

Memorandum

TO: Planning Commission
FROM: Izaak Peterson , Associate Planner
DATE: January 28, 2025
SUBJECT: Public Hearing: Conditional Use Permit Amendment (Vehicle Rentals)-
3854 Lexington Ave North - EEG Management
**ITEM
NUMBER:** 7.A
SECTION: NEW BUSINESS

REQUESTED MOTION

To recommend the city council adopt Resolution No. 25-02 amending the conditional use permit to allow vehicle rentals subject to the below listed conditions:

A. General Conditions – Automobile service station, fuel station, car wash, outside display area, grocery sales

1. Operation of an automobile service station including a carwash, outside display areas, and grocery sales.
2. No painting or automobile body work.
3. Property shall be maintained in a neat and orderly condition at all times.
4. All refuse shall be stored and screened as shown on the Site Plan.
5. Outside display shall be limited to the following areas as shown on the Site Plan.
6. New tire display on the north side of the building.
7. Vacuum cleaner service as identified on the Site Plan in File No. 1742-99-09.
8. Concrete walkway adjacent to the front of the building.
9. Gasoline pump islands.
10. Existing sanitary sewer dumping station available to the public for disposal of contents of sewage holding tanks of mobile trailers.
11. Signage on the property shall comply with the approved comprehensive sign plan for the property – File No. 2525-14-15
12. Parking area shall be used for employee parking; parking of customers currently being serviced; and for vehicle rentals as provided in
13. Section B below.
14. Exterior bulk materials storage is not permitted on this property.

B. Automotive Vehicle Rentals.

1. Automobile rentals on the property provided that the maximum number of vehicles for rent at any one time does not exceed 5.
2. The parking area shall be used for employee parking, parking of customer vehicles currently being serviced, and vehicle sale in the area shown on the Site Plan incorporated herein.
3. All vehicles on the site shall be licensed and maintained in an operable condition.
4. No vehicles, with the exception of those for rent, shall be stored on the site for more than

30 consecutive days.

5. Automobile vehicles for rent shall be limited to passenger vehicles only. The rental of commercial vehicles is prohibited.
6. Automobile vehicles for sale shall be displayed on the property in the parking lot as identified within the approved site plan.
7. Additional signage serving the car rental land use is not permitted on the property, with the exception of window decal signage
8. located on the vehicles being offered for rent. Said vehicle window signage shall not exceed 11"x 17" in area.
9. No new building or structures intended to serve as a car rental service station are permitted through this permit.
10. The sale of vehicles on the site is prohibited.
11. The property owner shall restripe the existing parking lot, in a manner consistent with the submitted site plan within 12 months of permit approval.
12. Permit holder shall reimburse the City for all costs incurred, including legal fees, in order to enforce the terms of this conditional use permit.

C. Recission of Prior Permits.

1. Upon the adoption of this permit and the execution of the permit by the City and by the applicant, all prior permits issued for this site are hereby rescinded. It is the intent of the city that the existing permit includes all prior applicable conditions of approval for the site.

INTRODUCTION

EEG Management, has submit a conditional use permit application to amend the existing conditional use permit which allows for an automotive fuel and service station, and limited vehicle sales at the Amoco Gas Station site located at 3854 Lexington Avenue North. The applicant is proposing to terminate the vehicle sales conditional use of the property, in favor allowing for the rental of vehicles from the site. This application was instigated in part by code enforcement action regarding signage on the site, which advertised vehicle rentals on the property, which was not previously permitted.

Prior to this application, special use or conditional use permits were issued in 1970, 1983, 1986, 1993, 1999, and 2012 respectively. Conditional use permit amendment granted in 1983 included a condition of approval that prohibited the sale of vehicles on the property. Subsequently, permit amendment in 1999 additionally listed a condition that no vehicles be stored on the site for more than 30 consecutive days. In 2012, conditional use permit amendment permitted allowed for vehicle sales on the site, with a maximum sale of five (5) vehicles at anytime. This most recent permit amendment, was specific to vehicle sales resulting from vehicles forfeited or acquired from (service station) customers.

