CITY OF MILACA
PLANNING COMMISSION AGENDA
NOVEMBER 17, 2025
6:00 P.M.
255 1ST ST E, CITY HALL COUNCIL ROOM

1.	Call to Order Regular Planning Commission Meeting Time							
2.	Roll Call							
	Brett FreeseLainy HoskinsJake Lepper Brad TolzmanAlex Veurink	_Joel M	illam _	Mito	ch Siemers			
3.	Approve minutes from October 6, 2025	MB	2 nd	AIF	O			
4.	Open Public Hearings: Time (Discussion from Planning Commission members conducted unde New Business)							
	a. Variance Request from Mille Lacs Vet Holdings, LLC	MB	2 nd	AIF	O			
	b. Minor Lot Split from Mille Lacs Vet Holdings, LLC	MB	2 nd	AIF	O			
	Closed Public Hearings: Time							
5.	Old Business							
6.	New Business a. Resolution #25-37 Variance to Create a Lot Smaller than the Minimum							
	Lot Size Request from Mille Lacs Vet Holdings, LLC	MB	2 nd	AIF	O			
	b. Minor Lot Split from Mille Lacs Vet Holdings, LLC	MB	2 nd	AIF	O			
7.	Miscellaneous a. Next Planning Commission Meeting Monday, December 8 to discuss Milaca Park Variance and Minor Lot Split	3						
8.	Adjourn Time	MB	2 nd	AIF	O			

October 6, 2025 6:00 P.M.

1. OPEN PLANNING COMMISSION MEETING: Brad Tolzman – Chairman, called meeting to order @ 6:00 p.m.

2. MEMBERS PRESENT: Roll Call:

Jake Lepper, Joel Millam, Mitch Siemers, Brad Tolzman, Alex Veurink

ABSENT: Brett Freese, Lainy Hoskins

Others Present: City Manager Tammy Pfaff, Assistant City Clerk Deloris Katke, Council Liaison Norris Johnson, David Kuefler, Steve Holmes, Roxanne Gerads, Randy Reiman, Erin Perdu of Stantec.

3. APPROVAL OF MINUTES FROM August 18, 2025:

Chairman Tolzman called for a motion to approve the minutes from August 18, 2025. Motion to approve minutes made by Mitch Siemers, seconded by Joel Millam. No further discussion. All in favor. Motion passes.

4. PUBLIC HEARINGS: Opened at 6:01 p.m.

a. Variance Request from Milaca Park: Roxanne Gerads was present. Her and her husband own the property to the west of Milaca Park, Jim's Mille Lacs Disposal. She would like the request denied because they have a building issue on the west property line of where the variance and lot split are proposed This issue has been known to the previous owner and the current owner and stated nothing has been done. The building permit was submitted in 2019 but was built on their property. Gerads then handed out some information to members and further explained:

Exhibit A shows the lot lines and shows the building on their property.

Exhibit B is the building permit that has some discrepancies from what was actually built. If the building would have been built as it was submitted, it probably would not have been on our property.

Exhibit C shows the proposed building site as a 50x80. It was changed to a 50x96 which extended to the north. Says property line to the current building was 36 feet.

Exhibit D the farthest the current building is 20 feet. So it goes 20 feet to the rear of the building, which was a 96 foot addition is now on our property so it is a minus 3.3 feet on our property.

Gerads stated that they are asking that the split and the variance get corrected for the whole property. She further stated that the DNR sent them a letter regarding a wetland violation. Gerads stated it was not them – it was the person that built the building encroached on the

wetland and filled in the wetland. Current owners called us and said don't worry about it, we're taking care of it, we know you didn't do it, we know the property is a problem that we have – the building on our property.

Siemers asked what they would like to see done to correct this? An agreement on the property? Gerads stated there has to be. She stated they purchased property from Eggen's for additional property and now they have had property taken away from them. Gerads further stated that according to the drawing, there was no 36 feet from the property and when the building was built, they built a bump-out which was not in compliance to the building permit from 4 feet. Gerads stated if the building would have been only 80 feet and not 96 feet, it wouldn't have been a problem. Property lines go at an angle.

Siemers asked Randy if this was the same issue as a year ago and Randy Reiman stated Jim and Roxie got a survey done. It showed the building was on it. Back in the day when Russ Hill owned the property, my dad purchased 20 feet from Russ Hill. That was never recorded. I found the information in regard to that. I then had a survey done and it shows the new stakes beyond 20 feet from your stakes. Gerads stated "your survey says it is on our land too". Reiman stated no. I have that additional 20 feet that was bought from Russ Hill. Gerads further stated that when his dad built that garage, that that garage was built on Russ's property too. Reiman stated he bought 20 more feet to take care of that.

Gerads stated they had a fire and lost everything in the fire and haven't gone to the courthouse but it is on their property.

Alex Veurink asked if there were different surveys? Siemers stated he looked at the one in the packet and it looks the same as the one Gerads had.

Jake Lepper asked who crossed out the 96 on the building permit? Gerads stated she got the document from the city. Lepper then asked if anybody knows and City Manager Pfaff stated possibly Marshall.

Reiman stated that at that time Marshall approved it and stated he was on Commercial property because I had a dealer's license for the last 15 years and somehow it got changed to Industrial. How can Jim & Roxie be doing what they're business is if their area is Industrial? They are Commercial. City Manager Pfaff stated because we allow Retail within Industrial. Ordinance had been changed.

Gerads then asked that we look at the building plans on their property and stated what was submitted as a building plan is a straight line for that building. It bumps out 4 feet and that is not what was approved on the building permit but that is what was built.

PUBLIC HEARINGS FOR MILACA PARK VARIANCE AND MINOR LOT SPLIT: Closed at 6:09 pm.

b. PUBLIC HEARING FOR VARIANCE FOR MILLE LACS VET HOLDINGS, LLC OPENED AT 6:09 PM: David Kuefler, owner of Milaca Park Apartments, was present. He stated the apartment building was built in 1979 with 51 apartments, 5 stories with 18 parking spots. That doesn't work in today's world. They added 8 more alongside the building but need more. He contacted Mille Lacs Vet Clinic and have things worked. Kuefler stated he is requesting this variance as their lot would be under 6,000 square feet. They would like to add 6 more spaces on this lot. He spoke with the engineer that the city uses and has been in touch with him as to what needs to be done.

Steve Holmes of 240 3rd St SW (owner of house south of proposed variance request) was also present and stated he has no problems with this request. He stated any problems they had have been worked out and he feels the additional parking spaces would help. Holmes was worried about a tree and some drainage but stated those have been worked out.

