}/2^{nd} / 3rd Q 2015)$

Timeline: 2-4 years

Small Area Plan Monitoring

Community Development staff will periodically update the steering committee on implementation progress and other items related to the small area plan. A status report will be sent annually via email that reviews the previous year's efforts to implement the small area plan and discusses other planning and development items relevant to the Adolph neighborhood.

Appendix

Community Character Exercise

Community Development staff conducted a community context and character exercise with the steering committee during its first meeting. Staff presented the following scenario:

"Adolph is a unique area within the city with roots dating back to 1892. The purpose of this exercise is to identify the defining elements that make up the character of the Adolph study area.

On the cards provided, write down one or two word descriptions that describe the Adolph study area character. Staff will collect the cards and display them on the wall so the group can discuss them."

The answers were compiled and divided into positive and negative attributes as follows:

Positive Attributes

Gateway to Hermantown (2) Meat Market (3) History Open Space (2) Undeveloped Rural Great Place to Live/Great Neighbors (3) Longevity of Residents (3) Regionally Central Intersected by Major Transportation Routes

Negative Attributes

Traffic Backup (3) High speed traffic (2) Busy Roads (2) Railroad Crossing (2) Noisy (3) Lacking Utilities – water and sewer

Economic Development Surveys

Community development staff conducted three economic development surveys of the steering committee members during its second meeting. Staff presented the following scenarios:

Adolph Enterprise Area – Commercial Activities

- 1. List two retail or service uses you believe are missing. *Restaurant (4), Liquor Store (2)*
- 2. How tall (in feet or stories) should new structures be? *15 feet, 2 stories, 3 stories, 5 stories, little*
- 3. Choose one: truck traffic or automobile traffic *Automobile (4), truck (2)*
- 4. List two industrial or manufacturing businesses you think might thrive in this location.
 - Bakery, Industrial manufacturing, Liquor store, Lumber yard
- 5. Choose one: locals or tourists or Duluthians *Locals (3), Duluthians (3)*
- 6. Choose one: bike trails or ATV routes *Bike trails (5), ATV*
- 7. Who do you most closely align yourself with?
 - a. Proctor?
 - b. Midway Township?
 - c. Solway Township?

Proctor (5), Duluth

8. Where do you go to buy milk most often? *Pike Lake, Duluth Co-op, Mall area, Sam's Club (2)*

Adolph Rural Area – Commercial Activities

1. Are farms important within the Adolph Rural Area? *Yes (4), No (2)*

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- Is industrial activity on large sites acceptable within the Adolph Rural Area? Yes (6)
- 3. Choose one: Gravel Pit or Electrical sub-station *Electrical substation (5), Gravel pit (1)*
- In one word, describe how you think about rural Adolph when you aren't there.
 Nice, Country, Country living, Home, Old farms, Sparse
- Yes or no: Is outdoor storage of rusty scrap metal acceptable? No (5), Yes (1)

Adolph Area – Residential

- How far away (in feet) should a neighbor's house be within the Adolph Rural Enterprise Area? 100', 200' 250', 300' (2)
- 2. Yes or no: senior housing is a priority in the Adolph Area? *Yes (3), No (3)*
- 3. List one park or recreation amenity provided cooperatively by the city or a group of neighbors that residents of Adolph should have access to.

Walking trails, Bike trail, Ball field, Play area for children, Snowmobile trial, No

- How far away (in feet or miles) should a neighbor's house be within the Adolph Rural Area?
 200', 500', 2 miles, 1 acre, 1000', Out of sight
- 5. How many acres of property does it take to make something rural?

1, 3, 5, 10 (2)

Within the Adolph Enterprise Area, could housing density ever approach that found in other parts of Hermantown? Yes or no.
 No (5), Yes 1

7. Within the Adolph Enterprise Area, could housing density ever approach that found in other parts of the region? Where?
No (5), Yes – Proctor

Distribution Center Site Analysis

Advance Hermantown (2012) set a goal to "develop a master plan for the Midway Road and Highway Two Commercial District." Based on the presence of a few small distribution centers Advance Hermantown sought to determine the potential of area for further development of similar businesses. Access to Highway Two, I-35 and Highway 53 via Midway Road, large parcels, and the CN rail line were identified as positive attributes. Three planning phases were outlined:

Phase 1: Assess current zoning, land availability, and infrastructure. Determine challenges and opportunities for new growth.

Phase 2: Create a proactive strategy to manage and support commercial growth, develop jobs and increase tax base for Hermantown.

Phase 3: Assist the Hermantown Economic Development Authority (HEDA) to proactively seek out economic opportunities and partnerships which will support current and future projects.

At the request of the Community Development Department Northland Connection provided a primer on site selection needs for distribution centers. Access to all the major highway corridors that feed into and out of the area is a competitive advantage for Adolph. The competitive position of Adolph regarding other factors is unknown in most cases or undifferentiated from competing areas in the region. Issues and opportunities include:

- Transportation costs to key markets (Twin Cities, Iron Range, Canada). Inbound and outbound costs comprise 50%-60% of a company's total costs.
- Adequacy of roadways (10-ton). (position unknown)
- Need to identify transportation providers (less-thantruckload carriers) and terminals in the Twin Ports, Grand Rapids and in Virginia. These companies promote attractive pricing, higher availability, and better service. Even companies with in-house fleets will appreciate the flexibility of tapping into that resource.
- Cost of purchasing or leasing real estate, including expenses such as taxes, insurance and utilities.
- The region has major transportation infrastructure with FedEx and UPS flying daily out of Duluth International Airport, four Class 1 railroads, and the port. The competitive position of Adolph relative to these assets is unknown.
- Labor costs make up 15% of total distribution costs. Even with technology distribution is still people-intensive. Need to identify the availability of qualified talent and prevailing wage rates for all occupational codes in this sector.
- Quality of life factors for employees and families is important. Some factors include proximity to schools and hospitals, access to shopping, housing and community appearance, access to high speed Internet, recreation and civic facilities, and crime rate.
- Consider planning and zoning information such as building construction codes, right-of-way and building height restrictions. The BLM addresses the dimensional standards for setbacks, lot coverage and maximum building height to

be more accommodating to modern light manufacturing and distribution needs.

- Availability of business financing and training.
- Further study could identify land potential easement issues, geotechnical and wetland makeup, availability of fiber, overall depth and width needed to operate truck turnarounds, and needed pavement for egress and ingress of trucks.