

**MINUTES OF MEETING  
SOUTH ST. PAUL PLANNING COMMISSION  
December 7, 2022**

MEETING CALLED TO ORDER BY CHAIR THOMPSON AT 7:00 P.M.

Present: Geoff Fournier  
Jason Frankot  
Ruth Krueger  
James Hart  
Matthew Thompson  
Michael Healy, City Planner  
Ryan Garcia, City Administrator

Absent: Angela DesMarais  
Tim Felton

The first several minutes of the meeting were recorded without sound so no specific information can be provided about who made and seconded the motions to approve the meeting agenda and the minutes from the previous meeting.

- 1) APPROVAL OF AGENDA – Motion to approve as presented – (5-0)
- 2) APPROVAL OF MINUTES – November 1, 2022 – Motion to approve the minutes as presented – (5-0).
- 3) NEW BUSINESS  
  
None.
- 4) PUBLIC HEARINGS

A. Asian Mart Grocery Store Development Application

Mr. Healy presented the staff report. The Applicant is Watson Fong on behalf of Watson Trading LLC. The Applicant is proposing to develop the vacant EDA-owned land between Footh Automotive and the Stockyards Tavern and Chophouse. The Applicant is seeking site plan review for a roughly 8,076 sq. ft. multitenant commercial building and a variance from the Concord Gateway Mixed Use (CGMU) district requirement that loading docks cannot be in a front yard. The Applicant owns a specialty grocery store called “Asian Mart” in a strip mall in Burnsville and would like to expand beyond what his existing space will allow. The proposed plans meet the CGMU building design, landscaping/screening, and parking requirements. The only part of the Applicant’s proposal that does not meet the CGMU district standards is that the Applicant is proposing to have a loading dock in the front yard of the property. The subject property has a limited depth due to the bluff and so the subject property is not deep enough to accommodate a loading dock in the rear yard. The Applicant has proposed a recessed loading dock with a screening wall and landscaping to prevent the loading dock from being visible when driving north or south on Concord Exchange. Staff recommends approval of the proposed site plan and variance, subject to the conditions in the staff report.

Commissioner Hart asked if the semitrucks using the loading dock would be visible from Concord Exchange. Mr. Healy stated he would defer to the applicant on this question.

Commissioner Frankot noted that there would be a space between the Stockyards Tavern and the proposed building and inquired about whether this space would be utilized. Mr. Healy shared that the space is owned by

Stockyards Tavern and Chophouse. In 2021, the restaurant began the process of combining their lots for a parking lot expansion, but they did not end up pursuing the expansion. Mr. Garcia added that this space could be used for a future expansion.

Watson Fong came forward to answer questions.

Commissioner Thomson asked about the length of the semi-truck. Mr. Fong shared that the truck would be about 65 feet long so it would not be blocking the sidewalk along Concord Exchange while it was parked in the loading dock.

Commissioner Frankot ask the Applicant if he had found tenants for the other two suites in his proposed building. Mr. Fong shared there was a bakery and a restaurant that were interested in the other two suites.

Chair Thompson opened the public hearing.

No one was present to speak on the application and no correspondence had been received prior to the meeting.

Chair Thompson closed the public hearing.

Commissioner Krueger shared her support for the project.

Chair Thompson echoed his excitement for the project.

Motion to recommend approval as presented- Hart/ Fournier (5-0)

#### B. Development Application for Danner Relocation to Verderosa Avenue

Mr. Healy shared the staff report. The Applicant is Danner Family Partnership. They are seeking city approvals to develop their vacant property on Verderosa Avenue so they can relocate “Danner Inc” from their current Hardman Avenue site to the proposed facility on Verderosa Avenue. The Applicant is requesting a preliminary plat, a site plan review for a 17,200 square foot office building, a conditional use permit for exterior storage, a conditional use permit for truck/vehicle repair, a conditional use permit for a limited “truck stop” that will consist of mostly retail fuel sales, and a conditional use permit for a planned unit development to allow flexibility from certain zoning requirements.

The Applicant owns a property along Verderosa Avenue which was acquired in 2016 as an alternative location for the business when Fedex was looking to purchase and redevelop Danner’s Hardman Avenue property. The site is a former dump and so site cleanup has been underway since 2016. The application before the planning commission was initially discussed at a work session in January of 2021 and has been amended several times since the initial review. The Applicant has shared that he intends to sell this property within the next 5-10 years which is one of the reasons why Staff believes that the conditions of approval need to be well-worded. It needs to be clear to future property owners what they are allowed to do with the property.

There are several challenges in developing the property which complicated past efforts to develop the site. Some of these challenges include limited building placement options due to the site formerly being a dump, complicated property lines, easements that encumber the eastern end of the property, the overhead power lines along Verderosa Avenue, the narrow depth of the property, and stormwater management requirements for the contaminated site. The Applicant does not feel that they can successfully move to the Verderosa site without being granted flexibility from the zoning code. The Applicant has requested flexibility from the following standards: floor area ratio requirements, front yard setbacks, impervious surface limits, parking lot landscape island requirements, the amount of signage at the site, and the number of accessory buildings on site. The Applicant has asked the City to acknowledge that there are practical difficulties in developing the site. The

Applicant is proposing to plant more trees than are required at the site and is willing to work with the city to fill the sidewalk gap on Verderosa Avenue. Staff is proposing several conditions on each of the conditional use permits that the Applicant has requested. Staff is recommending approval subject to the conditions in the staff report.

