

## Memorandum

**To:** Mayor and City Council  
**From:** Mark Kaltsas, City Planner  
**CC:** Dan Tolsma, City Administrator  
**Date:** January 13, 2026  
**Re:** **City Council Workshop – Planning Item Discussion**

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### ***Discussion:***

Staff has identified several planning-related topics that would benefit from Council discussion and input. Below is a summary of three ongoing planning issues and projects, presented to provide a high-level overview for consideration. No formal action is requested at this time.

Staff would like to discuss the following:

#### **Fence Permit Encroachment Agreement**

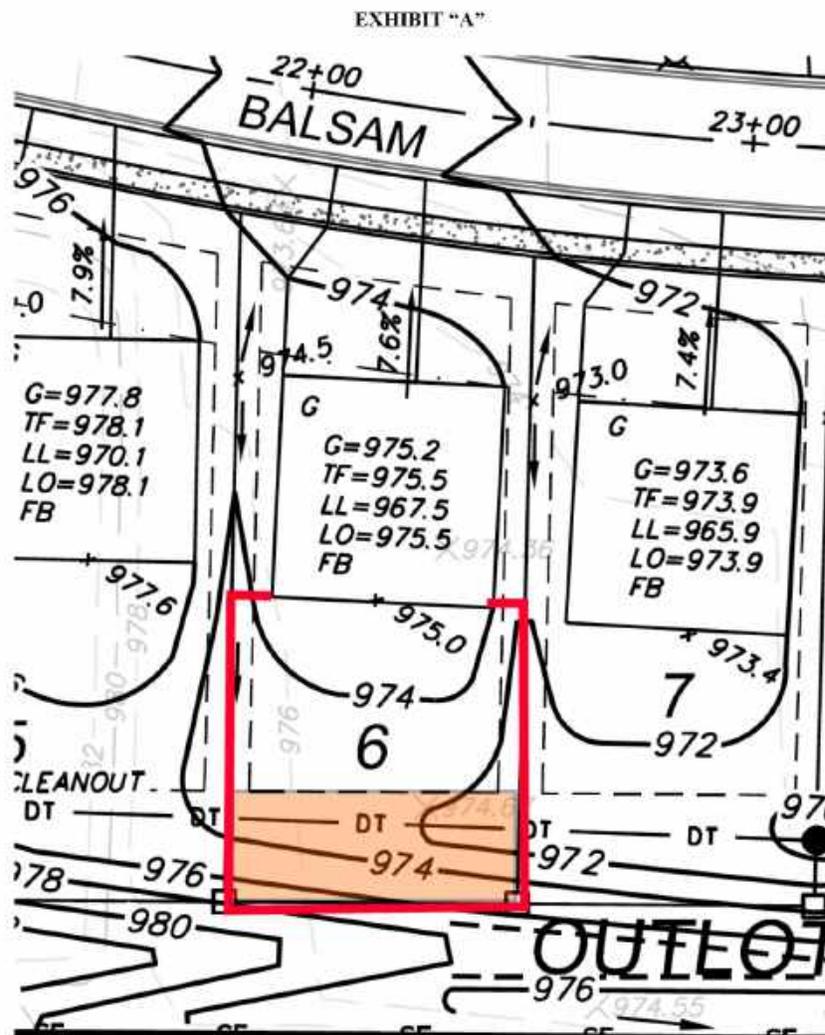
The city reviews and approves all fence permits. During the review the city considers location of the proposed fence, height, fence materials, etc. One issue that comes up often in our review relates to fences being placed in drainage and utility easements. The city's current ordinance states the following about fences in public and private utility and drainage easements:

4. *Fences may be constructed within public and private utility and drainage easements provided that:*
  - a. *No fence or wall shall be located within a drainage or utility easement if there is a utility, either public or private, located within the easement.*
  - b. *Removal of a fence or wall or a portion thereof for the purpose of utilizing the easement shall be at the property owner's expense.*

There are many locations in the city where a drainage and utility easement exist over a large portion of a property's rear yard. Generally, if there is no infrastructure located within the easement, the city allows a fence to be constructed. In some instances, the city has drain tile or stormwater pipes located within the drainage and utility easements (see example below). This condition presents a problem for homeowners that would like to fence in their property. The city has considered ways to resolve this issue and generally agree that some of the drain tiles or stormwater conveyance systems can be enclosed within a fence as long as the homeowner understands that if maintenance is required in the future, the

responsibility and cost of fence removal and re-installation is theirs. Staff discussed this issue with other cities and the City's Attorney and determined that an encroachment agreement would provide a way for the city to allow fences to be located in drainage and utility easements. An encroachment agreement (see attached example) would provide a way for the city to inform/memorialize the requirements related to fence removal and or replacement for future maintenance of the drainage system. The city has offered this to several recent fence permit applicants, and it was well received as way to allow fences to be installed versus not being permitted. Note that encroachment agreements would be recorded against the property. Staff is seeking direction from Council on the concept of the encroachment agreement. If supported, the city could begin using encroachment agreements and would likely want to consider charging a nominal fee for preparing and recording the agreements and could also consider an amendment the fence ordinance to include a provision relating to encroachment agreements.

