



CITY OF SOUTH ST. PAUL MEETING AGENDA

WORK SESSION

Training Room
125 3rd Avenue North
South St. Paul, MN 55075

Monday, December 8, 2025
7:00 PM

1. CALL TO ORDER

2. DISCUSSION ITEMS

- A. Joint Worksession: PUD Concept Plan Review for Industrial Infill Project at 1201/1301 Concord Street South
- B. Discussion on Zoning Rules for Temporary Storage Containers and Temporary Structures at Industrial Businesses
- C. Council Compensation Discussion
- D. Councilmember Board and Commission Appointments
- E. Supervisory Association Performance Pay Recommendations

3. COUNCIL COMMENTS & QUESTIONS

4. ADJOURNMENT



WORK SESSION AGENDA REPORT

DATE:

December 8, 2025

DEPARTMENT:

Planning & Zoning

PREPARED BY:

Michael Healy

AGENDA ITEM NUMBER:

2.A.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Joint Worksession: PUD Concept Plan Review for Industrial Infill Project at 1201/1301 Concord Street South

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Review a concept plan for a Planned Unit Development (PUD) proposal to build a new 6,575 square foot industrial building between the existing buildings at 1201 and 1301 Concord Street South and utilize the rear yards of both properties as exterior storage space for a utility contractor.
- The Planning Commission and City Council should provide informal feedback regarding whether the proposed project provides a public benefit that would justify PUD flexibility from zoning requirements. The Applicant is proposing a project that does not meet current zoning requirements but does generally align with many of the goals of the South Concord Corridor Small Area Plan that was adopted in June of 2025. The zoning of the two properties will likely be changing at some point in 2026 to a new “Business Flex” zoning district which is still being developed.
- The City is never obligated to approve a PUD project and these approvals are discretionary. The Planning Commission and City Council should provide informal feedback regarding whether there need to be changes to the project’s site design to get support for a discretionary zoning approval.

OVERVIEW

Development Proposal

A development group called “Jadian IOS” is proposing to purchase both 1201 Concord Street

South (Bestway Inc.) and 1301 Concord Street South (Kamish Excavating) which are two adjacent properties on Concord Street South. The owners of both businesses/properties are moving towards retirement and are looking to liquidate their real estate assets. Both properties are “grandfathered” with old conditional use permits that grant them considerably more exterior storage rights than what current zoning rules would allow, but only for the specific types of businesses that are already at each property. The two owners could sell their properties to other similar businesses that could take over the properties and operate using the existing conditional use permits. However, both owners believe that they can maximize their sale profits and help the City partially achieve its redevelopment goals for Concord Street South if they sell the properties for redevelopment purposes instead of selling them to similar businesses for continued use in “as-is” condition.

Most businesses that want to purchase the two properties are primarily interested in industrial outdoor storage and are seeking zoning approvals that will allow them to utilize as much of each property as they can for outdoor storage. City Staff has been clear with the sellers and with all prospective buyers that the City wants to see new buildings constructed on this corridor to add to the tax base and beautify Concord Street. Exterior storage yards with ironclad zoning rights are extremely valuable to property owners and greatly increase real estate sale prices, but exterior storage yard acreage adds almost nothing to the tax base under existing State Statutes and Dakota County Tax Assessor policies. Under current tax assessment policies, which are outside the City's control, the only property improvement that adds to the tax base in a significant way is the construction of a new building. With this in mind, the City should only consider granting major outdoor storage rights to new “non-grandfathered” businesses on this corridor through a variance or PUD process if a project involves significant investment in the construction of new buildings.

Jadian IOS is proposing to do the following:

- Construct a new 6,575 square foot building on 1201 Concord Street South next to the existing building. The building would use insulated metal panels (IMP's) as its primary façade material and would be designed to meet the recommended architectural requirements for new buildings that are laid out in the South Concord Corridor Small Area Plan.

This property already contains a 3,600 square foot office building and a 4,875 square foot truck repair garage. Adding a third building would bring the total building footprint on this parcel up to 15,000 square feet which is the minimum building footprint that the South Concord Corridor Small Area Plan states should be required before a property is allowed to have an exterior storage yard that is not subject to size restrictions.

- Beautify the Concord Street frontage by adding more landscaping on each parcel and having the new building face Concord Street with an attractive front façade and a setback that is similar to the existing building on that parcel

This would be consistent with the aesthetic goals of the South Concord Corridor Small Area Plan.

- Currently, 1201 Concord is almost entirely surfaced with gravel. 1301 Concord is paved for the front half of the lot and gravel for the rear half of the lot. Jadian IOS is willing to pave the front half of 1201 Concord Street South to match the existing paving line of 1301 Concord Street South. They would prefer not to do any paving but understand that City Staff will probably recommend a paving requirement as a “condition of approval.”

The South Concord Corridor Small Area Plan generally calls for requiring the front half of all parcels to be paved but allowing gravel as an exterior storage surfacing material the rear half of each interior lot, subject to Engineering requirements for stormwater management.

- Keep 1301 Concord Street South in “as-is” condition aside from potentially adding more landscaping in the front yard.

The rear yard of this property is already an exterior storage yard for a contractor’s operation. This property already has some curb appeal with an attractive building, a landscaped front yard, and a well-maintained wood fence that screens the exterior storage area from Concord Street.

- Obtain a Conditional Use Permit for a Planned Unit Development that allows a utility contractor, Q3 Contracting, to use all four buildings on both properties for their business. They would then use the exterior storage yards of both properties for the storage of vehicles and equipment related to their contracting operation.
- Install a driveway near the rear property line that connects 1201 Concord Street and 1301 Concord Street and allows vehicles and equipment to travel between the two exterior storage yards without needing to use Concord Street. There is a grading difference between the two properties that makes it difficult to fully combine the two exterior storage yards. The Applicant is proposing to address this by keeping the two yards mostly separate but connecting them with a driveway that crosses the property line in a flat area.
- Upgrade screening as-needed to ensure that exterior storage is screened from Concord Street.

Update on South Concord Corridor Small Area Plan Implementation

The “South Concord Corridor” 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 existing zoning framework along the corridor has been in place since the 1990’s. Almost all the parcels that touch Concord Street directly have GB-General Business zoning. Almost all the properties on the east side of Concord Street that do not touch Concord Street directly have I-Industrial zoning.

The Planning Commission and the City Council have long understood that the existing zoning framework does not work well and is stifling redevelopment along the corridor and preventing land from realizing its highest and best use. Earlier attempts to resolve this situation were stymied by a lack of community consensus about the corridor’s potential. Some community members had unrealistic expectations for the corridor and believed that this corridor could be intensively redeveloped to eliminate the existing industrial businesses and instead bring in upscale retail stores and restaurants, high-end offices and apartments, destination commercial recreation, and other similar types of premium non-industrial redevelopment. The corridor has challenging development conditions due to market realities, poor soils, and site design challenges related to FEMA rules for river floodplains, railroad crossings, and an incomplete road system.

