



South St. Paul

WORKSESSION AGENDA
SSP City Hall
125 3rd Avenue North
Training room

Monday, January 22, 2024
7:00 pm

AGENDA:

1. Enhancing Partnerships – Metropolitan Council
2. Discussion on Housing Regulations and Creating Homeownership Opportunities
3. Outdoor Dining Ordinance
4. Former Library Re-Use Update
5. 450 Hardman Avenue Update – No Attachment
6. Council Comments & Questions



CITY COUNCIL WORKSESSION AGENDA REPORT

DATE: January 22, 2024

DEPARTMENT: ECONOMIC & COMMUNITY DEVELOPMENT

Prepared by: Ryan Garcia, City Administrator/EDA Executive Director

ADMINISTRATOR:

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AGENDA ITEM: Enhancing Partnerships – Metropolitan Council

DESIRED OUTCOMES:

- For information only. No action requested/required.

SUMMARY:

The Metropolitan Council is a Regional Unit of Metropolitan Government that has a hand in a broad range of locally important infrastructures and issues, including providing transit services, managing wastewater treatment, serving as a metropolitan transportation planning agency, and administering numerous grant programs related to land use, housing, development, and multi-modal transportation. South St. Paul, as a community within the 7-County Minneapolis-St. Paul Metropolitan Area, lies within the Metropolitan Council’s area of influence, and is represented on the Metropolitan Council by Susan Vento. Ms. Vento will be attending the January 22 worksession to introduce herself and our designated staff “Sector Representative” Emma Dvorak, and share a bit about the Council’s work and hear from City Council.



CITY COUNCIL WORKSESSION REPORT

DATE: JANUARY 22, 2024

DEPARTMENT: Planning

Prepared By: Michael Healy, Planning Manager

ADMINISTRATOR: RG

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AGENDA ITEM: Discussion on Housing Regulations and Creating Homeownership Opportunities

DESIRED OUTCOMES:

1. Review longstanding housing policies that have never been officially added to the City Code and discuss the benefits of codifying these policies.
2. Discuss the potential for creating additional homeownership opportunities in South St. Paul through minor updates to housing regulations.
3. Discuss the benefits of requiring small residential lots with access to an improved alley to get their driveway access from the alley.
4. Review potential residential design standards.
5. City Council gives feedback on a draft ordinance prepared by City Staff.

OVERVIEW:

Background

Staff has identified five (5) issues that could be addressed with an ordinance update:

1. The City Council adopted a resolution on September 21, 1987 opting into an optional State Statute which requires property owners to get the City Council's approval before splitting their lot or adjusting a property line. Over the past 36 years, a consistent policy for reviewing these requests has evolved but it has never been added to the City Code. City Staff was pulled into a property line dispute in 2023 where one of the property owners hired an attorney who refused to follow the City's lot line adjustment process because it is not in the City Code. The attorney relented after Dakota County would not record his lot line adjustment without City Council approval, but it wasted a significant amount of staff time and further inflamed an already ugly neighbor dispute.

This issue can be easily resolved by adding the City's existing process for reviewing lot splits and lot line adjustments to the City Code's Subdivision Ordinance. This should be viewed as a "clean up" and will not result in any policy changes.

2. The City Council has previously expressed frustration that side-by-side twinhomes cannot be split in half with a property line so that each side can be sold off separately as a homeownership opportunity. The new modular twinhome at 1020 5th Avenue South was originally going to be split in this manner but the City Attorney determined that it would be unlawful to split the building because of the way the City Code is currently written. As a result, that twinhome was left as one parcel and turned into a rental.

Edina, Anoka, Minneapolis, and a number of other cities in the metro have adopted subdivision regulations that allow an existing side-by-side twinhome to be split in half with a property line so each side can be sold off separately. Such buildings are governed by private covenants and party wall agreements. South St. Paul could adopt a similar ordinance to allow rental twinhomes to be turned into homeownership opportunities.

3. The City Code’s official rules for single-family home lot size and lot width do not match the character of SSP’s existing neighborhoods. The current single-family lot dimension rules were put in place in 1967 but most of SSP’s neighborhoods were fully laid out prior to 1967. All subdivision plats recorded prior to 1967 are considered “grandfathered” and are not subject to the new rules. Historically, the City has interpreted this very liberally to mean that new non-conforming buildable parcels can be created in existing neighborhoods if they are consistent with the lot sizes in the original plat and are created with “metes and bounds” descriptions based on the original platted lots.

One issue with the City’s longstanding approach is that it is not intuitive and requires a pretty creative reading of the City Code. Because the rules are somewhat unclear, different City Planners and City Councils have interpreted them slightly differently. Lot splits have not been handled consistently and some infill single-family home lots have been created that may technically not be buildable under a strict reading of the Code. A second issue with the current approach is that it discourages property owners from replatting their properties or otherwise cleaning up their title. Every property owner must keep their legal description “messy” and have it based on the old pre-1967 plat or else they lose all of their lawful nonconformity rights and their single-family home property becomes unbuildable without a lot size variance and lot width variance.

This situation could be fixed with two updates which would make it easier to build a new single-family home in SSP that matches the character of an existing neighborhood:

1. *In the R-2 Single- and Two-Family district, almost all of the land was platted in the late 1800’s with 40-foot wide lots which are either 120 or 125 feet deep and either 4,800 or 5,000 square feet in total size. Property owners create larger properties or different properties in the R-2 district by splitting and combining those original 40-foot lots. The City Code should be updated to have lot size and lot width requirements that match the character of these neighborhoods. This would allow property owners to potentially “clean up” their properties by replatting and would also set clear and consistent standards for when a lot is buildable and when it is not buildable.*
2. *In the R-1 Single Family District, every neighborhood has completely different lot sizes. There are some neighborhoods with 40-foot-wide lots, some neighborhoods with 50-foot-wide lots, and many neighborhoods with 60-foot-wide lots. There are also a few neighborhoods that have large lots which meet the new 75-foot lot width requirement put in place in 1967. The City Code should be updated to officially adopt the City’s longstanding practice which is to allow new lots to be created that are the same size and width as the existing properties on a block. Any entirely new R-1 neighborhood should continue to be required to follow the rules for a new neighborhood that were established in 1967 unless the neighborhood is developed as a Planned Unit Development with a unique design that gets City Council approval.*

4. South St. Paul has many single-family homes on small 40-foot-wide lots that have access to an improved alley. The majority of these houses build their garage or parking pad off of the alley but some of them choose to instead run a private driveway out to the street with a private curb cut. The result is that these small lots end up having a significant part of their small front yard covered in asphalt or concrete and the private curb cuts eat up the small boulevard and makes it impossible to plant boulevard trees or provide convenient street parking for guests (guest cars must be parked at least 5 feet from each side of a private driveway entrance).

Other communities with improved alleys have regulations that require the alleys to be used for residential driveway access when available. In some communities, all residential lots that have access to an improved alley must use the alley and cannot have a private driveway to the street unless they are a corner lot and the driveway is off of the side street. In other communities, there is more flexibility, but residential lots that are less than 50 feet in width generally must use the alley for their driveway access if there is one.

Staff would like to have a discussion with the City Council about this issue. It seems reasonable to adopt a requirement that small residential lots which are less than 50 feet in width must use the alley for access if an alley is available and there are no topography issues, traffic issues, or safety issues that make the alley impractical to use.

5. The Master Housing Strategy approved in 2020 calls for exploring the creation of new residential design standards for single-family and two-family homes. South St. Paul already does have some design standards for single-family homes. The first is that the front of the home must face the main street frontage. The second is that single-family homes cannot have a flat roof for their principal roofline (this means that most modern architecture is prohibited). Finally, there is a rule that any proposed house that is completely dissimilar from the rest of the neighborhood in a way that might devalue other properties must have its building permit approved by the City Council.

Most communities have moved away from dictating architectural styles in single-family home neighborhoods since architecture is largely subjective and putting overly tight restrictions in place can lead to bland “cookie-cutter” housing styles. Some communities have adopted basic urban design regulations for front facades to ensure good curb appeal. Specifically, some communities that mostly have traditional neighborhoods have chosen to discourage or prohibit “garage forward” home designs for infill housing since they do not match the existing community fabric. “Garage forward” refers to designs where the front of the house is dominated by a large, attached garage that juts out into the front yard. These houses often do not have traditional curb appeal although the garages can potentially be dressed up with brick and decorative doors. There are two rules that can potentially be adopted to regulate this urban design issue:

Rule #1: Do not allow an attached garage to be any closer to the street than the part of the house that contains the living quarters. Hopkins and Saint Paul are two communities with traditional neighborhoods that have this rule. In Hopkins, existing houses with “garage forward” design are given special expansion rights and garage additions are allowed to have the same setback as the original attached garage.

Rule #2: Cap the percentage of the front façade that can be dominated by the garage. *In Saint Paul, there is a rule that no more than 60% of the width of the front façade of a house can consist of an attached garage which has doors facing the street.*

Staff would potentially be supportive if the Planning Commission and City Council wanted to establish new restrictions on “garage forward” home design. Staff would generally not recommend pursuing any other new design requirements for single-family homes at this time. This could be reevaluated in the future if South St. Paul begins to see high levels of “teardown-rebuild” activity which may necessitate tighter design control.