Joel Millam stated according to the Vet Clinic letter, they are all in favor.

Siemers stated they are just concerned of drainage.

No other comments on this Public Hearing. Public Hearing closed at 6:12 p.m.

5. OLD BUSINESS: Nothing

6. NEW BUSINESS:

a. Variance Request from Milaca Park: Erin Perdu from Stantec was present. Perdu stated the applicant, Randy Reiman, wants to separate the building on the west side from Milaca Park. The buildings are currently 10 feet apart and that is the reason for the variance as our Ordinance states you must have 10 feet side setback. Perdu further explained that she is aware of the issues of the building that potentially encroaches on the other property but the Variance request and the Minor Lot Split are not changing any conditions. The physical conditions on the side are not changing at all so that is the perspective that we are looking at in the Variance. The request meets the criteria in your ordinances for variances. The use is not changing, the existing buildings are not changing, the request to separate the building onto different parcels is a reasonable use and this preexisting condition of the buildings being set close together is not related to anything the applicant has done. The Variance and Minor Lot Split will not change the essential character of the area. You have a few choices here tonight: you can recommend the city council approve both lot split and variance with finding and conditions in the staff report, you can recommend denial with findings of that denial or you can table the request for further review and study. There is a 60-day rule but there is time to table it if you wanted to to the next meeting.

Our staff recommendation is to approve the side set back variance with the conditions that the lot split take place with the survey that was provided and any permits be pulled that are needed. We also recommend approval of the lot split with one significant condition is to access that parcel

That would require an access easement through the Mobile Home property and that is included on the proposed lot so that easement would have to be recorded.

City Manager Pfaff asked Reiman what his intent of the lot split was for? What do you plan on doing with the lot? Reiman replied keep doing what I've been doing. Pfaff then asked what would he do with the back part and he replied use it for storage of cars and stuff. As he needs parts he uses them and then disposes of them when he's done. Pfaff stated we went through that where you had to clean up that whole area. Reiman stated that's why the privacy fence is up. Pfaff stated the fence is up on the one area but that whole back part is in a conservation wetland area. Reiman stated that's all cleaned up. Pfaff stated you can't build anything in that area. Reiman then asked what could he do with that area? Pfaff stated you can't store junk vehicles because that is against city ordinance. Reiman stated he's not storing them. If he has junk vehicles he disposes of them. Now I have cars and used parts. Pfaff then asked if his future intent was to leave that vacant and Reiman replied, "Right. Or if I have some cars that I want to put back there. . in the privacy fenced area so they won't bother anybody". Pfaff questioned "in the fenced in area?" Pfaff then stated she is wondering why the area of the fenced in cars why didn't you just do a straight lot split? Something smaller just to take what you have in that area? Reiman stated because they didn't want that land. Pfaff then reminded Reiman that he would not be able to store them vehicles in that back lot. Reiman stated he don't need more room for cars. He's trying to thin it down. Pfaff then asked if his business was still active and he stated it was. He just got new insurance and everything. Pfaff then asked if he intends to stay in Milaca with his business and he stated yes.

Millam asked that with the potential encroachment on the other property, do we ignore this when we look at the variance? Pfaff stated that her recommendation would be to table the Minor Lot Split due to the issue of encroachment and until the two parties can get that resolved, then they can come back to us. We can extend the variance and lot split. You can approve the variance tonight as it has no impact on the encroachment but I would recommend that you at least table and have the two parties figure out if additional property needs to be purchased. They need to come to a conclusion and get this resolved. You can extend this for 60 days which would take us to 12-23-25. It would have to be resolved by then or the lot split will have to be denied.

Council member liaison Norris Johnson asked if the lot split could be approved on the condition of the resolution of the west side? Pfaff stated that would not be a good idea to do as it could cause legal issues for us because then we are allowing encroachments on other people's property.

More discussion between Reiman and Pfaff about how the parties need to come to an agreement between them. Gerads stated that in getting back to his permit, if he would have built the building according to the permit, it wouldn't have been a problem but he bumped his building out four feet.

Pfaff stated that the resolution to this would be that Reiman needs to purchase four feet from the Gerads and you need to come up with a reasonable offer that straightens out the line.

Millam then questioned that if he purchases only four feet of land, then he would need a variance for that side of the building for his new property line for a setback. Pfaff stated that is correct. Millam then stated so he would need to purchase 14 feet of property to avoid having to do a variance. Reiman stated it's all runoff anyway because he had to deal with the DNR. I had to buy land to replace that where I . . . so far I went into it, so I paid all that, did all that and I had to put granite down, and I had to make a drainage place for all the water to go off Jim's property and my property that came there. You have to have a runoff there anyway.

Brad Tolzman stated we are not going to solve that problem. Millam then stated that he would make a motion to table this until the parties can come together and come up with a civil resolution. Pfaff stated you could pass the Variance but Reiman stated he needs the Variance passed because the state will not let him have a dealer's license until that land is in his name. Pfaff then asked so you're actively not in business? Reiman stated he has a piece of paper from Red Pine Communities but the state doesn't like that but they said it was fine but I was waiting for this meeting.

Pfaff stated the civil matter has to be resolved. Lepper then stated in 60 days. If we table this for 60 days and it's not resolved then it's denied? Millam stated there is no time limit when they have to resolve it but they can't do anything until it's resolved. Lepper asked if they don't resolve this in 60 days what happens? Millam stated then they can start the process all over again.

Perdu stated that there was another option to extend it further if the applicant approaches the city and says I'd like to extend this another 120 days this would give more time and doesn't kick it all the way back to denial.

Lepper stated we talked about this about a year ago and nothing has got resolved yet right? Siemers stated the property line was never resolved. Jesse was here that night. Lepper asked if they were going to make a motion to table this? Alex Veurink then asked if the variance was passed, what comes to the conclusion of the civil matter between Randy and Gerads? Millam stated those two were not related. Pfaff sated that with the minor lot split, in order for him to obtain that, he needs a clean lot. You can't encroach on someone else's property. Millam stated we could recommend to approve the variance without recommending approval of the minor lot split until the encroachment is cleared up. Pfaff stated correct. You would table the lot split. Millam asked Reiman what does that do for him if they approve the variance next week without approving the lot split? The variance has nothing to do with the land being in your name. Reiman stated nope. Millam then stated it's got to be split out so the best thing is to table the entire thing until the encroachment is resolved and I would so move. Seconded by Siemers. All in favor. Motion to table both Variance and Minor Lot Split for Milaca Park passed.

b. Variance Request from Mille Lacs Vet Holdings, LLC: Millam stated that according to the letters and everybody here, they're all on the same page. The purpose of the Variance is because the lot to be split off would be less than 6,000 square feet. Lepper asked if something would be in about the drainage and Siemers stated the engineers would be reviewing and making recommendation. No further discussion. Tolzman called for a motion to approve variance. Lepper made a motion to approve Variance for Mille Lacs Vet Holdings, seconded by Veurink. All in favor, motion to approve Variance for Mille Lacs Vet Holdings, LLC passed.