In 2024, the City undertook the “South Concord Corridor Study” with grant support from the Dakota County CDA. The City hired Swanson Haskamp Consulting and completed a market study of the corridor to more accurately determine what type of redevelopment activity the market will support. The project consultant, City Staff, the Planning Commission, and the City Council then worked together to develop a small area plan for the corridor that incorporates the recommendations of the market study with a focus on beautifying the corridor and encouraging the construction of more buildings to add to the tax base. The South Concord Corridor Plan was adopted on June 21st, 2025 and it provides a roadmap for implementing the City’s vision for the corridor. City Staff is actively working on implementation of the small area plan:

- The City Council approved a comprehensive plan amendment on November 3rd which is the first step towards implementing the small area plan. *The City cannot officially enact the comprehensive plan amendment until it has also been approved by the Metropolitan Council. This should happen in January or February of 2026.*
- The City needs to create two new zoning districts, an industrial-flex district and a business-flex district. The corridor will then need to be rezoned to implement the rezoning recommendations that are in the small area plan. This should all take place during the first half of 2026. There will need to be public engagement to make sure that property owners understand what rezoning means for their property. Each owner will

have a chance to participate in the process, ask questions, and request revisions to the proposed new zoning rules.

- Several properties immediately south of I-494 that do not touch Concord Street will be rezoned to Industrial Flex.
- Properties on the east side of Concord Street which have frontage on Concord Street will be rezoned to Business Flex. Both 1201 and 1301 Concord Street are tentatively planned to be rezoned to Business Flex.

Zoning and Comprehensive Plan Guidance

1201 and 1301 Concord Street are both zoned GB-General Business and were guided “mixed use” in the original 2040 Comprehensive Plan. Properties that are guided “mixed-use” generally must be in a zoning district that allows housing, and the GB district does allow dwelling units in mixed-use buildings. The comprehensive plan amendment that the Metropolitan Council is currently reviewing re-guides the two properties to “Commercial”, which will allow them to be rezoned to the new Business Flex zoning district once it is created. The Business Flex zoning district will not allow dwelling units, it will only allow commercial and light industrial uses.

The GB zoning district allows “contractor operation, if exterior storage is utilized” with a conditional use permit. However, there is a special zoning rule in the GB district which states that the size of an exterior storage yard cannot exceed 50% of the footprint of the principal building. This means that GB properties can only have very small incidental exterior storage yards. Per the small area plan’s recommendation, the proposed new Business Flex zoning district will allow a large exterior storage yard if there is at least a 15,000 square foot principal building on the subject property.

The City Council can approve a Planned Unit Development (PUD) that grants flexibility from zoning requirements but only if the “use” is allowed in the underlying zoning district and only if the project is consistent with the comprehensive plan. After the comprehensive plan amendment goes into effect in January or February of 2026, the City Council will have the ability to allow the Applicant’s project to move forward as a PUD without needing to wait for the creation of the Business Flex zoning district and the rezoning of the two properties.

Relevant City Code Sections

- Section 118-9 establishes architectural requirements for the GB zoning district.
- Section 118-40 of the City Code governs Conditional Use Permits.
- Section 118-47 of the City Code governs Site Plan Reviews.
- Section 118-128 of the City Code governs the GB-General Business District.
- Section 118-132 of the City Code governs Planned Unit Developments.
- Section 118-167 of the City Code regulates the Mississippi River Corridor zoning overlay district.

- Section 118-240 of the City Code regulates Exterior Storage.
- Sections 118-351 through 118-355 of the City Code regulate parking and loading.

Why does the Applicant need PUD Flexibility?

The proposed redevelopment project will likely need to be a PUD whether it is undertaken today with GB zoning or undertaken in late 2026 with the proposed Business Flex zoning. However, the redevelopment project will not need nearly as much PUD flexibility from zoning rules if the new zoning district is implemented. The main reason why the project is moving forward now under the less favorable GB zoning is timing. As previously stated, the current owners of both 1201 Concord Street South and 1301 Concord Street South are looking to liquidate their real estate holdings and move towards retirement. Jadian IOS and Q3 Contracting are willing to make a very attractive offer on the two properties but only if the redevelopment project moves forward in the first half of 2026. Jadian IOS and Q3 Contracting are not able to wait for the City to update its zoning code to implement the South Concord Corridor Small Area Plan and create the Business Flex district. They recognize correctly that the code update is an open-ended project that could potentially get slowed down if there are political complications during public engagement, staff capacity issues, or other unforeseen challenges.

PUD flexibility will be needed for the following reasons:

1. Exterior Storage Yard Size

- The GB district only allows an exterior storage yard to be 50% of the footprint of the principal building. The Applicant wants to utilize the rear yard of 1201 Concord and the rear yard of 1301 Concord for exterior storage for their utility contractor operation. Both rear yards already have conditional use permits to be exterior storage yards which are much larger than 50% of their parcel's building footprint, but they are designed for different types of businesses and the existing conditional use permits are not set up to allow Q3 Contracting to operate. It would require PUD flexibility or variances to allow the two existing exterior storage yards to be repurposed by Q3 Contracting for a new type of exterior storage.
- The Applicant is proposing to satisfy the proposed Business Flex district's 15,000 square foot building footprint size requirement on 1201 Concord Street South (Bestway Inc.) which would unlock exterior storage rights for that parcel without PUD flexibility if the proposed Business Flex zoning were in effect.
 - The Business Flex district is being set up to allow a property with a 15,000 square foot principal building to get access to exterior storage rights without a size restriction. A property owner that wants to get to that "magic number" by building several small principal buildings instead of one big principal building is always going to need some type of special approval (a PUD or a CUP) because of the site

design challenges associated with having multiple principal buildings on one lot.

- The Applicant is not proposing to satisfy the 15,000 square foot building footprint size requirement for 1301 Concord Street South (Kamish Excavating). The only building on this parcel would be the existing 6,000 square foot office-warehouse building. The Applicant has noted that this property already has a conditional use permit to be a contractor's operation with a large exterior storage yard and their proposed contractor's operation is arguably less intense than the excavation business that is located on the property today.

2. Architecture and Exterior Building Materials of New Building

- The proposed new infill building at 1201 Concord Street South may or may not meet GB architectural requirements although it will likely come close. The building will be designed to meet the architectural requirements that are recommended for the proposed Business Flex district in the South Concord Corridor Small Area Plan.

