

GENERAL MINUTES
THE BOARD OF ZONING APPEALS
ROOM 330 – CITY HALL
SAINT PAUL, MINNESOTA
SEPTEMBER 30, 2024

BOARD MEMBERS PRESENT

Daniel Miller
Jerome Benner II
Chris Schweitzer
Megan Dayton
Brian Martinson
Marilyn Porter

STAFF PRESENT

David Eide DSI
Yaya Diatta DSI
Maxine Linston DSI
Samantha Juneau City Attorney

ABSENT BOARD MEMBERS: Robert Clarksen

APPROVAL OF MINUTES for SEPTEMBER 16, 2024

Moved By: Benner II / Second By: Martinson, Approved 5-0

APPROVAL OF RESOLUTIONS: None

Old Business: None

New Business

FILE #	NAME	MOVED	SECONDED	VOTE	ACTION
24-077333	781 Ohio Street – Thomas Dengler	Benner II	Dayton	6-0	Approved with condition
24-077286	287 6 TH Street East – GB Realty Acquisitions, LLC c/o McClay-Alton, PLLP - Brian D. Alton	Benner II	Schweitzer	4-2	Denied

Submitted by: Maxine Linston

Maxine Linston
Maxine Linston (Oct 29, 2024 08:50 CDT)

David Eide

David Eide

Approved by: Marilyn Porter, Secretary

Marilyn Porter
Marilyn Porter (Oct 28, 2024 21:14 CDT)

BOARD OF ZONING APPEALS HEARING MINUTES

THE BOARD OF ZONING APPEALS
ROOM 330 – CITY HALL
SAINT PAUL, MINNESOTA
SEPTEMBER 30, 2024

PRESENT: Members of Board of Zoning Appeals: Mr. Miller, Mr. Benner II, Ms. Dayton, Ms. Porter, Mr. Schweitzer, Mr. Martinson

Department of Safety and Inspections: Mr. Eide, Mr. Diatta, Ms. Linston

Legal: City Attorney- Samantha Juneau

ABSENT: Mr. Clarksen

The meeting was chaired by Daniel Miller and began at 3:00 p.m.

Mr. Miller- All right, good afternoon and welcome to the Board of Zoning Appeals. Our purpose is to review and decide upon requests for zoning code variances, administrative reviews, and requests to modify the home occupation requirements for handicapped individuals. If you intend to testify today, we ask you start your remarks by giving your name and address. Staff will first show slides of the site, a presentation of findings and discussion will follow. I will then call on the applicant, then those in favor and then those opposed. At that point the board may call back the applicant in case we have additional questions. We will then close the public portion of the hearing and the board will vote to approve or deny the request. The board's vote is final unless appealed to the city council within 10 days. We will take the cases in the order they appear on the agenda. A few words on speaker time. The board limits this to a total of 30 minutes for those speaking in favor and an equal 30 minutes for those speaking in opposition. Individual speakers are limited to three minutes each, please be mindful of this. If you have submitted a letter or email, a reminder that there's no need to read those documents as they are already part of the record. Please provide your key points without repeating ideas presented by previous speakers. Present today from the Department of Safety and Inspections are David Eide and Yaya Diatta. Our legal counsel is Samantha Juneau. Our secretary is Maxine Linston. My name is Daniel Miller, I'm chair of the board. Before moving on to our first order of business, I will ask the secretary to call role of those board members in attendance for today's hearing.

Ms. Linston- Schweitzer- (Here.) Miller- (Here.) Benner II- (Here.) Dayton- (Here.) Martinson- (Here.)

Board member Porter arrived after the minutes were voted upon.

Approval of Minutes for September 16, 2024

Mr. Miller- First order of business is the approval of the minutes from September 16, 2024. Is there a discussion or motion?

Mr. Benner II- Motion to approve the minutes.

Mr. Martinson- Second.

Mr. Miller- Roll call.

Ms. Linston- Schweitzer- (Yes.) Miller- (Yes.) Benner II- (Yes.) Dayton- (Yes.) Martinson- (Yes.)

Moved By: Benner II /Second By: Martinson

Approved 5-0

Old Business: None

New Business:

781 Ohio Street: Mr. Miller- The applicant is proposing to demolish an existing detached garage in the rear yard and construct a new one. The zoning code requires a setback of 3' from interior property lines; a 2' setback is proposed from the south property line, for a variance of 1'. Mr. Eide.

Mr. Eide- Thank you, chair Miller and board members. David Eide with the Department of Safety and Inspections. I have the property up on my screen. This is a 0.12 acre 42.88 foot by 120 foot lot on the west side of Ohio Street between Curtis and Winona Streets West. An alley adjoins the property to the West and provides vehicular access to the existing garage in the rear yard, which is right here. I put the section of the code 63.501 that outlines the setback from the interior side yard, which is 3 feet that the zoning code requires and I will bring up the applicant's site plan. A two foot setback is proposed, rather than three feet. You can see that they actually, this is the roof plan, so the line goes to where the actual wall is located versus the edge of the roof and then there's a large oak tree in the middle of the backyard and you can actually get a good look of that in street view. They must have driven down the alley, so I thought that would be helpful to show that. This is the tree in question. This is the existing garage. And the full plans are in your packet including the site plan, elevations, floor plan. It's supposed to be like a two-story garage, but it will meet the height limitations, so they'll have some storage up on top. So then I'll get into the findings, that the variance is in harmony with the general purposes and intent of the zoning code. The proposed garage, which replaces the existing older garage, would accommodate one vehicle and storage for the applicant. Provided that the proposed garage is constructed with gutters and downspouts to direct stormwater runoff way from adjacent properties, the requested variance aligns with the intent and purpose of the zoning code. So that finding was met. Regarding the comprehensive plan, LU-5 aims to encourage flexible building design, H1 encourages upkeep and maintenance of the aging housing stock. So, this new garage should be an improvement to the property, that finding was met. Regarding practical difficulties, there's a large oak tree in the middle of the rear yard. To save the tree, the applicant is proposing a 13-foot wide single car garage with the requested variance from the southern property line. The wall of the garage would be about three point four feet from the trunk of the tree compared to two point four feet. The location of the existing tree is the practical difficulty preventing this reasonable amenity without the requested variance. That finding was met. Regarding the plight of the owner, the tree is a circumstance unique to the property not created by the landowner. Regarding uses, a detached accessory garage is permitted in all residential zoning districts, that finding is met. Regarding the essential character, many of the surrounding homes surrounding the property have detached garages. Because the proposed attached garage would be replacing a similar one, in the same spot or I mean, a similar, in the similar location to the existing garage, it will not change the essential character. I was just going to try to pull up the elevations.

Correspondence- Staff did receive a letter from District 3 – West Side Community organizations in your packet, essentially stating that they did not receive a request from the applicant to support their request and didn't have enough time to complete the review process to make a recommendation either way. And I think that they sent that letter because the neighbor to the south contacted them and is concerned about the request. So they are basically stating that they're aware of the request, but they didn't have enough time to look at it either way, and then staff receive two letters from the property owners directly to the south at 789 Ohio Street, speaking against the request and then based upon findings one through six, staff recommend approval of the requested variance subject to the condition

that gutters and downspouts are installed to direct stormwater runoff away from neighboring properties. So, if you have any questions, I'm happy to respond.

Mr. Miller- Questions for staff? You said this was built essentially the same the same footprint, or?

Mr. Eide- Yeah. I mean the general same vicinity as the old garage. So if we look at the existing garage, it is in that corner, quite close to the property line. These lines aren't exact, but it's pretty close. The way it is right now, tucked between the tree and the south property line.

Mr. Benner II- David, can you go back to the street view? I just want to see how the close that tree is. Okay, thank you.

Mr. Miller- Any other questions for staff? If the applicant is present, you can step forward and state your name and address once seated. Yep.

Thomas Dengler- Thomas Dengler, 781 Ohio Street.

Mr. Miller- Anything you'd like to add to what David stated here?

Thomas Dengler- Basically, it's going back in the same footprint. The it's going to be a little bit taller and have a shed addition on the back, its right now, is it sits, the distance between that tree and the garage is probably like that. So I can't move any closer to the alley or else you wouldn't be able to turn into it and I can't. Kind of locked in, where it is.

Mr. Miller- And what is the overall width of the garage?

Thomas Dengler- 13 feet.

Mr. Miller- Anybody have questions for the applicant?

Benner II- Chair, it sounds like someone in the audience can't quite hear. Sir, would you be able to speak louder.

Thomas Dengler- Oh sorry. Yeah, it's basically the same size footprint, it's maybe 20 inches from that tree. And it's been in disrepair for a while, it's actually, the existing garage is, probably. I'm going to raise this slab by about a foot because the way the grade is on the on that section, it's, the neighboring property itself is probably maybe two and two feet higher. So I'm going to raise this slab. Right now, that the old existing wall is just buried in dirt.

Mr. Miller- My comment is, did you do these drawings yourself, or someone else?

Thomas Dengler- Yes, I did.

Mr. Miller- Is that something you do for work?