Perdu stated that there was Minor Lot Split also with this Variance. Pfaff stated that because there were no issues with this Minor Lot Split that this could go right to the council for their recommendation/approval. Millam then made a motion to approve everything as well, seconded by Lepper. All in favor. Motion to approve passed.

7. MISCELLANEOUS: Tolzman stated that some things they have approved are nice to see like the apartments on Hwy. 23 and the houses in Hidden Pines.

8. ADJOURN:

PC Chairman Tolzman called for a motion to adjourn. Milliam made the motion to adjourn, seconded by Siemers. No further discussion. All in favor. Motion to adjourn passed.

Meeting adjourned at 6:31 p.m.



On October 14, 2025, Mr. David Kuefler contacted City Manager Pfaff and asked that the Variance and Minor Lot Split for the Mille Lacs Veterinary Holdings, LLC and Milaca Park Apartments be pulled from the October 16 city council agenda as they will be re-doing the size of the parking lot. These were approved by Planning Commission on October 6.

They will still need a Variance and a Minor Lot Split done as parking lot will still be less than 6,000 square feet. They are changing it from 56.13' x 29' to 80.32' x 31'. See updated survey dated 10-15-25.

VARIANCE APPLICATION

Application is hereby submitted for Variance (Detailed Description of Variance -attach if necessary)				
In 1979, when this bldg was built, pasting was				
adequate. Today the parking is no longer a dequate.				
This variance is hadd 6 more spaces				
ADDRESS OF PROPERTY 255 3 Rd Le SW Milaca MU 56353				
PROPERTY IDENTIFICATION NUMBER 21	entral Securi			
OCT 2 0 20	025			
OWNER NAME Mille lacs Veterinary Holdings LC	Proposition 1			
OWNER -	ramon ny av			
ADDRESS 255 3Rd Ave Sw				
STREET ADDRESS				
Milaca MN 56353				
CITY STATE ZIP CODE				
TELEPHONE 32) 983-6363				
EMAIL ADDRESS de l'Ord a milelacs vet. Com				
APPLICANT NAME Det K Milaca Lentals LC				
APPLICANT 10, 01 St. 1				
ADDRESS 18-21st De North				
STREET ADDRESS				
St. Cloud, MN 56303				
CITY STATE ZIP CODE				
TELEPHONE (370) 250-5512				
EMAIL ADDRESS davide kuestes for pesties. Com				

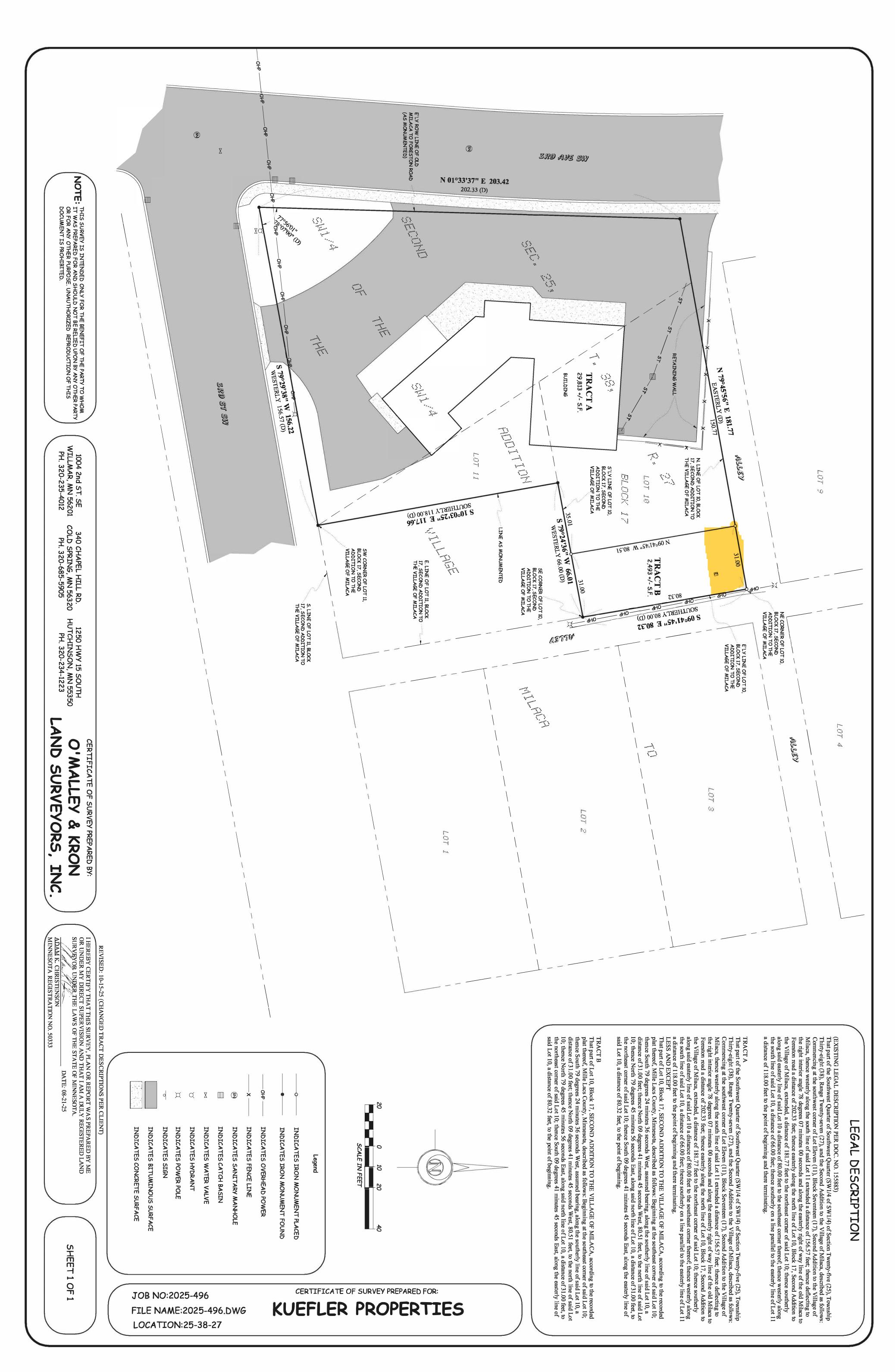
THE FOLLOWING INFORMATION IS SUBMITTED IN SUPPORT OF THIS APPLICATION:
COMPLETED APPLICATION FOR VARIANCE
FEE OF \$400.00
LEGAL DESCRIPTION OF PROPERTY ATTACHED
DEPENDING ON THE VARIANCE REQUESTED, THE FOLLOWING MAY BE REQUIRED:
8 COPIES OF SITE PLAN
8 COPIES OF SIGN PLAN
8 COPIES OF ANY OTHER APPROPRIATE PLANS OR DRAWINGS
A NARRATIVE EXPLAINING THE PURPOSE OF THE REQUEST, THE EXACT NATURE OF THE VARIANCE AND THE JUSTIFICATION OF THE REQUEST (ATTACH SHEET IF NECESSARY)
other Sce explanation on page!
I FULLY UNDERSTAND THAT ALL OF THE ABOVE REQUIRED INFORMATION MUST BE SUBMITTED AT LEAST 15 DAYS PRIOR TO THE PLANNING COMMISSION MEETING TO ENSURE REVIEW BY THE PLANNING COMMISSION ON THAT DATE. OWNER'S SIGNATURE Chiland President MLV Holdings DATE 10/21/25

