



South St. Paul

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

Tuesday, May 28, 2024
7:00 pm

AGENDA:

1. Cannabis Legislation Update
2. Kaposia Landing – Armour Gate Concepts
3. Dakota County CDA Redevelopment Incentive Planning Grant (South Concord)
4. Legislative Wrapup (No Attachment)
5. Council Comments & Questions



CITY COUNCIL WORK SESSION AGENDA REPORT

Date: May 28, 2024

Department: Legal

Prepared by: Amanda Johnson, City Attorney

1

Administrator: _____

AGENDA ITEM: Cannabis Legislation Update and General Policy Discussion

ACTION TO BE CONSIDERED:

Update regarding changes to the cannabis legislation in this session and general policy discussion.

HISTORY OF CANNABIS LEGISLATION IN THE STATE:

Over the last two years, the State of Minnesota passed various pieces of legislation to legalize cannabis and hemp derived THC products for recreational adult-use. In 2022, the Legislature legalized the sale of some hemp-derived cannabinoid products with a limited amount of THC (tetrahydrocannabinol—the psychoactive component). The 2022 Law allowed edibles, beverages and topicals (the “2022 Edibles Law”).

In 2023, the Legislature passed a new group of laws that fully legalized recreational adult-use cannabis (meaning all cannabinoid products, not just those that are hemp-derived) and created a regulatory framework for cannabis and hemp related businesses (collectively “2023 Cannabis Laws”). Minnesota Statutes Chapter 342 is generally where these laws reside. The State also created a new agency, the Office of Cannabis Management (“OCM”) to create a uniform set of rules and regulate this new cannabis industry. OCM has been working on its rules, regulations, and model forms, but nothing has been published yet. OCM is supposed to begin issuing licenses for cannabis related businesses in January of 2025.

The 2023 Cannabis Laws also made some modifications to the 2022 Edibles Law, allowing businesses that had opened under the 2022 Edibles Law to continue to operate, provided they sell only the limited products authorized by the 2022 Edibles Law and register their business with the Minnesota Department of Health by October 1, 2023. The 2022 Edibles Law is set to rescind January of 2025, when the OCM licensing program is supposed to be operational. Attached as Exhibit A is a summary of the different types of cannabis businesses and their corresponding license, the summary does not include medical cannabis related licenses.

This past legislative session (ending May 20, 2024), the Legislature made several changes and clarifications to the 2023 Cannabis Laws (“2024 Cannabis Laws”). The purpose of this memo is to provide Council with: (1) A reminder of the ordinances the City has passed to date related to cannabis; (2) A summary of the 2024 Cannabis Laws that impact South St. Paul governance; and (3) Questions to begin a policy discussion regarding how the City should regulate cannabis related businesses and uses moving forward.

SOUTH ST. PAUL'S PREVIOUSLY ENACTED ORDINANCES RELATED TO CANNABIS:

- 1. Interim Ordinance Temporarily Prohibiting the Establishment of New Uses or the Expansion of Existing Uses Related to Cannabis Businesses.*

The City Council passed a temporary moratorium on cannabis retail businesses until January of 2025 because of the many unknowns with the 2023 Cannabis Laws and the time needed for OCM to become operational. A year later, that decision has proven to be a wise one. We are still awaiting guidance from OCM on model ordinances to regulate these businesses and how the cannabis industry will develop.

- 2. Prohibiting Cannabis Use in Public Places.*

Council also passed an ordinance regarding the use of cannabis products in public places. The 2023 Cannabis Laws authorized the use of cannabis by those over 21 years of age only on private property with the permission of the owner and prohibited the use of cannabis products in public places, however the language used in the law is not typical legal drafting and difficult to use for enforcement purposes. The ordinance clarified that cannabis use is not allowed on public property, and a violation of the ordinance is a petty misdemeanor.

SUMMARY OF THE 2024 CANNABIS LAWS RELEVANT TO CITY GOVERNANCE:

While only OCM has the power to grant licenses, the City has additional tools granted in the statute:

- 1. Automatic powers provided to the City:*

- a. Certification of license application. Within 30 days of receiving a copy of an application from OCM, the City shall certify whether a proposed cannabis business complies with local zoning ordinances and whether the proposed business complies with the state fire and building codes. OCM may not issue a license if the City informs OCM that the cannabis business does not meet local zoning and land use laws.
- b. Expedited complaint process for local governments. OCM is required to establish a rule and procedure for an expedited complaint processes for local governments about a cannabis business. The expedited complaint process must require OCM to provide an initial response within 7 days and perform necessary inspections within 30 days. However, nothing in the statute prohibits the City from enforcing a local ordinance.