Thomas Dengler- I'm a carpenter and builder, pretty much my whole life, and four years of architecture school, just enough to keep me out of trouble. Sorry, I don't do CAD or anything, so that's all hardline.

Mr. Miller- So 13 feet wide is a pretty modest in size.

Thomas Dengler- Yeah, it's pretty, it's pretty much what's there right now.

Mr. Miller- Okay, not seeing any other questions. You can take a seat. If there are more questions were called back. Is there anyone here from the public to speak in favor of this variance request? Anyone want to speak in favor? Is there anyone here from the public to speak in opposition to this variance request?

Mr. Benner II- Quickly, for the applicant. Can you please sign the book, please? Thank you.

Mr. Miller- And then once you're seated, just go ahead and state your name and address. Only once you're seated just state your name and address.

Richard Herman- Richard Herman. My wife, Linda Herman.

Mr. Miller- And your address?

Richard Herman- It's 789 Ohio.

Mr. Miller- Okay. What would you like to share with us today?

Richard Herman- Well, I was just wondering is there any restrictions on the height for a building in the city of St. Paul.

Mr. Eide- Chair Miller and board members. The applicant is proposing to comply with the height limit, but I don't want to misspeak, so I'd have to look that up. 63.501, but yes, there is a limit and it's been increased. It used to be 15 but then the regulations changed.

Richard Herman- Fifteen, that's sixteen feet high, looks pretty high.

Mr. Eide- Chair Miller, board members. It is 18 feet for a gabled roof, for an accessory structure.

Mr. Miller- Okay? So 18 feet is the restriction. He was saying that it used to be 15, but then they changed it to 18.

Richard Herman- How high is this proposal now?

Mr. Eide- Chair Miller, it's measured from the average grade to the midpoint of the gable. So they're proposing 16 feet 10 inches.

Richard Herman- That's pretty tall. 16 feet 10 inches. Taller than that, that is only to half of the gable.

Mr. Eide- We measure to the midpoint of the gable.

Richard Herman- To the gable, the top of the game of the gable?

Mr. Eide- To the midpoint point of the gable.

Richard Herman- Okay.

Mr. Miller- Anything else?

Richard Herman- Yeah, we are the owners of the property at 789 in Ohio in Saint Paul since probably 1982. I have contacted the city numerous times regarding the existing, the dilapidated mice infested garage there at 781 Ohio, for approximately three years and haven't received any reply on this matter until just recently. I am in favor of having this garage removed, However, as you know, Thomas Dengler approached me about a year and a half ago on this for a variance but we have denied his request to give up one foot of the easement and we told him we are not interested in doing that. Furthermore, he has enough of his own property there to place his new garage from the zoning requirement that has been put in place. We don't understand why he can't put or place within the boundary lines of 40-foot lot there, subtracting six feet from each easement north and south. Perhaps the garage would fit better on the north side there. Furthermore, we have we have considerable amounts of damage from Thomas Dengler's diseased oak tree there. I talked to the arborist about a year and a half ago and he told me that the tree is diseased to the point where a grown man could climb down into the middle of the trunk, all the way to the ground, to the bottom of the tree, and it should be taken down before more damage is done by this tree in the future. It is also a known fact that people have been killed by trees falling on them. You know, I can personally remember a large oak tree in the front yard at 789 Ohio, this same address, that fell down in the northeast direction landing in the middle of Ohio Street. The tree was, injured, to my

knowledge, the tree was also hollow in the trunk. All the way up. The trunk of it. To my knowledge, fortunately, no one was injured from this tree falling. It landed out in the middle of Ohio street, but that may be, fortunately nobody was injured from the tree falling but that may not be the case when the tree falls in Thomas Dengler's backyard. I wouldn't want to see anybody get killed from that tree falling on someone. You know, I mean, eventually it's going to come down, if nobody takes it down. I don't want anyone hurt on my property or on Thomas's property, or any innocent bystander.

Mr. Miller- Well, one of the things that we are here to decide is, he's requesting to put this garage one foot closer to the property line. I know, does the city have any phone number to call when it comes to deciding on diseased trees, or, because that's definitely out of our area of expertise.

Richard Herman- Well, that's. I guess I have a right to my property.

Mr. Eide- Chair Miller and board members, they could dial 651.266.8989 and make a complaint. I'm not sure if that would go to the city forester, but I didn't see any complaints about this tree in the file when I checked.

Mr. Miller- Is there anything else you'd like to share with the board today?

Richard Herman- Pardon me, what did he say?

Mr. Eide- Anything else you want to share?

Richard Herman- Uh, no. Do you have anything else?

Mr. Miller- Ma'am, if you're going to speak, you'll have to come up to a microphone. Also, since we're being recorded, state your name and address.

Linda Herman- It's Linda Herman, and we own the property at 789 Ohio. The only thing we don't understand is why he can't use his own backyard; that he has to infringe on ours. We bought the property and are paying taxes on it. That's my main objective. Let him build on his own property, because I know the one who's renting from us too, if he buys the house down line, he don't want that either. So, I just.

Richard Herman- It is a hinderance for us.

Mr. Miller- Yeah, I just do want it to make sure that it's clear that he is building on his own property. It's just, it's supposed to be three feet away, is the standard, and he is asking for permission to build two feet away. And that's apparently where the garage is right now. So he's not going to build on your property.

Richard Herman- Well, if it's the 3-foot easement, it should be a three-foot easement.

Linda Herman- The law's the law.

Richard Herman- The law is the law.

Linda Herman- That is how they bought it.

Mr. Miller- Yes, this is subject to. That is the whole reason that this board exists is because you can request variances from these codes for specific reasons. Sometimes you're on an odd-shaped a lot or sometimes you have a tree that kind of pins you in. There can be lots of different reasons. That's why this body exists.

Richard Herman- He has enough of his own property to build on.

Linda Herman- You want me to sign the book also?

Mr. Miller- Yes. Does the board have any questions for the speakers here?

Mr. Benner II- Thank you, chair. I can see you having some concern about the tree, you know, when I look at the photos, it does look like the tree, some of the branches do go over the property line which I don't think is allowed via city code. I think all private trees and landscaping must be maintained on one's own property, so I don't know if that is something that the city would consider as a part of this application, that the tree be maintained solely on 781 Ohio and not encroaching over into your property, which could be a potential issue, but I'd have to see if the city and our legal counsel, is that is something we can consider as an amendment or as a condition as part of our variance? But I'll leave it up to the city staff to maybe question that.

Richard Herman- Well, we had our property damaged twice from that tree.

Mr. Benner II- Well, we'll see what we can do.

Mr. Miller- Yeah, trees do. You can plant a tree on a property line.

Mr. Benner II- They can they go over though?

Mr. Miller- Yeah.

Mr. Diatta- Chair and board members. We get those types of complaints but typically our legal will say is that is just an issue to resolve between two property owners. Typically, you can talk your neighbor and if they don't find an agreement, you can take it a legal route but it's really an issue between property owners. So the zoning code does not address any of that. For this variance, we're talking about the garage, a setback, which is typically 3 feet required. A condition that we would generally recommend would be that they drain onto their own property instead of the neighbor, sort of a mitigating condition.

Mr. Miller- Any other questions for the speakers here? I don't see any. Okay, you guys can go ahead and take a seat. Thank you for coming in. Okay. Is there anyone else here from the public to speak in opposition to this variance request? I'm not seeing any. If the applicant, if you would like to address any of those concerns, it's up to you.

Thomas Dengler- The only, I've had an arborist several times in the tree and we've taken a lot of the wind load off. They've given it a good haircut and I've had, they did testing on it to see how solid it is, and they seem to think that with this new haircut, the trees is fine for quite a while.

Mr. Miller- To me it seems like that's a bit of the point of why you're doing this, is to save that tree.

Thomas Dengler- Right. It's the only tree in the backyard and our only real source of shade back there.

Mr. Miller- If your application were to cut this tree down and to build as big of a garage as you possibly could as close to the property line as you possibly could, that would be considered probably differently than what is before us today.

Thomas Dengler- Right.

Mr. Miller- Any other questions for the applicants before I close the public portion? I do not see any. Go ahead and take a seat. I will close the public portion of the hearing and open this up for a motion or discussion or motion.

Mr. Benner II- I'd like to move approval based on staff's findings, including the condition that gutters and downspouts must be installed in order to divert water away from the neighbor's property.

Ms. Dayton- Second.

Mr. Miller- Moved and second. All right, roll call Ms. Linton.

Ms. Linton- Martinson- (Yes.) Porter- (Yes.) Schweitzer- (Yes.) Dayton- (Yes.) Benner II- (Yes.) Miller- (Yes.)

Mr. Miller- Your variance request has been approved and that decision is final unless appealed to the city council within 10 days.

Moved by: Benner II / Second by: Dayton

Approved with condition 6-0

287 6th Street East:

Chair Miller- 287 6th Street East. The applicant is proposing to convert a portion of the building into a rental storage facility. The zoning code states that rental storage facilities in the B5 central business district must be located within a mixed-use building and cannot exceed fifteen (15) percent of the gross floor area of the building. The applicant is proposing to convert eighty-five (85) percent of the gross floor area into rental storage, for a variance of seventy (70) percent. Mr. Eide.