Draft Ordinance

Staff has written a draft ordinance that would address the issues outlined above. It would do the following:

- Add the City’s longstanding lot split and lot line adjustment process to the City Code.
- Make it possible to split a twinhome into two for-sale units if there is a party wall agreement and covenants in place.
- Clean up the R-1 ordinance to officially codify the City’s longstanding policy that new single-family home lots can be created if they have the same lot width and lot size as the existing houses on a block.
- Clean up the R-2 ordinance to have the lot size and lot width requirement for single-family homes match the existing R-2 neighborhoods which were almost all platted in the 1800’s with 40-foot-wide lots.
- Fix two math issues in the City Code that may be errors:
 - The R-2 ordinance allows a duplex to be built on a property that is at least a lot and half from one of the subdivisions that was completed in the 1800’s with 40-foot-wide lots. This means that the property must be at least 60 feet wide and at least 120 feet deep. This means that every duplex property should be at least 7,200 square feet in size. However, the R-2 ordinance states that a duplex property must be at least 7,500 square feet in size. The number should be adjusted to 7,200 to correct the math discrepancy.
 - New R-1 lots must be at least 75 feet wide, 120 feet deep, and 9,000 square feet in size. However, the code allows a single-family home to be built on any residential lot platted prior to 1967 that is at least 4,500 square feet in size regardless of its width. The Code does not appear to waive the 120-foot depth requirement for lots platted prior to 1967. The result is that there are some platted neighborhoods which have lots that are not buildable because they are not quite 120 feet deep. If the existing houses on these lots were ever destroyed in a fire and the property

lost its lawful nonconformity (“grandfather”) rights, the owners would not be able to rebuild their house without getting a lot depth variance. The Code should be updated to waive the depth requirement for lots platted prior to 1967 that are at least 4,500 square feet in size. If a proposed house on one of these lots cannot meet all lot coverage and setback requirements then a variance will still be required, so there is really no downside to the City in waiving the requirement.

- Require small residential lots (those with less than 50 feet of street frontage) to use the alley for driveway access if there is an improved alley available and there are no issues with topography. *This requirement would not apply to corner lots or houses on a cul-de-sac.*

DISCUSSION

Most South St. Paul residents are very proud of their community’s character and cherish the uniqueness of each of the neighborhoods. The City has always understood this and has allowed infill development to take place that is consistent with existing neighborhood character. Because most of these land use policies have never been officially added to the City Code, it creates a situation that can be confusing for property owners and for City Staff. It would be highly beneficial to codify the City’s longstanding policies which would have the effect of “legalizing” most of South St. Paul’s existing single-family home neighborhoods. This will make it easier for property owners to invest in their properties and potentially bring new homeownership opportunities to South St. Paul by building single-family homes on some of the community’s few remaining vacant lots.

ACTION NEEDED

The City Council is asked to discuss the draft ordinance that Staff has prepared and provide direction. Staff could add single-family home design standards addressing “garage forward” design to the draft ordinance if Council move forward with adopting that type of regulation.

If the City Council is generally supportive of this effort, the next step could be for the draft ordinance to be brought to the Planning Commission for a public hearing and further review and refinement.

ATTACHMENTS

- A- LOT SPLIT RESOLUTION APPROVED ON SEPTEMBER 21, 1987
- B- EXAMPLES OF NEIGHBORHOOD LOT WIDTHS IN SSP
- C- EXAMPLE OF THE TYPE OF INFILL SINGLE-FAMILY HOME LOT THAT THE CITY HAS HISTORICALLY APPROVED THROUGH LOT SPLITS
- D- EXAMPLES OF HOMES WITH TRADITIONAL DESIGNS
- E- EXAMPLES OF HOMES WITH “GARAGE FORWARD” DESIGNS
- F- ZONING MAP
- G- DRAFT ORDINANCE

ATTACHMENT A
LOT SPLIT RESOLUTION APPROVED ON SEPTEMBER 21, 1987

South St. Paul, Minnesota

September 21, 1987

Moved by Councilmember Peterson

Seconded by Councilmember Lagoo

MOVED: To authorize the expenditure of an additional \$1,500 to pay for inspection services for Project #1987-006, Water Tank Reservoir Painting.

Motion carried
9-21-87

7 yeas
0 nays

Moved by Councilmember Peterson

Seconded by Councilmember Gaylord

WHEREAS, Laws of Minnesota, 1982, Chapter 564, codified as Minnesota Statutes Section 272.162 provides for certain restrictions on transfers of real property lying within municipality within the 7 county metropolitan area, and

WHEREAS, said Statute provides for municipalities to elect to be governed by said Statute by resolution, and

WHEREAS, the City Council does hereby deem it to be in the best interest of the City to assure application of its subdivision regulation to lands within the City of South St. Paul be exercising its perogatives under said Statute.

NOW THEREFORE, BE IT RESOLVED that the City of South St. Paul does hereby choose to have Laws of 1982, Chapter 564, coded as Minnesota Statutes Section 272.162 applied to real property within its boundaries and does hereby notify the Dakota County Auditor of said choice, and does further hereby direct that a certified copy of this resolution be filed with the Dakota County Auditor.

7 yeas
0 nays

Approved:



Mayor

Moved by Councilmember Peterson

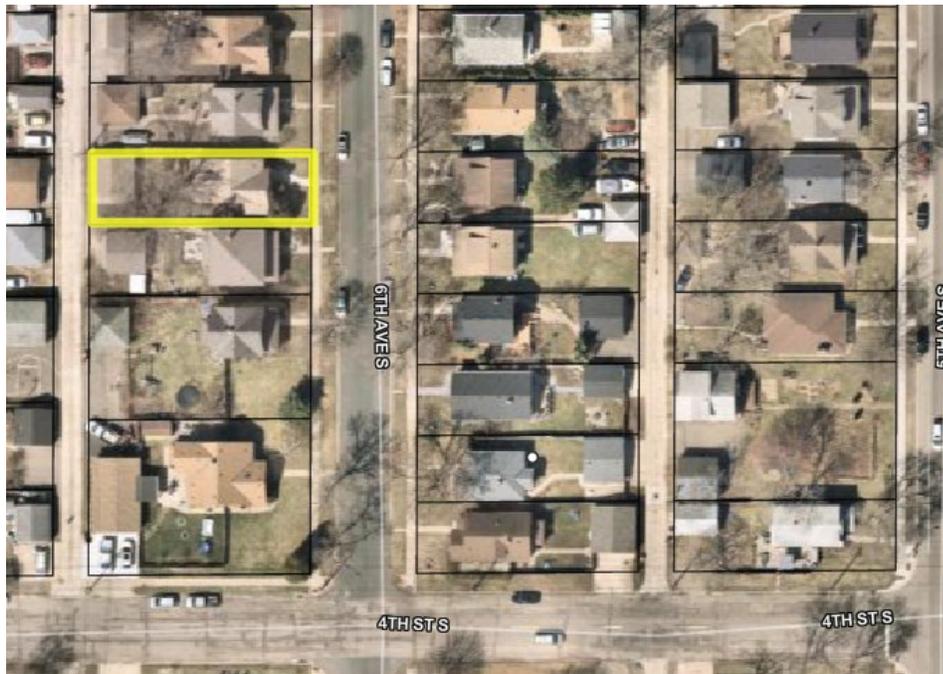
Seconded by Councilmember Johnson

WHEREAS, the problems of records duplication, data currency, and interrelationships of geographic data usage among County departments, cities and other agencies creates inefficiencies in the delivery of services to the public; and

ATTACHMENT B EXAMPLES OF NEIGHBORHOOD LOT WIDTHS IN SSP

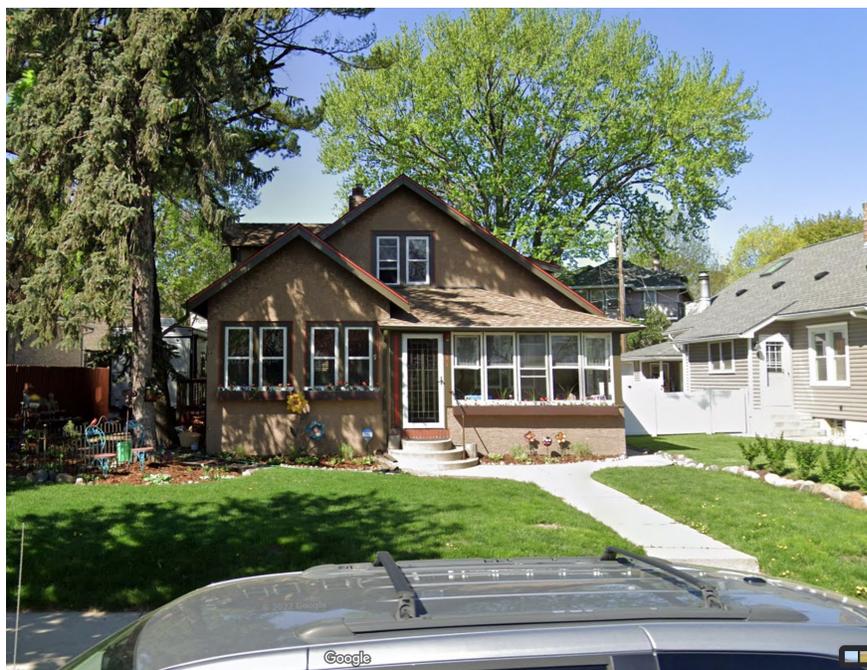
40-FOOT-WIDE LOTS

- Almost all of SSP's original neighborhoods were platted in the 1800's with lots that are 40 feet wide and either 120 or 125 feet deep. Most neighborhoods with R-2 zoning and many neighborhoods with R-1 zoning were platted with 40-foot-wide lots.
- The home shown below was built on a 40-foot-wide lot with an alley. This is by far the most common type of single-family home lot in South St. Paul.