For more information on Variances, go to https://codelibrary.amlegal.com/codes/milaca/latest/overview and search for Chapter 156 RECEIVED BY: 10.20.25 CITY MANAGER SIGNATURE/ZONING ADMINISTRATOR DATE
J:\Share\Forms\Zoning\VARIANCE APPLICATION.docx

MINOR LOT	SPL	IT/COMB	NATION	APPL	ICATION
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	MINOR LOT SPLIT/COMBINATION APPLICATION
OWNER	
	OWNER Mille Cacs Veterinary Holding LLC OCT 20 2025 NAME Mille Cacs Veterinary Holding LLC OCT 20 2025 OWNER ADDRESS 255 3 Pd Avesw
	STREET ADDRESS Milaca CITY STATE STATE ZIP CODE
	TELEPHONE (320) 983-6303
PROPERTY	ADDRESS/LOCATION 255 322 Ave SW Milaca muscoss LEGAL DESCRIPTION Sec Survey
	CURRENT ZONING LOT AREA
	GENERAL REQUIREMENTS • ALL RESIDENTIAL LOTS MUST BE 10,000 SQUARE FEET • 80 FOOT MINIMUM WIDTH FOR LOTS BEING CREATED • ALL LOTS MUST HAVE STREET FRONTAGE
*CITY WILL CON	TACT YOU WHEN EXEMPTION CERTIFICATE IS COMPLETE
DATE RECEIVE	DATE PAID 10.17.25
J:\Share\Forms\Zonir	ng\MINOR LOT SPLIT-COMBINATION APPLICATION.docxJ:\Share\Forms\Zoning\MINOR LOT SPLIT-COMBINATION APPLICATION.docx
	www.cityofmilaca.org

NAME OF OWNER: MLV Holdings, LLC
NAME OF BUYER: Dolk Milaca Rentals, LLC
ADDRESS OF OWNER: 255 3Rd Are SW Milaca MW 56353
LEGAL DESCRIPTION OF EXISTING PARCEL(S) (ATTACH SURVEY): See Sawey
LEGAL DESCRIPTION OF NEW PARCEL SPLIT OR COMBINED LOT(S) (ATTACH SURVEY): See Survey
SECTONTOWNSHIP RANGE
SURVEYOR'S NAME
OWNER'S SIGNATURE Chitysh yland, President DATE 10/21/25 SURVEY OF PARCELS REQUIRED MLV Holdings, LLC
I have reviewed the above lot split/combination request and find that:
The proposal meets all applicable requirements of the Zoning and Subdivision Ordinances and may be recorded without any additional review by the Planning Commission or City Council. By: Date: 10.20.25
Zoning Administrator
Original to be recorded with deed within six (6) months of the date approved. Failure to record within the six (6) month time period will make this Exemption Certificate null and void.
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www.cityofmilaca.org



(EXISTING LEGAL DESCRIPTION PER DOC. NO. 155883)

That part of the Southwest Quarter of Southwest Quarter (SW1/4 of SW1/4) of Section Twenty-five (25), Township Thirty-eight (38), Range Twenty-seven (27), and the Second Addition to the Village of Milaca, described as follows: Commencing at the southwest corner of Lot Eleven (11), Block Seventeen (17), Second Addition to the Village of Milaca, thence westerly along the south line of said Lot 11 extended a distance of 156.57 feet; thence deflecting to the right interior angle 78 degrees 07 minutes 00 seconds and along the easterly right of way line of the old Milaca to Foreston road a distance of 202.33 feet; thence easterly along the north line of Lot 10, Block 17, Second Addition to the Village of Milaca, extended, a distance of 181.77 feet to the northeast corner of said Lot 10; thence southerly along said easterly line of said Lot 10 a distance of 80.00 feet to the southeast corner thereof; thence westerly along the south line of said Lot 10, a distance of 66.00 feet; thence southerly on a line parallel to the easterly line of Lot 11 a distance of 118.00 feet to the point of beginning and there terminating.

TRACT A

That part of the Southwest Quarter of Southwest Quarter (SW1/4 of SW1/4) of Section Twenty-five (25), Township Thirty-eight (38), Range Twenty-seven (27), and the Second Addition to the Village of Milaca, described as follows: Commencing at the southwest corner of Lot Eleven (11), Block Seventeen (17), Second Addition to the Village of Milaca, thence westerly along the south line of said Lot 11 extended a distance of 156.57 feet; thence deflecting to the right interior angle 78 degrees 07 minutes 00 seconds and along the easterly right of way line of the old Milaca to Foreston road a distance of 202.33 feet; thence easterly along the north line of Lot 10, Block 17, Second Addition to the Village of Milaca, extended, a distance of 181.77 feet to the northeast corner of said Lot 10; thence southerly along said easterly line of said Lot 10 a distance of 80.00 feet to the southeast corner thereof; thence westerly along the south line of said Lot 10, a distance of 66.00 feet; thence southerly on a line parallel to the easterly line of Lot 11 a distance of 118.00 feet to the point of beginning and there terminating.