Mr. Eide- Thank you, chair Miller and board members. David Eide again with the Department of Safety Inspections. I have the map up and then sometimes Streetview is helpful to see it, you might know what building this is. And this is a point seven three-acre property located on the north side of 6th Street East between Wall and Broadway Streets. A six-story brick building built in 1906-1907 as a warehouse for the John H Allen Company occupies northern portion of the parcel with two off-street parking facilities fronting Sixth Street to the south of the building. The surrounding land uses are: to the north, we have an auto convenience market zoned B5. To the east, right-of-way and outdoor sports entertainment zoned B-5, to the south, a commercial parking facility zoned B5 and to the west we have a structured commercial parking facility and mixed-use building zoned B5. I put the section of the code up in your packet regarding this use. It is a storage facility comma rental. So rental storage facility. And there is a condition in the B4/B5 zoning districts that the facility is located in a mixed-use building and cannot exceed 15% of the gross floor area of the building and not be located on the first floor or skyway level. So the applicant is proposing to convert the basement and the 2nd through the 6th floor of this building into self-storage, so that would exceed 15%, so it's 85% that's proposed and then I can get into the findings and they did submit the floor plans, so that's in your packet showing what spaces are proposed to be converted, but they do not need a variance of the first floor because that will remain permitted uses in the zoning district. So they submitted floor plans, and then a document showing the height of the windows inside. The windows are mounted, they're quite high in the wall. This is in the local, on the first page of your packet, this building is in the local and National Lowertown Historic District. So there'd be restrictions on changing the exterior facade of the building. So I think that's important to point out. All right, so to get into the findings. The first finding, that the variance is in harmony with the general purpose and intent of the zoning code. The intent of the B5 Central Business Service District is provide for wholesaling, restricted manufacturing, and other business uses which are needed in proximity to the central business district and require central location to permit servicing of the entire city. Conversion of the building to 85% rental storage conflicts with intent and purpose of the zoning code to encourage a compatible mix of land uses at densities that support transit that reflect the scale, character, and urban design of St. Paul's existing traditional neighborhoods. That finding was not met. Regarding the comprehensive plan. Policy LU-26 supports office and commercial development that takes advantage of downtown's position as this office center of the east metro that maximizes jobs, business, and tax base growth and meets the needs of a dynamic region. LU-25 encourages strengthening downtown as a residential neighborhood that provides services and amenities for people of all ages. The Saint Paul Downtown Development Strategy, which is an addendum to the comprehensive plan, states the new development will emphasize a mix of uses to animate and populate downtown streets throughout the day and night and states that existing spaces downtown will be flexible to accommodate changing needs such as surplus office space being converted to classrooms or conversion of commercial space to housing. Strategy 4.5 supports increasing the amount of life cycle housing downtown through conversions of existing vacant office buildings as appropriate. Strategy 4.11 encourages a mix of uses in new housing development. This building is located within the Lowertown neighborhood and the greater Lowertown Master Plan goal, 7.2 encourages continuing the renovation of buildings for housing and applicant is correct that the same plan

encourages investing in amenities that sustain values for all residents, and the rental storage component could be part of the proposed uses at the site, at 15 percent of the gross floor area. The comprehensive plan promotes job-creating and residential uses downtown. The zoning code permits 15% of the gross floor area to be rental storage as an amenity for tenants of the building and the neighborhood. Conversion up to 15% would ensure that the building remains mixed and would be consistent with the comprehensive plan. However, 85% would not. So that finding was not met. Regarding practical difficulties, the property owner states that high window placement on the exterior walls, lack of windows on the north façade, and deep floor plates in the building create difficulties in repurposing the building for residential or office uses. However, the building has been mixed-use for many years and the zoning code permits up to 15% of the gross floor area to be rental storage and the property owner can allocate the space with permitted uses that would create vibrancy and align with intent and purpose of the B5 zoning district. So that finding was not met. Regarding the plight. The plight is self-created. 15% could be utilized for rental storage and the remaining space for other permitted uses. So that finding was not met. Regarding uses. Rental storage is a permitted use in the B5 district and granting the variance would not permit an unallowed use. Regarding the essential character, the exterior of the building would remain unchanged, and any exterior modifications would require HPC approvals, so that finding was met.

Correspondence- Staff received a letter from District 17 – Capital River Council supporting the requested variance. That is in your packet. And then as of the date of the staff report, when we sent this out staff report, we had received three letters supporting the request and four letters opposed to the request. And then based upon findings one through four, staff recommend denial of the requested variance. If you have any questions, I'm happy to respond. And the applicant is here.

Mr. Benner II- David, you mentioned the property has been mixed-use for a number of years. Can you tell me when the last time was that this property was used in a mixed-use capacity?

Mr. Eide- Chair Miller, board member Benner. The C of O is existing that way. So I don't know. You know, property owners generally don't tell us if people are moving out, but our records show that it has a C of O, I think three residential units, according to this, it's like an office type occupancy.

Mr. Benner II- Okay we have nothing on record saying what the last use was.

Mr. Eide- Chair Miller, board member Benner. Generally office and mixed-use but mostly office.

Mr. Miller- Other questions for staff.

Mr. Benner II- Is the space currently vacant?

Mr. Eide- Chair Miller, board member Benner. I believe that it's partially occupied, and the applicant might be able to speak to that better.

Mr. Miller- Are there restrictions on any of those other categories in mixed use? Is there a percentage that's allowed for office, a percentage allowed for residential?

Mr. Eide- Chair Miller, for a mixed-use building in the B5 Zone, there would not be a certain percentage, but self storage would be 15%. But, you know, they could have the whole thing office in the B5 zone, or they could have 100% residential if they wanted. So one, technically, I think one residential unit would make it mixed-use.

Mr. Miller- Any other questions for staff? If the applicant is present, go ahead and step forward. Same rules for you guys, just state your name and address, business is fine, and do sign into that red book at some point.

Brian Alton- Okay, chair Miller and members of the board. My name is Brian Alton. My address is 951 Grand Avenue in Saint Paul. I represent the applicant here. They have a purchase agreement for the purchase of the building and we have

submitted this zoning variance application. I do have two representatives of Global here with me and also the building owner is here as well to testify. In addition, we have the broker for the building owner here who can testify as to rental of the building. I'm going to go over the specific findings with respect to the comprehensive plan chapter sections and so forth and then the representative of Global will give you some more information about the more factual aspects of it and some information about the business itself and how they operate. With respect to the findings that are in the staff report, we take exception to them. We think that the variance is in harmony with the general purposes and intent of the zoning code. The B5 area is intended to provide services. There's no mention that it is intended for housing. Section 66.417 says, "the Central Business Service District is intended to provide necessary services for the population area." In addition, the purposes of the zoning code set forth in section 60.103 provide that the purposes include to promote and protect the economic vitality, to engage in a compatible mix of land uses, to conserve and improve property values, and to provide for adequate reuse of non-conforming buildings. So those policies set forth in the purposes and intent of the zoning code also support the variance and show that it is in harmony with the purposes and intent. The second finding, the variance is considered with the comprehensive plan. The comprehensive plan does support use of the property for storage. The staff report mentions several, a couple of sections from the land use chapter of the 2040 Comp Plan policy LU-7 says that land use and zoning, there should be land use and zoning flexibility to respond to social, economic, technological, market, and environmental changes and conditions. We think that supports our application as well as LU-8 that there should be economically efficient resilient land use development. LU-22 continue to invest in downtown and provide a broad mix of uses, value. LU-25 continue to strengthen downtown as a residential neighborhood, but that provides services and amenities for people of all ages. Next, the staff report does mention the St. Paul Downtown Development strategy. I'm glad that staff brought that up because I was the co-chair of that committee. There are strategies in the St. Paul development strategy. Strategy 4.5 mentions increasing housing but with the qualifier that it be as appropriate. In this instance, use of this building as a housing would not be appropriate. Strategy 4.17 support opportunities for additional neighborhood serving retail and services in close proximity to housing. So reuse of this building, a majority, for a majority of storage would be a use that is consistent with that strategy. And finally, strategy 4.28 states that we should ensure that adequate provision of parking for new residents is provided. This building has very few parking spaces. If it were ever to be converted to residential, it would be, there would be no parking for any residents so and there's no way to build a parking ramp or anything like that. So, it's just wouldn't work. And then also another chapter of the comprehensive plan that is appropriate to look at is the Greater Lowertown Master Plan, summary strategy 3.1 says that we should prioritize building rehabilitation. Objective 7.3 says we should invest in many amenities that sustain values for all residents. One of the things that we believe that the storage use will do is provide an amenity for residents in downtown Saint Paul. We're looking to increase the number of people who live in downtown substantially over the next few years and we need to make sure that they do have an amenity that serves them. Objective 9.2 is to promote the reuse of existing building stock and goal 9.5 is to welcome and celebrate changes and investments in Lowertown. So, again, we believe that those things support the finding that it is consistent with the comp plan. And then, as to the practical difficulties, using up to 55% of the building for storage is a reasonable use that will provide an amenity for a growing residential population. You will hear about the practical aspects of this building, that it was built for grocery storage. It has high vacancy rate right now. There's little interest from new tenants. Limiting it, the storage to 15% would prevent it from being converted and prevent the adaptive reuse of the building. And it, the staff report mentions that a mixed-use building would create vibrancy. The problem is that there is no market for the current tenant mix there, there's a high vacancy rate, and again, you'll hear more about that. There are no other buildings in downtown that are similar to this. This was built for storage. Other buildings that could become vacant among the 1.6 million square feet or whatever it is, those buildings really aren't amenable to self-storage. They don't have the type of amenities that this building has. The high windows are actually a benefit to use of for this building as self storage. And then, finally, the plight of the landowner, we believe that the location, configuration of the building, and the existing market conditions do not support other uses are unique circumstances that are not created by the landowner. Thank you very much and I'll yield to representatives of Global.