3. Surfacing

- The Applicant has not yet submitted a final plan for the exterior storage yard layout although this may be provided prior to the Worksession discussion. The existing gravel areas are "grandfathered", but PUD flexibility will be needed if any new gravel storage areas or drive aisles are proposed (i.e. the driveway that is proposed to connect the storage yards of the two properties).
- The GB district generally does not allow any gravel surfacing. The Business Flex district is proposed to allow gravel surfacing for exterior storage yards in the rear ½ of a lot, subject to Engineering approval and compliance with stormwater requirements.

4. Screening from other Properties

- Section 118-240 states that in all zoning districts, all materials and equipment stored outdoors must be fully screened so as not to be visible from adjoining properties or public rights-of-way.
- The Business Flex district will allow both light industrial uses and commercial uses (i.e. restaurants, retail, medical offices, etc.). Exterior storage generally should be well

screened from any other GB or Business Flex property that could potentially develop with a commercial use in the future.

- The Applicant has not provided an exterior storage plan or screening plan yet, but it is almost a given that screening will not be provided between 1201 and 1301 Concord Street South since they will function as one development. Staff would support waiving the screening requirement between the two properties as part of the PUD approval. Additionally, full screening may not be provided between the proposed development and the industrial property to the east (Lutheran World Relief Warehouse). Some amount of softening/buffering along that property line may be appropriate, but there is already some vegetation there today.
- 1201 Concord Street South and the property to the north (B Three Trucking) share a driveway access which is governed by a cross-access easement. This may complicate any efforts to install full screening between those two properties to comply with City Code Section 118-240. This will need to be reviewed and discussed further by City Staff and the Project Team while the screening plan is being prepared.

STAFF COMMENTS

City Staff has the following comments and suggestions:

1. The project will require a site plan review. An ALTA survey, civil plans, and architectural plans will need to be prepared in accordance with Section 118-47 of the City Code.
2. All exterior storage must be screened from Concord Street. Exterior storage should also be screened from the mobile home park and (if possible) from any parcel that has GB or proposed Business Flex zoning, since those parcels may end up developing with non-industrial uses. Staff recognizes that there is a cross-access easement between 1201 Concord Street South and the property to the north that might result in a need for flexibility from a strict application of the screening requirement. It may be appropriate to further buffer/soften the parts of the exterior storage yard that are adjacent to the Lutheran World Relief Warehouse to the east, which will continue to be zoned Industrial and is not expected to redevelop. A screening plan (i.e. fencing and landscaping) will need to be submitted as part of the PUD application.

3. Landscaping along Concord Street is going to be a very important part of the PUD application. The Applicant should work with a professional landscape architect and prepare a landscape plan that will dress up this corridor and make the front yard look similar to well-landscaped properties in the Bridgepoint Industrial Park (i.e. Waterous, Bridgepoint Business Condos, and Davey Tree).
4. There is a slight discrepancy between the tax assessor records and the Applicant's concept plan regarding the total footprint of the two existing buildings on 1201 Concord Street South. An ALTA survey will need to be submitted as part of the development application and this will confirm building footprints. The Applicant should ensure that the new building on 1201 Concord Street South is large enough to bring the total building footprint on that property up to 15,000 square feet to align with the South Concord Corridor Small Area Plan.
5. Not all insulated metal panels (IMP's) are created equal. The Applicant's architect should ensure that whatever IMP is selected will result in a new building with good curb appeal that will look like a modern office-warehouse building and not like a "pole barn," even if it will be used as a storage building. As part of their PUD application, the Applicant should be prepared to provide a material sample and photographs of other buildings that have been built using the same type of IMP.
6. There is a mobile home park directly south of 1301 Concord Street South and the owners will receive an invitation to the public hearing when the conditional use permit for a planned unit development is under review. Past exterior storage zoning approvals at this property have been sensitive to potential light/noise/dust impacts on the trailer park and a significant amount of landscaping has been installed along the property line. The Applicant should keep this in mind when designing their exterior storage plan, lighting plan, and screening plan.
7. There is a public sewer line and a public storm sewer line that run through the subject property near the rear property line in the general area where the Applicant wants to install a new driveway to connect the two properties. The ALTA survey will be helpful in determining the exact location of the sewer lines and clarifying whether there are already public utility easements over these lines which are large enough to support ongoing

maintenance and replacement needs. The Applicant will need to coordinate with the City Engineer regarding the design of their proposed driveway and the driveway cannot bury the storm and sanitary manholes in that area. Castings may need to be adjusted. If existing easements over the sewer lines are found to be insufficient, it will be a “condition of approval” that new public utility easements be granted. Nothing permanent, like a building or large structure, can be placed over a sewer line, but paving is generally allowed. If any fencing is placed over the sewer lines, there will need to be a gate provided directly over the sewer line so that Public Works staff can swing open the gate and access the line. If there is existing fencing blocking access to the sewer lines, new gates may need to be installed as part of the redevelopment project.

8. The front half of 1201 Concord Street South should be required to be paved to line up with the existing paving line of 1301 Concord Street South. Provided that stormwater requirements can be met, City Staff is supportive of leaving the rear ½ of each property as gravel in accordance with the recommended design standards in the small area plan for the proposed Business Flex zoning district. The Applicant will need to coordinate with City Staff regarding whether there is a need to add curbing as part of the paving project and this will likely depend on how they are handling stormwater management.
9. City Staff’s understanding is that 1201 Concord and 1301 Concord are not being combined into one tax parcel. In general, Staff prefers this approach versus a lot combination since there are not going to be any buildings that cross the shared property line and the only thing crossing the property line is a driveway connecting the two exterior storage yards. Keeping the two properties separate means that 1301 Concord Street South could potentially be sold off separately in the future via a simple PUD amendment and there is a decent chance that parcel could eventually see additional building construction and more expansion of the tax base (maybe several decades in the future). Once the parcels have been combined and intertwined in more significant ways, it becomes more difficult from a title standpoint and a zoning standpoint to separate them and achieve that future redevelopment.
10. Q3 Contracting is likely going to want to move into one or both properties and begin exterior storage operations as soon as the City will allow. City Staff’s understanding is that Q3 Contracting does not truly need the new 6,575 square foot storage building for business operations and the new building is being constructed primarily to meet zoning requirements for minimum building footprint. Q3 Contracting will be storing equipment inside the new building that they would probably be just as happy to store outdoors. The City needs to protect itself and ensure that the new building is constructed in a timely manner and also needs to ensure that landscaping and paving improvements are

completed. If Q3 Contracting wants to occupy any part of either property before all the required construction is complete, they are likely going to need to escrow funds to guarantee construction and meet whatever other requirements the City Council wants to place on the conditional use permit for a planned unit development. The City will probably want to consider preventing either property from being occupied until a building permit has been issued for the new 6,575 square foot building, and it may be appropriate to require some type of development agreement. The details can be worked out by the Applicant's team, City Staff, and the City Attorney so long as the City Council is comfortable with the overall PUD proposal.