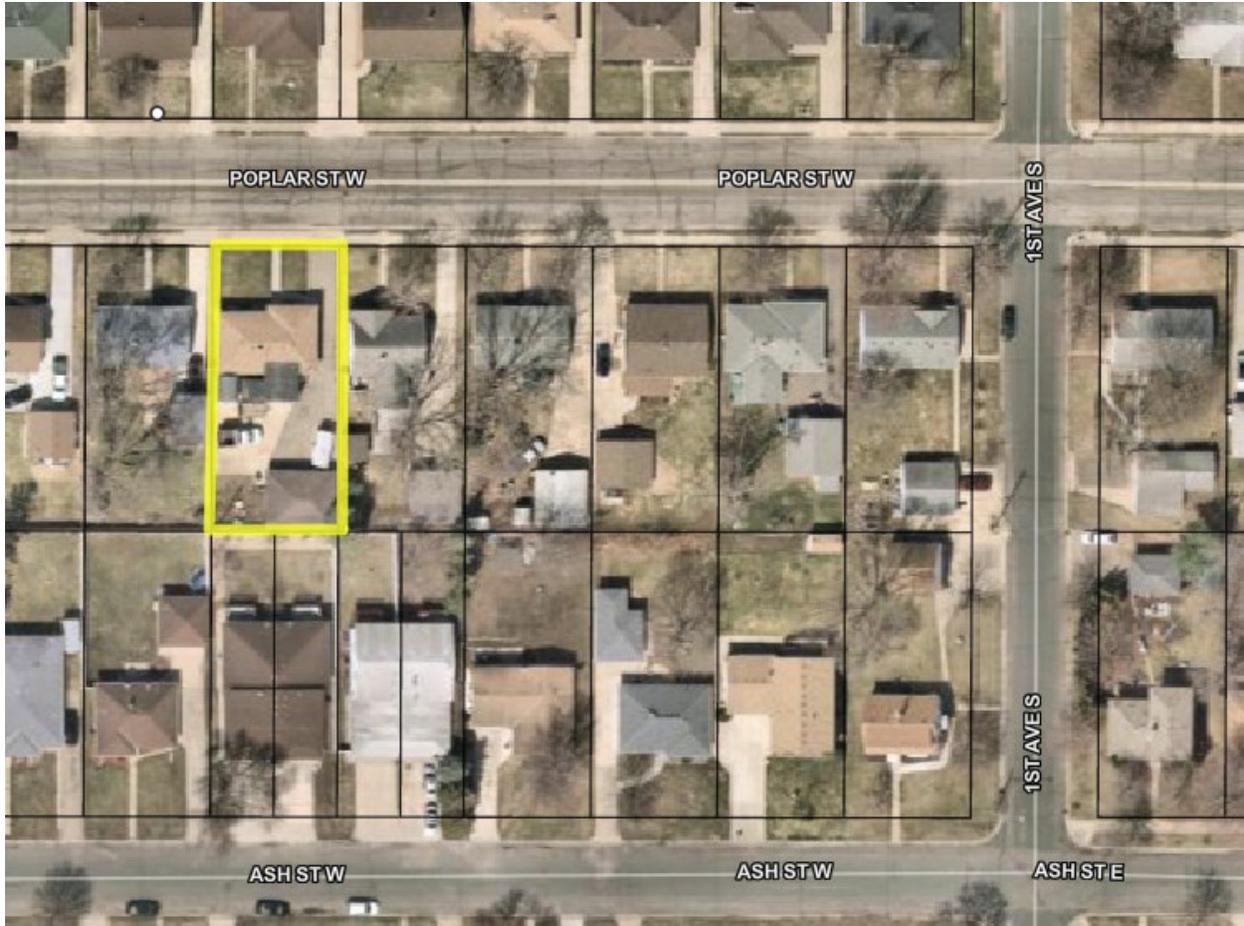
50-FOOT-WIDE LOTS

- A few older neighborhoods were platted with lots that are 50 feet wide. It is also common for people to create 50-foot lots by doing lot splits and combinations.
- The homes built on “Pill Hill” across the street from Grandview Park are an example of 50-foot-wide lots (see below).

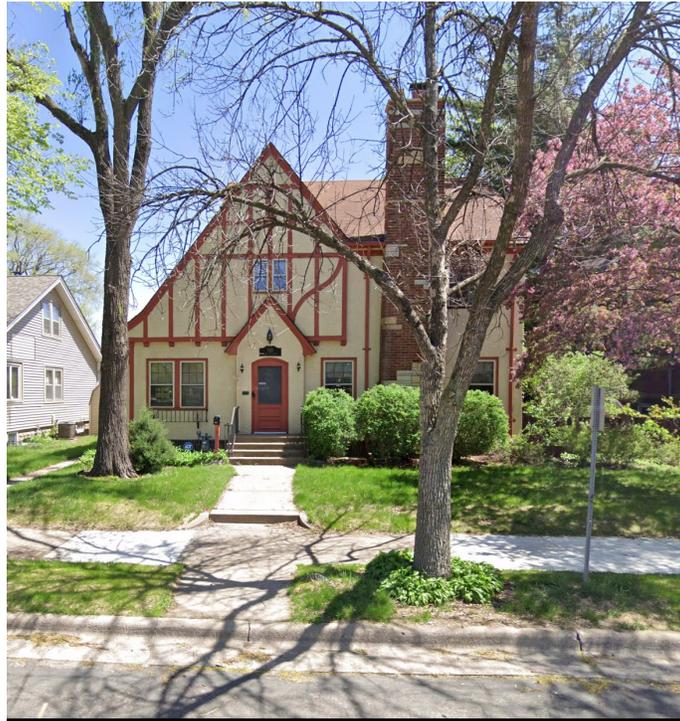


60-FOOT-WIDE LOTS

- Most of the neighborhoods created in the 1950's and 1960's were platted with 60-foot-wide lots including the neighborhoods near Fleming Field Airport.



- 60-foot-wide single-family-home parcels can also be found all over SSP because it is very common for the owners of 40-foot-wide lots to purchase a vacant 40-foot-wide lot that sits between their properties and split it in half to share. The house shown below sits on a 60-foot-wide parcel in an R-2 neighborhood that consists of mostly 40-foot wide lots.



70-FOOT-WIDE LOTS

- The Oak Park neighborhood on the west side of town was platted with a variety of lot widths but most of the platted lots are around 70 feet in width.



75 FOOT-WIDE LOTS AND OTHER LARGE LOTS

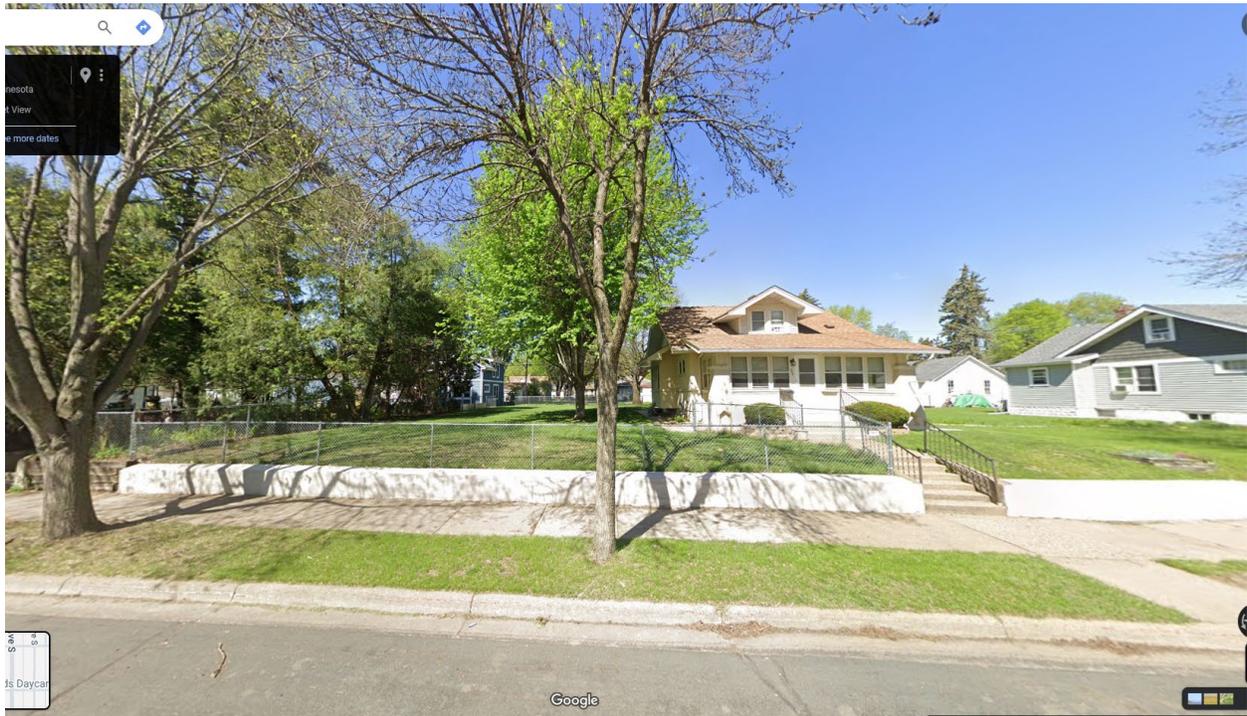
- Since 1967, it has not been legal to create a new neighborhood or new subdivision unless all lots are at least 75 feet wide, 120 feet deep, and at least 9,000 square feet in size. There are just a small number of neighborhoods in South St. Paul that meet these requirements including a few neighborhoods near Seidl's Lake that were developed in the 1980's.
- Most of the community's newest single-family home developments such as South Bluff (1999), Wentworth Hollow (2000), and Wilson Heights (2003) greatly exceed the minimum lot size requirements since they were designed to support large footprint "estate-style" homes, often with 3-car attached garages. Many lots in these newer neighborhoods are 80-100 feet wide.
- Many subdivisions throughout the community include at least some larger lots. Additionally, there are many property owners in the older neighborhoods who own a "double lot" which consists of two adjacent 40-foot-wide lots that have been combined into one tax parcel. Sometimes a large house is built over both lots but sometimes the house is built on just one lot and the other lot is left as empty yard space so that it can be split off in the future for another home site.