Bernardo Simoes- Bernardo Simoes, 1190 Encinitas Boulevard, Encinitas California. Thank you, everyone for taking the time to listen to us, really appreciate that. I'll start with a short overview of the company and then talk a little bit about a few projects that we did all over US to give you an idea of what we can do here as well for Saint Paul in this specific location. So Global Storage Partners, let me get there. So Global Storage Partners started seventeen years ago, we started as an office and retail investment company. We transitioned the last 7 years into class A storage as a developer. And we've been doing this all over US, and I'll tell a little bit about it a little bit further. So we have three partners, Tucker, Carrie and Carl. We have a seasoned team with more than 200 years of experience doing this. And I think what sets us apart from all the other developers, self-storage developers, is how we develop these types of properties. So, underutilized functionally obsolete buildings into class A storage facilities that not only cater to the market demand, but also to the community. And you see that we work with a lot of communities all over the country to kind of gentrify the entire area of the building. To achieve this, as I said, we work, let me just move it forward. So we work with a lot of cities, GCs, retailers, civil engineers, local communities, and that allows us to bring a project that makes sense for the community. And yeah, so give you now case studies. This one here is in Memphis, Tennessee. It used to be a lower income area, a former Sears building. We converted the Sears building into a class A storage facility. We brought Starbucks, AutoZone, Guthrie's, and the county clinic is coming to this portion of the building. As you can see, it completely changed this corner here, and YMCA came after, as well, after we started development of this project. So we started bringing a lot of other businesses to the area and that is helping the community there. This one here, Cinnaminson, New Jersey. This is the cross from Philadelphia, former Acme building. We converted to an Extra Space Storage. We brought the Learning Center, Freddy's and we have this parcel here under contract with another retailer that is going to go here in the middle. And as you can see it was a functionally obsolete building, a lot of vandalism happening at the property, a lot of theft happening at the property, and we completely revamped the facility. We brought our storage with solar panels on the roof. Like I said, we built a learning center and kind of completely changed that piece of land there. Another example is Global Des Moines One, a former Menards building, again, I can show you what the condition of the building was back then. It was like this, and we completely renovated the building. Looks 100% better now. We brought an Olive Garden, Dollar Tree and Raising Cane's, and we kind of converting this portion here. We are talking with a grocery store, right now, to bring potentially grocery store to this portion of the building here. So as you can see, we have a lot of knowledge in this type of conversions. We have been doing this all over US, like I said, and if you talk with the with the city officials there, they know that we have been doing good, and they are very happy with what was done at the property. So, I'll let Tucker speak to our vision for the Saint Paul property.

Tucker Lewis- Thank you, Bernardo. Oh, my name is Tucker Lewis. I'm the chairman of Global Storage Partners. My address is 111 Haskell Island, Harpswell, Maine. Just to follow on. That's what information, I think. Again, I'll read it, what Bernardo said and thanking you all for your time here today, we really appreciate it. These projects don't get done without cooperation with the local government authorities. And so, we see this as a symbiotic relationship to try and get these types of projects, and we consider them transformative projects, done. We do have on our website. We've got a video of the Memphis project actually, that if you have an opportunity, you want to go see it at some point, gives you sort of a quick rundown of what we were able to do there. We are in the business of real estate transformation, actually, as Bernardo mentioned. We used to do other types of commercial projects and still do, to the extent we bring other types of ancillary real estate in these projects where, I now have a project in Jacksonville Florida. We are actually working on building an affordable housing project as part of the transformative project. The reason that we use self-storage as a basis for these projects goes back to the point that Bernardo made regarding parking, because self-storage requires very little parking, generally how a self-storage project works is you come there, you park in front when you're leasing a space, and then you bring your things in when you come in, and then you leave them there and then you don't come back very often. Some people come back more often than others, but you really don't need to have a field of parking. And so what's allowed us with these projects to really transform the buildings, transform these whole groups of buildings in many cases is we reutilize any parking already, and those types of projects where you have a big box retailer,

in Indianapolis right in the downtown area, we took a project that would have been a former post office and it turned into a county-run facility for very light convicts to stay when they were serving their sentence, and we transformed that into self storage. So we do all types of different projects and we are willing to take on unique projects. We are excited about this project. We think it's a very unique type of layout for us, but there's not a whole lot of parking in the building, which makes it very difficult for residential. Just as a bit of history. In my past life, and I've been in this business 35 or 40 years, I managed 5,000 apartment units across three different states. So I have a good understanding of how apartments work and what's needed to make apartments work. I also have a very good understanding of office, having developed nine different office buildings from ground up from about 1998 to 2006, one of which I still own, and that project does really, really well, it's about, 95 percent occupied consistently, and we've owned it through COVID. I've owned it for about 12 years now, and it, it's, the difference is, it's in the suburbs, it's got a very strong support mechanism of professionals, those types of tenants, and it's got windows that are down low so you can actually see out them and that makes a big difference in office buildings and that's one of the problems with this building. I've written a letter really regarding, I sort of addressed the first two points of staff's report, and the other points where staff doesn't believe we've met the considerations, I was going to let the owner Tom talk a little bit about his history in the building cause he can tell you more of what really is gone on. To Mr. Benner's point, it is a mixed-use building, there's some office tenants, there's a few residential in it, my understanding from Tom and the history of the building, it's never gotten over seventy percent full and during that period of time, a lot of it was actually self-storage. So the concept that the building, that Tom sort of put himself in this position. When Tom bought it, I believe it was used as warehousing still, the first point of my letter basically points to the, to the situation with warehousing in the building. And, and warehousing now has really come a long way since 100 years ago, when this type of facility was used in downtown areas for storage and light manufacturing, those types of things. Warehousing really now requires very large buildings that used to be the standard was 18-foot clear height in the building, you have a big building with 18 feet. Now you've, I'm sure you've all seen them, there are huge buildings with tons of bay doors and they are, 36 feet is sort of a minimum because everybody uses the airspace, the cube space to really be able to be an efficient distribution facility. Prologis is one of the largest companies in the world that does this, and they know how to do it. And that's really how distribution and warehousing works these days. This building wouldn't really be well-suited for the uses that are allowed such as storage and warehousing to a large scale because the traffic considerations you would have with large trucks coming in and out, and it just really from the standpoint of a modern-day warehousing or storage or manufacturing facility, it is essentially functionally obsolescent. So, that leaves you with what other types of uses could go in the building. Having a background in both residential and office, when we were first showed a picture of the building. I thought, hey that might make a good change of use for a creative office building, which is what the buildings I built were, we built them all out with 100 percent small tenants. The building that I own now in California, we've got I think 70 tenants and about fifty-six thousand feet. We're very well adapted to leasing that type of space. We built a whole platform back in the day around creative office space and how to lease that type of space. This building just really wouldn't work for office in my opinion and based on my experience, because the windows are five feet eight above, the windowsill is 5 feet eight above the floor and so you really, you get natural light in which, I think the intention of the windows were to bring natural light in without having to use a lot of electricity back in the day. But from a, from an office standpoint, and Tom can speak more to it. It's very difficult to lease that type of space. It's just doesn't really functionally work. And this is some of the same problem with residential, when we had the CRC meeting, one thought was, well, could you lift/raise the floors? We've seen that done, you raise up the floors. The problem is that the ceiling heights are about 9 feet. So, if you raise up the floors, you're basically, you're going to end up with a space that's about 6 feet, 7 feet, 6 foot 7 feet high which is really not in great demand from a residential standpoint. So I doubt that you would get a whole lot of leasing activity, it would be challenging to make it work, if you could make it work. Where the elevators meet the floor, if you raise the whole floor, you're going to have to have 30- to 35-foot-long ramps going up for ADA access off the elevators. So it would become a really complicated conversion into residential that would actually be functional and have some kind of demand. The other problem is the building of course is it's located right next to the freeway, right in the back of a gas