Example of Drain tile – 1251 Balsam Lane



### **Apartment Development**

The city has been discussing several different market rate apartment projects with a handful of developers over the last 2 years. The city has recently been approached by a development group interested in constructing an approximate 60-unit market rate apartment building on the property currently owned by the Carver County Community Development Authority (see concept plan attached). The property is zoned PUD-FH (subzone E – Townhomes – see attached Forest Hills Subzone Map) but is guided by the Comprehensive Plan as High Density Residential (see attached Comprehensive Plan). Following the transfer of this property from the city to the CDA, the property was re-guided to high density residential primarily as a way to accommodate potential CDA plans for senior and affordable housing. Since the last comprehensive plan was completed, the city has acquired an approximate 30-acre parcel in order to accommodate the recently constructed water tower. The city has discussed that this property may be more conducive to accommodating higher density residential development and has discussed the possible development of this property with several developers.

Staff would like to have a high-level discussion with Council relating to the concept of high-density development in this general area of the city.

### **Downtown Sign Ordinance**

Staff has discussed the downtown sign ordinance on several occasions and conducted individual property inspections relating to each property's compliance with the ordinance. During the inspection it was noted that several properties do not comply with the requirements of the ordinance. Violations ranged from too many signs, excess window sign coverage, temporary sign issues and potential lighting violations, etc. Staff would like to discuss and better understand signage concerns and desired signage outcomes with Council that could eventually be translated into ordinance amendments. Staff have compiled several photos highlighting downtown business signage for context and discussion.







*(reserved for recording information)*

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## **ENCROACHMENT AGREEMENT**

**AGREEMENT** made this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between the **CITY OF WATERTOWN**, a Minnesota municipal corporation (“City”), and **MATTHEW LARSON**, (“Owner”).

**1. BACKGROUND.** Owners are the fee owners of certain real property located in the City of Watertown, County of Carver, State of Minnesota, legally described as follows:

**Parcel ID No. 852340060**

Lot 006, Block 001, Forest Hills 10<sup>th</sup> Addition, Carver County, Minnesota  
*(abstract property)*

having a street address of 1251 Balsam Lane, Watertown, Minnesota 55388 (“Subject Property”). The City owns easements for drainage and utility purposes over portions of the Subject Property (“Easement Areas”). Owners desire to construct a fence on the Subject Property that encroaches on the City’s Easement Areas as depicted on the attached Exhibit “A”.

**2. ENCROACHMENT AUTHORIZATION.** The City hereby approves the encroachment in its Easement Areas on the Subject Property for the fence conditioned upon removable fence panels in areas where the fence encroaches on existing utilities and/or installation

of gates having a clear span the width of the easement for City access to its Easement Areas.

Further conditions of encroachment approval are as follows:

- The fence must allow water to pass under it so as not to impede overland water flow during rain events.
- The fence posts shall be placed on the Subject Property but not attached to neighboring fences and must not cross the property lines.
- The City shall have no responsibility to maintain the fence located in the Easement Areas.
- Owner must maintain the fence located on the Subject Property.
- Owner is fully responsible and liable for any and all damage caused to the fence because of their location in the Easement Areas.

Further, Owners agree that the fence shall be constructed consistent with all applicable federal, state and local laws and regulations.

**3. HOLD HARMLESS AND INDEMNITY.** In consideration of being allowed to encroach in the City's Easement Areas, Owner, for themselves, their heirs and assigns, hereby agree to indemnify and hold the City harmless from any damage caused to the Subject Property, including the fence and removal of fence panels and/or gates in the City's Easement Areas, caused in whole or in part by the encroachment into the City's Easement Areas.