- 2. Optional enforcement tools the City may create:*

- a. Ordinance with “reasonable restrictions”. The City may adopt ordinances with reasonable time, place, and manner restrictions on the operation of a cannabis business. The ordinances may not prohibit the possession, transportation, or use of cannabis products. However, the City may restrict the hours of operation, prohibit businesses

from being within 1,000 feet of a school or 500 feet from any attraction regularly used by minors, such as a park.

- b. Registration. The City may require cannabis retail businesses to register with the City. If the City chooses to require registration, it may limit to the number of licensed retailers. The City must allow no fewer than 1 retail shop per 12,500 residents, meaning we would be required to allow at least 1 retail cannabis business in the City.
 - i. The City may impose an initial retail registration fee of \$500.00 or up to half the amount of the initial license fee, whichever is less, and a renewal registration of \$1,000.00 or up to half the amount of applicable renewal fee, whichever is less. The initial application fee shall include the fee for initial registration and the first annual renewal.
 - ii. Before issuing the registration, the City may conduct a preliminary compliance check to ensure compliance with applicable operation requirements, including any local ordinances regarding cannabis businesses, confirm the business has a valid license with OCM, has paid the registration fee, and is current on all property taxes and assessments.
 - iii. A county may issue a registration in cases where a city or town has provided consent for the county to issue registrations.
 - iv. A retail registration may not be transferred.
 - v. If the City creates a registration process, we must also conduct compliance checks assessing a business's compliance with age verification and any applicable local ordinance (similar to a liquor or tobacco compliance check).
 - vi. If the City determines that a cannabis business is not operating in compliance with the requirements of a local ordinance or that the operation of the business poses an immediate threat to the health or safety of the public, the local government may suspend the retail registration. The local government must immediately notify OCM of the suspension and provide a description of the grounds for suspension. OCM may review the registration suspension and may order reinstatement, and the local unit of government must reinstate the retail registration if the office orders reinstatement.
 - vii. If any retail cannabis business makes a sale to a customer or patient without a valid retail registration with a local unit of government and a valid OCM license, we may impose a civil penalty of up to \$2,000 for each violation.

GENERAL SUMMARY OF ADDITIONAL PROVISIONS IN THE 2024 CANNABIS LAWS:

1. *Maximum number of licenses to be issued before July 1, 2026.*

OCM has a maximum number of licenses it may issue before July 1, 2026. At a minimum, the licenses must be equal between social equity applicants and all other applicants. The maximum number of licenses that OCM can issue are:

- a. Cannabis Cultivator Licenses – 50;
- b. Cannabis Manufacturer Licenses – 24;
- c. Cannabis Retailer Licenses – 125; and
- d. Cannabis Mezzobusiness Licenses – 100.
- e. For all licenses not listed there is no maximum number of licenses that can be issued by the OCM.

2. *Social Equity Applicants.*

The point scoring process for reviewing social equity applications and assigning priority has been abolished and replaced with a minimum qualifications standard. A lottery system has been established in the event there are more bona fide applicants than the maximum allowable licenses from above.

3. *Preapproval license.*

The 2024 Cannabis Laws created a preapproval program for social equity applicants only which allows them to apply for and obtain a “license preapproval.” A license preapproval remains valid for 18 months from the date that OCM adopts initial rules, and must be converted to a license before expiration, or OCM cannot issue a license once the preapproval period expires. This preapproval does not allow them to open or operate a cannabis business, instead it allows the applicant to demonstrate to others (lenders, landlords, cities, etc.) that OCM has determined the applicant is qualified to hold a license and when licenses are issued in January of 2025, the applicant will receive one (unless it is revoked).

OCM must begin accepting preapproval applications no later than July 24, 2024, and the application period must end on August 12, 2024. The maximum number of license preapprovals that OCM can issue are:

- a. Cannabis Cultivator Licenses – 13;
- b. Cannabis Manufacturer Licenses – 6;
- c. Cannabis Retailer Licenses – 38;
- d. Cannabis Mezzobusiness Licenses – 25;
- e. Cannabis Microbusiness Licenses – 100;
- f. Cannabis Retailer Licenses – 38;
- g. Cannabis Wholesaler Licenses – 20;
- h. Cannabis Transporter Licenses – 20;
- i. Cannabis Testing Facility Licenses – 50; and
- j. Cannabis Delivery Service Licenses – 10.