11. The Applicant has not yet shared whether the new 6,575 square foot building will have sewer and water or whether it will be purely a storage building without those utilities. Concord Street is a county road in this area, and a county permit will be required if the Applicant wants to make utility connections to Concord Street.
12. If the Applicant has any questions about stormwater design requirements, they can access those requirements on the City's website. What they will be required to do will depend on how much they disturb and how much they pave the site.

DISCUSSION

The proposed redevelopment project would be a big step forward for 1201 Concord Street South. The project would greatly increase its curb appeal and would bring that property largely into compliance with the goals of the South Concord Corridor Small Area Plan. The project would be somewhat of a lateral move for 1301 Concord Street South in that it would not increase the building footprint on that parcel and would probably "lock in" the site plan for the exterior storage use on that parcel for another generation. That may happen regardless, however, because a new contractor could purchase 1301 Concord Street South as a standalone business and take over its existing conditional use permit and site plan approvals. If the proposed redevelopment project goes forward, the City does have the ability to require 1301 Concord Street to make landscaping upgrades in the front yard as a "condition of approval." Additionally, the new contractor's operation is arguably less intense than what is at 1301 Concord Street South today since Q3 Contracting will be storing construction equipment and utility materials (i.e. piping, wire, etc.) and will not be storing large dirt piles or piles of aggregate materials in their storage yard like Kamish Excavating does.

ACTION NEEDED

The City Council is asked to give informal feedback on the Applicant's concept plan. The City Council is never obligated to approve a PUD or offer any flexibility from zoning requirements.

The Applicant and City Staff are seeking the following feedback from the Planning Commission and City Council:

1. Do the Planning Commission and City Council feel that this project comes close enough to meeting the goals of the South Concord Corridor Small Area Plan to justify flexibility from existing GB zoning standards? *If so, this could be the “public benefit” that justifies a PUD approval.*
2. Would the Planning Commission and City Council be more likely to support this project and/or grant PUD flexibility if the Applicant incorporated some or all of the suggestions provided by City Staff?
3. Do the Planning Commission and City Council have any other comments that they would like to share with City Staff or the Applicant?

Regardless of how comfortable City leaders are with the zoning aspects of the project, the final design of the site may change due to stormwater requirements and other engineering requirements.

LINKS

[South Concord Corridor Market Study](#)

[South Concord Corridor Small Area Plan](#)

[South St. Paul Stormwater Management Design Requirements](#)

SOURCE OF FUNDS

NA

ATTACHMENTS

1. Site Location Map
2. Aerial Photographs of Existing Conditions
3. Google Streetview Photographs of Subject Properties
4. PUD Concept Site Plan
5. Conceptual Drawing of Proposed New Building
6. Project Narrative
7. Map Showing Approximate Location of Proposed Driveway Connection
8. Map of Public Sewer Lines at Subject Property
9. Draft Design Standards for Business Flex District

ATTACHMENT 1
SITE LOCATION MAP



ATTACHMENT 2

AERIAL PHOTOGRAPHS OF EXISTING CONDITIONS



Existing Conditions at 1201 Concord Street South (Bestway Inc.)



Existing Conditions at 1301 Concord Street South (Kamish Excavating)

ATTACHMENT 3

GOOGLE STREETVIEW PHOTOGRAPHS OF SUBJECT PROPERTIES



Google Streetview Photograph of 1201 Concord Building (Bestway Inc.) in August 2025



Google Streetview Photograph of 1301 Concord Building (Kamish Excavating) in August 2025

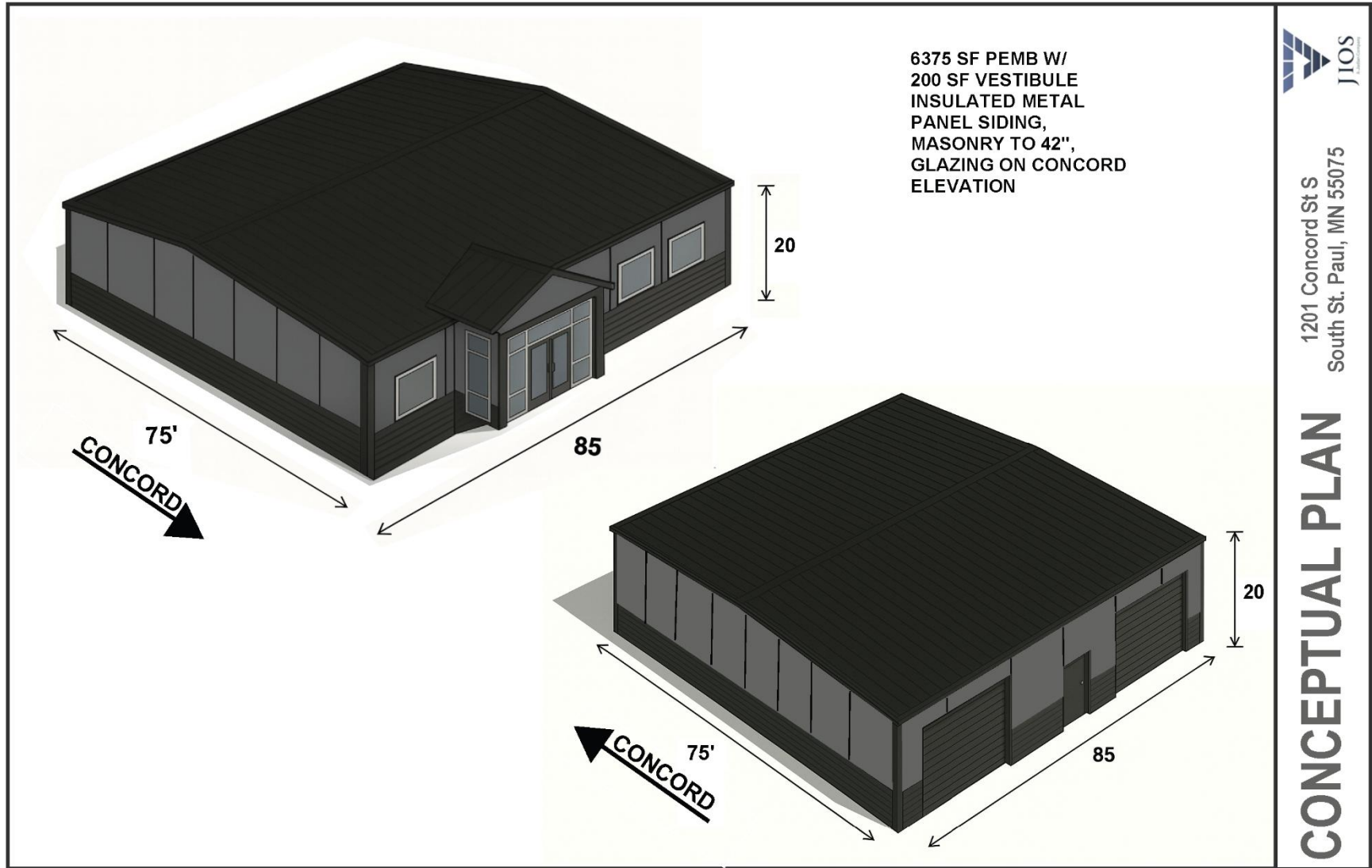


Google Streetview Photograph of the Area Between the Two Existing Buildings Where the New 6,575 Square Foot Building Would be Located

