

**PLANNING & ZONING COMMISSION
CITY OF PALMER, ALASKA**

**REGULAR MEETING
THURSDAY, May 19, 2011
7:00 P.M. - COUNCIL CHAMBERS**

A. CALL TO ORDER:

The regular meeting of the Planning and Zoning Commission was called to order by Chairman Madar at 7:02 p.m.

B. ROLL CALL, DETERMINATION OF QUORUM:

Present and constituting a quorum were Chairman Madar, Commissioners Kerlake, Kircher, Preslar and Weir. Commissioner Campbell was not in attendance. Also present were Sandra Garley, Community Development Director, and Ron Anderson, Recording Secretary. A quorum was established.

C. PLEDGE OF ALLEGIANCE: The Pledge was led by Commissioner Kerlake.

D. APPROVAL OF AGENDA: The agenda was approved as presented.

E. MINUTES OF PREVIOUS MEETING:

1. The minutes of the Regular Meeting of April 21, 2011 were approved, as presented.

F. PERSONS TO BE HEARD:

There were no persons to be during this meeting.

G. PUBLIC HEARING:

1. Consideration of a Conditional Use Permit to allow Peak/Precision Power of Palmer, Alaska, to construct a Natural Gas Fired, Co-generation Power Plant, on the East Portion of Palmer Industrial Park Subdivision Tract G-1, Palmer, Alaska.

COMMISSIONER KERSLAKE moved, seconded by COMMISSIONER MADAR, to approve the request to issue a Conditional Use Permit to allow Peak/Precision Power of Palmer, Alaska, to construct a Natural Gas Fired, Co-generation Power Plant, on the East Portion of Palmer Industrial Park Subdivision Tract G-1, Palmer, Alaska.

COMMISSIONER MADAR asked for a staff report.

Ms. Garley reported the following:

We received an application from Peak Oil Field Service Company requesting a Conditional Use Permit to allow construction of a gas-fired, co-generation power plant.

On May 4, 2011, 52 public hearing notices were mailed to property owners within 1,200' of the site in accordance with 17.80.030. Notification of the public hearing was published in the Anchorage Daily News on May 11, 2011. 2 comments were received in response, with none in favor of and 2 against.

The proposed lot is 10.0 acres in size and is currently designated as an I – Industrial District. Currently, there is a re-plat request before the Matanuska-Susitna Borough. The re-plat request, if approved, will establish the property at the 10.0 acres listed for this project. The Industrial District permits a power plant to be constructed after issuance of a conditional use permit

The surrounding properties are primarily commercial, with one, large residential tract on its boundary.

There are five facts that the Planning and Zoning Commission must consider before granting a Conditional Use Permit.

Fact 1) The conditional use will preserve the value, spirit, character and integrity of the surrounding area:

Staff recommends a finding that: The proposed use will preserve the value, spirit, character and integrity of the surrounding area because the cogeneration plant will be located within a barn-style structure designed in two phases. The first phase will cover construction of a cogeneration plant of less than 16 MW starting fall of 2011. The additional phases will add up to a total 50 MW of generation. The application covers construction of the entire facility.

Fact 2) The conditional use fulfills all other requirements of Title 17.72 pertaining to the conditional use in question.

Staff recommends a finding that: The request fulfills all other requirements of Title 17.72 because:

- a) The Industrial District permits a power plant to be constructed after issuance of a conditional use permit;
- b) The co-generation plant will be limited to 50 feet in height;

- c) The lot size covered by the application will be 10.0 acres; the minimum lot size permitted is 7,200 square feet (less than ¼ acre). The lot width is in excess of 400 feet; the minimum lot width permitted is 60 feet.
- d) At full capacity, the cogeneration plant will employ 10 workers. Ten parking spaces (9'x20' in size) will be provided along with two (13'x20') ADA compliant spaces. The parking spaces will be located as close as practical to the structure. It is not anticipated there will be heavy traffic at the plant and the location of the plant has not been finalized; therefore, a circulation plan has not been provided. When the application is submitted for a building permit, the circulation plan will be included.
- e) Landscaping will be provided along the plant perimeter where practical. A landscape buffer is not required in the Industrial District.
- f) All signage will comply with the requirements of PMC Title 14, Signs; the signage information is unknown at this time. Signage location and size will be submitted with the building permit application.