4. *Municipal cannabis retail shops.*

- a. Unless OCM finds that market stability requires denial, OCM must issue a license to a city or county seeking to establish a single municipal cannabis store.
- b. A license issued to a city or county must not be counted against the maximum number of licenses made available in a licensing period.
- c. A municipal cannabis store must not be included in any limitation on the number of licensed cannabis retailers that a local government imposes.

POLICY QUESTIONS FOR DISCUSSION AND FUTURE FOLLOW-UP:

At the Council meeting I will have additional information in the slideshow to help inform and guide the following discussion topics:

- Does the Council want Staff to work on a “reasonable regulations” ordinance for cannabis retail businesses, including required hours, distances from schools, parks, and other restrictions?
- Does the Council want to register cannabis retail businesses?
- Does the Council want to limit the number of cannabis retail licenses in the City? (we must register if we want to limit)
- Where does the Council envision the various types of cannabis businesses going within the City? (See Exhibit A for a summary of the business types)
- Municipal retail cannabis shop discussion.

ENCLOSURES:

- Exhibit A – a summary of the cannabis business licenses.

Cannabis Business Licenses Summary

1. Cannabis Retailer

A Cannabis Retailer may only operate up to five locations. A Cannabis Retailer license entitles the license holder:

- 1) Purchase immature cannabis plants and seedlings, cannabis flower and products, and low-potency hemp edibles from a cannabis microbusiness, mezzobusiness, cultivator, manufacturer, and wholesaler.
- 2) Purchase lower-potency hemp edibles from a licensed lower-potency hemp edible manufacturer.
- 3) Sell immature cannabis plants and seedlings, adult-use cannabis flower and products, lower-potency hemp edibles and consumer products, and other products allowed by law to customers; and
- 4) Any other actions approved by OCM.

A Cannabis Retailer may also hold a cannabis delivery service, medical retailer, and event organizer license.

2. Cannabis Microbusiness

A cannabis microbusiness may cultivate cannabis up to 5,000 feet square feet of plant canopy at an indoor facility, and up to one-half acre of mature flowering plants at an outdoor location.

A Cannabis Microbusiness license entitles the license holder to perform any or all of the following:

- 1) Grow cannabis plants from seed or immature plant to maturity.
- 2) Harvest cannabis flower from mature plants.
- 3) Make cannabis concentrate.
- 4) Make hemp concentrate, including hemp concentrate with delta-9 THC concentration of more than .3 percent as measured by weight.
- 5) Manufacture artificially derived cannabinoids.
- 6) Manufacture adult-use cannabis products, lower-potency hemp edibles and hemp derived products for public consumption.
- 7) Purchase immature cannabis plants, seedlings, and cannabis flower from another cannabis microbusiness, mezzobusiness, manufacturer, or wholesaler.
- 8) Purchase hemp plants and propulgates from an industrial hemp grower.
- 9) Purchase hemp concentrate from an industrial hemp producer.
- 10) Purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis business.
- 11) Package and label adult-use cannabis flower, cannabis products, lower-potency hemp edibles and hemp-derived consumer products for sale to customers.

- 12) Sell immature cannabis plants and seedlings, adult-use cannabis flower and products, lower-potency hemp edibles and other products authorized by law to other cannabis businesses.
- 13) Operate an establishment that permits on-site consumption of edible cannabis products and low-potency hemp edibles; and
- 14) Perform other actions approved by OCM.

3. Cannabis Mezzobusiness

A cannabis mezzobusiness may cultivate cannabis up to 15,000 feet square feet of plant canopy at an indoor facility, and up to one acre of mature flowering plants at an outdoor location. A cannabis mezzobusiness, with the appropriate retail endorsement, may operate up to three retail locations.