ATTACHMENT 4
PUD CONCEPT SITE PLAN



ATTACHMENT 5
CONCEPTUAL DRAWING OF PROPOSED NEW BUILDING



**ATTACHMENT 6
PROJECT NARRATIVE**



8300 Norman Center Drive
Suite 1000
Minneapolis, MN 55437-1060
General: 952-835-3800
Fax: 952-896-3333
www.larkinhoffman.com

November 25, 2025

Michael Healy
Planning Manager
City of South St. Paul
125 3rd Avenue North
South St. Paul, MN 55075

Via Email
mhealy@southstpaul.org

Re: PUD Concept Plan – 1201 Concord Street South

Dear Mr. Healy,

On behalf of Jadian IOS ("Applicant"), we respectfully submit this Planned Unit Development (PUD) concept plan for industrial outdoor storage at the properties located at 1201 and 1301 Concord Street South in South St. Paul. The Applicant is seeking to unify these parcels into a single, well-managed operation that supports regional utility work and enhances local employment, while aligning with the City's standards for site organization, building presence, and long-term maintenance ("Project").

The proposed Project is an application to allow industrial outdoor storage at 1201 Concord Street South, which is currently an existing outdoor storage facility. The concept plan envisions combining the 1201 parcel with the adjacent parcel at 1301 Concord Street South to create a single, unified industrial outdoor storage operation occupied by one tenant, Q3 Contracting. To ensure consistency with City of South St. Paul regulations regarding minimum building footprint requirements, the plan includes construction of an additional building on the combined site. This building will provide an appropriate presence on Concord Street South, support daily operations, and facilitate orderly indoor activities consistent with City standards.

Q3 Contracting has been in operation for over 33 years, performing utility work primarily for Xcel Energy, CenterPoint Energy, and a range of municipal and county customers throughout the seven-county metropolitan area, as well as outstate regions of Minnesota and western Wisconsin. Q3's services include underground gas installation, hard and soft surface restoration, erosion control restoration, and traffic control setups and flagging. The intended use of the combined property is to serve as a daily operations hub for over 50 on-site employees of Q3's metro-area division. General office functions will occur within the building, and outdoor storage will include trucks, equipment, materials, and traffic control devices staged primarily in marked rear and side yard areas. Employee parking, Q3 pickups, and occasional customer parking will be located near the front of the property, ensuring a clean and organized streetside appearance.

Indoor activities of maintenance operations will be conducted within the building bays, consisting of basic tasks such as fluid changes, tire and light replacements, miscellaneous minor repairs, and Department of Transportation inspections of trucks and trailers. The yard areas, building, and surrounding green spaces will be maintained weekly to preserve a tidy site condition and a professional presentation. The concept plan is designed to respect adjacent

Michael Healy
November 25, 2025
Page 2

uses and public rights-of-way by orienting outdoor storage to the side and rear, consolidating circulation, and concentrating higher-profile equipment away from Concord Street South.

We appreciate the City's consideration of this concept plan and look forward to working closely with staff, the Planning Commission, and the City Council throughout the review process. Our team is committed to collaborating on any refinements necessary to meet the City's expectations and to deliver a compliant, orderly, and well-maintained facility. Please contact me with any questions or to discuss next steps.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Steen', with a long horizontal flourish extending to the right.

Jacob W. Steen, for
Larkin Hoffman

Direct Dial: 952-896-3239
Direct Fax: 952-842-1738
Email: jsteen@larkinhoffman.com

Cc: John Grib, Jadian IOS

ATTACHMENT 7
MAP SHOWING APPROXIMATE LOCATION OF PROPOSED DRIVEWAY CONNECTION



ATTACHMENT 8
MAP OF PUBLIC SEWER LINES AT SUBJECT PROPERTIES



Red= Sanitary Sewer Line

Green= Storm Sewer Line

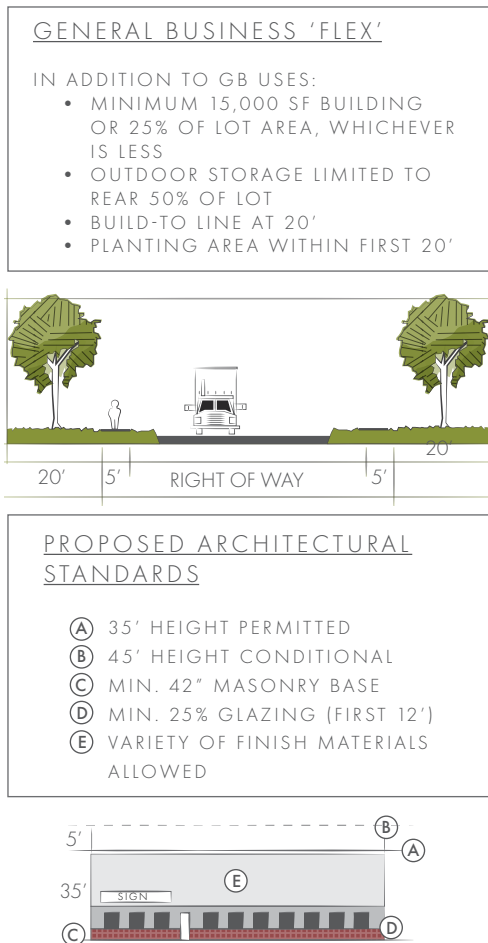
ATTACHMENT 9 DRAFT DESIGN STANDARDS FOR BUSINESS FLEX DISTRICT

Figure 9. Proposed Urban Standards: Business Flex Zoning District





Figure 10. Proposed Urban Standards: Business Flex Zoning District





WORK SESSION AGENDA REPORT

DATE: December 8, 2025
DEPARTMENT: Planning & Zoning
PREPARED BY: Michael Healy
AGENDA ITEM NUMBER: 2.B.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Discussion on Zoning Rules for Temporary Storage Containers and Temporary Structures at Industrial Businesses

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

- Review existing zoning rules for the use of pods, shipping containers, and semitrailers for storage in industrial areas.
- Review existing zoning rules for temporary buildings in industrial areas.
- City Staff is looking to engage the City Council in a discussion about whether the rules for temporary storage containers and temporary structures in industrial areas could be retooled to reward businesses that already meet the minimum floor area ratio (FAR) requirement and incentivize lawful nonconforming businesses that do not meet the FAR requirement to make improvements to their properties to fix the nonconformity.