Fact 3) Granting the conditional use permit will not be harmful to the public health, safety, convenience and comfort of the neighborhood.

Staff recommends a finding that: Granting the conditional use permit will not be harmful to the public health, safety, convenience and comfort of nearby property owners because there is no evidence of harmful emissions, odor, vibrations or glare, having been produced by cogeneration plants of this type. Cogeneration plants are commonly located in hospital and university districts without harmful impacts. The applicant is aware of the noise ordinance (PMC Title 8) and intends to comply with the requirements of the code. There will be minimal impact on traffic generated by the plant because the plant will only employ ten workers who will access the site from E. Commercial Drive onto a private driveway to the plant location.

Fact 4) Sufficient setbacks, lot area, buffers, or other safeguards are being provided to meet the conditions.

Staff recommends a finding that: Sufficient setbacks, lot area, buffers or other safeguards are being provided to meet the conditions as previously addressed in Item 2. It is the intent of the property owners and the developers to meet or exceed all requirements of PMC Title 17, Zoning.

Fact 5) If the permit is for a public use or structure, is the proposed use or structure located in a manner which will maximize public benefits.

Staff recommends a finding that: The cogeneration power plant is not a public facility or structure.

The Public Hearing was opened at 7:17 p.m.

COMMISSIONER MADAR reminded any person wishing to speak, that comments would be limited to 3 minutes.

Mr. Lawrence Turner signed in and identified himself to the Commission as the representative for Precision Power and that he would be happy to answer any questions the Commission might have.

He started his presentation by addressing the concerns of the two individuals who replied to the mailings. The first concern was that there was already a similar power plant in Palmer. Mr. Turner pointed out that the other power plant had not yet been build and may not be completed. It was a concern that this power plant would double emissions for the local air sheds. If there were two power plants, then there would be twice the pollution. However emissions from this new plant would meet or exceed all current EPA and ADEC guidelines for airborne emissions.

Could local infrastructure support another power plant? Gas lines are available and there exists an increasing need for locally produced electrical power. Is it too close to schools? There is no major health concern associated with this type of generation plant.

Commissioner Kircher if the stacks were going to be 80' tall and why?

Mr. Turner explained that the new EPA and ADEC regulations may require this additional height to allow for dissipation of the fumes. Alaska Department of Energy Conservation (ADEC) had not yet rendered a decision.

Commissioner Kircher asked why was the power plant being built.

The plant would supply energy to the Matanuska Electric Association (MEA) and excess heat to the city of Palmer. He explained that there would be two separate heat loops. One high temperature and one low temperature loop.

Commissioner Kerlake asked if negotiations with the City of Palmer and MEA had been conducted.

Mr. Turner indicated that there were negotiations but nothing had been finalized. He listed some of the City's interests including heating the bulk sand storage area for Public Works, the waste treatment center and some residential use as well.

Commissioner Preslar was also concerned about the levels of pollution or emissions from the plant.

Mr. Turner explained his comments about complying with both the EPA standards and the ADEC guidelines as well.

Commissioner Kerlake asked if this operation would require separate cooling towers and also would it generate steam.

Mr. Turner said no to both parts of the question. The heat loops would eliminate cooling towers and also eliminate the release of steam. On cold mornings, all engines' exhausts are visible because of the temperature differences.

Commissioner Madar asked when construction might begin.

Mr. Turner indicated that he hoped construction would begin in the fall, perhaps as early as September of 2011.

There were no questions from the Commission.

Commissioner Kircher explained that having the smoke stacks at 80' might be a problem. He felt new drawings would be needed and the public notified of this change to the original Conditional Use Permit application.

COMMISSIONER KERSLAKE moved, seconded by COMMISSIONER PRESLAR to suspend consideration of the Conditional Use Permit application until an updated drawing of the plant was available for consideration.

The motion passed.

H. UNFINISHED BUSINESS:

1. Discussion of proposed new boundaries for the Central Business District to present as a recommendation to the Palmer City Council.

COMMISSIONER MADAR asked for a staff report.