Commissioner Hart asked if the contamination at the site limits its future redevelopment potential. Mr. Garcia shared the property recently received a letter from the Minnesota Pollution Control Agency stating that no further clean up actions were required for the site. Mr. Garcia explained that the cleanup actions involved excavating the contaminated material from the western 1/3 of the site. The site also has an environmental covenant which requires a vapor mitigation system for any new buildings at the site to address any remaining gases in the soil. The eastern 2/3 of the site has been capped, meaning that there is still contamination at depth. Mr. Garcia shared that the clean up efforts at the site would not have been financially viable for anyone without the funds received from the Department of Employment and Economic Development. It is highly unlikely that the rest of the property would be able to be redeveloped due to the high cost of cleaning up the remaining contaminants. Any future development at the site would need to be strictly industrial. Any additional excavation of soil or expansion of the existing building is very likely to be unfeasible.

Commissioner Hart asked if the proposed development aligns with the City's development plans for the area. Mr. Garcia explained the proposed use fits with the industrial character of the area. He added that this part of South St. Paul tends to attract individuals in the transportation industry due its proximity to the freeway and access to the work force. Mr. Garcia stated that he did not anticipate significant challenges with repurposing the site in the future.

Commissioner Fournier asked if there was a condition in place that would require the gas tanks at the site to be removed if a future use of the site did not involve fuel pumping. Mr. Garcia shared that gas tanks are required to be registered with the state of Minnesota and are tested regularly for leaks. The City could add a condition of approval to require the gas tanks to be removed if ownership changes hands. Mr. Garcia stated that this type of condition was fairly uncommon. He added that contamination issues tend to stem from legacy gas tanks that are not required to be registered or rigorously tested like modern gas tanks are. Mr. Garcia stated that he anticipates the liability the tanks would pose would likely act as an incentive for removal in the event that the site is no longer using the tanks.

Commissioner Frankot asked about the status of the cleanup process for 843 Hardman Avenue South. Mr. Healy shared that to his knowledge, the site has been cleaned up to the point where the site is fairly ready for development. Commissioner Frankot asked how long the redevelopment sale process takes. Mr. Healy shared that it depends on the type of project.

Bryan Chirhart, Danner Inc., came forward to speak on the application.

Chair Thompson asked Mr. Chirhart why Danner Inc. would redevelop the Verderosa property, only to move to a new location 5 or 10 years later. Mr. Chirhart shared he does not view the property as a short-term investment but rather an exciting opportunity. If the new location is successful, Danner Inc. may remain at that site for some time.

Commissioner Krueger inquired if the vision for Danner Inc. was to stay connected to South St. Paul. Mr. Chirhart shared that he does not anticipate moving Danner Inc. too far from South St. Paul.

Chair Thompson emphasized to Mr. Chirhart that he wanted to make sure that Danner Inc was confident about going forward with the project. Mr. Chirhart shared that they had looked into precast panels for the new facility and could be ready as soon as next summer to start construction.

Chair Thompson opened the public hearing.

No one was present to speak on the application and no correspondence had been received prior to the meeting.

Chair Thompson closed the public hearing.

Commissioner Krueger commented on the progress she had seen at the site in the last two years.

Chair Thompson asked Mr. Healy how much signage the applicant would be given through the PUD. Mr. Healy clarified that they are proposing to allow an additional 200 square feet of signage through the PUD which would allow Danner Inc the same amount of signage as the other businesses in the industrial district. The site technically already has 300 square feet of signage due to the billboard located at the southern end of the parcel.

Commissioner Frankot commented the project seemed to have several loose ends that need to be wrapped up. Chair Thomson reiterated he was concerned about the short-term nature of the project.

Mr. Healy shared that the 5–10-year timeline for moving was a statement made by Marley Danner, the current head of Danner Inc, who is in his late 70s. There is a new generation in the family business that may not share the same view about a future relocation as Mr. Danner. Chair Thompson commented that he would like to see the business stay in town.

Mr. Garcia addressed Commissioner Krueger's comment about the progress that had been made at the Verderosa Avenue site. Mr. Garcia commented that the clean up at the Verderosa site was an extensive process that was largely tied to the Fedex site development which dissolved. Mr. Garcia shared that the Planning Commission's concern about Danner building a new facility and then moving to another community is a very real concern with any business. Mr. Garcia encouraged the Planning Commission to evaluate if this use is the right use for the property all things considered. Mr. Garcia shared that he felt that the application from Danner is where the site needs to be for this development to work.