In 2013, the city approved a ordinance text amendment which prohibited outdoor vehicle and equipment sales within C-2, General Commercial properties, and established vehicle rental and service facilities as a permitted conditional use within the zoning district.

Following the 2012 approval, the sale of vehicles on the site was pursued for a limited amount of time. Per the applicant, the site has not conducted vehicle sales on the property for approximately 10 years. Recently, the property owner began conducting the rental of ten (10) Turo vehicle rentals from the parking site, an app based car rental service that does not utilize the existing building facilities. As the rental of vehicles has not been previously approved by

conditional use, and the sale of vehicles no longer occurs, the proposed conditional use permit amendment intends to bring the site into code compliance, and alignment with the properties current operation. No modifications or construction alterations to the sites existing facilities are proposed through this applications.

DISCUSSION

Site Description

The subject property is a corner lot located on the northeast corner of Lexington Ave and Red Fox Road, immediately south of interstate 694. The property is zone C-2, General Commercial. The property abuts C-2 property to the west, PUD zoned property to the south, and commercial property to the west located in Arden Hills.

The site was initially developed as a gas service station in 1970, by way of special use permit. The site as a whole contains an auto service station, fuel station, and detached car wash. The existing auto service and fuel station building is approximately 4,800 square feet, containing five(5) service bays and 1,200 square feet of retail space. The detached car wash, constructed in 1999, is approximately 4,430 square feet and located on the eastern portion of the property. The site currently contains a parking capacity of 60 spaces, 44 stalls provided in the surface parking lot together with 16 parking stalls at the fuel pump islands.

Development Code Requirements

The property is zone C-2, General Commercial. The C-2 district permits a variety of commercial uses including retail services, restaurants, fuel stations and hotels. Automobile service stations, and vehicle rentals are permitted by conditional use within the C-2 district. For auto service stations development Code Sec. 109-93 prescribes a minimum of one(1) parking stall per employee and five(5) stalls per service bay. Fuel stations require a minimum of four parking stalls, plus one stall per 150 square of retail floor space. Vehicle rental and (rental) service facilities requires a minimum of eight (8) parking stalls plus one(1) per 800 square feet of floor area over 1,000 square feet.

The auto rental land use of the property is considered a conditional use. A conditional use permit for an auto rental and service facility shall is required comply with the following standards:

- The use is permitted in single-tenant or multitenant commercial buildings.
- No more than five rental cars for pick-up or drop-off in the short term may be parked and/or stored on the property.
- The number of parking stalls, provided this use shall be in addition to the city's minimum parking requirements for the property and shall be located to the rear or side of the building.
- No servicing of vehicles shall be offered to the general public.

A conditional use permit for the proposed car rental land use may be granted in addition to the existing automobile service station conditional use, and Fuel Station use of the property through modification of the existing conditional use permit application. A conditional use permit amendment may be granted provided the proposed use is listed as a conditional use, and criteria of the Development Code are satisfied. The intent of the conditional use permit is to asses the suitability of the proposed use in the zoning district and insure harmony with the Comprehensive Plan.

Staff Review

When reviewing an application for a conditional use permit, the Planning Commission must consider the comprehensive plan policies, development code requirements, and the effect the proposed use may have on the character of the neighborhood. Conditions can be attached to the permit regulating the proposed use.

In staffs opinion the primary issues related to this application concern parking, and reconciling the performance standards set forth for vehicle rental and service facility land use, with a modern app based car rental operation which does not require standalone building facilities as proposed.

Existing Automotive Sales Use

The site is currently permitted to sell up to five cars from the subject property by conditional use permit approval, in addition to the use of the property as a vehicle service station, and fuel station. At the time of the approval, five parking stalls existing on the site were dedicated to the approved vehicle sales conditional use. As a result of the 2013 ordinance text amendment which prohibited car sales in C-2 properties, the sites conditional use permit approval for outdoor vehicle sales exists as a nonconforming land use. As a nonconforming use, vehicle sales on the property may continue at the size, intensity and in the manner of operation existing upon the date on which the use became nonconforming in perpetuity.