LESS AND EXCEPT

That part of Lot 10, Block 17, SECOND ADDITION TO THE VILLAGE OF MILACA, according to the recorded plat thereof, Mille Lacs County, Minnesota, described as follows: Beginning at the southeast corner of said Lot 10; thence South 79 degrees 24 minutes 36 seconds West, assumed bearing, along the southerly line of said Lot 10, a distance of 31.00 feet; thence North 09 degrees 41 minutes 45 seconds West, 80.51 feet, to the north line of said Lot 10; thence North 79 degrees 45 minutes 56 seconds East, along said north line of Lot 10, a distance of 31.00 feet, to the northeast corner of said Lot 10; thence South 09 degrees 41 minutes 45 seconds East, along the easterly line of said Lot 10, a distance of 80.32 feet, to the point of beginning.

TRACT B

That part of Lot 10, Block 17, SECOND ADDITION TO THE VILLAGE OF MILACA, according to the recorded plat thereof, Mille Lacs County, Minnesota, described as follows: Beginning at the southeast corner of said Lot 10; thence South 79 degrees 24 minutes 36 seconds West, assumed bearing, along the southerly line of said Lot 10, a distance of 31.00 feet; thence North 09 degrees 41 minutes 45 seconds West, 80.51 feet, to the north line of said Lot 10; thence North 79 degrees 45 minutes 56 seconds East, along said north line of Lot 10, a distance of 31.00 feet, to the northeast corner of said Lot 10; thence South 09 degrees 41 minutes 45 seconds East, along the easterly line of said Lot 10, a distance of 80.32 feet, to the point of beginning.

To: Milaca Planning Commission From: Evan Monson, AICP

Project/File: 193800515 Date: October 30, 2025

REQUEST: Minor Subdivision/Lot Split and Lot Size Variance request for 255 3rd Avenue SW

APPLICANT: David Kuefler - D & K Milaca Rentals LLC

OWNER: MLV Holdings, LLC

PROPERTY LOCATION: 255 3rd Avenue SW; Parcel ID 21-042-0850

ZONING CLASSIFICATION: B-2 General Business

REVIEW PERIOD: 60-day review period (for the variance request) ends 12/19/2025. 120-day review period

(for the minor subdivision/lot split request) ends 2/17/2026.

ITEMS REVIEWED: Application and materials received by the city on 10/20/2025.

OVERVIEW

The owners of Milaca Park Apartments, located at 240 2nd Avenue SW, are interested in providing more parking for the residents of their apartment building. The building was built in 1979, per county records. The 240 2nd Avenue SW site cannot accommodate additional off-street parking; as a result, the property owner has approached their neighbor to the west, 255 3rd Avenue SW – Mille Lacs Vet Clinic, about acquiring land to construct additional off-street parking on. The two property owners have determined that creation of a new lot would be the optimal way to do this.

The applicant has prepared a survey showing the proposed lot that they would split off of the Vet Clinic parcel – Tract A would be the remaining Vet Clinic parcel, while Tract B would be the new off-street parking parcel for the Milaca Park Apartments. The proposed Tract B is 2,493 square feet (SF) in size (note that a previous request by the applicant was for a lot split that would create a Tract B that was 1,630 SF in size). The Vet Clinic parcel is zoned B-2, so both tract A and B would also be zoned B-2. Per 156.039(C), the minimum lot size in the B-2 zone is 6,000 SF if a lot has sewer service or access to sewer; the proposed Tract B is below this requirement by 3,507 SF. As a result, the applicant is requesting a variance to allow for the creation of proposed Tract B at a size that is less than the minimum required under the B-2 zone.

If both the variance and minor subdivision are approved, the applicant can then prepare plans and apply for a building permit to build the proposed off-street parking. Those plans would have to adhere to city requirements regarding drainage, surfacing, and screening.

Variances from zoning requirements are covered in Sections 156.165 – 156.170 of the city code. Section 156.168 requires review of variances by the city's Planning Commission. The City Council can then approve or deny a variance request. Minor Subdivisions are covered under Section 155.126 of the city code. These requests can go directly to the City Council, or can be reviewed by the Planning Commission and approved or denied by the council.

PROPERTY INFORMATION

Parcel Description: 255 3rd Avenue SW is 32,305 SF in size per the applicant's survey. The west end of the site abuts 3rd Avenue SW / CR 32, while the south side abuts 3rd Street SW. An undeveloped alleyway runs along the north side of the lot, while a paved alleyway runs along the east side. The site slopes down from the NE corner towards the Veterinary Clinic building. The alleyway slopes down towards 3rd Street SW. The Milaca Park Apartments are located across the alleyway to the east, while a single-family home is located on a parcel next to 255 3rd Avenue SW.



Figure 1: County GIS aerial image. Parcel lines are in red. 255 3rd Avenue SW is outlined in orange, 240 2nd Avenue SW is outlined in light red.

Current Land Uses: Veterinary Clinic

EVALUATION OF THE REQUEST

Subdivision Code

The request will create two lots. Section 155.126 of Milaca city code says that the resulting parcels cannot be in violation of Chapter 156, the city's zoning code. The variances to the minimum lot size as required under the B-2 zone will have to be approved in order to approve the subdivision request. Granting the variance would also ensure that Section 155.067 of the subdivision code, which covers requirements for newly created lots, would be met.

Variance

The Milaca Zoning Code, in Sections 156.166 and 156.167, details findings of fact and conditions for granting variances. These standards closely follow State statute requirements. The city's code requirements are listed on the following pages in *italics*, with staff findings and comments following.

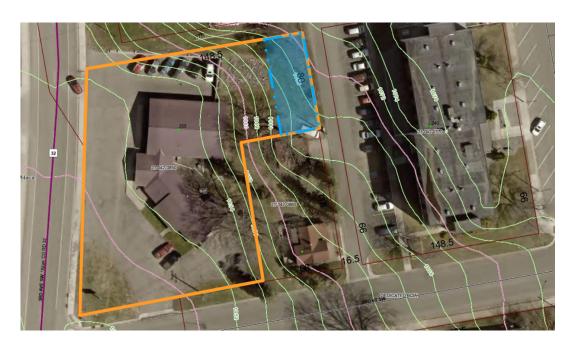


Figure 2: Aerial of the site, with contours and elevations shown per Mille Lacs County. 255 3rd Avenue SW is outlined in orange. Proposed new Tract B is shown in light blue.