Mrs. Garley introduced the subject of a Central Business District (CBD). The Commission has been considering a new boundary for the CBD. A proposal was sent forth outlining what was considered by the Commission to be the core area for this district. It seems to be the intent of the Commission that this core business area be its own district and allow for a diverse mix of uses to encourage growth.

The Commission has been supplied with a sample Mixed Use District draft regulation. This was intended to be a framework to serve as a starting point for the district ordinance.

Mrs. Garley suggested that the intelligent place to begin is with a statement of intent. This statement will serve as a guide for what the Commission hopes to achieve within this district and help the development stay on course.

To better concentrate on this new CBD, a special work season has been suggested. The available dates for any of these meetings would be June 2, 9 or 30. After a brief discussion, June 2, 2011 was selected for this special meeting.

I. NEW BUSINESS:

1. Discussions of 3 annexation issues and develop a time line for presentation of drafts and recommendations to the Palmer City Council for consideration.

COMMISSIONER MADAR asked for a staff report.

Mrs. Garley introduced the three annexation issues found in the Agnew::Beck strategy report to the city. She said that an excerpt from this strategy was included in the packet. The three issues included;

- Proposing a revision to the AG, Agriculture District,
- Proposing a revision to the R-2, Low Density Residential district and
- Revising the standards for services provided in a low density, residential district. Services that may need revision might include mandatory garbage collection, since residents in these areas traditionally either burn the rubbish or simply haul it to the Borough landfill.

These are the tasks the Commission has been assigned to do. Mrs. Garley told the Commissioners that in the packet there was a copy of the draft Agriculture District. Also included in the packet is a list of issues or questions that were raised during the public hearings that Agnew::Beck held. These include set-back requirements, vehicle storage, animals and conflicts between farms and residential districts.

What the City Council expects from the Commission was a work program. Does the Commission envision working on a single ordinance per month? One ordinance every two months? In this way the Commission could establish deadlines for the work so the City Council can expect when these ordinances will come before them. She asked how much of the Commissioner's time do you see devoting to this work over the next 6 months or even 12 months? The drafts needed would be for an amendment to the Agriculture District, the Rural Residential District and the issues previously identified.

Commissioner Madar stated that a draft Agriculture amendment had previously been worked on for a year, but had not gone forward. He felt that the current version was well written.

Commissioner Kircher agreed.

Mrs. Garley suggested that the draft Agriculture District amendment go forward to City Council.

The Commission agreed that the draft should go forward.

Commissioner Kerslake presented three corrections to the draft to consider before the draft was forwarded. The first was to delete 'Sales and Servicing of farm equipment' from the list of Conditional Uses. It was included in the permitted use section and was traditionally a permitted use. Item X which allowed for a fairgrounds would be redundant, since there is a pending fairgrounds district at City Council. Motorized sporting contests also should be eliminated from the draft. This is not a traditional activity for a farm. He felt the issue of rifles and livestock protection may yet need to be addressed.

Mrs. Garley once again asked for a target date to begin work on the additional ordinances. She explained that she needed this date established so she could report to the City Council. It was agreed that fall would be a better time to resume work on these issues. October seemed to be the month that the Commissioners preferred.

2. Review and prioritize 5 areas to be considered for possible annexations. Establish a time line for completion of draft package and presentation to City Council for consideration.

This item, as well as item # 3 below, was tabled for consideration until an undetermined, later meeting. It was felt that emphasis should first be placed on developing the ordinances as outlined on the agenda. Once this foundation was complete, then work on these supplemental issues could begin.

3. Review process outline for annexation as developed by Agnew::Beck. Establish a time line for completion of draft package and presentation to City Council for consideration.

As stated above, this item was tabled until such time the current workload would permit further consideration by the Commission.

4. Informal review, in accordance with PMC 17.84.080, of the Matanuska Creamery Planned Unit Development, proposed for ASLS 96-004, Tract A-1, a 3.03 acre parcel, generally located at 513 S. Valley Way, Palmer, AK.

Mr. Tom Myers presented the introduction of the Planned Unit Development for the Ma-Maid Creamery. The creamery needs to move from its current location. The rent is excessive and the waste by-products must be trucked off site at an additional expense.

The current goal is to complete the move by the end of August of this year. This move involves more than just a future for the creamery. The hope is the creamery will serve

as a hub for an aggregation center to feature all locally grown commodities. These could include vegetables, meats and tourism.