The applicants request to terminate the nonconforming vehicle sales conditional use of the property, in favor of a vehicle rental conditional use, would bring the use of the site into alignment with current use standards.

Vehicle Rentals Land Use

The applicant proposes to utilize existing surface parking stall spaces on the site for the storage of up to ten Turo rental passenger vehicles, in conjunction with the existing commercial activity occurring on the site. The application does not propose to construct or operate a separate building or rental car service facility on the site due to the online management of Turo rental cars, rather, the car rental use is proposed in association with existing commercial buildings present on the site. Although separate building facilities are not proposed through the application, staff believes that the request falls within the intended purpose of the vehicle rental and service facilities land use.

The applicant request to rent up to ten vehicles on the existing parking outdoors conflicts with development code requirements that no more than five rental cars for pick-up or drop-off in the short term may be parked and/or stored on the property. The city may consider permitting the storage of up to five rental cars on the property. Rental vehicle storage in excess of this requirement is not permitted, and increasing the quantity of rentals beyond five vehicles may not be granted by variance, as it would be considered a land use variance which would otherwise violate state law.

The applicant does not propose a rental service facility on the site, solely onsite vehicle rental storage. The existing auto service facility use of the property is intended to operate separately from the Turo vehicle rentals on the property.

The vehicle rental land use does require that adequate parking stalls in the rear or side of the property be provided onsite in addition to the city's minimum parking requirements for the

properties existing land uses.

Parking

Staff has reviewed the sites parking in accordance with the city's parking standards an the business needs. Based on the existing and proposed land use of the site, parking stall requirements required by code are specified below:

Land Use	Code Requirement	Site Requirement
Auto Service Station	One parking space per employee plus five per service stall	33 spaces
Fuel Station	Four parking spaces plus one per 150 square feet floor space devoted to retail sales.	12 spaces
Vehicle Rental	Eight parking spaces plus one per 800 square feet of floor area over 1,000.	8 spaces

Based on city code requirements, by calculation, 53 parking spaces are required to accommodate the existing and proposed car rental land use. The existing site contains capacity for up to 60 parking spaces on the site. with 44 stalls provided in the surface parking lot and 16 stalls at the fuel pump islands. In staffs opinion, adequate parking is available to accommodate the proposed rental land use if restricted to a maximum of five vehicles as a required by code.

Staff does have concern regarding the existing condition of the surface parking lot. Lot striping on the surface lot has faded over time, resulting in difficulty to discern parking stalls on the site. If approved, staff would recommend restriping of the parking lot, consistent with the submitted site plan as a condition of approval.

Conditional Use Permit Review Criteria

The request for a conditional use permit needs must be reviewed with the standards of the city's development code and comprehensive plan. With respect to the established criteria for conditional use permit review, staff offer the following:

1. *The use is in harmony with the general purpose and intent of the Development Ordinance.* The proposed use is permitted as a conditional use in the C-2 zoning district of which the property is zoning. This district is intended for uses that services to to residents and area visitors. If regulated, the termination of car sales on the site, in favor of car rentals on the property should not negatively impact traffic and the surrounding properties.
2. *The use is in harmony with the policies of the Comprehensive Plan.* The Comprehensive Plan designates the site and surrounding properties to the south and east for commercial uses. Commercial land uses are similarly located the the west, within Arden Hills. Due to the commercial nature of these properties, staff believe the proposed use is consistent with the Comprehensive Plan provided car rentals are limited to the existing facilities.
3. *Certain conditions as detailed in the Development Code exist.* The proposal does not require any alterations to the existing site facilities or construction of a standalone car rental service building, as vehicle rentals as proposed is limited to the existing parking lot. However, the rental of up to ten vehicles of the site would be in conflict with the

Development Ordinance, which otherwise restricts car rental storage to five vehicles within the district. As a result, staff believes that limited approval of up to five car rentals on the site is necessary to ensure the use is in harmony with the purpose and intent of the code.