A Cannabis Microbusiness license entitles the license holder to perform any or all of the following:

- 1) Grow cannabis plants from seed or immature plant to maturity.
- 2) Harvest cannabis flower from mature plants.
- 3) Make Cannabis concentrate.
- 4) Make hemp concentrate, including hemp concentrate with delta-9 THC concentration of more than .3 percent as measured by weight.
- 5) Manufacture artificially derived cannabinoids.
- 6) Manufacture adult-use cannabis products, lower-potency hemp edibles and hemp derived products for public consumption.
- 7) Purchase immature cannabis plants, seedlings, and cannabis flower from another cannabis microbusiness, mezzobusiness, manufacturer, or wholesaler.
- 8) Purchase hemp plants and propulgates from an industrial hemp grower.
- 9) Purchase hemp concentrate from an industrial hemp producer.
- 10) Purchase cannabis concentrate, hemp concentrate, and artificially derived cannabinoids from another cannabis business.
- 11) Package and label adult-use cannabis flower, cannabis products, lower-potency hemp edibles and hemp-derived consumer products for sale to customers.
- 12) Sell immature cannabis plants and seedlings, adult-use cannabis flower and products, lower-potency hemp edibles and other products authorized by law to other cannabis businesses.
- 13) Operate an establishment that permits on-site consumption of edible cannabis products and low-potency hemp edibles; and
- 14) Perform other actions approved by OCM.

4. Cannabis Cultivator

A cannabis cultivator may cultivate up to 30,000 feet square feet of cannabis plant canopy at an indoor facility, and up to one acre of mature flowering plants at an outdoor location.

A cannabis cultivator license entitles the license holder to grow cannabis plants, within the approved amount of space highlighted above, from seed or immature plant to maturity, harvest

cannabis flower from mature plants, package and label immature plants, seedlings, and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the OCM.

A person, cooperative, or business holding a cannabis cultivator license may also hold a:

- 1) Cannabis Manufacturing License.
- 2) Medical Cannabis Cultivator License.
- 3) Medical Cannabis Producer License.
- 4) License to grow Industrial Hemp; and
- 5) Cannabis Event Organizer License.

All other license types are prohibited to be held by anyone possessing a cultivator license.

5. Cannabis Manufacturer

A Cannabis Manufacturer License entitles the license holder to:

- 1) Purchase cannabis flower, products, hemp plant parts, hemp concentrate, and artificially derived cannabinoids from any other cannabis microbusiness, mezzobusiness, cultivator, another cannabis manufacturer, or wholesaler.
- 2) Purchase hemp plant parts and propagules from an industrial hemp grower.
- 3) Purchase hemp concentrate from an industrial hemp processor.
- 4) Accept cannabis flower from unlicensed persons who are at least 21 years of age provided that the manufacturer does not accept more than two ounces from an individual on a single occasion.
- 5) Make cannabis concentrate.
- 6) Make hemp concentrate.
- 7) Manufacture artificially derived cannabinoids.
- 8) Manufacture adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for public consumption.
- 9) Package and label adult-use cannabis products, lower-potency hemp edibles, and hemp-derived consumer products for sale to customers.
- 10) Sell Cannabis concentrate, hemp concentrate, artificially derived cannabinoids, cannabis products, lower-potency edibles, and hemp-derived consumer products to other cannabis businesses; and
- 11) Perform other actions authorized by the office.

A manufacturer may also be a cultivator, medical cultivator, medical processor, and an event organizer license. All manufacturers are allowed to transport any cannabis flower from a cultivator to their manufacturing facility.

6. Cannabis Wholesaler

A Cannabis Wholesaler License allows the holder to:

- 1) Purchase immature cannabis plants and seedlings, cannabis flower and products, and hemp-derived edibles and consumer products from any cannabis microbusiness, mezzobusiness, cultivator, or manufacturer.
- 2) Purchase hemp plant parts and propulgates from industrial hemp growers
- 3) Purchase hemp concentrate from an industrial hemp processor.
- 4) Sell immature cannabis plants and seedlings, cannabis flower and products, and lower-potency hemp edibles and consumer products to any cannabis microbusiness, mezzobusiness, manufacturers, and retailers.
- 5) Sell lower-potency hemp edibles to lower-potency hemp retailers.
- 6) Import hemp-derived consumer products and edibles that contain hemp concentrate or artificially derived cannabinoids; and
- 7) Perform other actions approved by OCM.

7. Cannabis Transporter

A Cannabis Transporter is entitled to transport immature cannabis plants and seedlings, cannabis flower and products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, and lower-potency hemp derived edibles and consumer products from any cannabis microbusiness, mezzobusiness, cultivator, manufacturer, wholesaler, lower-potency hemp edible manufacturer, medical cannabis retailer or processor, and industrial hemp grower to any cannabis microbusiness, mezzobusiness, manufacturer, testing facility, wholesaler, retailer, medical cannabis retailer or combination business, or lower-potency hemp retailer.