OVERVIEW

Background

South Saint Paul has two inter-related ordinances on the books that have come up in recent months due to a number of code enforcement complaints in the Concord Street/Concord Exchange area and the Bridgepoint Business Park:

1. In Section 118-240 of the City Code, there is an ordinance that states that no property in any zoning district can use a semitrailer, pod, shipping container, or similar temporary storage container for longer than 14 days each calendar year. *This ordinance does not*

apply to dumpsters.

2. “Temporary structures” can be allowed in the I-1 Light Industrial Zoning district and the I-Industrial zoning district. In the I-Industrial district, an interim use permit is required. In the I-1 Light Industrial district, the City Code currently states that a conditional use permit is required but this may have been a drafting error and should be changed to an interim use permit requirement because that is how temporary uses are regulated.

Many of the temporary structures that have been approved over the years via interim use permits have been either shipping containers or semitrailers. The City Code does not currently contain any criteria for when the City Council should grant an interim use permit for a temporary structure. However, an uncodified rule-of-thumb has evolved over the years. In recent history, interim use permits for temporary structures have only been granted in three situations:

1. If there is a project underway to construct or upgrade a permanent building and the temporary building is being used as a short-term solution to support necessary operations while that project is being completed.

Twin City Hide and Tanning currently has an Interim Use Permit to use trailers as a temporary breakroom facility while they complete the final phase of their 5-phase redevelopment project and build a new warehouse building with breakroom facilities. Their Interim Use Permit will expire at the end of 2027.

2. If the proposed “use” of a property requires a temporary structure due to the nature of the use.

The City has granted this type of interim use permit for temporary rock crushers and temporary concrete batch plants that are part of redevelopment projects.

3. If the land use has special protections under State Law.

The South St. Paul Rod and Gun Club has special land use rights under the Shooting Range Protection Act of 2005 and is treated differently than other land uses under State Statute. The City has granted them an interim use permit to allow the use of shipping containers as a long-term storage solution and modified semi-trailers as a long-term building solution, primarily because their property is wooded, isolated, and is set up like a campground.

Interim use permits are typically structured to expire on a certain date and the property owner

must return to the Planning Commission and City Council to request a new interim use permit if there is a need for additional time with the temporary building. In the case of the gun club, their interim use permits will expire if the property ever stops being used as a gun club.

Why are Temporary Storage Containers So Tightly Regulated?

Unlike permanent buildings, temporary storage containers and temporary structures add nothing to a community's property tax base while consuming valuable acreage that could otherwise be developed. In every community, there are many businesses that do not want to incur the expense of constructing a building and would rather use trucks, trailers, and shipping containers for storage. In many cases, these are businesses that do not rely on curb appeal to attract customers and are instead focused on lowering their costs as much as possible to increase company profits and/or pass on savings to customers. Many businesses will try to argue that their specific type of business is "special", and they should be given flexibility to use temporary storage containers because they are providing a specific service and keeping prices low for their customers who may also be residents. A City generally should not make exceptions for specific types of businesses and needs to adopt ordinances that are fair and consistent so that all businesses operate on a level playing field. Otherwise, businesses that follow the rules are going to have their prices undercut by other businesses that do not follow the rules which provides a strong incentive to break the rules.

Exterior Storage Yards can be Challenging to Police

In industrial and light industrial zoning districts, the City allows "screened exterior storage" with a conditional use permit as an accessory use in the rear yard of properties that also have a permanent building. Many contractors' operations have an exterior storage yard where they store their equipment and materials, and the line can be blurry sometimes regarding what is and is not allowed in the exterior storage yard. Many contractors use trailers, pods, and shipping containers as a component of their contracting operation and bring this equipment with them when they go to job sites. However, they store these trailers, pods, and shipping containers in their exterior storage yard in between jobs. Some manufacturing businesses (i.e. Waterous) also have exterior storage yards and sometimes bring shipping containers to their property which they fill with manufactured goods that are going to be shipped overseas.

Realistically, it is not possible for City Staff to babysit each exterior storage yard to verify that every trailer, pod, and shipping container is being used in the day-to-day operation of the business. Periodically, a business does place a semitrailer or shipping container in their exterior storage yard semi-permanently and essentially uses it as a storage shed. When City Staff gets a complaint or otherwise becomes aware of the violation, a warning letter is sent, and the 14-day rule is enforced.

Code Enforcement Issues

City Staff recently investigated a number of code enforcement complaints related to semitrailers and shipping containers that have been stored on commercial and industrial properties longer than 14 days. City Staff became aware of additional code violations while engaged in discussions

with existing businesses that are in the process of planning for the next stage of growth.

Staff has told all the owners of properties in commercial-retail areas that were the subject of complaints that they need to get rid of their semitrailers and shipping containers. The zoning rules in commercial-retail areas are very straightforward and there is no mechanism in the City Code that would allow a business to use a temporary storage container longer than 14 days in these districts.

The zoning rules in industrial districts are more complicated because of the presence of lawful exterior storage yards and the ability of a business to seek an interim use permit to have a temporary structure on the property longer than 14 days. There are two code situations that Staff would like to discuss with the City Council because they are clear violations of the 14-day rule but the businesses want to know whether there is room for a discussion about the City Code:

1. Bester Brothers is a moving company that has operated in South St. Paul since 1994. They have a warehouse at 260 Hardman Avenue South where customers can store furniture and other belongings until their new house is ready. There are 5 mini-storage buildings next to the warehouse. There is a large rear yard behind the warehouse and mini-storage buildings and this rear yard is not readily visible from the public street. At some point in the last thirty years, the business put down gravel in the rear yard without a permit and now stores semitrailers full of customer possessions in between moves. They tout this as a cost savings measure for customers since each trailer full of furniture only needs to be loaded and unloaded once. They charge customers more to store furniture in their warehouse which requires the trailer to be unloaded and then reloaded when the new house is ready.

Bester Brothers would like to pave the gravel area and “legalize” their operation. This is not possible, however, because they would still be violating the 14-day rule as it is currently written.

2. Waterous is a firefighting equipment manufacturer at 125 Hardman Avenue South. They have an enormous building with an enormous exterior storage yard behind it. Their business keeps expanding and they are struggling with space constraints. Recently, they brought two shipping containers to the property to store some materials that needed to be moved out of the building after a fire department inspection flagged that an area was too crowded. Waterous would like to build a large addition, but they are still trying to determine what is feasible. They are currently utilizing their entire parcel for either parking, building footprint, or exterior storage. They cannot afford to take their exterior storage yard offline while they construct a building addition, and they are exploring whether it is possible to acquire a piece of property next door to their business to reconfigure their exterior storage yard.