Commissioner Krueger shared she felt more at ease by seeing the next generation of Danner Inc. coming in and seeing the opportunity they see.

Motion to approve as presented- Krueger/Fournier (5-0).

#### C. Ordinance Amendment Updating the Hours of Operation for Pet-Related Uses

Mr. Healy presented the staff report. The Applicant is the city. The City Council directed staff to bring this ordinance forward at their October 17<sup>th</sup> meeting. During the summer of 2022, the City updated its rules for pet-related uses in commercial districts. Prior to the update, only the MMM district explicitly allowed dog grooming and training. In all other districts, the city allowed pet stores and similar uses were allowed with a Conditional Use Permit. Since 2004, the city has regulated the hours where dog grooming and dog training can occur. These uses could not operate between the hours of 8:00 PM and 7:00 AM. The catalyst for the August ordinance amendment was Linn Companies' plan to redevelop the gas station at 1301 Southview Boulevard into a pet grooming facility. The facility would offer self-serve dog wash bays as well as services from a professional groomer. The self-serve bays were proposed to be open for extended late night hours. At the time staff worked with the Linn Companies to develop an ordinance to allow increased flexibility for pet uses. One of the provisions in the original ordinance was that pets cannot be kenneled on-site between 8:00 PM and 7:00 AM. As Linn Companies continued to analyze their operations, they determined they would like to extend the hours of operation for their full-service groomers. This is not feasible under the current ordinance and requires a code amendment. The proposed ordinance would allow animals to be kept on site without their owners between 6:00 AM and 10:00 PM, which would effectively prohibit overnight kenneling. Staff does not have a strong opinion

on the change of hours. Staff noted that Linn Companies would need to seek a Conditional Use Permit Amendment if the ordinance is approved.

Chair Thompson opened the public hearing.

No one was present to speak on the application and no correspondence had been received prior to the meeting.

Chair Thompson closed the public hearing.

Chair Thompson reiterated that the proposed amendment would allow the business their desired hours of operation while preventing overnight kenneling, which is overall the goal. Commissioner Frankot shared he did not anticipate many owners taking their dog to the groomers at 9:30 PM.

Motion to approve as presented- Frankot/Fournier (5-0).

#### D. Comprehensive Plan Amendment to Align the Land Use Chapter with the City's Policy Goals

Mr. Healy shared the staff report. The city has zoning rules which regulate development. The city also has a comprehensive plan which addresses what the city will look like in the future. State law requires cities to update their zoning rules to meet their future land use goals in the comprehensive plan. The issue at hand is that some of the goals in the comprehensive plan do not align with the city's current policy goals. Many of these are legacy items that have been in the comprehensive plan since the 70s. The first issue is that the comprehensive plan encourages the city to phase out small, neighborhood businesses in residential areas. The city council is generally in support of small businesses and no longer seems to support the initiative to eliminate these business spaces. The solution to this issue is to guide some of these properties to mixed use, which would ultimately allow them to be used for residential or commercial purposes. The other issue staff would like to address is right sizing the density ranges in the comprehensive plan. The future land use map contains allowable density ranges for each land use category. Many of the minimum densities are too high and the maximum densities are too low to allow for the type of development South St. Paul would like to see (for-sale townhomes and other housing types for residents looking to downsize), which creates another hurdle for developers that want to create the type of housing the city desires. Additionally, the comprehensive plan has a stated goal of achieving communitywide reductions in density which would likely mean prohibiting infill development and demolishing existing buildings. The City does not want to do that as the existing neighborhoods are well-loved. Staff recommend approval of the comprehensive plan amendments.

Commissioner Fournier asked about the status of the single-family residential neighborhoods that are zoned R-4 and guided for high density residential use on the city's future land use map. Mr. Healy shared the R-4 district allow single family homes, duplexes, triplexes, and apartments so the existing single-family homes can continue to remain single-family homes.

Chair Thompson asked if the proposed comprehensive plan amendment covered all of the areas of our comprehensive plan that need to be amended. Mr. Healy stated that the proposed amendment covers most of the amendments that need to be made. The comprehensive plan calls for zoning studies along certain corridors and amending the comprehensive plan to align with the results of the zoning study. The city is not currently studying any of these corridors so any future comprehensive plan updates are several years down the road.

Commissioner Hart asked if there were any potential negative impacts from re-guiding many of the parcels to mixed use. Mr. Healy shared that because only specific parcels are being re-guided, the outcome should just be positive.

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Commissioner Krueger spoke in support of the comprehensive amendment.

Chair Thompson opened the public hearing.

No one was present to speak on the application and no correspondence had been received prior to the meeting.

Chair Thompson closed the public hearing.

Motion to recommend approval of the presented comprehensive plan amendment- Krueger/Frankot (4-0) (Hart abstained)

5) OTHER BUSINESS

Chair Thompson shared that this would be his last meeting on the planning commission and that he enjoyed his time on the commission. Chair Thompson thanked Mr. Healy for his thorough presentations.

6) ADJOURNMENT

Motion to adjourn- Hart/Fournier (5-0).