station. It's got very big bay depths and one side of the building has 10 very small windows in the top three floors and no windows on the bottom three floors. So from a physical plant standpoint, the building really doesn't work for a whole lot of things, and I know that the community would love to see more residential, we actually would love to see more residential. Office, the problem with office now is, as you all know, and probably have read is, it is completely changing, how it works. Hybrid office has really come into vogue, which is offices that people come in two or three days a week. So the demand for office just isn't there. One of the positives, of course, of turning this into self-storage is you now convert the building to something other than office or residential, meaning that the demand for other buildings for office and residential should be higher, theoretically, that can truly support those types of uses. As it relates to the, the idea of storage or manufacturing, one of the positives of self-storage, I've included in what was handed out today, a small packet on the business uses of self-storage and the types of businesses and how self-storage is functionally used. The National Storage Association did a report a while back that looked at business uses and self-storage and this is really even before internet got underway, and changing how business is done in particular. 30 percent, roughly, of self-storage users can be businesses and in a lot of different ways you wouldn't think about. One of the examples in Lowertown is, there's a lot of artists and, it is really promoted as an art community. The question becomes, well, the average size of an apartment in downtown St. Paul is about 725 square feet. That comes from apartments.com which comes from CoStar, of the largest real estate information companies in the world, essentially. So you've got very small apartments, it may be enough space for people to work, but if you're an artist and you're creating work and that is your business. If you're an artist, you need to sell your art to pay the bills. Where are you going to put art between gallery showings, between, you know, other types of events where you can sell your artwork? Self-Storage is a great place for that. This is indoor climate-controlled class A self-storage. It is not going to get hot in the summer. It's not going to get cold in the winter. It's very protected for those types of things that people need to put in them. Other types of businesses, in the report, you can see also use self-storage so it really becomes an amenity, not just for downtown residents, who have small apartments to begin with and need places for their own personal items. It also becomes a great place as an ancillary business storage solution for businesses that are in the downtown and surrounding areas or people that are doing business in downtown. Plumbers and electricians need to supply, or store their supplies while they're working on buildings, maybe part of the rehab of other buildings around downtown that need a place to put things. It's, self-storage becomes a great amenity and service for them. So we believe it's a good use for the building, a building that's very difficult because of its location, characteristics, and the physical plant, the layout of the building. First, self-storage, and we've looked at a lot of these buildings. We've converted, as I mentioned before, a lot of buildings, we've looked at a lot multi-story office buildings. The problem with all other multi-story office buildings is the load that you need to have on a building for self-storage is 125 pounds per square foot and office buildings is only 50 pounds per square foot. Residential is 40 pounds per square foot. So the likelihood of other buildings that don't have that 125 pound square foot load in downtown being converted to self-storage is pretty minimal because it's a tremendous cost to bring a load factor of 50 square, 50 pounds per square foot to 125 pounds, which is why this this particular building out of the buildings of downtown is ideal for this type of use. So we would look forward to any questions that you have. I think that's sort of ends my part of the presentation, I don't know if Tom should be part of this presentation.

Brian Alton- We'll let him go next.

Tucker Lewis- Okay, so that pretty much wraps up. If you have any questions, please let me know.

Mr. Miller- Questions for this group? Yes, Ms. Porter. Go ahead.

Ms. Porter- It may be in the literature, maybe I missed it. But is there a comparable permitted use in the downtown area? And I don't know if that's more for the applicant or for staff.

Brian Alton- Mr. Chairman, board member Porter. The B4 and B5 uses are permitted for warehousing and that sort of thing. But there's no storage use that's allowed. The first zoning classification that would allow 100% self-storage is I1.

Ms. Porter- So I noticed a lot of your development examples were more in the suburban area with more land. So again, just kind of thinking through the downtown area, just constraints, right? So we just, hence, my question about yeah storage.

Tucker Lewis- Yeah, I think there are definitely constraints, the biggest one being the buildings are generally mid-rise in downtown or small buildings that, you know, wouldn't accommodate self-storage without being torn down and that the challenge there is the one that I finished my discussion on which is the floor plate loads just don't allow it. So we generally go and have gone into areas where we can, we're doing a project in Milwaukee that, it's was an old industrial building, right outside, suburban area of downtown. The project in Jacksonville is a two-story JCPenney building. We actually do have to do some additional structural support on that second floor. But it's minimal, you know, going from a department store retail use to what we need on a big, you know, it's a 60,000 square foot floor plate to 20,000 feet doing it floor, after floor, after floor, trying to beef it up. I won't say it would be impossible but nearly impossible financially unprofitable

Bernardo Simoes- But we did that Indianapolis project which was downtown Indianapolis.

Tucker Lewis- Yeah, it was, it was five blocks from the downtown city center.

Mr. Schweitzer- Gentlemen, can you tell us if the purchase agreement that you mentioned earlier, is that agreement contingent on approval of this variance request?

Brian Alton- Yes.

Tucker Lewis- Yes, we can't see this being feasible for any other use and we've actually taken old office buildings and converted them. So we're open to looking at other uses and I mentioned initially, they said, well, maybe we can do some combination, but when I actually got into the building, I said, that's not going to happen in this building. I realized why they struggle with leasing it.

Mr. Schweitzer- Can you gentlemen, explain, I don't have an engineering or building design background. What about the thick flooring makes the building incompatible or difficult for residential use?

Tucker Lewis- The thick flooring, from a residential conversion standpoint. The problem is just, it's really a cost issue, because trying to convert you mean, the difference between self-storage, which has two bathrooms, likely on the second floor. In this case, if we have an office on the first floor, but a residential's got a bathroom and a kitchen at least one in every unit and sometimes two. So you're basically having to cut through thick concrete with pipes and figure out how to get stand pipes from, you know, all the way down the building for your sewage system, all over the place. So it would be horrifically expensive to do that. Obviously the four loads support residential because residential requires 40 pounds per square foot, so you could do, with the much residential, a much thinner concrete mass, but this was built originally for grocery warehousing. It was built as a warehouse building, which has those heavier floors floor loads and thicker concrete to support that.

Mr. Schweitzer- And, however, there are still at this time residential units in existence in the building. Is that correct?

Brian Alton- That's correct.

Mr. Schweitzer- How many units are in the building and what portion of the overall floor space of the building is already residential?

Brian Alton- We'll let the building owner answer that question, if you don't mind.

Mr. Schweitzer- Okay. I have a couple, with the chair's permission, I have a couple of questions about the Global Storage Partner's business model. You gentleman mentioned, was it 17 years you've been in business?

Tucker Lewis- Yeah, we started with my two partners in 2017, to do this division, to just do self-storage. Prior to that, we did do self-storage, one or two self-storage projects. But we also did a lot of other things, too. We converted office buildings. As an example, we took a retail center and completely converted that, a basically empty retail center. And we did that as retail. So we've sort of run the gamut of commercial residential, excuse me, commercial real estate. My 5,000 units of experience was back before I started the company, in the 1980s and 1990s.

Mr. Schweitzer- So would you say your primary revenue source is that of collecting rent and lease payments from tenants of the buildings you bought and developed, or would you say that most of your revenue as a company historically comes from reselling buildings for a profit after you've purchased them?

Tucker Lewis- We've sold most of the buildings that we've redone prior to self-storage. And that was generally, those particular projects were done as we call them, club deals. We just bring a couple of investors together. We partner up for a project and so the idea is to get in, create value for the project by doing what we do, and then exit the project. With self-storage, our objective really, is more to try and build a portfolio of self-storage with a longer term holding with cash flow coming in essentially, once we get them leased up. They do take a little while to lease up, because you are starting from zero tenants, and it takes anywhere from two to four years to get to stabilized occupancy. If you are, thinking about it that way, so it takes awhile, but we use, we don't actually do the property management. We use larger either Extra Space or Public Storage, one of the name brand management companies, the institutional management companies do the management. Our objective really is to get them converted, create value. Excess projects, we will sell those off as Bernardo mentioned, like, the Memphis one, for example, we had the open old 10,000-foot Sears Auto building on the corner that was, we sold it to another partner developer that developed a Starbucks and an AutoZone, so we'll sell off those pieces along the way with the intent to really kind to hold onto the core asset. This particular project, we think it's a great location. So we, and we see a lot of vibrancy in the downtown and a good future for the downtown. So we probably want to hold onto this project for longer, long as we can.

Mr. Schweitzer- So your main goal, you say you intend to hold onto the product, the property longer, but your main goal long term is to wait until the property accrues value and then sell the property at a profit. Is that correct?

Tucker Lewis- Yeah, either sell it individually or what we really would like to do is create a portfolio of these properties, maybe. And either sell them, or take them public, or sell at some point, or something along those lines. You know, as a real estate investor, you never really know what the long term is going to be. My office building, I've had since 2011 and we don't know what to do, what? You know, we don't know when we could sell it because we don't know what else, it's a great project. So I don't know why I would sell it, there's nothing else I could put in that thing could be better.

Mr. Schweitzer- So for this particular purchase, the project in Lowertown, if you for some reason should fail to achieve close to 100 percent occupancy on the rental self-storage units over a long period of time and yet were still able to sell the building at a significant mark up 10, 15, 20 years down the line, would you still consider this investment a successful investment for your company?