Variance Findings, per Section 156.166

In considering all requests for a variance or appeal, the Board of Adjustments and Appeals shall make a finding of fact as appropriate that the proposed action will not:

- (A) Impair an adequate supply of light and air to adjacent property;
- (B) Unreasonably increase the congestion in the public right-of-way;
- (C) Increase the danger of fire or endanger the public safety;
- (D) Unreasonably diminish or impair established property values within the neighborhood;
- (E) Cause an unreasonable strain upon existing municipal facilities and services;
- (F) Be contrary in any way to the provisions and intent of the city's growth management system/Comprehensive Plan; or
- (G) Have a negative direct and indirect fiscal impact upon the city, county, or school district, unless the proposed use is determined to be in the public interest.

The proposed lot would be to provide additional parking for the Milaca Park Apartments located to the east, across the alleyway. The parking area will need to be reviewed by city staff to ensure applicable city codes are met, and that the design of the parking area will not negatively impact the alleyway (which is city right-of-way) or neighboring properties. The variance will not negatively impact any of the above standards; therefore, these criteria are met.

Variance Conditions, per Section 156.167:

(A) (1) The City Council, after receiving recommendations from the Planning Commission, may not permit as a variance any use that is not permitted under this chapter for property in the zone where the affected person's land is located.

The requested variance is for the size of the lot, not the use. Off-street parking is permitted on all lots in the city. This criterion is met.

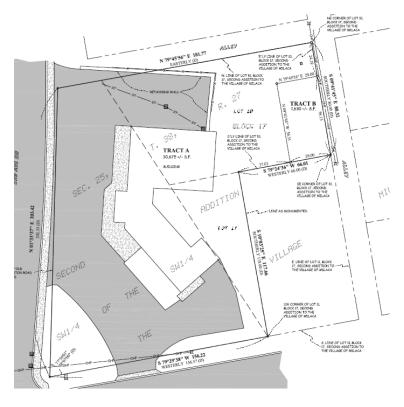
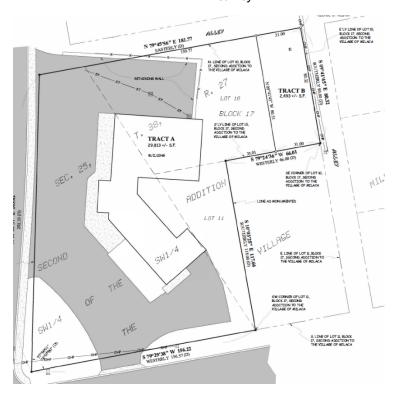


Figure 3 (Above): Excerpt from the applicant's previous survey. Figure 4 (Below): Excerpt from the applicant's latest survey.



(2) A variance may be granted when it is demonstrated that this action will be in keeping with the spirit and intent of this chapter and when the property in question cannot be put to a reasonable use if used under conditions allowed by the official controls, the plight of the landowner is due to circumstances unique to his or her property and not created by the landowner, and the variance, if granted, will not alter the essential character of the locality.

This criterion is met. The applicant's proposed use of the new lot (tract B) would be for off-street parking, which is a reasonable use. The Vet Clinic would be permitted to construct parking in this area if they wanted. The applicant's property (240 2nd Avenue SW) does not have room for additional parking. The applicant's property, and all of the lots in this block, were platted and developed prior to the owner owning the property; the landowner did not create these issues. It is impossible to provide additional off-street parking on the 240 2nd Avenue SW property without removing the existing apartment building. The proposed tract B, being smaller than 6,000 SF in size will not alter the essential character of the locality. The site is on the edge of the city's downtown, which has numerous lots of varying size and dimensions, with off-street parking abutting different lots and uses.

- (B) Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the chapter. Undue hardship also includes, but is not limited to, inadequate access to direct sunlight for solar energy systems. A non-economic hardship shall exist by reason of one or more of the following:
- (1) Narrowness, shallowness, or shape of a specific parcel of property or a lot existing and of record upon the effective date of this chapter;
 - (2) Exceptional topographic or water conditions of a specific parcel of land or lot; or
 - (3) Inadequate access to direct sunlight for solar energy systems.

These criteria are met. The economic issue usually means that the applicant could meet the code by spending more money, which is not the case in this situation. [Note: the term "undue hardship" is from previous State statute before 2011 and has been replaced by the term "practical difficulties" in current statute on variances.]. Given the shape of the lot, and layout of existing development on the 255 3rd Avenue SW property, there is not enough room to create a new lot that meets the minimum lot size of 6,000 SF.

(C) A variance may be granted for the above reasons when the strict application of the provisions of this chapter would result in exceptional difficulties in developing the property in a legally permissible manner. The City Council may impose conditions in granting the variance to insure [sic] compliance and to protect adjacent properties.

This criterion is met. There would be "exceptional difficulties" in creating a code compliant lot that is 6,000 SF out of the 255 3rd Avenue SW parcel without removing existing parking and portions of the Vet Clinic facility; similar issues arise when trying to add off-street parking onto the applicant's property of 240 2nd Avenue SW. The council can impose conditions on the future off-street parking that the applicant proposes on tract B to ensure that the use does not negatively impact on the existing Vet Clinic facility, or the single-family residence on the 240 3rd Street SW property to the south.

(D) A variance shall not allow any use which is not a permitted principal use, a permitted accessory use, or a permitted use requiring a conditional use permit. The only lawful variance is one which is usually called a "non-use variance," and the use of the variance procedure does not authorize any kind of unlawful "spot zoning."

This is not a case of 'spot zoning' or a 'use variance.' The request meets this criterion.

STAFF / AGENCY COMMENTS

City Staff

 City Engineer comments: "Approval of the lot split does not include approval for construction of parking facilities on the new parcel. Parking lot design shall be completed by a licensed professional engineer. The design shall in include improvements that do not increase the amount of surface water runoff onto adjacent properties including the property at 240 3rd Ave SW."

ACTION

The Planning Commission can do one of the following for each request:

- 1. Recommend the City Council approve, with findings for approval and with/without conditions.
- 2. Recommend the City Council deny, with findings for denial.
- 3. Table the request for further review and/or study.