A person with a Cannabis Transporter license may also hold a cannabis wholesaler, delivery service, and an event organizer license.

Before transporting any immature cannabis plants and seedlings, all cannabis products, artificially derived cannabinoids, hemp part plants and concentrate, and all lower-potency hemp derived products, a Cannabis Transporter must obtain shipping manifest on a form approved by OCM. The manifest must be kept with the products at all times and must keep a copy of the manifest in its records.

Records of transportation must be kept for a minimum of three (3) years at the cannabis transporter's place of business and are subject to inspection upon request by OCM or a law enforcement agency.

Records of Transportation include the following:

- 1) Copies of transportation manifests for all deliveries;
- 2) A transportation log documenting the chain of custody for each delivery, including every employee and vehicle used in transportation; and
- 3) Financial records showing payment for transportation services.

Products must be transported in a locked, safe, and secure storage compartment that is part of the motor vehicle, or in a locked storage container that has a separate key or combination pad. Items being transported may not be visible from outside the motor vehicle. No vehicle or trailer may have an image depicting the type of items being transported, such as an image of a cannabis leaf or a name suggesting the vehicle is used to transport cannabis products. All delivery times and routes of a Cannabis Transporter must be randomized.

All transporter vehicles must be staffed by at least two employees for every transport of any cannabis products, immature cannabis plants or seedlings, hemp plants, artificially derived cannabinoids, and hemp-derived products or edibles. Only a cannabis worker employed by or contracted with the cannabis transporter, who is at least 21 years of age, may transport immature cannabis plants and seedlings, all cannabis products, all hemp plant parts and hemp derived products, or any other artificially derived cannabinoids. All drivers must carry a valid drivers license with the proper endorsement when operating a transporter vehicle. Any vehicle assigned for the purpose of transporting is subject to inspection and may be stopped or inspected at any licensed cannabis business or while en route during transportation.

8. Cannabis Testing Facility

A Cannabis Testing Facility license allows the holder to obtain and test immature plants and seedlings, all cannabis products, medical cannabis products, hemp plant parts, hemp derived products, lower-potency hemp derived products, and artificially derived cannabinoids from any cannabis microbusiness, mezzobusiness, cultivator, manufacturer, retailer, wholesaler, lower-potency manufacturer, medical cannabis cultivator, processor or combination business, and industrial hemp growers.

9. Cannabis Event Organizer

A Cannabis Event Organizer license holder may organize a temporary cannabis event lasting no more than four days. The event must conform to the following:

- 1) Receive local approval, including any necessary permits or licenses required by the local unit of government.
- 2) Hire licensed security personnel.
- 3) Limit access to event to those over 21 years of age.
- 4) On site consumption may be permitted if approved by the local unit of government.

10. Cannabis Delivery Service

A Cannabis Delivery Service license holder may purchase cannabis flower and products, artificially derived cannabinoids, hemp plant parts, hemp concentrate, and lower-potency hemp derived edibles and consumer products and transport and deliver those products to customers.



AGENDA ITEM: Kaposia Landing – Armour Gate Concepts

DESIRED OUTCOMES:

- Review and Discuss Draft Concepts prepared by HKGI for the placement of the Armour Gatehouse Structures at Kaposia Landing
- Provide Staff with direction on whether and how to proceed with respect to the disposition of the Armour Gatehouse Structures.

DISCUSSION:

At the April 8, 2024 City Council Worksession, the City Council had a broad discussion on how the “Armour Gates” fit into the City’s overall infrastructure, parks, and facilities planning and investment strategy. Discussed numerous times over the past several years, the Armour Gates are an important physical symbol of the City’s history and legacy that – in the opinion of many – are currently mislocated not only on their site but also in their context. Thus, the discussion coalesced a bit around a concept to relocate the structures to Kaposia Landing, and refurbish/repurpose the structures as a complement to the amenities either existing or planned at that community destination. The City’s Parks and Recreation Master Plan Update identifies numerous opportunities to “activate” the southern portion of Kaposia Landing, and as such Staff engaged HKGI (the consultant assisting the City’s Parks and Rec Advisory Committee with the Parks Master Plan Update) to develop draft concepts for discussion purposes around potential placements at Kaposia Landing. HKGI has prepared five alternative concepts, each outlined briefly below and depicted as attachments to this memo.