Mrs. Karen Olson was the next person to present the scope of the Planned Unit Development. Mrs. Olson is the CEO of the Mat-Maid Creamery. She provided a history of the dairy under its ownership by the State of Alaska. She also expressed why she thought the future looked brighter for expansion.

She felt past expansion of facilities without the demand had artificially driven up the cost of their milk and made them non-competitive in the local market. Milk from a local bottler would be at least 10 days fresher than other milk on the shelf.

She also stated that August may not be a deadline for the creamery; this is the best opportunity the City of Palmer might have to establish a much needed center for produce.

Mr. Phillip Flippo was the last presenter for the creamery. He was an enthusiastic individual who had a passion for this worthwhile cause. He felt that there existed the perfect blend of timing, money and expertise to ensure the success of this plan.

The Commission expressed its support for the plan and was looking forward to the final presentation of the plan at a future meeting.

5. Board of Economic Development Report.

Commissioner Madar attended the May 2, 2011, regularly scheduled meeting.

The first speaker was Mr. George Secat. Mr. Secat had recently opened a new business on East Commercial Drive, in Palmer. He explained that his business was a support company for the movie industry. He hopes to supply extras to act in movies filmed in Alaska and to also supply props for the filming. These props could include, antiques, vintage cars and of course locations.

Mr. Meyers was the next person to speak at the meeting. Mr. Meyers presented the proposal for the Mat-Maid Creamery and its hopes to locate to properties in downtown Palmer. Commissioner Madar indicated this was the same proposal that had been considered by the Commission this evening.

The Board also reconsidered the Sales Tax, Business License and Street Vender issues raised at the previous meeting. No decision was reached.

The last item of business was the Economic Development Strategy. This was considered at great length but no vote was taken.

J. PLAT REVIEWS:

1. Review a request to subdivide Tract G-1, Palmer Industrial Park RSB, into two lots; one lot containing 8.5 acres and the second lot containing 10.0 acres, more or less.

Commissioner Madar requested a staff report for this plat review.

Mrs. Garley explained that this plat review was presented to the Commission for their review and comments. This plat request had been previously reviewed by 5 City of Palmer Departments and their comments were attached to this package. She also indicated there was a small version of the plat and area for consideration included in the package. This plat was for the property that had been discussed earlier for the Conditional Use Permit application. The resulting lot sizes are adequate for the proposed projects and there is sufficient access to both properties from East Commercial Drive.

The review process indicated that the request and future action would comply with all pertinent codes and had recommended forwarding the proposed platting action to the Planning and Zoning Commission, with a recommendation for approval.

Staff recommends approval of the proposed platting action.

Commissioner Madar asked members of the Commission for their comments.

There were no adverse comments, so the Planning and Zoning Commission recommended forwarding the Platting Request to the Borough for approval.

K. PUBLIC COMMENTS:

There were no public comments during this meeting.

L. STAFF REPORT:

Mrs. Garley indicated that no staff report had been prepared for this meeting. She expressed her thanks to the Commission for deciding to hold an additional meeting in the month of June, to continue work on the draft Central Business District regulation.

M. COMMISSIONER COMMENTS:

Commissioner Kerslake expressed his support for the Mat-Maid Creamery project. He stated that he was also from a agricultural background and understood the effort it takes to operate a successful dairy. He also mentioned that he understood that time was a factor in this process. He was hopeful it would proceed in a timely manner, but there may be unforeseen circumstances that might delay final action.

Commissioner Kircher had no additional comments.

Commissioner Madar expressed his concern over the gradual loss of agricultural production in Alaska. He stated that only 3% of our food stuffs are produced locally. More should have been accomplished to subsidize local farmers, to allow for continued food production within the state. This is vitally important for the future of the state. He hoped that eventual at least 90% of our food would be 'Alaska Grown'.

Commissioner Preslar had no additional comments.

Commissioner Weir also expressed her support for the Mat-Maid Creamery. She stated that she enjoyed the products and hoped to see them continue on the shelves in local markets.

N. ADJOURNMENT:

There being no further business, the meeting was adjourned at 9:00 p.m.

Michael W. Madar, Chairman

Ron Anderson, Recording Secretary