RECOMMENDATIONS

Variance

Staff recommends that the Planning Commission recommend approval of the minimum lot size variance for David Kuefler – D & K Milaca Rentals LLC, on behalf of property owner MLV Holdings LLC, as depicted on the Certificate of Survey from O'Malley & Kron Land Surveyors, dated 8/21/2025 and revised dated 10/15/2025, with the following findings of fact:

- 1. The proposed lot would be to provide additional parking for the Milaca Park Apartments located to the east, across the alleyway. The parking area will need to be reviewed by city staff to ensure applicable city codes are met, and that the design of the parking area will not negatively impact the alleyway (which is city right-of-way) or neighboring properties. The variance will not negatively impact any of the standards in Section 156.166.
- 2. The requested variance is for the proposed size of the lot, not the use. Off-street parking is permitted on all lots in the city.
- 3. The applicant's proposed use of the new lot (tract B) would be for off-street parking, which is a reasonable use. The Vet Clinic would be permitted to construct parking in this area if they so choose. The applicant's property (240 2nd Avenue SW) does not have room for additional parking. The applicant's property, and all of the lots in this block, were platted and developed prior to the owner owning the property; these issues were not created by the landowner. It is impossible to provide additional off-street parking on the 240 2nd Avenue SW property without removing the existing apartment building. The proposed tract B, being smaller than 6,000 SF in size will not alter the essential character of the locality. The site is on the edge of the city's downtown, which has numerous lots of varying size and dimensions, with off-street parking abutting different lots and uses.
- 4. Economic considerations alone do not constitute an undue hardship in this case. The economic issue usually means that the applicant could meet the code by spending more money, which is not the case in this situation. Given the shape of the lot, and layout of existing development on the 255 3rd Avenue SW property, there is not enough room to create a new lot that meets the minimum lot size of 6,000 SF.

- 5. There would be "exceptional difficulties" in creating a code compliant lot that is 6,000 SF out of the 255 3rd Avenue SW parcel without removing existing parking and portions of the Vet Clinic facility; similar issues arise when trying to add off-street parking onto the applicant's property of 240 2nd Avenue SW. The council can impose conditions on the future off-street parking that the applicant proposes on tract B to ensure that the use does not negatively impact the existing Vet Clinic facility, or the single-family residence on the 240 3rd Street SW property to the south.
- 6. This is not a case of 'spot zoning' or a 'use variance.'

Staff would also recommend the following conditions of approval:

- 1. The applicant shall split 255 3rd Avenue SW, in accordance with the certificate of survey dated 8/21/2025 and submitted to the city for review with this request.
 - The applicant's proposed off-street parking on the proposed Tract B shall adhere to design requirements of the City Engineer to ensure that runoff onto adjacent properties does not increase.
 - b. The applicant's proposed off-street parking on the proposed Tract B shall be screened from the property to the south (240 3rd Avenue SW), in accordance with Section 156.078(D) of Milaca City Code.
- 2. The applicant shall acquire all applicable permits and approvals for this request.
- 3. The applicant shall pay any fees or escrows associated with this request.

Minor Subdivision

Staff recommends the Planning Commission recommend approval of the minor subdivision for David Kuefler – D & K Milaca Rentals LLC, on behalf of property owner MLV Holdings LLC, as depicted on the Certificate of Survey from O'Malley & Kron Land Surveyors, dated 8/21/2025, with the following findings of fact:

- 1. MLV Holdings LLC owns the property at 255 3rd Avenue SW, identified and described on the Certificate of Survey from O'Malley & Kron Land Surveyors, dated 8/21/2025 and revised dated 10/15/2025.
- 2. The applicant, on behalf of the property owner, has proposed a minor subdivision depicted on the above noted survey that creates a Tract A 29,813 square feet in size and a Tract B 2,493 square feet in size.
- 3. The proposed subdivision as submitted meets the criteria for approving a minor subdivision in the Milaca City Code, provided the variance from the minimum lot size requirement is also approved.

Conditions for Approval:

- 1. The applicant shall split 255 3rd Avenue SW, in accordance with the certificate of survey (dated 8/21/2025 and revised dated 10/15/2025) and submitted to the city for review with this request.
- 2. The minor subdivision is approved only if the accompanying minimum lot size variance is also approved.
- 3. The applicant shall acquire all applicable permits and approvals for this request.

4. The applicant shall pay any fees or escrows associated with this request.

RESOLUTION NO. 25-37

A RESOLUTION APPROVING A VARIANCE TO CREATE A LOT SMALLER THAN THE MINIMUM LOT SIZE

WHEREAS, Mille Lacs Veterinary Holdings, LLC is requesting a variance for smaller lot than is required by City Ordinance per 156.039 located at 255 3rd Ave SW, legally described as;

See Exhibit "A"

WHEREAS, City Ordinance 156.167 Variances states: The basic standard is that there are "practical difficulties" in meeting the ordinance and;

The proposed use of the property is reasonable. i.e., it is an acceptable use of the property and not something out of the ordinary that might impact surrounding properties.

There are circumstances unique to the property not created by the applicant. i.e., something in the property itself and not in the proposed action.

The variance would not alter the essential character of the locality, i.e., it wouldn't be dramatically out of place in terms of size, height, appearance, etc.

Economic considerations alone are not justification for a variance, i.e., could the applicant spend more money and meet the code.

A reasonable reading of these standards would conclude that the current request meets them all. The variance is justified.

WHEREAS, the Milaca Planning Commission held a public meeting on November 17, 2025, to allow for public input regarding the variance request; and

WHEREAS, on the basis of the public hearing, the Planning Commission hereby makes the following findings of fact:

Variance

Staff recommends that the Planning Commission recommend approval of the minimum lot size variance for David Kuefler – D & K Milaca Rentals LLC, on behalf of property owner MLV Holdings LLC, as depicted on the Certificate of Survey from O'Malley & Kron Land Surveyors, dated 8/21/2025 and revised dated 10/15/2025, with the following findings of fact:

- 1. The proposed lot would be to provide additional parking for the Milaca Park Apartments located to the east, across the alleyway. The parking area will need to be reviewed by city staff to ensure applicable city codes are met, and that the design of the parking area will not negatively impact the alleyway (which is city right-of-way) or neighboring properties. The variance will not negatively impact any of the standards in Section 156.166.
- 2. The requested variance is for the proposed size of the lot, not the use. Off-street parking is permitted on all lots in the city.
- 3. The applicant's proposed use of the new lot (tract B) would be for off-street parking, which is a reasonable use. The Vet Clinic would be permitted to construct parking in this area if they so choose. The applicant's property (240 2nd Avenue SW) does not have room for additional parking. The applicant's property, and all of the lots in this block, were platted and developed prior to the owner owning the property; these issues were not created by the landowner. It is impossible to provide additional off-street parking on the 240 2nd Avenue SW property without removing the existing apartment building. The proposed tract B, being smaller than 6,000 SF in size will not alter the essential character of the locality. The site is on the edge of the city's downtown, which has numerous lots of varying size and dimensions, with off-street parking abutting different lots and uses.
- 4. Economic considerations alone do not constitute an undue hardship in this case. The economic issue usually means that the applicant could meet the code by spending more money, which is not the case in this situation. Given the shape of the lot, and layout of existing development on the 255 3rd Avenue SW property, there is not enough room to create a new lot that meets the minimum lot size of 6,000 SF.
- 5. There would be "exceptional difficulties" in creating a code compliant lot that is 6,000 SF out of the 255 3rd Avenue SW parcel without removing existing parking and portions of the Vet Clinic facility; similar issues arise when trying to add offstreet parking onto the applicant's property of 240 2nd Avenue SW. The council can impose conditions on the future off-street parking that the applicant proposes on tract B to ensure that the use does not negatively impact the existing Vet Clinic facility, or the single-family residence on the 240 3rd Street SW property to the south.

6. This is not a case of 'spot zoning' or a 'use variance.

Staff would also recommend the following conditions of approval:

- 1. The applicant shall split 255 3rd Avenue SW, in accordance with the certificate of survey dated 8/21/2025 and submitted to the city for review with this request.
 - a. The applicant's proposed off-street parking on the proposed Tract B shall adhere to design requirements of the City Engineer to ensure that runoff onto adjacent properties does not increase.
 - b. The applicant's proposed off-street parking on the proposed Tract B shall be screened from the property to the south (240 3rd Avenue SW), in accordance with Section 156.078(D) of Milaca City Code.
- 2. The applicant shall acquire all applicable permits and approvals for this request.
- 3. The applicant shall pay any fees or escrows associated with this request.

WHEREAS, The Planning Commission recommends that the City Council approve the variance request as submitted, with the Findings of Fact in the Planner's report of 10-30-25.

NOW, THEREFORE, BE IT RESOLVED that the Milaca City Council, based on the above-findings of fact, hereby *grants* the variance to allow a lot to be less than the required 6,000 square feet located at 255 3rd Ave SW.

Adopted this 19 th day of November, 2025.	
ATTEST	Mayor Dave Dillan
Tammy Pfaff, City Manager	

THIS INSTRUMENT DRAFTED BY TAMMY PFAFF, CITY OF MILACA CITY MANAGER, 255 1^{ST} ST E, MILACA MN 56353.

EXHIBIT "A"

LEGAL DESCRIPTION:

(EXISTING LEGAL DESCRIPTION PER DOC. NO. 155883)

That part of the Southwest Quarter of Southwest Quarter (SW1/4 of SW1/4) of Section Twenty-five (25), Township Thirty-eight (38), Range Twenty-seven (27), and the Second Addition to the Village of Milaca, described as follows: Commencing at the southwest corner of Lot Eleven (11), Block Seventeen (17), Second Addition to the Village of Milaca, thence westerly along the south line of said Lot 11 extended a distance of 156.57 feet; thence deflecting to the right interior angle 78 degrees 07 minutes 00 seconds and along the easterly right of way line of the old Milaca to Foreston road a distance of 202.33 feet; thence easterly along the north line of Lot 10, Block 17, Second Addition to the Village of Milaca, extended, a distance of 181.77 feet to the northeast corner of said Lot 10; thence southerly along said easterly line of said Lot 10 a distance of 66.00 feet to the southeast corner thereof; thence westerly along the south line of said Lot 10, a distance of 66.00 feet; thence southerly on a line parallel to the easterly line of Lot 11 a distance of 118.00 feet to the point of beginning and there terminating.

TRACT A

That part of the Southwest Quarter of Southwest Quarter (SW1/4 of SW1/4) of Section Twenty-five (25), Township Thirty-eight (38), Range Twenty-seven (27), and the Second Addition to the Village of Milaca, described as follows: Commencing at the southwest corner of Lot Eleven (11), Block Seventeen (17), Second Addition to the Village of Milaca, thence westerly along the south line of said Lot 11 extended a distance of 156.57 feet; thence deflecting to the right interior angle 78 degrees 07 minutes 00 seconds and along the easterly right of way line of the old Milaca to Foreston road a distance of 202.33 feet; thence easterly along the north line of Lot 10, Block 17, Second Addition to the Village of Milaca, extended, a distance of 181.77 feet to the northeast corner of said Lot 10; thence southerly along said easterly line of said Lot 10 a distance of 80.00 feet to the southeast corner thereof; thence westerly along the south line of said Lot 10, a distance of 66.00 feet; thence southerly on a line parallel to the easterly line of Lot 11 a distance of 118.00 feet to the point of beginning and there terminating.

LESS AND EXCEPT

That part of Lot 10, Block 17, SECOND ADDITION TO THE VILLAGE OF MILACA, according to the recorded plat thereof, Mille Lacs County, Minnesota, described as follows: Beginning at the southeast corner of said Lot 10; thence South 79 degrees 24 minutes 36 seconds West, assumed bearing, along the southerly line of said Lot 10, a distance of 31.00 feet; thence North 09 degrees 41 minutes 45 seconds West, 80.51 feet, to the north line of said Lot 10; thence North 79 degrees 45 minutes 56 seconds East, along said north line of Lot 10, a distance of 31.00 feet, to the northeast corner of said Lot 10; thence South 09 degrees 41 minutes 45 seconds East, along the easterly line of said Lot 10, a distance of 80.32 feet, to the point of beginning.

TRACT B

That part of Lot 10, Block 17, SECOND ADDITION TO THE VILLAGE OF MILACA, according to the recorded plat thereof, Mille Lacs County, Minnesota, described as follows: Beginning at the southeast corner of said Lot 10; thence South 79 degrees 24 minutes 36 seconds West, assumed bearing, along the southerly line of said Lot 10, a distance of 31.00 feet; thence North 09 degrees 41 minutes 45 seconds West, 80.51 feet, to the north line of said Lot 10; thence North 79 degrees 45 minutes 56 seconds East,

along said north line of Lot 10, a distance of 31.00 feet, to the northeast corner of said Lot 10; thence South 09 degrees 41 minutes 45 seconds East, along the easterly line of said Lot 10, a distance of 80.32 feet, to the point of beginning.