Tucker Lewis- I believe so, I mean the lease up. We generally actually lease ahead of our projections. Usually we give ourselves four to four and a half years to lease up a building. We're usually generally about three years it takes to lease them up. This property, there's not, there's not a huge amount of storage in the downtown area within this, this submarket. There's about three point seven per capita and generally across the country self-storage, you'll see about six to eight per capita, square feet per capita, of self-storage. So we just don't think that there'll be a whole lot of self-storage coming into the area, for one of the reasons, the difficulty of finding a building that works, essentially, I don't think that this, you know, to extent that 15% allowed in other buildings. I think a lot of cases developers may not opt to

put that in their building because, you know, the rents for residential are higher than the rents for self-storage. So I would think that they would try and maximize the use of the building where they're converting, or building new residential, and maybe the same goes for office. But this building, we just think it's got a great location. We think it's well located in the downtown area. We think it's sort of a buffer between the freeway noise and impact of that that kind of energy in the downtown area. So we just think it's a, it's a well located building. Bernardo the other day said, you know, this is one we probably want to keep for long as we can. I agree with him. Generally in the business, you know, ultimately in the real estate investment business, you're going to buy a property and eventually going to sell it. It's just, I think what you're asking is when, and there are so many circumstances that it's hard to really answer the question directly because we don't know if it takes seven years to lease it would we think about selling it with my and if we were struggling to pay the debt and that type of thing, we've been doing this a long time and we really look at it, all of the information related to demographics and the local population and who's in the area and before we even move forward on a project, we really want to be sure that it's going to be successful and it's in the right place at the right time. And we think this project is.

Mr. Schweitzer- In your materials, you cited a statistic about the typical density of self-storage in a given area. Can tell me what the source of that stat is please?

Tucker Lewis- CoStar I believe?

Bernardo Simoes- No, you can have the Self-Storage Association, they have the almanac is the book that they release every year, with all these stats, not only on business customers, but also storage per capita and everything there for you, if you download that report, you have all the information.

Mr. Schweitzer- Okay. Thank you, gentlemen, thank you, Mr. Chair.

Mr. Miller- Any other questions for this group of applicants?

Mr. Martinson- So, given the comment those previously noted about many of your other projects being in more suburban areas with large parking lots around them, thinking about self-storage facility that was built, a large facility over in Ward 4 on University and Pierce Butler Route. So that structure is set up such that it has a large through way through the entire building, it has garage doors on each end of the building, very clear how residents access or how tenants would access the space there. And similarly, I'm imagining that the more suburban places where you have lots of parking around that easy for people to bring in whatever they're going to store. It's not clear to me how, what, so how do you envision the storage space here being accessed and used?

Tucker Lewis- That's a really good question. Generally, it'll tell you, generally for self-storage, back to your point on suburban self-storage. Generally, what you have is a couple parking spaces in the front of the leasing office and then you've got space along the side of access points around the building, where people can take their things in and out through some kind of secured door, either a roll-up door, or glass door that opens automatically or whatever it is. And you actually don't have parking spaces there because people just pull their car up next to it and then unload whatever they have to unload and put on a cart and take it in. On this building, one of the other nice things about this building, because it was a warehousing facility before, it already has freight elevators on the interior of the building, there's also loading and unloading and a parking area within the building. So we envision how this is going to work is there's an existing dock on the front of the building and we would, we believe that normally what you'll see is people will use a U-Haul, if it's, you know, residents moving in or out of the area and needing to move a large accumulation of things or a business that's bringing in their initial, you know, to put their initial supply in, and after that, people normally access their storage unit with their car or their SUV. They're not going to be bringing a U-Haul back and forth to the storage facility every time they need something. So what we think is, and this project what will happen and what we will be designing the building for is, there's a dock I already that dock leads to that freight elevator down a hallway. So people

would pull the truck up on our property, on site, unload at that point, pull the truck away and then the truck would never come back until they eventually vacate the space. Any other access which would happen during their tenancy, there's a roll-up door on the side of the building off of Wall Street, they would enter that, drive into the interior of the building where there's parking spaces and we'll have unloading and loading spaces and the elevator is right there. They would just then take a cart, load it into the building. And then from the interior go to whatever floor their storage unit is on. Does that make sense?

Mr. Martinson- No, it doesn't to me because I don't see that this building fronts Wall Street and I don't see that there's a loading dock on the front that is on 6th. I'm kind of confused.

Bernardo Simoes- The loading dock is right here. Right now, this this is the loading dock right here.

Mr. Martinson- Ah, okay.

Tucker Lewis- And that door at the end of the loading dock goes down a hallway to the...

Bernardo Simoes- Let me show you how it goes, right here. So this is the door and then the elevators are right here. There is also another loading area here on the side, these doors here where you can enter and park the cars inside of the building that way. And this would be right here. So you get in here in and we have four parking spots right now in there that can be used during the winter time right here.

Tucker Lewis- So once somebody has brought things in and the initial essential filling of their storage unit from that loading dock in the outside. After that, you can pretty much count that they'll be coming to get things or take things on a much smaller scale, and they'll be coming in through that door and to the elevator because it's really the only practical way to do it. If you've got stuff, you don't want to be walking around town with a cartload of stuff. You want to get as close as you can to the elevator door. And actually, one of the things we look at in any building is, it's about 150 feet, 125 feet. Tenants really don't want to go much farther than that with a cart full of stuff. So we actually, when we buy bigger buildings that are single story buildings, we have to make sure that the distances aren't so big to any point in the building from the doors that the tenant can't get to their unit within 125 walking feet. It's all about convenience. And the nice thing about this building because of the freight elevator being in the middle of the building and the loading, ramping close to the elevators, as well as it's all very convenient for tenants, especially in winter when it's cold to be able to go inside the inside when you're loading or unloading your things. That's one of the one of the other pretty unique points about this building that makes it adaptable for self-storage where a lot of other buildings might not because they don't have the freight elevator, and they don't have side parking near that freight elevator.

Mr. Miller- Could you tell us a little bit about how the property management works? Is there a leasing office, is there staff at all? Does it have security, lighting, and that type of thing?

Tucker Lewis- Yeah, I'll turn it over to Bernardo on our operation side.

Bernardo Simoes- Yeah, we have a two on-site people between 9:00 and 6:00 p.m. every day, Monday to Sunday. So we're going to have cameras, add cameras to the building, which I don't think there is any cameras right now, access controls on every door and alarms on every door to get access. And then we're going to have on the elevators, freight elevators, we are going to have access controls there so people only can go to their floor, basically, that is how we are planning to do it.

Mr. Miller- Any other questions for these applicants?

Tucker Lewis- Do you want to have Tom speak? If that's okay, the building owner would like to speak.

Tom Erickson- My name is Tom Erickson. One of the owners of the building along with my wife, we have a partnership, the two of us, and I would like to answer questions. I'm sure you have questions from the history standpoint. I think that I am well positioned to answer questions in the history of the building because our family has a history of this building since 1946. My father bought the building right after the war in 1946. At that time, it was a warehouse and heavy manufacturing. By heavy manufacturing, it was, I remember growing up, it was, actually most all the printing companies in St. Paul were in that building and they were in that building because of the heavy floor loading and you could actually, these things, they had, they didn't have the computer, they had lead running through these machines, these line type machines and so on, they were monstrously heavy, so the freight elevators are able to lift all this lead up and down and all these heavy machines and that was also used for warehousing. And as it was mentioned, the warehousing in the 1970s and 80s migrated to the suburbs with real high ceilings with forklifts for vertical storage and that the popularity of the building went to a little bit dead and also the printing companies left the building, because, again, it was the whole printing industry in the way they printed things were not with these monstrous heavy machines, but they were done with lightweight things, and, of course now it's done with computers. So, we lost the tenant base of the building warehousing and printing companies. So in 1985, which was a boom time for offices, were going much better in downtown Saint Paul at that time than they are now. Their idea was to convert the building to office space or mixed used. We didn't have much of an idea for residential at that time because of the issues that were addressed by the person ahead of me here, with the floor thickness and ceiling heights, and so on, there's only, we've identified four different isolated spots in the building where it's practical to put in residence of which we live in one of them. And so my address is 287 East Sixth Street. We lived in that building for many years up in the top floor in a loft apartment. Very, very nice. But again, there aren't many locations like that throughout the entire building. Again, in 1985 we didn't even have a passenger elevator in the building. And so in 1985 we installed a passenger elevator and a lobby and tried to convert the building, and it was maybe a good idea at the time, but it didn't quite turn out that well. It has always been at a high vacancy rate compared to the rest of the office market downtown St. Paul, I think the tenants we do have, and I noticed some of them here in the audience who are, you know, concerned about what's going on. I don't blame them, because we live in the building and my wife Sandra is a very personable person and she gets along with everybody and it's, the tenants we have, it's a very unique atmosphere, probably unlike any place else because of the relationship that we, and particularly she has built up with all of the tenants, it's a kind of a homey place. And then, you know, that's kind of what I've heard mentioned. As its, this is more like going home than, but again, to draw people into this homey environment, when they have a showing to the building and they come in and they see these windows and they see other things that are a little bit negative compared to the competition, and they, to get them over that threshold of getting them actually into the building has been a problem. So we always had a vacancy problem because of the attitude of the building. Once we do have a tenant in there, they tend to stay for a long time. They like it. And I think that there are again, legitimate concerns that this very unique space of theirs is potentially going to go away. Since 1985, like I say, we've had difficulty with the building. The irony of the thing is that there's a 15% limit on space on storage in the building. I don't know when that restriction came in, but prior to 1985, for a period of time, it was near 100% storage, so I don't know if we're breaking the rules of the city at that time or there's a different set of rules that apply to it. And the 15% thing is news to us here in the last couple of months with the potential buyers running into this problem because, again, we've had difficulty renting it out as office space so we have been renting it out and using it as storage space all these years, so I think we've been well over 15 percent on an ongoing basis, not knowing we were breaking the law because that's kind of what seems to fit into that building, and so on. I really don't have much else to say. I'm sure some of you might have questions.