4. *The structure and/or land use conform to the Land Use Chapter of the Comprehensive Plan and are compatible with the existing neighborhood.* Vehicle rentals are considered a commercial use and is consistent with the commercial land use designation for the subject property and adjoining properties. As no new structures or alternations are proposed to the site, which has existed in it's current form for many years, staff believes the use is compatible with the existing neighborhood.

Public Comment

Property owners within 350' of the property were notified of the request, including property owners in Arden Hills. At the time of this report, no comments have been received. In addition, notice of the required public hearing was published within the December 31st edition of the Shoreview Press.

RECOMMENDATION

Staff has reviewed the proposal in accordance with the standards and criteria specified in the Development Code for the conditional use permit and commercial conditional use permit. With respect to the conditional use permit criteria, staff find that the use of the property for vehicle rentals, and termination of the existing vehicle sales conditional use would be consistent with development code criteria if otherwise restricted to a maximum quantity of five rental vehicles.

Staff is recommending the planning commission hold the required public hearing, and consider any comments submitted.

Pending any public testimony brought forward, staff is recommending that the planning commission recommend the city council adopt Resolution No. 25-02 amending the conditional use permit allowing vehicle rentals subject to the below listed conditions:

A. General Conditions – Automobile service station, fuel station, car wash, outside display area, and grocery sales.

1. Operation of an automobile service station including a carwash, outside display areas, and grocery sales.
2. No painting or automobile body work.
3. Property shall be maintained in a neat and orderly condition at all times.
4. All refuse shall be stored and screened as shown on the Site Plan.
5. Outside display shall be limited to the following areas as shown on the Site Plan.
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7. Vacuum cleaner service as identified on the Site Plan in File No. 1742-99-09.
8. Concrete walkway adjacent to the front of the building.
9. Gasoline pump islands.
10. Existing sanitary sewer dumping station available to the public for disposal of contents of sewage holding tanks of mobile trailers.
11. Signage on the property shall comply with the approved comprehensive sign plan for the property – File No. 2525-14-15
12. Parking area shall be used for employee parking; parking of customers currently being serviced; and for vehicle rentals as provided in

13. Section B below.
14. Exterior bulk materials storage is not permitted on this property.

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1. Automobile rentals on the property provided that the maximum number of vehicles for rent at any one time does not exceed 5.
2. The parking area shall be used for employee parking, parking of customer vehicles currently being serviced, and vehicle sale in the area shown on the Site Plan incorporated herein.
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6. Automobile vehicles for sale shall be displayed on the property in the parking lot as identified within the approved site plan.
7. Additional signage serving the car rental land use is not permitted on the property, with the exception of window decal signage
8. located on the vehicles being offered for rent. Said vehicle window signage shall not exceed 11"x 17" in area.
9. No new building or structures intended to serve as a car rental service station are permitted through this permit.
10. The sale of vehicles on the site is prohibited.
11. The property owner shall restripe the existing parking lot, in a manner consistent with the submitted site plan within 12 months of permit approval.
12. Permit holder shall reimburse the City for all costs incurred, including legal fees, in order to enforce the terms of this conditional use permit.

C. Recission of Prior Permits.

1. Upon the adoption of this permit and the execution of the permit by the City and by the applicant, all prior permits issued for this site are hereby rescinded. It is the intent of the city that the existing permit includes all prior applicable conditions of approval for the site.

(The Planning Commission should note that Draft Resolution No. 25-02 and the recommended conditions of approval incorporates previous conditions of approval relevant to the operation of the existing automotive service station on the property, which was permitted in 1969 as a Special Use, and amended thereafter, most recently through Resolution No. 12-33)

ATTACHMENTS

[Location Map](#)

[Applicant Narrative](#)

[Site Plan](#)

[Draft Resolution 25-02](#)

[Resolution No. 12-33](#)