78-Foot-Wide Lot Platted in 2009 in the “Thompson Heights” Subdivision

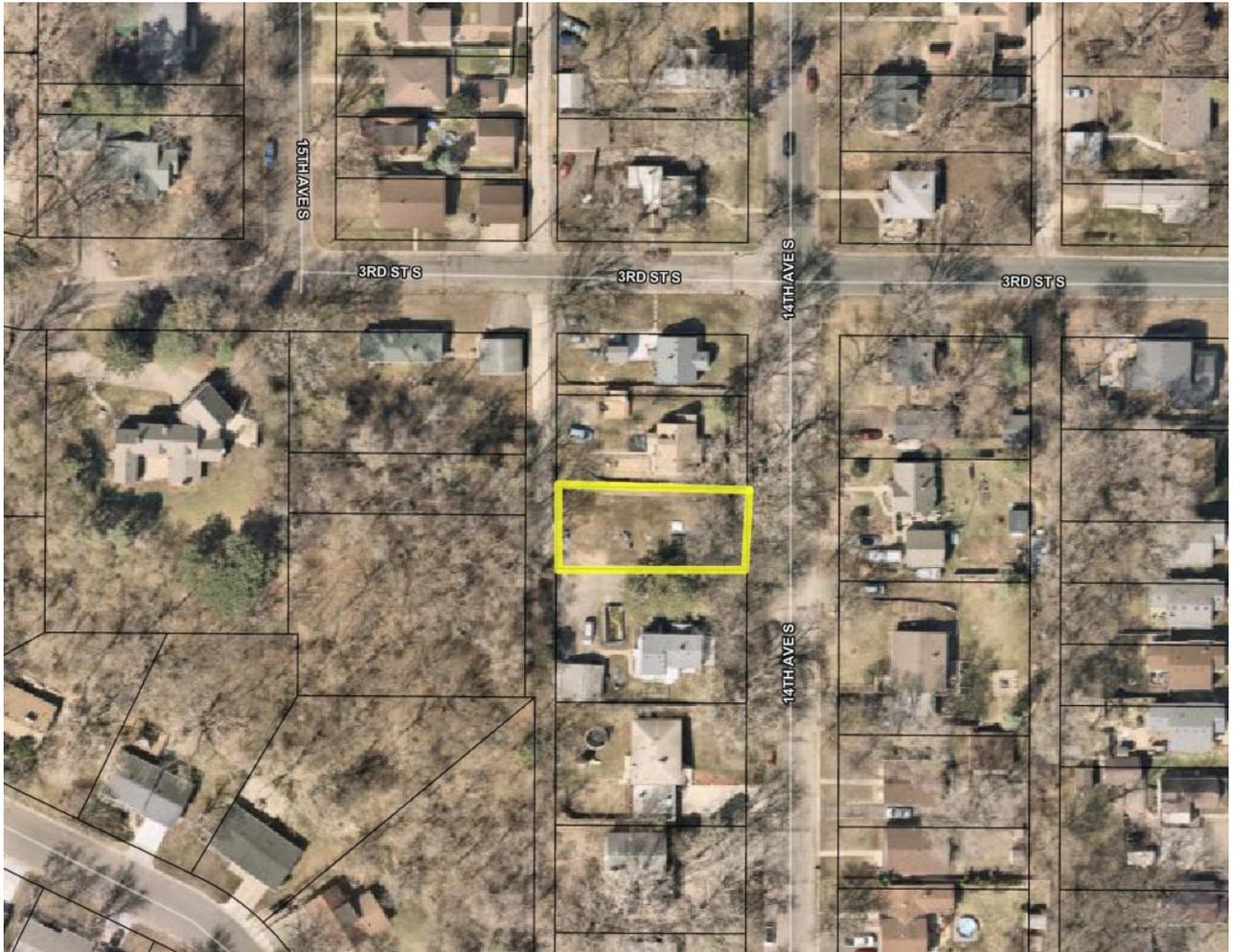


89-Foot-Wide Lot Platted in 2000 in the "Wentworth Hollow" Subdivision



80-Foot-Wide "Double Lot" Created by Combining Two 40-Foot-Wide Lots From The Ravenscroft Park Subdivision which was Platted in 1887.

ATTACHMENT C
EXAMPLE OF THE TYPE OF INFILL SINGLE-FAMILY HOME LOT THAT THE
CITY HAS HISTORICALLY APPROVED THROUGH LOT SPLITS



- Vacant lot located north of 320 14th Avenue South
- Located in R-1 zoning district where new lots can only be platted with a minimum lot width of 75 feet, a minimum lot depth of 120 feet, and a minimum size of 9,000 square feet.
- The neighborhood was platted as the “Deer Park Subdivision” in 1886 which has 40-foot wide lots. There are 40-foot-wide lots on the block which have houses on them.
- The City allowed the new lot outlined in yellow to be created via a lot split in 2004. It is roughly 53 feet wide and 120 feet deep with a total square footage of 6,601 square feet. It consists of pieces of two different platted lots of record from the Deer Park Subdivision but is not itself a platted lot of record. Consistent with longstanding City policy, the City approved it because it is consistent with the existing parcel sizes on the block.
- The vacant lot was recently sold and Staff has fielded several inquiries about whether a new single-family home could be built on the property. Staff has been telling callers that the lot is buildable because the City definitely approved it to be a buildable lot in 2004. However, the Code does not clearly say that it is buildable without a variance since it is not a platted lot of record and does not meet minimum lot size and lot width requirements.