Mr. Miller- Questions for these applicants? I guess not at this time. Could you actually tell us what kind of is the makeup right now in terms of residential. What is being used currently?

Tom Erickson- Right currently? This is Jeff Houge, the real estate agent. He's been showing the building to prospective buyers, and he has these statistics much better at hand than I do. So, if you don't mind, Jeff, I think ,would give you a better answer, more accurate answer.

Mr. Miller- Just remember to state your name and address for the record.

Jeff Houge- Absolutely, I'm Jeff Houge with Wakota Commercial Advisors. We also, we office in the building at 286 East 6th Street. We have been working on the leasing of the property since two thousand eighteen. Six years now. and we had a little activity, pre-COVID a bit, in the building. Lowertown are unique tenants. I've been in the business 33 years, and I have worked on several buildings in Lowertown and it's a unique market. Lowertown are smaller, typically smaller, tenants. Transient. They come in. They start their business, they build their business, and if they can't expand where we're at, they'll move. It's the nature of Lowertown and, and it's worked. It's been, it's been a fun place to work, but I'm sorry. I didn't answer your question. Your question was, how much of the building right now is office? How much is, what is the breakdown of the mixed-use? I can't give you exact square footages, one of the things that has been a challenge with an older building is sometimes building plans are not as accurate as they could be, or they don't exist at all. And then, that's a lot of buildings, not just this building. We have in the building; we have three apartment buildings. As Tom mentioned, he lives in one, there's another one on the sixth floor at about 1,200 square feet. And there's another, an additional apartment on the third floor, which is roughly the same size as well, it's about 1,200 square feet. In addition, the entire first floor of the building is occupied by a company called Psoup. They're awesome. I would say they are quasi-industrial, they are designers, if you've seen petal pubs driving around town. I think they invented the pedal pub-pedal pub in in our building they have an entire first floor, so it has a real industrial feel on the first floor, they also occupy some of the lower level for some of their equipment. Then you go up to the 2nd through the 6th floor, in addition to the three apartments second through six. We've got a smattering of office tenants, we're about right now, I think the number we are about forty-eight, forty six percent occupied and only two of our tenants actually have leases that go beyond 2025. The other nature of Lowertown is, tenants like gross rents. So they like to know, what am I writing my check for each month. I don't care about a net lease where you get a base rent and expenses go up and down. In Lowertown, they like to know, every month I want to pay this this amount, but they also don't like, for the most part, signing long-term leases. The Erickson's have been very accommodating to that but also the same time when we are hitting a really tough time like we have over the last four years, when you don't have long-term lease leases, you run the risk that people vacate and they have. We've lost a lot of people to home, working from home. Or most recently, we've lost two tenants to, I think Woodbury, I think they both moved back out to Woodbury. So there's, I have a lot. I can answer any leasing questions or when the market of this building for sale, but I also want to just piggyback a little bit on the gentlemen that were here before us. Some of the other, you know, we were talking about the thickness of floors and it's hard to envision what that means. We have nine-inch concrete floors. This was the first considered the first fireproof building built in the State of Minnesota. So everything is concrete. Floors, ceilings, columns. If there's any wood in the building whatsoever, it's been added after the fact. So from a competition standpoint, if you're a tenant and you're looking for space in Lowertown, and you come to our building, it's a little echoey. There isn't a lot, as much of the brick and timber charm that you see in some of the other Lowertown buildings. I hope no prospective tenants are watching this right now. It's a good building, but it's not conducive, again, I've been, we've been working our butts off at trying to get this least up for many, many years and have. It's just not there. Just isn't a market for it right now. Um the other thing about residential conversion, and I'll than answer any leasing questions, the ideal building for leasing. I'm sorry, for converting to residential's 60 to 80 feet deep, then you can build a 25- to 30-foot-deep apartment, have a 10-foot hallway. And then another 25 to 30 foot apartment coming off the other side. So, 60 feet in depth is ideal. We're at 160 feet deep and are we don't have central, by the way, that that ideal layout of 30 x 30 and a 10-foot hallway down the middle means the stairwells and the elevators and any common restrooms would be in the center of the building, ours are not. They're off to the side. They're off to the side of the building that has no windows. One entire side of our

building doesn't have windows and you can't necessarily design around that with residential. They're going to want natural lighting. And do you by chance have that, I don't that slide where it shows the height of the windows, I saw a picture of it in there somewhere. There it is, and I apologize. I'm wearing the same clothes I had on when I took that picture, didn't realize it. Different pants. So that's me. I'm not tall guy, but you know, I'm five ten, that is what I tell my kids probably 5-9/8, but I moved out of the way. I get it, you don't want your employees staring out the window to see what's going on outside, but you also want them to see what's going on outside. If we hear anything going on our building, I have little step ladders that are at the windows that we can jump up and take a look down. That that's the biggest, one of the biggest challenges we've had with leasing this building. I had a 10,000-foot tenant right around the corner, relocated, was coming off in West Seventh Street. Looked our space, he walked in and said, no. Can't be no. Let's talk about this. He said, no, these windows. No, I can't do this to my employees. He moved to Eagan, and we've had, I've had 50 conversations like that over the years, I and we can't do. We can't do anything about it. So we have what we have, but they're, they're challenges. The sound is a challenge in the building. Tenant improvements are a challenge in the building. We can. We could build out space if you want. Any additional plumbing, it better be existing in the space because it costs a ton to knock through those nine-inch concrete floors to run plumbing through. The other challenge we have, and it's not, it's, it's a challenge to some, is that we're not skyway connected. A block away, is, the Gilbert building is the end of the Skyway. 413 Wacouta is the start of the skyway, the end of the Skyway, we're a block off, block and a half off, and some people just can't wrap their heads around that, and not making up excuses. Tom has heard all this before as an owner. I'm just trying to explain to you, stress to you that, it's hard as we're trying to get new tenants in the building. We've, we haven't over the last few years and one of the good indicators of the activity, and in our area of Lowertown is right across the street, is a giant surface lot. And in 2019, if you weren't in your, in, if you didn't find a spot by 8:00 in the morning, you weren't getting a spot across the street. And now that parking lot is at best, a third, full at any, on a busy day.

Mr. Miller- Anybody have any questions at this point?

Ms. Dayton- If we were to approve the variance request, would you continue living in the building?

Mr. Erickson- No, I'm 81 years old and I don't think people think I look it, but I am, and we're looking forward in any set of circumstances, we have a place up north and I think that's our goal and plan is to, I mean, regardless of whatever happens, and it's like I say, it's going to be a little bit difficult, we've lived there for a long time, like I say, we in particular, my wife have established relationships with tenants, but like I say, it's an unusual situation where you have a building and the building owner is so close with the, with the tenants, but no, I think, like I said, our plan is to go on and live the next stage of our life while we still have our health.

Ms. Dayton- And what would happen to the other residential units in the building?

Mr. Erickson- I don't know, that would be up to the, up to the, up to the buyers. I mean, whoever buys the building, whether it's, you know, in the they'll do what they want to do.

Jeff Houge- Well any, I'm sorry. I didn't mean to jump in. Any existing tenant that's in the building, they have every right to run through their lease. And like I said, we only have three that are, that go past next year. It is not even three, it is two. Two tenants that go past next year. One has two different spaces. But their leases, both leases end at the same time and the residential, Tom and Sandra are in one, and then the other two are month to month leases as well, or year to year, but in any, in any case, we're not moving tenants out of the building and they aren't, I should say, because the tenant has a lease. The lease is intact. Can't just move you out because they want to do something different with it.

Ms. Dayton- Thank you.

Mr. Miller- I have a question coming from a structural standpoint, as I'm looking at those floor plans. You gave me some sense of the depth of the building. Are each of those squares, are they representing a column, a post?

Jeff Houge- Yeah, the black dots. Yep.

Mr. Miller- And just to give me a general sense of space, about how far apart are those?

Jeff Houge- The, do you have that by chance? I'm sorry, I don't have the, I think 15 feet, and the columns are 24 inches. Roughly 15 feet apart. Less than 20 and the columns are huge.

Mr. Miller- And I'm picturing then, another beam of some sort correct. The concrete floor systems run up on top of that.