1. **Concept 1 – Food Truck Station/Restaurant Concept** - this concept proposes locating the Gatehouses on either side of a small trail extension connecting an existing parking area with a proposed partially-covered food truck court just south of the existing playground.
2. **Concept 2 – Amphitheater Concept** – this concept proposes locating the Gatehouses on either side of a proposed amphitheater, which has been depicted in the Kaposia Landing Master Plan since its inception in the southeastern portion of the site. The gatehouses in this concept would serve as bookends to a stage element in the amphitheater.
3. **Concept 3 – Internal Trail Gateway-** this concept proposes locating the gatehouses near the southern end of the park on either side of the internal trail network’s point of origin. The structures would serve as a gateway focal element for trail users in the park.
4. **Concept 4 – Park Entrance** – this concept proposes locating the gatehouses on either side of Bryant Avenue/Metzen Parkway, just east of the intersection with Concord Street North, on the EDA-owned property. Again the structures would serve as a gateway element, and could be adorned with archway signage over Bryant Avenue.
5. **Concept 5 – River Overlook** – These concepts suggest locating the gatehouses along the riverside trail, with various locations presented as possibilities.



ARMOUR GATES - POTENTIAL LOCATIONS

Staff is hopeful that at Monday's worksession, Council can determine which (if any) of the proposed orientations is preferable in concept to advance for further detailed analysis and cost-estimating. As mentioned in April, Staff has received updated budget-level estimates related to the relocation and restoration of the gatehouse structures, summarized below:

- *Relocation of Structures to Kaposia Landing*: \$110,000 each
 - Does not include any significant repair, replacement, or restoration of gate structures themselves
 - Does not include site preparation, or construction of new foundations (costs may vary by conditions at site/location). Depending upon soil conditions at the specific location identified for relocation, site prep and foundation work could add anywhere between 8% - 20% to the costs identified above.

- *Restoration of structures*: \$95,000 - \$115,000 each
 - Includes replacement/repair/restoration of brick and limestone as needed
 - Includes joint repair
 - Includes any cleaning and infilling needed
 - Does not include any roofing needed (est. moderate cost)
 - Does not include any utilities (if needed)
 - Does not include site preparation, or construction of new foundations (costs may vary by conditions at site/location)

FINANCIAL CONSIDERATIONS:

Currently, none of the EDA, HRA, or City budgets have dedicated funds towards restoration or relocation of the structures, or for any of the concepts presented in this memo. In early 2024, the EDA designated its Development Fund (20284) as a resource to broadly support the redevelopment of the City's key industrial and mixed-use redevelopment areas such as the Hardman Triangle, Bridgepoint, and Concord Exchange Corridors. As such, this could serve as a funding source for any work related to the gatehouse structures, although doing so would obviously reduce the funding available to support things like property acquisition, site cleanup and preparation, and redevelopment assistance. Similarly, the City's Capital Improvement Plan has nothing to say about the structures, so any focus of CIP resources towards the structures would come at the expense of already-programmed CIP investments.

While it is true that in 2022 the City was awarded a \$50,000 appropriation through special legislation to support relocation (our request/proposal to the legislature was \$300,000), Staff would warn that it is highly unlikely that any request for State Assistance for this project will be successful in this legislative session. Not to oversimplify, but to get funding from the State, we'd need legislative support (through votes) and the fact that we did not act on the previous funding would challenge our ability to build support in the legislature as they wind down the 2024 session.

Staff is obviously not in a position to speak for Dakota County, but it has been suggested by members of the community in previous discussions that Dakota County could be a partner in funding a reinvestment into the structures. While it is encouraging that Dakota County Parks has expressed general interest in repurposing the structures to complement their trail network, such a concept would need to be more deeply vetted before we'd have any clarity around cost and cost-sharing. Candidly, I have the strong impression that the County (rightfully) expects the City to

take a lead on identifying specifically *what we plan to do* with the structures, then engage the County in earnest to determine if there is a County role of support.

Finally, as Council is aware there are many advocates for the preservation of the structures that have suggested the City be “more creative” in identifying funding partners/resources for the preservation of the structures, which may include finding philanthropic entities, volunteers, or donations of labor or materials by trades groups or specific businesses to support preservation efforts. This is not an avenue that the City has explored to date, but certainly if a favored concept emerges from Monday’s discussion we would move forward with identifying by what means the project could be completed, including engaging with any potential partners that could help to move the City’s vision forward.