ATTACHMENT D
EXAMPLES OF SSP HOMES WITH TRADITIONAL DESIGNS

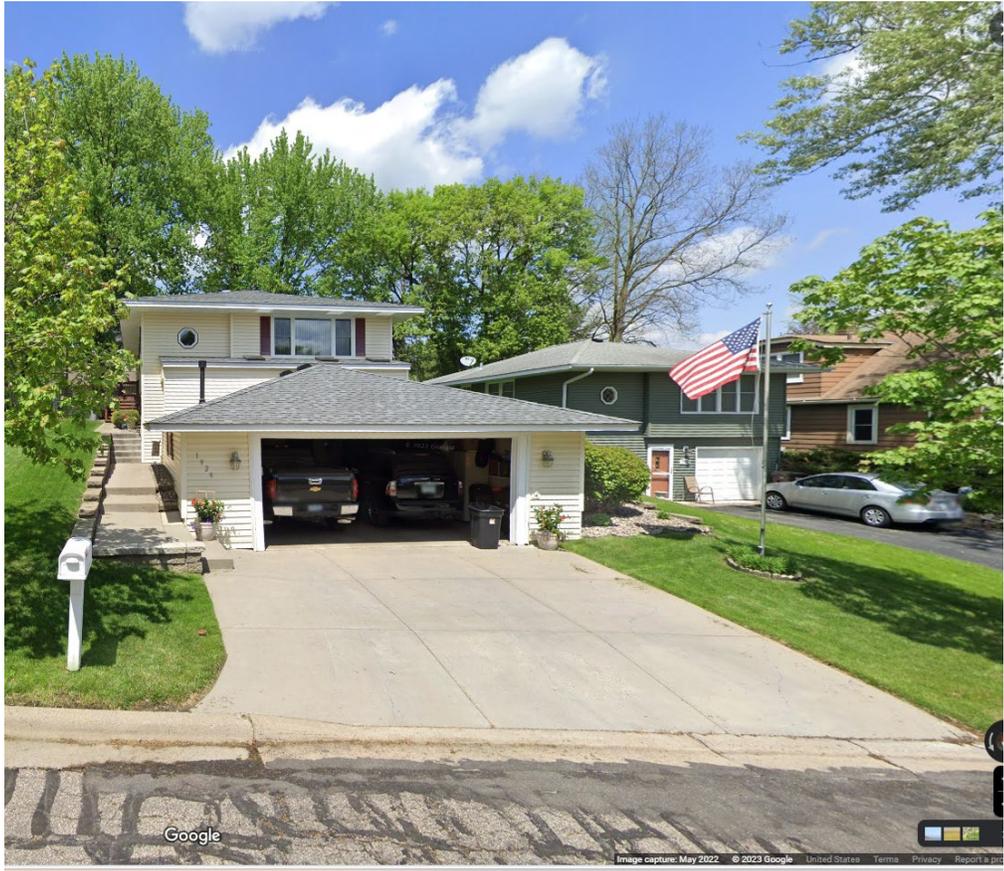




PROPOSED TWINHOME NEAR FLEMING FIELD AIRPORT WITH TRADITIONAL DESIGN AND RECESSED GARAGE DOORS

ATTACHMENT E
EXAMPLES OF SSP HOMES WITH “GARAGE FORWARD” DESIGNS





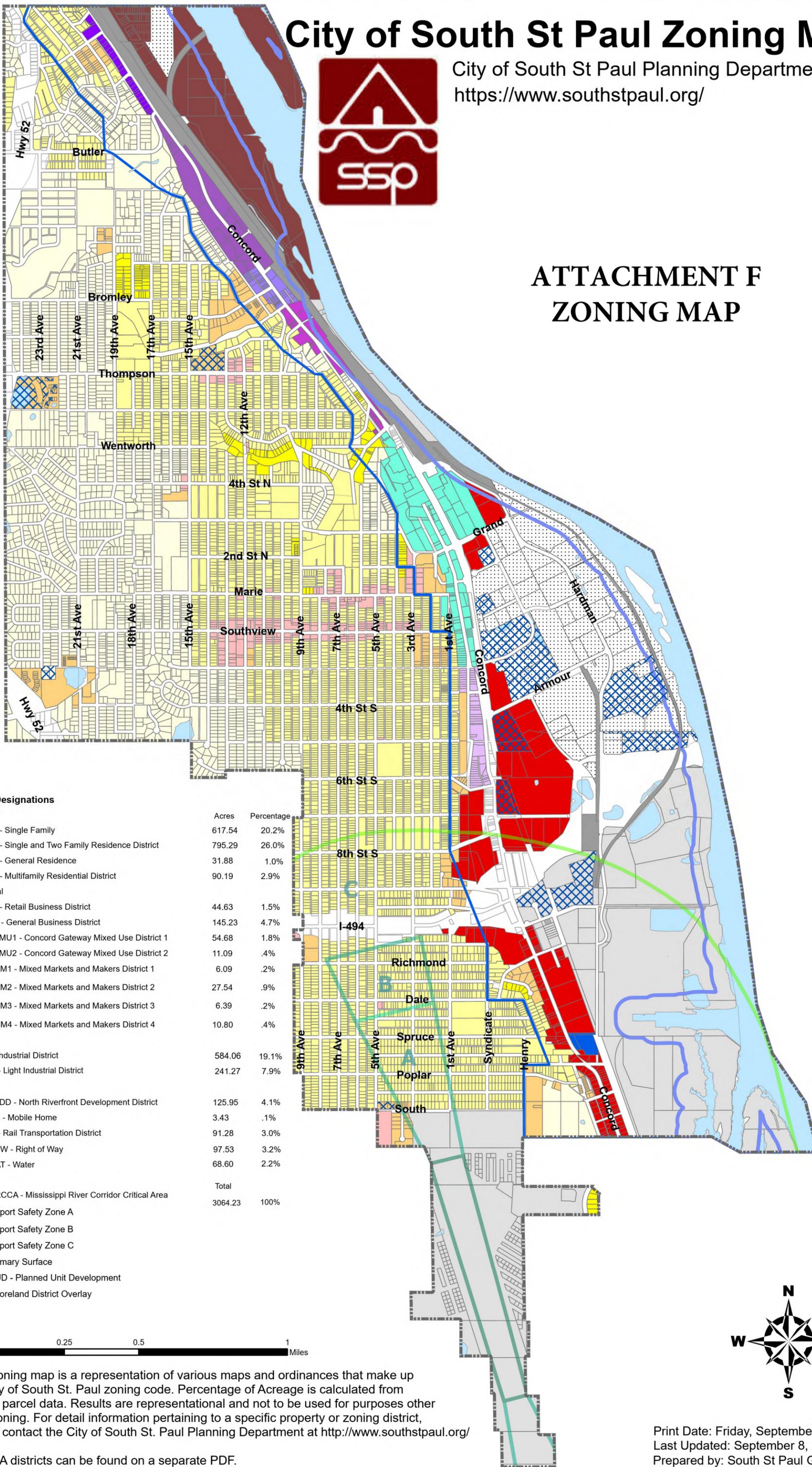


City of South St Paul Zoning Map

City of South St Paul Planning Department
<https://www.southstpaul.org/>

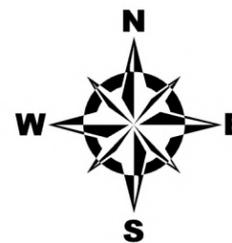
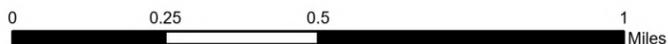


ATTACHMENT F ZONING MAP



Zoning Designations

	Acres	Percentage
Residential		
R1 - Single Family	617.54	20.2%
R2 - Single and Two Family Residence District	795.29	26.0%
R3 - General Residence	31.88	1.0%
R4 - Multifamily Residential District	90.19	2.9%
Commercial		
C1 - Retail Business District	44.63	1.5%
GB - General Business District	145.23	4.7%
CGMU1 - Concord Gateway Mixed Use District 1	54.68	1.8%
CGMU2 - Concord Gateway Mixed Use District 2	11.09	.4%
MMM1 - Mixed Markets and Makers District 1	6.09	.2%
MMM2 - Mixed Markets and Makers District 2	27.54	.9%
MMM3 - Mixed Markets and Makers District 3	6.39	.2%
MMM4 - Mixed Markets and Makers District 4	10.80	.4%
Industrial		
I - Industrial District	584.06	19.1%
I-1 - Light Industrial District	241.27	7.9%
Other		
NRDD - North Riverfront Development District	125.95	4.1%
MH - Mobile Home	3.43	.1%
RT- Rail Transportation District	91.28	3.0%
ROW - Right of Way	97.53	3.2%
WAT - Water	68.60	2.2%
Total	3064.23	100%



This Zoning map is a representation of various maps and ordinances that make up the City of South St. Paul zoning code. Percentage of Acreage is calculated from county parcel data. Results are representational and not to be used for purposes other than zoning. For detail information pertaining to a specific property or zoning district, please contact the City of South St. Paul Planning Department at <http://www.southstpaul.org/>

MRCCA districts can be found on a separate PDF.

Print Date: Friday, September 8, 2023
 Last Updated: September 8, 2023
 Prepared by: South St Paul GIS

ATTACHMENT G

DRAFT ORDINANCE

City of South St. Paul
Dakota County, Minnesota

Ordinance No. 14XX

AN ORDINANCE AMENDMENT UPDATING LOT DIMENSION REQUIREMENTS AND ALLOWING EXISTING TWINHOMES TO BE SPLIT INTO TWO FOR-SALE UNITS

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Section 114-5 is hereby amended as follows:

Sec. 114-5. Tax parcel splits and property line adjustments and combinations.

~~Persons requesting tax parcel splits or combinations shall pay a fee to the city in the amount established by the city council.~~

- (a) ~~The City shall review tax parcel splits as well as property line adjustments to ensure that zoning nonconformities are not created because of the split or property line adjustment. Persons requesting a tax parcel split or property line adjustment shall pay a fee to the City in the amount established by the City Council.~~
- (b) ~~A request for a tax parcel split or property line adjustment must be approved by the City prior to Dakota County processing the request and modifying the dimensions of the tax parcels.~~
- (c) ~~A request for approval of a tax parcel split or property line adjustment shall be accompanied by the submission of a signed certificate of survey prepared by a licensed surveyor in order to demonstrate conformance with Section 118 of the City Code. Upon finding that all City requirements have been met, the Zoning Administrator shall place the tax parcel split or property line adjustment on the next City Council agenda for approval. Tax parcel splits and property line adjustments shall be approved by resolution.~~
- (d) ~~A lot platted prior to May 1, 1967 which has been combined with other lots may be restored to its original dimensions via a lot split without a variance for lot size, lot width, or lot depth provided that the following are met:~~
 - a. ~~The lot is large enough to be considered buildable as a lot of record in the applicable zoning district.~~
 - b. ~~The lot has at least 30 feet of frontage directly abutting a publicly dedicated street, subject to the provisions of Section 114-67(d).~~

- c. The lot is served by City sewer and water.
- d. The land has not been replatted and its legal description is still based on the plat that was completed prior to May 1, 1967.
- e. It is permissible for a lot being restored to include additional land beyond its original dimensions but the parcel must include all of the land from the original platted lot in order to be considered buildable as a lot of record.

SECTION 2. ENACTMENT. South St. Paul City Code Section 114-6 is hereby enacted as follows:

Sec. 114-6.- Splitting an Existing Side-By-Side Two-Family Dwelling

- (a) Notwithstanding the requirements of this chapter, a lot with an existing side-by-side two-family dwelling of one (1) or more stories may be subdivided along the party wall to allow separate ownership of each side of the building provided that the following occur:

- (1) Covenants are recorded that set forth the following:

- a. The requirements for exterior maintenance of the building and grounds.
 - b. The requirements for reconstruction if one (1) or both sides of the building are damaged or destroyed.
 - c. Relationship among owners of the adjoining living unit, including arbitration of disputes.
 - d. Whether utility services will be separate or shared.
 - e. The covenants shall state that the parcels may be used separately as long as the existing building is continued and that thereafter the lots shall be combined to make a single parcel or otherwise be enlarged to conform to the requirements of these land subdivision regulations.
 - f. Evidence of proper filing of the covenants shall be submitted to the zoning administrator before the lot split approval will be in effect.
- (2) If not already compliant, the common party wall fire rating must be brought up to new construction standards contained in the State Building Code. Party walls must also provide sound transmission control ratings as per the State Building Code.
 - (3) A lot split creating a new lot with a separate unit is considered a subdivision and the new lot shall be subject to a park dedication fee that is consistent with Chapter 42, Article IV.

- (4) Except for setbacks along the common property line, all other setback and yard requirements shall be met.

SECTION 3. AMENDMENT. South St. Paul City Code Section 118-122 is hereby amended as follows:

Sec. 118-8. - Lots, distances, and definitions.

Lot line, zero, means that side lot line against which is placed a building, if and when approved by the city council.

Lot of record means a parcel of land created by a plat, deed, or similar instrument, which has had the same dimensions since at least May 1, 1967, with those dimensions being shown on a document or map on file with the county recorder. It shall also mean any parcel that was lawfully created by a subdivision approved by the City Council after May 1, 1967 that was deemed a buildable lot as part of the subdivision approval.

Lot, through, means any lot other than a corner lot that abuts more than one street. On a through lot, all the street lines shall be considered the front lines unless otherwise approved by the city engineer.