**4. TERMINATION OF AGREEMENT.** The City may terminate this Agreement at any time if it is reasonably necessary for the City to occupy the easement areas for tree conservation purposes and the fence is inconsistent with the City's use of the easement. Prior to termination, the City will give the then owner of the Subject Property thirty (30) days advance written notice, except that no notice period will be required in the case of an emergency condition as determined solely by the City and this Agreement may then be terminated immediately. The property owner shall remove that portion of the fence to the extent it impacts the Easement Area to the effective date of the termination of this Agreement. If the owners fail to do so, the City may remove the fence to the



**PROPERTY OWNER**

\_\_\_\_\_  
Matthew Larson

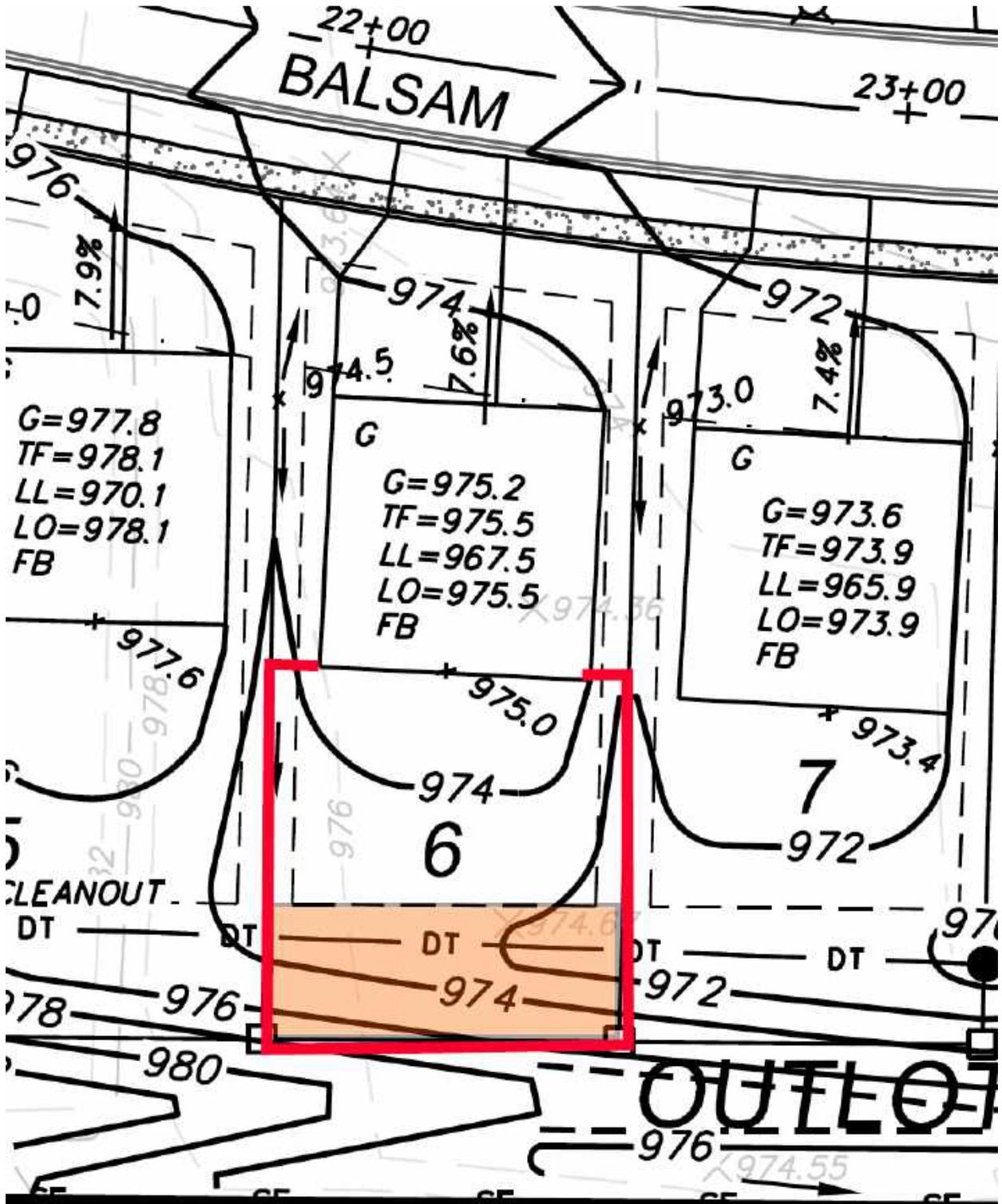
STATE OF MINNESOTA    )  
  )ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025, by **Matthew Larson**, Owner

\_\_\_\_\_  
Notary Public

DRAFTED BY:  
**CAMPBELL KNUTSON,**  
*Professional Association*  
Grand Oak Office Center I  
860 Blue Gentian Road, Suite 290  
Eagan, Minnesota 55121  
Telephone: (651) 452-5000  
JSB/smt