CONCEPT 1 (FOOD TRUCK STATION)





CONCEPT 2 (AMPHITHEATER CONCEPT)





CONCEPT 3 (INTERNAL TRAIL GATEWAY)





CONCEPT 4 (BRYANT AVE. GATEWAY)







CONCEPT 5 (RIVER OVERLOOK CONCEPT)





AGENDA ITEM: Dakota County CDA Redevelopment Incentive Planning Grant (South Concord)

DESIRED OUTCOMES:

- Revisit comprehensive planning and zoning guidance as it relates to the South Concord Street Corridor
- Receive council consensus that staff should proceed to apply for the Dakota County Community Development Agency's Redevelopment Incentive Grant – Planning program to support the development of a corridor study for the South Concord Street corridor

DISCUSSION:

The “South Concord Corridor” (an overview map is provided on the next page) refers to land that is in the southeastern corner of South St. Paul between Interstate 494 and the community’s southern border with Inver Grove Heights. The corridor sits at the bottom of a 100-foot-tall river bluff. The bluff forms the corridor’s western boundary, and the Mississippi River forms its eastern boundary. The backbone of the corridor is Concord Street, a north-south arterial road that is owned by Dakota County and was the main thoroughfare in the region until the construction of US-52 in the 1970’s. There are two steeply graded local roads that provide connectivity between the South Concord Corridor and the residential neighborhoods at the top of the bluff. A large part of the South Concord Corridor consists of industrial properties located between Concord Street and the river which are served by a small network of low-amenity local roads. The local road network serving the industrial businesses is punctuated by multiple at-grade railroad crossings.

Existing land uses in the project area are eclectic:

- There is one large auto dealership and several small auto dealerships, all of which have frontage on Concord Street.
- Aside from the auto dealerships, the only existing retail use is a gas station & convenience store. There are also a couple of professional offices.
- There is a large hide processing plant and tannery at the northern end of the corridor next to Interstate 494.
- There is a “tank farm” located at the northern end of the corridor along Interstate 494.
- There are numerous contractor’s operations and properties used primarily for fleet maintenance. Most of these properties feature a small building with an extensive exterior storage yard.

- Closer to the river, there are several properties that are being used for warehousing and processing of bulk goods. Kinder Morgan Dakota Bulk Terminal is the largest example, it is a 90-acre facility with a barge slip and rail spur.
- A 75-acre outdoor gun club is located along the river next to the border with Inver Grove Heights.
- The southern part of the corridor is predominantly housing. This includes a mobile home park, a townhome neighborhood that was built in the early 2000's, and a number of older single-family homes which have direct frontage on Concord Street.



The existing zoning framework on the South Concord Corridor was largely established in 1992 and reflects vague redevelopment goals that the City had at the time. Most of the land directly adjacent to Concord Street is zoned [GB-General Business](#) which allows a wide range of commercial and industrial uses. Most of the land not directly adjacent to Concord Street is zoned [I-Industrial](#) which allows a wide range of light industrial and heavy industrial uses. The [mobile home park](#) and [Lincoln Park Townhomes](#) have residential zoning but most other residential buildings on the corridor are lawful nonconforming (“grandfathered”) and carry the GB-General Business zoning designation.

Dakota County undertook a significant project in 2010 to reconstruct Concord Street with improved aesthetics and pedestrian improvements. There are now sidewalks and pedestrian-scale streetlights on both sides of the roadway in South St. Paul and there are sidewalk and trail connections that extend along Concord Street all the way down to its intersection with US-52 in Inver Grove Heights.

In 2011, both South St. Paul and Inver Grove Heights undertook corridor studies with the goal of using the improved roadway to spur redevelopment along Concord Street. The two communities coordinated efforts and there was a general understanding that Concord Street itself would be steered towards walkable “mixed-use” development. The City of South St. Paul partnered with Bonestroo/Stantec to complete its corridor study in two parts. Part 1 was a “Background Study” which was delivered in June of 2011 and included a comprehensive analysis of existing conditions on the corridor. Part 2 was a corridor plan which was heavily shaped by a steering committee comprised of City Staff, elected officials, residents living in the corridor, and representatives from the commercial-retail business community. The industrial business community was not part of the steering committee.