SECTION 3. AMENDMENT. South St. Paul City Code Section 118-121 is hereby amended as follows:

Sec. 118-121. R-1, single-family district

(d) *Lot requirements.* Within the R-1 district, the following requirements shall apply:

- (1) *Lot area, width, and depth.* Each dwelling, together with its accessory buildings, shall be located on a lot having an area not less than 9,000 square feet, width of not less than 75 feet, and depth of not less than 120 feet, except in the following circumstances: ~~that a dwelling may be erected on a lot platted prior to May 1, 1967 having less than the foregoing area and width but having no less than 4,500 square feet of lot area.~~

a. A dwelling may be erected on a lot platted prior to May 1, 1967 or a buildable lot of record that was lawfully established, having less than the foregoing area, width, and depth but having no less than 4,000 square feet of lot area. A lot platted prior to May 1, 1967 which has been combined with other lots may be restored to its original dimensions, subject to the provisions of Section 114-5.

b. When an existing block contains lots platted prior to May 1, 1967 or buildable lots of record that do not meet standard R-1 requirements, new lots may be created on the block which do not meet standard R-1 lot dimension requirements provided that they are consistent with existing lot dimensions on the block. No new lot being created under this provision may have a width that is less than the narrowest lot on the block which faces the same street. No new lot being created under this provision may have a lot area that is less than the smallest lot on the block which faces the same street. Additionally:

1. New lots which do not have access to an abutting improved alley must have an area of at least 6,000 square feet, a width of at least 50 feet, and a depth of at least 120 feet.
2. New lots which do have access to an abutting improved alley must have an area of at least 4,800 square feet, a width of at least 40 feet, and a depth of at least 120 feet.

SECTION 4. AMENDMENT. South St. Paul City Code Section 118-122 is hereby amended as follows:

Sec. 118-122. R-2, single- and two-family residence district.

- (d) *Lot requirements; single-family dwellings.* ~~The requirements shall be the same as specified in section 118-121(d) to all single-family dwellings in the R-1 district.~~ Each dwelling, together with its accessory buildings, shall be located on a lot having an area of not less than 6,000 square feet, width of not less than 50 feet, and depth of not less than 120 feet, except in the following circumstances:
- (1) A dwelling may be erected on a lot platted prior to May 1, 1967 or a buildable lot of record that was lawfully established, having less than the foregoing area, width, and depth but having no less than 4,000 square feet of lot area. A lot platted prior to May 1, 1967 which has been combined with other lots may be restored to its original dimensions, subject to the provisions of Section 114-5.
 - (2) When an improved alley is provided along the rear or side property line, a new buildable lot may be created with an area of not less than 4,800 square feet, a width of not less than 40 feet, and a depth of not less than 120 feet.
- (e) *Lot requirements; two-family dwellings.* The following minimum lot and building requirements shall apply to all two-family dwellings in the R-2 district whether the two-family homes are newly constructed or are newly created by remodeling an existing structure which was previously not a two-family dwelling:
- (1) *Lot area, width, and depth.* No two-family dwelling shall be erected on a lot having ~~less than 9,000 square feet of area and having less than 75 feet in width except that a building may be constructed on a lot platted prior to May 1, 1967, provided there is not less than~~ less than 60 feet of frontage, and ~~7,500~~ 7,200 square feet of area.

SECTION 5. AMENDMENT. South St. Paul City Code Section 118-122 is hereby amended as follows:

Sec. 118-124. R-4, multifamily residential district.

- (d) *Lot area, yard, and building height requirements.* ~~These requirements shall be as provided in section 118-267(f).~~

- (1) One- and two-family dwellings shall comply with the requirements of the R-2 district;
- (2) Buildings containing three or more dwelling units shall be subject to the provisions of section 118-267.

SECTION 6. AMENDMENT. South St. Paul City Code Section 118-208 is hereby amended as follows:

Sec. 118-208. Accessory buildings and structures.

The requirements and regulations specified in this chapter shall be subject to the following:

(c) *Location.*

All residential zoning districts:

a. Side yard setbacks:

- i. Accessory buildings in a residential district must be located at least five feet from the side lot line in the front two-thirds of the lot and three feet in the rear one-third of the lot. The required side yard may be eliminated in a situation where adjoining property owners construct a detached garage sharing a common wall which is located in the rear one-third of both lots. Accessory buildings and projections (soffits or overhang) located less than five feet from the property line are subject to additional fire separation requirements from the Minnesota State Building Code.
- ii. An accessory buildings must be located at least nine feet from the street side property line on a corner lot.
- iii. When an alley runs parallel to a side property line, a garage with an entrance facing said alley must be set back at least eight feet from the alley right-of-way line.

SECTION 7. AMENDMENT. South St. Paul City Code Section 118-208 is hereby amended as follows:

Sec. 118-353. Design and maintenance of off-street parking areas.

- (a) *Driveway ~~restrictions~~ width limitation.* Parking areas shall be designed so as to provide adequate means of access to a public street or alley. Such access driveway widths and surface type shall be in accordance with standards approved by the city engineer, but in no case shall they exceed 22 feet in width unless approved or required by the city engineer. Driveway access shall be so designed and located as to cause the least interference with traffic movement on a street or alley. ~~There shall be only one driveway access off a public street for each one family residential lot.~~ Driveway accesses onto public streets shall be subject to the following:

- (1) There shall be only one driveway access off a public street for each one-family residential lot.
- (2) On a residential lot that has less than 50 feet of street frontage and is not on a cul-de-sac bulb, access to off-street parking must be from an abutting improved alley if available. These properties may not have driveway access to the public street if an alley is available. This provision may be waived by the Zoning Administrator if it is determined in the review of a building permit or site plan review application that there are circumstances unique to the property that make this impractical, unreasonable, or harmful to the public safety including, but not limited to, topography that prevents the improved alley from being easily accessed from the subject property. On corner lots, access to parking may be from the side street.

SECTION 8. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

This ordinance amendment establishes a process for splitting a side-by-side two family dwelling into separate for-sale units.

SECTION 9. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: _____

Published: _____

Deanna Werner, City Clerk



CITY COUNCIL WORKSESSION REPORT

DATE: JANUARY 22, 2024

DEPARTMENT: Planning

Prepared By: Monika Miller, Associate Planner

Michael Healy, Planning Manager

ADMINISTRATOR: RG

3

AGENDA ITEM: Outdoor Dining Ordinance

- Review previous discussions about outdoor dining regulations.
- Discuss Staff's proposal for creating a new zoning framework for regulating liquor in outdoor dining areas.
- Discuss clarifying the zoning rules for 3.2 Malt Liquor Sales (low alcohol beer sold primarily at gas stations).

OVERVIEW:

Background on Previous Discussions

The City Code does not currently contain zoning rules for outdoor dining. Because there are no set rules, the City has historically required all proposed outdoor dining areas to get a conditional use permit and rules have been set "case by case" as part of the conditional use permit review. The City has approved outdoor dining areas at Concord Lanes, Bugg's Bar, Envision Hotel, Black Sheep Coffee, and Stockyard's Tavern and Chophouse in this manner.

South St. Paul suspended its standard outdoor dining review processes during the Covid-19 pandemic and allowed outdoor dining areas to be reviewed and approved administratively by City Staff as long as a set of rules were followed. This approach worked well and the City Council held a Worksession discussion in June of 2021 to review a draft ordinance that would establish clear zoning requirements for outdoor dining and establish an administrative process for reviewing outdoor dining areas at the staff level. Council gave the following feedback in 2021:

- The draft ordinance looks good and the Council is okay with outdoor dining areas being approved administratively as long as they follow the new rules listed in the Code.
- Planning and Engineering should work together to also draft an ordinance that will allow sidewalk cafes in the public right-of-way on streets with sufficiently wide sidewalks.
- Planning and the City Clerk should work together to determine the best way to handle liquor in outdoor dining areas.

A revised ordinance was prepared in early 2022 but the code update ended up being mothballed due to the retirement of City Clerk Christy Wilcox and City Engineer Sue Polka. Planning Staff has reviewed the draft ordinance with the new City Clerk and new City Engineer and the three departments agree that the proposed ordinance is ready for review by the City Council.

Proposed Approach to Liquor and Outdoor Dining

The main issue that was not addressed in the 2021 discussions was how to handle outdoor dining areas where alcoholic beverages are being served. Today, restaurants that wish to serve liquor need to receive both a conditional use permit for on-sale liquor (processed by Planning/Zoning) and a liquor license (processed by the City Clerk). The City can use the conditional use permit process to add “case by case” conditions to each restaurant that serves liquor. For many indoor restaurants, the City only has one condition of approval in the on-sale liquor CUP which is that the Applicant must apply for and hold a liquor license. “Case by case” conditions can also be attached to liquor licenses when they are up for renewal if there have been problems during the previous year of operation.

Outdoor dining areas have previously been regulated through the conditional use permit process and alcohol-serving restaurants that want to add outdoor dining have been required to seek an amendment to their on-sale liquor conditional use permit. There are some advantages to the conditional use permit process but the major disadvantage is that it is time-consuming and has an element of uncertainty that may deter some restaurants from moving forward with outdoor dining.

Historically, conditional use permits for outdoor dining have dealt primarily with issues like fencing and site circulation. A few outdoor dining areas like Bugg’s Bar have included “use of the space” restrictions such as a limit on how many people can be in the outdoor dining area. Staff is recommending that the following standards for liquor at an establishment with outdoor dining:

- Restaurants or other establishments with an existing Conditional Use Permit for on-sale liquor do not need a conditional use permit amendment to serve liquor in their outdoor dining area as long as they close their patio by 10 PM each night. If they wish to keep their patio open later than 10 PM, they will need to seek a conditional use permit amendment and the City can attach conditions.
- Restaurants or other establishments that are “grandfathered” to serve liquor without a Conditional Use Permit will need to obtain a Conditional Use Permit for on-sale liquor to serve liquor in their outdoor dining area.