Waterous has temporarily resolved the code issue by removing the shipping containers

that were the subject of complaints. They still have space constraints, however, and are interested in discussing what their options are while they continue to explore the construction of a building addition. They do not want to build a permanent shed or garage in their storage yard because they think they will need to tear it down in the next couple of years if/when they expand. They do not actually have an expansion project planned, so it would be premature to grant them an interim use permit for a temporary structure using the City's longstanding rule of thumb.

Minimum Floor Area Ratio (FAR) Requirement

For decades, the City and the EDA have been pushing to increase community standards and ensure that properties in the industrial area are being developed to their “highest and best use” and not being underutilized with excessive exterior storage that does not add to the tax base. Exterior storage is an important component of many industrial businesses, but the City is not interested in allowing exterior storage businesses that do not also include a tax-paying building of an appropriate size. In 2016, the City Council approved a new ordinance that added a minimum floor area ratio requirement to the industrial districts. Vacant parcels in the I-1 Light Industrial and I- Industrial districts can now only be developed if the Floor Area Ratio of the development is at least 0.2, meaning that at least 20% of the property is covered by a 1-story building or 10% of the property is covered by a 2-story building. Any property that meets the FAR requirement is generally viewed as contributing its fair share when it comes to the tax base. A property that does not meet the FAR requirement is generally viewed as not being utilized for its “highest and best use” unless there are unique circumstances.

Many older developments in the I district and I-1 district are “grandfathered” to not meet the minimum FAR requirement. The City’s general policy is to encourage these properties to redevelop or encourage the owners to expand their buildings and meet the FAR requirement. Regarding the two properties mentioned above:

- Bester Brothers is a 3.34-acre property with six separate buildings which does not currently meet the minimum FAR requirement. The property is required to have at least 29,123 square feet of floor area inside buildings to meet the requirement. It only has 19,562 square feet of floor area inside buildings. An additional 9,561 square feet of floor area need to be built to meet the minimum FAR requirement. A new owner is looking to take over Bester Brothers. They have indicated that they are willing to pursue the construction of a new mini-storage building that would resolve the FAR nonconformity, although they do not have a timeline for doing so.
- Waterous is a 16.67-acre property with one large building that greatly exceeds the minimum FAR requirement. According to Dakota County Tax Assessor Records, the property has an FAR of 0.27.

DIRECTION NEEDED

City Staff is looking to engage the City Council in a discussion about whether the rules for temporary storage containers and temporary structures in industrial areas could be retooled to reward businesses that meet the minimum FAR requirement and incentivize existing lawful nonconforming businesses to build new construction in order to meet the minimum FAR requirement. Specifically:

1. Should a business that meets the minimum FAR requirement, such as Waterous, be made eligible for an interim use permit for a temporary structure even if they have not fully planned out a project to build a permanent building? *Maybe this type of business would be eligible for a 5-year interim use permit?*
2. Should a “lawful nonconforming” business that does not meet the minimum FAR requirement, such as Bester Brothers, be made eligible for some type of interim use permit that would allow them to utilize temporary structures for a shorter amount of time? The approval could be conditioned upon the business developing a plan for a new building or a building addition that will bring the property into compliance with the minimum FAR requirement. *Maybe this type of business could qualify for a 2-year interim use permit which could not be extended unless they have applied for a development approval to construct a permanent building by the end of the 2-year period?*
3. Would the City Council ever want to consider a zoning rule change that would “legalize” storing materials in trailers or pods as a long-term business model for an industrial business that meets the minimum FAR requirement?

SOURCE OF FUNDS

NA

ATTACHMENTS

1. Aerial Photographs of Properties Being Discussed
2. Exterior Storage Ordinance

ATTACHMENT 1

AERIAL PHOTOGRAPHS OF PROPERTIES BEING DISCUSSED



WATEROUS (125 HARDMAN AVENUE SOUTH)



BESTER BROTHERS (260 HARDMAN AVENUE SOUTH)

ATTACHMENT 2
EXTERIOR STORAGE ORDINANCE

Sec. 118-240. Exterior storage.

- (a) No exterior storage is allowed on property used for residential purposes. In all zoning districts, all materials, equipment, and personal property shall be stored within a building or fully screened so as to not be visible from adjoining properties or public rights-of-way. Exterior storage is only allowed by a conditional use permit in the following zoning districts and must follow any applicable rules laid out in each district:
 - (1) I-1, Light Industrial district;
 - (2) GB, general business;
 - (3) I, industrial district;
 - (4) MMM, mixed markets and makers district; and
 - (5) CGMU, Concord Gateway mixed-use district.
- (b) In nonresidential districts, exterior storage of personal property may be permitted by conditional use permit, provided that any such property is so stored for purposes relating to a use of the property permitted by this Code and will not be contrary to the intent and purpose of this chapter. The city will determine, prior to the issuance of a conditional use permit, that the proposed use of land for exterior storage will conform to the following performance criteria:
 - (1) Outdoor storage items shall be placed within an enclosure approved by the zoning administrator.
 - (2) The enclosure shall be made of a material suitable to the building and the items to be stored.
 - (3) The enclosure and storage area shall not encroach into any established front building setback area or other required setbacks.
 - (4) The enclosure and storage area shall not interfere with any pedestrian or vehicular movement.
 - (5) The storage area shall not take up required parking spaces or landscaped areas.
 - (6) The surface of the storage area shall be approved by the city engineer.
 - (7) The proposed use conforms with the criteria for considering a conditional use permit set forth in section 118-40 of this Code.
 - (8) In general business districts, exterior storage, except car sales lots, shall be limited to an area not larger than 50 percent of the ground coverage of the principal building and shall not be located in a front yard nor abut a public street.
- (c) In all districts, all waste, refuse, or garbage shall be kept in an enclosed building or properly stored in a closed container designed for such purposes; except for one-family and two-family homes, said container shall be of a type as required in the C-1, business district (see subsection 118-126(f)). The owner of vacant land shall be responsible for keeping such land free of refuse and weeds.
- (d) In all zoning districts, the placement or parking of temporary storage buildings, containers, portable on-demand storage units ("pods"), and trailers in the street that are being used for storage, with an area larger than 60 square feet, is allowed only by a permit from the city. All permits are good for a period of no more than 14 days, with a maximum two permits allowed for an individual property in any calendar year. The use of semitrailers, flat bed containers, trailers, moving trucks, vans or other equipment used for permanent storage (storage of goods and materials over 14 days in a calendar year) is prohibited. For purposes of this section, "containers" shall not include refuse containers or dumpsters.
- (e) Storing or parking junk vehicles is prohibited. It is unlawful for any person to park, store or leave any junk vehicle, whether attended or not, upon any public or private property within the city, or for any reason, as an owner of or an occupant having control of private property within the city to permit the parking, storing or

leaving of any junk vehicle upon such private property, unless such junk vehicle is within an enclosed building or structure lawfully situated upon private property or is so parked, stored or left upon private property lawfully zoned and operated as a recycling operation.