In February of 2012, a “South Concord Corridor Plan” was presented to the City Council which called for eliminating all industrial uses from the corridor in five phases and redeveloping all land on the corridor as a high-density mixed-use walkable neighborhood. The plan called for the immediate removal of existing industrial buildings south of Interstate 494 to make way for a new frontage road system that would provide highway connectivity without at-grade crossings of the railroad. The land along the new frontage road and the land along Concord Street would then be redeveloped with multifamily housing, retail, restaurants, and offices in mixed-use buildings. The remaining industrial uses would be gradually phased out of the corridor and replaced with a walkable neighborhood and there would be an entirely new system of interconnected local roads with pedestrian amenities. The final phase of the proposed corridor plan was the elimination of the Dakota Bulk Terminal and its redevelopment as a new mixed-use neighborhood with the barge slip converted to a marina.

The City Council ultimately did not approve the 2012 South Concord Corridor Plan and the plan was not implemented. In October of 2020, the City Council approved the 2040 Comprehensive Plan which contains a “future land use map” which affirms that the City expects a large part of the South Concord Corridor to remain industrial and continue to contribute to the community’s employment base. The 2040 Comprehensive Plan essentially calls for a “do-over” of the 2012 corridor plan, but does acknowledge that the earlier effort assembled a large amount of useful information and analysis that will be helpful with further planning efforts.

[The City’s 2040 Comprehensive Plan](#), adopted in 2020, identifies numerous goals, policies and action steps related to the South Concord Corridor:

- **Policy 4.14.5:** Revisit the work from the South Concord Corridor planning and transportation studies and consider updated land uses for the area south of Interstate 494 and east of Concord Street.
- **Goal 4.28:** Create a clear long-term vision for the planned mixed-use area for the South Concord Corridor area along Concord Street from Interstate 494 to the City's southern border.
- **Policy 4.28.1:** Establish a new small area plan for the South Concord Corridor and develop zoning regulations to ensure that the area is developed consistent with that plan.
- **Policy 4.28.2:** Explore a mixture of residential, office, retail, and service uses along South Concord Street and encourage uses that can provide improved bicycle and pedestrian connections to recreational amenities along the river, takes advantage of the proximity of the area to the Interstate system, can act as a buffer from industrially guided properties east of Concord Street and exhibits a high level of architectural and site design.
- **Policy 4.28.3:** Build off of the information from previous South Concord planning efforts (2009) which identified challenges for the development of this area, including: properties on the west side of Concord Street are very shallow due to the bluffs which limits available space for development, access to some properties to the east can be interrupted for up to 20 minutes at a time due to the location of property road access and location of the rail line, most of the properties south of 494 and east of Concord Street are not protected by the levee and some may be subject to occasional flooding, adjacent heavier industrial uses can limit the appeal of properties in the area.

As articulated by the 2040 Comprehensive Plan, there is a need to prepare an updated corridor study to refine the vision for the South Concord Street Corridor, generally defined as that area south of I-494 and east of the River Bluff. The corridor study would be followed by comprehensive plan updates, zoning code updates, and zoning map updates to implement the community's goals once the goals have been defined.

As the community continues to see redevelopment occur along the Concord Exchange and within the Bridgepoint Business Park, Staff feels the time is right to more conscientiously identify expectations and prepare for the future development of the area south of I-494. This area is also experiencing development pressures (Wakota Crossing, City Public Works) and it is critical to ensure that the City has a well-defined and attainable vision for this eclectic neighborhood as development pressures continue. As such, Staff is proposing that an RFP be issued to prepare a market analysis and corridor vision/study for the South Concord Corridor. This approach would be similar to the approach that we took in 2021 with the North Concord Street Corridor, which resulted in a defined vision and zoning framework and positions the City to be more responsive to business needs and growth pressures along the corridor. Staff feels that it is an opportune time to leverage the Dakota County CDA's Redevelopment Incentive Grant for Planning (RIG Planning) BEFORE the CDA's fiscal year ends on June 30, 2024, which would preserve our ability to apply for funding in FY 2025 (beginning July 1, 2024) should other opportunities present themselves.

SOURCE OF FUNDS AND OTHER FINANCIAL CONSIDERATIONS:

Dakota County CDA's Redevelopment Incentive Grant Program offers matching (1:1) funding of up to \$25,000. It is estimated that an updated market analysis and corridor study can be completed at a cost of between \$50,000 and \$60,000. Staff proposes that matching funds for the grant be sourced from the EDA's Redevelopment Fund, which has sufficient cash balances to support the matching costs.