For the most part, the proposed ordinance simply codifies the performance standards that the City has already been imposing during “case by case” review of outdoor dining areas. The proposed ordinance requires any outdoor dining area within 20 feet of a residential property line to provide screening along the property line unless otherwise allowed by conditional use permit.

Zoning Code Cleanup- Off-Sale 3.2 Malt Liquor Sales

The City Code requires off-sale and on-sale liquor establishments to obtain a conditional use permit prior to obtaining a liquor license. Historically, the City has not required a conditional use permit for a retail business that only wants to sell 3.2 beer. Many grocery stores and convenience stores in SSP have licenses to sell 3.2 beer including Family Dollar, the two Holiday gas stations, Kwik Trip, and Knowlan’s Grocery Store. None of these retailers hold a conditional use permit for off-sale liquor. Some parts of the zoning code appear to state that these businesses should

have been required to obtain a conditional use permit before qualifying for a liquor license. The City has no compelling reason to start requiring a conditional use permit for retail stores that want to sell 3.2 beer as an accessory use so the zoning code should be updated to make it clear that this type of business does not need a conditional use permit.

Direction Needed

Staff is seeking Council feedback on the proposed regulations for serving liquor in an outdoor dining area. The City Council may want to discuss whether 10 PM is the right closing time for outdoor dining areas with alcohol that do not have special permission to have extended hours through a CUP amendment.

If the City Council feels that the ordinance is ready to move forward, it can be brought to the Planning Commission for a public hearing and additional review.

Attachments

A- Draft Outdoor Dining Ordinance

**City of South St. Paul
Dakota County, Minnesota
Ordinance No. 14XX**

**AN ORDINANCE CREATING PERFORMANCE STANDARDS FOR OUTDOOR
DINING**

The City Council of the City of South St. Paul does ordain:

SECTION 1. ENACTMENT. South St. Paul City Code Chapter 54, Article VII is hereby enacted as follows:

Article VII.- Sidewalk Cafes

Section 55-454.- Generally

Sidewalk cafes for restaurants, cafes, delicatessens, and similar uses may be permitted as an accessory use on city-owned sidewalks for businesses in zoning districts that allow outdoor dining.

Section 55-455.- Permits Required

Sidewalk cafes may be located on the public sidewalk within city-owned right of way subject to receipt of a sidewalk cafe permit from the Zoning Administrator pursuant to this division and a Right-of-Way Obstruction Permit from the City Engineer subject to the requirements of Section 54-407.

Section 55-456.- Permit applications

Applications for a sidewalk café permit shall be made on forms supplied by the Zoning Administrator. A business is required to submit a completed application and scaled diagram with the information requested on the application, including, but not limited to:

- a. Width of the sidewalk
- b. Dimensions of the sidewalk café area
- c. Amount of sidewalk space available around the café area
- d. Layout of the sidewalk café furnishings (tables, chairs, planters, umbrellas, and fencing or barricades)
- e. Location of nearby fire hydrants, light posts, bus shelters, traffic signals, trees/grates, or other public structures
- f. Building entrances/exits

Section 55-457.- Location

No permit shall authorize a sidewalk café at any location outside of the City's jurisdiction or prohibited by state law, county ordinance or this Code.

Section 55-458.- Insurance Required

The applicant must furnish to the Zoning Administrator as part of the application evidence that public liability insurance has been procured for any death or personal injury arising from the ownership, maintenance, or operation of the sidewalk café. Amounts shall meet or exceed the statutory maximum liability amounts listed in Minn. Stat. 466.04, Subd. 1.

The applicant shall maintain such insurance in effect at all times during the term of the permit. The city shall be named as an additional name insured in the policy proving such insurance. The licensee shall indemnify and hold harmless the city, the city's public official, employees, and agents from any losses, costs, damages and expenses arising out of the use, design, operation, or maintenance of the sidewalk café.

Section 55-459.- Conditions of Use

- (1) The location of the sidewalk café shall be selected to minimize interference with pedestrian traffic.
- (2) The location of the sidewalk shall consider the placement of existing public infrastructure.
- (3) If the sidewalk café is adjacent to a traffic lane, a barrier such as a planter or railing shall be installed to separate the sidewalk café from the curb and street area.
- (4) Intoxicating liquor, beer or wine may be consumed only if the sidewalk café is licensed and the business has a Conditional Use Permit for on-sale liquor. A sidewalk café serving a business serving alcohol beverages must close by 10 PM unless later hours of operation are granted via a conditional use permit amendment.
- (5) The area occupied by the sidewalk café shall abut and operate as part of the food establishment operated by the applicant. No part of the sidewalk café shall adjoin any premises other than the applicant's establishment.
- (6) No tables, chairs, furnishings, planters, railings or other obstructions shall be placed or remain on the sidewalk between November 1 and April 1.
- (7) It shall be the duty of the food or beverage establishment to maintain sidewalk café furnishings such as chairs, tables, fencing, barricades, planters, and their plant materials at all times in a neat, clean, safe and sanitary condition at its property location in accordance with the approved site plan.
- (8) An appropriate refuse receptacle shall be readily available to the patrons of the sidewalk café.
- (9) A minimum width of forty-eight (48) inches of clear, unobstructed pedestrian through walk zone, exclusive of the curb, shall be maintained on the public sidewalk at all times.

(10) A twenty-four (24) inch clear zone shall be maintained at all times between the edge of a curbside sidewalk café and the face of a curb.

(11) Intoxicating liquors, beer, and wine may be consumed in the sidewalk café area only if it is explicitly covered under the property's liquor license.

Section 55-460- Sidewalk Café Permit Revocation

Sidewalk café permits are subject to revocation at any time, for any reason at the discretion of the city. Reasons for revocation may include but are not limited to right of way excavation, right of way construction, or a permit holder's failure to comply with the requirements of this section.

SECTION 2. AMENDMENT. South St. Paul City Code Section 118-8 is hereby amended as follows:

Sidewalk café means a grouping of tables, chairs and related items located wholly or partially within a public sidewalk or right-of-way for the purposes of service and consumption of food and beverages by patrons, when located immediately adjacent to a food and beverage service establishment having a common operator.

SECTION 3. AMENDMENT. South St. Paul City Code Section 118-125 is hereby amended as follows:

Sec. 118-125.- CGMU, Concord Gateway mixed-use district.

(c) *Accessory uses.* Within the CGMU-1 or CGMU-2 subdistricts, the following uses shall be permitted accessory uses:

- (1) Off-street parking of automobiles for patrons or employees of a permitted use.
- (2) Off-street loading areas as regulated herein.
- (3) Signs, fences, and decorative landscape features as regulated herein.
- (4) Customary uses incidental to the principal use as determined by the city council.

(5) Off-sale 3.2 percent malt liquor sales (licensed pursuant to Chapter 6 of the City Code)

SECTION 4. AMENDMENT. South St. Paul City Code Section 118-126 is hereby amended as follows:

Sec. 118-126.- C-1, retail business district.

(d) *Accessory uses.* The following accessory uses shall be permitted:

- (1) Off-street parking and loading, signs, fences, and decorative landscape features, as regulated herein.

- (2) Temporary construction buildings and storage as may be approved by the code enforcement officer.
- (3) Customary uses incidental to the principal use as may be approved by the city engineer.
- (4) Residential garage as allowed in the R-1 and R-2 districts.

(5) Off-sale 3.2 percent malt liquor sales (licensed pursuant to Chapter 6 of the City Code)

SECTION 5. AMENDMENT. South St. Paul City Code Section 118-127 is hereby amended as follows:

Section 118-127.- MMM, Mixed Markets & Makers District

(c) Table 1. Permitted, Conditional and Accessory Uses

Accessory Uses	MMM1	MMM2	MMM3	MMM4	Notes
Commercial indoor storage	X	C	X	C	(f)
<u>Off-sale 3.2 percent malt liquor sales (licensed pursuant to Chapter 6 of the City Code)</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	
Off-site storage for contractor operations	X	C	X	C	(f)

SECTION 6. AMENDMENT. South St. Paul City Code Section 118-128 is hereby amended as follows:

Sec. 118-128. GB, general business district.

- (b) *Uses by conditional use permit.* Within the GB district, the following uses may be allowed only by conditional use permit:

(27) On-sale and off-sale liquor sales, ~~including 3.2 percent beer.~~

SECTION 7. ENACTMENT. South St. Paul City Code Section 118-276.- Outdoor Dining is hereby enacted as follows:

Section 118-277. – Outdoor Dining

Outdoor dining is permitted as an accessory use for restaurants, cafes, delicatessens, breweries, wineries, cideries, distilleries, and similar uses in any zoning district where these uses are allowed, subject to the following conditions:

(a) Site Plan Review Required

(1) The proposed site plan for any outdoor area shall be reviewed in accordance with Section 118-47. Outdoor dining site plans may be reviewed and approved administratively by the Zoning Administrator if they fully comply with all provisions of the City Code and do not require a conditional use permit, variance, or other City Council approval.

(b) Rules for Conditional Use Permits for On-Sale Liquor and Outdoor Dining

(1) If a property has an existing conditional use permit for on-sale liquor, liquor may be served in the outdoor dining area without a conditional use permit amendment provided that this is consistent with the terms of the liquor license. However, for new outdoor dining areas established after (Date of Enactment) at businesses that serve alcohol, the outdoor dining area must be closed by 10 PM unless later hours of operation are granted via a conditional use permit amendment.

(2) If a property is lawful nonconforming and has indoor on-sale liquor without a conditional use permit, the expansion of liquor service to a new outdoor dining area shall require a conditional use permit.

(c) Performance Standards

(1) No portion of the outdoor dining area shall be located or occur within any public right-of-way, including the sidewalks/trails, boulevard areas or streets, unless otherwise approved with a sidewalk café permit (see Chapter 54, Article VII).