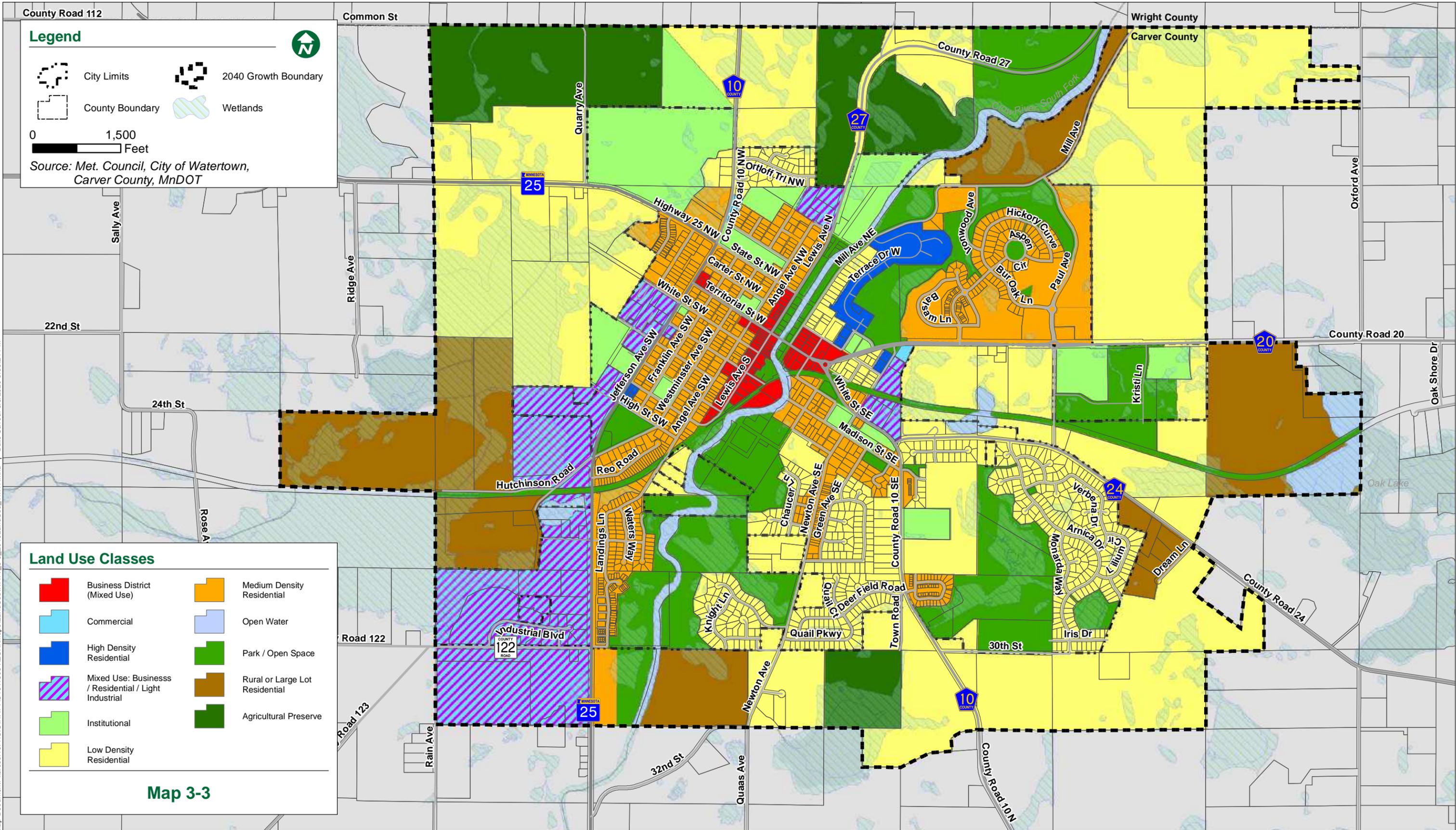
EXHIBIT "A"











**Legend**

- City Limits
  - 2040 Growth Boundary
  - County Boundary
  - Wetlands
- 0 1,500 Feet
- Source: Met. Council, City of Watertown, Carver County, MnDOT

**Land Use Classes**

- |  |  |  |                                |
|--|--|--|--------------------------------|
|  | Business District (Mixed Use)                        |  | Medium Density Residential     |
|  | Commercial   |  | Open Water                     |
|  | High Density Residential                             |  | Park / Open Space              |
|  | Mixed Use: Business / Residential / Light Industrial |  | Rural or Large Lot Residential |
|  | Institutional  |  | Agricultural Preserve          |
|  | Low Density Residential                              |  |                                |

**Map 3-3**