- (f) Firewood shall not be stored in the front yard or yard abutting a public street right-of-way or nearer the front lot line than the principal building or less than five feet from a lot line. Firewood shall be neatly stacked on an impervious surface or be elevated at least four inches off the ground or kept enclosed, to help maintain it free of vermin at all times. Stacks shall not exceed six feet in height.
- (g) All solid waste material, debris, refuse, garbage, junk or similar material shall be kept within tightly closed containers designed for such purpose. The containers shall be stored within a building or dumpster enclosure, or otherwise screened from view between days of scheduled pickup; except for one-family or two-family residences for which containers may be stored within four feet the front line of the principal structure between days of scheduled pickup.
- (h) For any property used for residential purposes, no more than one fish house may be stored in a landscaped rear or side yard of a lot or a combination of contiguous lots in common ownership. Such storage is only allowed if the following conditions are met:
 - (1) The fish house is not permanently affixed to the ground in a manner that would prevent its removal;
 - (2) The fish house is not used for living, sleeping, or housekeeping purposes while it is being stored;
 - (3) The fish house is in good condition;
 - (4) The fish house is licensed to the property owner or occupant on which the fish house is stored;
 - (5) The fish house is limited in size to 150 square feet or less.

All landscaped areas used for such storage must comply with section 66-49 regarding weeds. For purposes of this section, "fish house" shall mean a structure that is set on the ice of state waters to provide shelter while taking fish by angling.

(Code 1992, § 1500.28, subd. 3; Ord. No. 1195, § 1, 9-4-2007; Ord. No. 1206, § 1, 7-7-2008; Ord. No. 1346, § 1, 5-20-2019; Ord. No. 1375, § 4, 3-1-2021; Ord. No. 1385, § 3, 11-1-2021; Ord. No. 1431, § 23, 2-3-2025)



WORK SESSION AGENDA REPORT

DATE: December 8, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.C.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Council Compensation Discussion

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Discussion of City Council and Mayor compensation, and provide staff with direction if a change is desired.

OVERVIEW

At a recent worksession, Council asked Staff to revisit the possibility of adjusting Mayor and Councilmember salaries in the near future. Currently, the Mayor receives annual compensation of \$12,500 (\$1,025/month) and each Council Member receives annual compensation of \$8,700 (\$725/month). The City Council most recently raised the compensation for Mayor and Council Members in January 2017, when the Mayor compensation was increased by about 20%, and Council by about 30%. A worksession discussion on this topic took place in 2023, and at that time there was some Council interest in establishing a "COLA" increase on a scheduled basis (some communities go every-other year) but ultimately no change was agreed upon or moved forward for consideration.

Staff has reviewed data made available through the League of Minnesota Cities related to Mayor/Council compensation and finds that the average compensation (based on available data for medium-sized communities like SSP) for Mayor is about \$1,050 per month and for Council members is about \$800 per month. Based on these data, the Mayor is about 2.5% below-average while the Council members are about 10% below average.

Minnesota Statutes Section §415.11 state that "the governing body of any... charter city... may by ordinance fix their own salaries as members of such governing body, and the salary of the chief elected executive officer... in such amount as they deem reasonable". The Statute goes on to state that "no change in salary shall take effect until after the next succeeding municipal election". Therefore, if the Council is interested in increasing compensation and/or establishing a "COLA" provision, an ordinance would need to be enacted sometime before November of 2026, and the salaries wouldn't be in effect until January 2027.

SOURCE OF FUNDS

General Fund

ATTACHMENTS

None



WORK SESSION AGENDA REPORT

DATE: December 8, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.D.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Councilmember Board and Commission Appointments

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Discuss council appointments for pending openings on SMFD and NDC4 Boards.

OVERVIEW

Pursuant to past practice and/or ordinance requirements, the City Council is to establish a liaison role with various City Boards, Commissions, and Joint Powers entities. The appointments are made by individual motions of the City Council unless more than one member of the City Council is interested in serving in a liaison role to a particular Board, Commission or Joint Powers entity. In this case, a ballot process is used to make that appointment.

Openings to be filled for 2026 are listed below:

- **South Metro Fire Department Board - Two Years.** South Metro Fire Department is a consolidated Joint Powers Entity created to provide fire protection services in the Cities of South St. Paul and West St. Paul. South Metro Fire is governed by a Board of Directors comprised of two members of each City Council - which are appointed by their respective City Councils - and one public member who is neither a resident nor employee of either City. Mayor Francis was most recently appointed in late 2023 for a 2-year term that will expire December 31, 2025.
- **Northern Dakota County Cable Communications Commission (NDC4) - Two Years.** The Northern Dakota County Cable Communications Commission is a municipal joint powers cooperative formed in 1982 by the cities of South St. Paul, Inver Grove Heights, Lilydale, Mendota Heights, Mendota, Sunfish Lake and West St. Paul. The commission provides consumer protection services for cable television subscribers and manages institutional programming, including city meetings, government programs, and educational programs on Channels 18, 19, and 20. Councilmember Kaliszewski was appointed to a two year-term in early 2024 that will expire December 31, 2025.

Staff is seeking discussion on this topic and direction as to whether to place these appointments on the December 15 Council Agenda, to avoid any "lapse" in appointments (although, we could

also place appointments on the January 5 meeting).

SOURCE OF FUNDS

N/A

ATTACHMENTS

None



WORK SESSION AGENDA REPORT

DATE: December 8, 2025
DEPARTMENT: City Administrator
PREPARED BY: Ryan Garcia
AGENDA ITEM NUMBER: 2.E.

MEETING TYPE

Regular Meeting

AGENDA ITEM

Supervisory Association Performance Pay Recommendations

ACTION TO BE CONSIDERED OR DESIRED OUTCOME

Discuss nominations for Performance Pay recognition per the Supervisory Association Collective Bargaining Agreement.

OVERVIEW

Section 13.2 of the Collective Bargaining Agreement with the Supervisory Association provides that individual members of the bargaining unit that exhibit performance that includes efforts or produces results that demonstrably exceed expectation are eligible for compensation in addition to their wage and salary schedule wages, upon recommendation of the City Administrator and "specific separate approval of the City Council on a case-by-case basis". I'll be presenting this year's recommendations at Monday's worksession. If supported, the recommendations will be presented for formal approval at the December 15 City Council Meeting.

SOURCE OF FUNDS

Performance Pay is unbudgeted and has historically been funded through end-of-year balance in the General Fund (and/or Enterprise, where applicable) contingency.

ATTACHMENTS

None