(2) The outdoor seating area shall be defined with the use of landscaping, temporary fencing or other means that defines the outdoor seating area and contains the tables and chairs for the use as demonstrated on a site plan and approved by the Zoning Administrator. If the outdoor dining area is in direct contact with or immediately adjacent to a vehicle parking or driving area, sufficient vehicle barriers must be provided.

(3) The dining area shall be surfaced with concrete, bituminous or decorative pavers or may consist of a deck constructed of wood or another flooring material that provides a clean, attractive, and functional surface. Other surfacing materials may be allowed through a site plan review by the City Council.

(4) The outdoor dining area must conform to all fire and building codes related to the number and types of exits that are required.

(5) Refuse containers must be provided for self-service outdoor dining areas. Such containers shall be placed in a manner which does not disrupt pedestrian circulation and must be designed to prevent spillage and blowing litter.

(6) The operator of the outdoor dining area shall be responsible for paying any required sewer access charges.

(7) Additional parking is not required if the outdoor dining area does not have more customer seats than the principal use's indoor dining area or if the total square footage of all dining areas does not exceed 7,500 square feet. If the outdoor dining area has more seats than the indoor dining area and the total square footage of all dining areas exceeds 7,500 square feet, a conditional use permit is required and the City will evaluate parking needs as a part of the conditional use permit review.

(8) Unless otherwise allowed by conditional use permit, an outdoor dining area within 20 feet of a side or rear property line that abuts a lot with R zoning or a lot which contains a building with a ground-floor residential use must provide code-compliant screening along these property lines that is at least 6 feet in height. This requirement shall not apply to sidewalk cafes that are operated in accordance with Chapter 54, Article VII.

SECTION 8. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

The ordinance creates performance standards for outdoor dining areas, including sidewalk cafes. It also clarifies that a conditional use permit is not required for off-sale accessory sales of 3.2 percent malt liquor.

SECTION 9. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: _____

Published: _____

Deanna Werner, City Clerk



COUNCIL WORKSESSION REPORT

DATE: January 22, 2024

DEPARTMENT: ADMINISTRATION

ADMINISTRATOR: 

4

AGENDA ITEM: Former Library Re-Use Update

DESIRED OUTCOMES:

- Discuss Council's preferred approach to the "next phase" of the vacant American Legion Library at 106 3rd Avenue North.
- Discuss 2023 Special Appropriation in the "Jobs Bill"

ISSUE SUMMARY:

The building at 106 3rd Avenue North served the City of South St. Paul as its public library building from the time of its construction in 1927 until its closure as a public library in December 2023. Between 2016 – 2018, the City conducted various assessments and studies for the modernization, upgrade, and expansion of the building to continue use as a public library. Ultimately, the site's and building's limitations, coupled with the financial commitment required to successfully operate a public library in an era where regional/county libraries are the "norm", led the Council to conclude that a partnership with Dakota County for a transition of library services to a County model was in the best interests of the community. In partnership with Dakota County, further analysis of building, program, and site requirements resulted in the conclusion that the property and building at 106 3rd Avenue North would not meet the needs of a new County library, and the Kaposia Library concept emerged for the corner of 7th and Marie Avenues.

While significant energy and time was committed to exploring the possibility of retaining a public library at the 106 3rd Avenue location, very little consideration has been given to any alternatives for future reuse of this facility. As such, in early 2023 Staff worked with Representative Hansen's and Senator Klein's offices to draft a proposed bill that would allocate \$175,000 for a "Library Repurposing Study" (see [this link](#) and [this link](#) for the Bills as presented in both the House and Senate, respectively). Staff's intention with this allocation was to engage a team of professional services providers (architectural, real estate, engineering) to lead a public process that would identify the potential intersection of community desires and market realities for the reuse of the building.

DEED Staff notified the City in July 2023 that Chapter 53, Article 20, Section 2 of 2023 Session Laws (last session's "Economic Development and Jobs Bill") included an allocation of \$175,000 for a grant to the City "for **repurposing** the... Library after the property is no longer used as a library" (my emphasis added). Importantly and unbeknownst to Staff or our legislators, the words "to study options" were not included in the adopted version of the bill. After considerable back and forth, it appears that DEED's position is that a repurposing study is **not** an eligible cost under the grant. DEED has advised that the language as written would allow for funding only to go towards "hard costs" (ie, construction/renovation costs) related to literally **repurposing** the library. In the absence of a defined reuse of the building currently, identifying how and for what to dedicate \$175,000 would seem somewhat short-sighted, although there are admittedly a host of deferred maintenance issues that could quickly gobble up this funding.

Unfortunately, we now find ourselves having waited in vain over the past year under the assumption that state assistance would be coming to help us have a robust public process to determine the future use of the former Library. The City Facilities Master Plan by BKV, which we expect to wrap up in the 1st Quarter of 2024, acknowledges that a potential option for repurposing *could be* to move some municipal administrative functions to the building, but not out of necessity. However, the BKV Plan

was not scoped as a Reuse Study for the Library, so beyond the superficial level of analysis provided there, minimal public discussion or organizational energy has been expended to identify the feasible range of reuse alternatives for the building.

Staff is looking to engage the Council in a discussion around how to approach the question of disposition of the building at Monday's worksession. We present the following range of options for consideration, all of which assume that the previously stated general consensus of the Council to "preserve" the library building (rather than consider demolition or relocation) is still the intention:

- **Option 1:** *Utilize the DEED grant to address one or more critical deferred maintenance items.* The BKV Study referenced above included a building, site, and systems analysis for the Library which identifies more than \$1.8 million in critical deferred maintenance items (which should be addressed within 3 years), as well as an additional \$2.6 million-plus in other less critical deferred maintenance items. Conceivably, we could work with DEED to identify one or more of these critical items and for repair through the grant. Critical items are identified as roof replacement, various HVAC upgrades or replacements, roof top unit replacements, fire panel and other electrical upgrades, and significant exterior brick restoration, repair, or replacement. It should be noted that if we utilize the funding to touch the building, we are obligated to retain public ownership of the building for a period equal to 125% of the useful life of the element which is paid for with state funds, or pay back the funds to the state. It should be noted that the City's 2024 – 2028 Capital Improvement Plan ("CIP"), adopted by Council in December 2023, identifies the following projects related to the former Library building:
 - Re-roof Library (programmed at \$150,000 in 2025)
 - Library Boiler Replacement (programmed at \$35,000 in 2025)
 - Renovation of Library Building (programmed at \$1,500,000 in 2025)

Staff would point out that the authorizing legislation for this grant states the following: "This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642." This is important to note in that it gives the City essentially unlimited time to leverage the grant.

- **Option 2:** *Conduct the Library Reuse Study independently of the DEED Grant.* As pointed out under Option 1, the City has already earmarked \$1,685,000 in capital program funds towards library-related projects in 2025. Council could elect to reprioritize or replace the re-roof and/or boiler replacement, for example, and instead undertake the reuse study through the CIP. Following this logic, theoretically the re-roof and boiler replacement projects could be sourced through the grant, as noted above, albeit at a later date. Obviously there is some risk in taking this approach, as these critical infrastructure items could unexpectedly fail in the meantime.
- **Option 3:** *Issue a Request for Proposals for the reuse of the building.* This alternative would essentially put the open-ended question of reuse out to the private development market. To be clear, what Staff is referring to here is not simply a "study" for reuse – we'd use the RFP to solicit actual renovation/reuse/redevelopment proposals from the private development market. It is unknown how much – if any – interest an RFP would generate given the building's size, location, condition, and limitations, but taking this approach (if successful in generating viable interest) could eliminate the City's obligation to lead a major building renovation/restoration project. This approach could take a number of forms, so if this is the avenue that the Council would prefer to pursue further staff would request the opportunity to return with a more thorough analysis of this option. In concept, this approach would relinquish (or at least share) some control over the future use and value of the property to a "non-City" entity.

- **Option 4:** *Look more closely at relocating City functions to the building.* As noted above, the BKV Master Plan took an organization-wide look at space needs as well as at the condition of our main city-owned buildings and facilities. This Plan identifies that Police, Fire, and Public Works are the City departments with the most significant space and functional constraints in their current facilities. Further, the Plan suggests that the Library is not a viable relocation option for any of these departments, in whole or in part, nor would relocating administrative functions of the City necessarily alleviate the functionality, layout and space limitations that would continue to exist at City Hall for Police and/or Fire even in the wake of such a move. While Staff tends to agree with this preliminary conclusion, if the Council has expectations or desires to see the former Library be “reborn” as a “new” City Hall, we would suggest that a more direct and thorough analysis of that vision in particular be undertaken, outside the context of the more broad-stroke assessment that the BKV Plan was scoped to provide.
- **Option 5:** *Pursue a specific end use for the building.* Staff will admit that a lot of “planning” has gone on already around this building, and we run the risk of paralysis by analysis and/or giving the community plan fatigue the longer we deliberate on what to do with this property. While we haven’t formally engaged in a process around what to do with the building yet, Staff will concede that perhaps the Council or Community already have a set vision for what they’d like to see happen with the building. We’re open to hearing that, if in fact it is the case, and taking steps to implement such a vision a bit more expediently than any of the other options outlined above would accommodate.

SOURCE OF FUNDS & OTHER FINANCIAL CONSIDERATIONS:

DEED Funding is available for the reuse of the building, subject to an approved application and grant agreement with DEED, until the project is completed or abandoned. The City’s CIP identifies \$1,685,000 in 2025 capital investment into the building from Capital Programs Funds. A 2023 Facilities Condition Assessment by Kraus-Anderson/BKV Architects identifies \$4,422,788 in costs to address deferred maintenance items at the property through 2032, including \$1,825,369 in what the identify as “critical” deferred maintenance items recommended for replacement by 2026.