Jeff Houge- Yeah, and that's concrete as well. So you have the concrete beam, the concrete joist and then the concrete ceiling above it, which then is the concrete floor for above.

Mr. Erickson- Just kind of a side story on that, if I can add, we've had for one reason or another, various structural engineers that have gone into the building to figure out if they can do this or do that and so on and so forth. And they've all commented that this is the heaviest built building they've ever seen. And they believe, speculation is that being the first concrete building in the state of Minnesota that they really didn't know, what, how to design these things. What they did is they aired to the, to the generous side of rebar and concrete. We had some pictures in the building, showing the footings on this thing, and sometime, you know, if you ever are in the neighborhood, you could drop by and give me a call. It is fascinating, like we've got the pictures from the Saint Paul Historical Society, and its monstrous, these footings are probably about square almost the size of the area in here, and like that's all the way up to the roof and just it's just crazy how heavily built that thing is.

Jeff Houge- If there's ever a poor weather, come over to the Allen Building because that thing's not blowing over. Come on over. There you go. Fourteen feet eight inches between columns.

Mr. Miller- And then you said the ceilings were also a limiting factor. How much to the beam? I'm trying to get a sense of the space between floor to ceiling, floor to beam.

Jeff Houge- So, we're that space, floor, joist is about nine feet, little over nine feet and then floor to what would be the bottom side of the floor above, or your ceiling is right around ten and a half feet. I can't see even see with my cheaters on. It's not high, ten and a half to 11 feet for the, for the underside of the deck and nine-ish feet to the bottom of the joists.

Mr. Miller- Okay, I was just, from a construction background, trying to imagine how you lay up apartments out when you're limited to every 15 feet, having a big post.

Jeff Houge- And the demising walls, right. So, you have a demising wall going between two residents and you gotta, I mean I'm not I'm not handy at all, and I know it can be done, but to cut out around every joist that goes the opposite direction. Because they would most likely go in that direction.

Mr. Miller- Any other questions for these applicants? Not seeing any. Keep going forward. We may call you guys back out for more questions. Is there anyone else here from the public to speak in favor of this variance request? Step forward, same thing applies. Just state your name and address. Then sign in the red book.

Jon Fure- My name is John Fure. I live in St. Paul on 1752 Nebraska Avenue East and I work in downtown St. Paul for the Capital River Council, District 17. So we had two public. That address is 75 West Fifth Street, Landmark Center. We had two good public discussions about this and many of the questions that were raised were ones that we've already talked about. So I don't want to repeat everything but there was an understanding that economic considerations aren't the

only requirement for a variance. We talked about the practical difficulty and there was disagreement there. Some people have mentioned like the vibrancy. We talked a lot about that. Yeah, ideally there would be some more uses that generate more economic activity: residents, businesses, commercial. But as we've, I would say, a majority of the people that were involved in our discussions were persuaded that the building, the constraints that we've talked about, did meet the standard for practical difficulty. There were quite a few people too who felt like that the storage would be a benefit. I have gotten some complaints from residents, that they're, the storage in their buildings is relatively limited and not very secure. People have had some things stolen from them and so they thought that this would be a good option and in a location where it would be beneficial because there are quite a few people who live downtown who don't have cars. And so, you kind of talked about that a little bit like how would they access it, well, many of them would walk there or word gets around if somebody has a pickup that somebody can borrow or, so that's, I think, how I anticipate it would be used, but like I said, there was, there was disagreement but in general, they did feel that the practical difficulty was there.

Mr. Miller- Any questions for the speaker? Mr. Benner.

Mr. Benner II- So John, just to make sure that, we did have a letter saying that the board approved this. Is that, can you?

Jon Fure- Yeah. The board recommended approval. And again, there was disagreement, but they did feel that it was important to take a position even though there wasn't consensus. But the majority did feel like that this would be, that the variance should be approved.

Mr. Benner II- Thank you.

Mr. Miller- Is there anyone else here from the public to speak in favor of this variance request? Anyone to speak in favor? Is anyone here from the public to speak in opposition to this variance request? Just take turns. Same thing applies.

Bryan Kravis- My name is Bryan Kravis, 1743 Marshall Avenue and I've lived in St. Paul for over 20 years and I currently am a tenant in the building that's looking for the variance. We are an intellectual property law firm. The owner of the firm moved us there in 2013. And we were part of the first-floor group with pea soup in the expanded. And at the time of the pandemic, we also expanded and needed a bigger space, so we moved up to the fifth floor. The owner is right that there is a very unique dynamic in the building, and I would miss it if it went away. I don't want to speak against them too harshly because I, everyone should have a right to dispose of their own property in a way that they see fit. But like I said, it is unique building. I think there is some logistical issues that may not be raised about how their main tenant that I don't think, couldn't go away on the first floor, pea soup and their use of the hallway which would then bifurcate the entire business. But that's something if pea-soup wants to speak about that, but I guess for being a Lowertown, it's an interesting place to be. I love the building. We do have exposed bricks in our offices. The windows may be a concern to some people, but I have a view of the capitol and we get enough daylight, and that doesn't seem to be an issue for us. My, I guess the only thing I would like to say is that storage really doesn't seem to add jobs and getting rid of residents doesn't seem to add more people to Lowertown, which I know is a big goal of Saint Paul. Any questions about how we use it as an office? I know that seemed to be lacking there.

Mr. Benner II- Thank you chair. Thank you for your statement. So is it more so that you most likely have to vacate the space, is that in your main concern? I guess what.

Bryan Kravis- We really like the space, and we like the historic building and being in Lowertown. I don't think we're, I think we had one of the leases that's going longer, as far as I know, that we have a right to renew, and you might be, we'd want to be there for the next several years. And yeah, we do not want to vacate this. We like the energy that's in the building, okay.

Mr. Benner II- Thank you.

Mr. Miller- Sign in there. And then John, if you didn't get a chance to just you could always do it at the end too. And then is there anyone else here from the public to speak in opposition to this variance request?

Rhonda Smieja- Rhonda Smieja, and I live at 5298 St. Stephen Street in Mounds View. I've had a business in Lowertown since 1995. And first, I was in the building at 245 East Sixth Street but when that converted to condos, I looked all over downtown and found that the building that really fit us best was the Allen Building, and yes it has high windows but the light comes in so we're very happy with the space and you know that, like Tom was saying, we have a very unique crowd in there and it's 48 percent occupied and it seems to me that if you're going to make a variance, I mean, I could see having a variance of 40 percent or whatever higher percentage of space but to make everybody leave. I mean, even if it's you, I only have a month to month or a year, I think an option of a year on my lease, and I appreciated so much the building owners because they have been very flexible and I never felt like I needed to lock in a lease for a long term. And anyway, there's three main reasons that I'm opposed to this, and one is displacing, I think there's over 15 existing businesses and three residents in the building. I, just from the standpoint of, you know, St. Paul says, they want to have vibrant downtown and people and people coming and going. My business is a substance abuse treatment center and so we have, I don't know, 20 some people coming ,now we're doing some things, telehealth, but we have a lot of clients coming every week and so from that standpoint, I think we add value to the downtown. We serve a lot of clients from Ramsey County, and Ramsey County probation. And then from an environmental standpoint, you know, the building is a beautiful building. It's not a warehouse space right now, it's got a lot of really nice office spaces. It's got the three, I've seen two of the three residences and they're beautiful. You know, in the, I know they have in the last five years; they've put a lot of money into that building and to me just to tear everything down to put storage in doesn't make sense to me and from an environmental standpoint and I, you know, I feel like St. Paul. I would like Saint Paul to be welcoming to small businesses and to me, you know, first we lost all of our parking because of the stadium coming in, you know. So we've gone through a lot of difficulties staying downtown, but we've stayed for, like I said, I've been downtown since 1995 and in that building since 2005 when they first turned it into offices and, you know, I just think that this is one instance where maybe you could have a variance to allow storage on some of the floors and still keep some floors for the, for the public, I mean, for that businesses that are there. Sorry, I'm not so polished.

Mr. Miller- Any questions for our speaker here.

Rhonda Smieja- I think I wrote. We have wood floors. Beautiful wood floors.

Mr. Miller- Thanks for coming in. Did you sign into the red book? Just do that. And I'll ask the next person to come up, while you're doing that. If anyone else is here to speak in opposition to this variance request.

Russ Barrett- I'm Russ Barrett. We office at 287 East Sixth Street, Saint Paul, Minnesota, 55101. We've been in there for about 22 years. We've had a presence in the downtown area since 1982. We were in 245 East 6th Street for 20 years and when they shut that building down, they converted it all to condo space. And well, I had to move into this space, which was a great move, great building. And when we moved in, there was lot of nice tenants in there, much fuller than it is now, of course, COVID hit and then some things happened. But I think the building's really right for new businesses, small business to come in. It is right on the edge of the Lowertown area. So it's easy to get in and off. You know, you do not have to deep into the downtown area to office, they can office right there. So I think if it was marketed correctly, you know, it could be right for small businesses and we like small businesses because it brings community and but not just community, but they end up spending money in the Lowertown area and in the downtown area on food and whatnot, you know? And so we, it helps to enhance things that way and so the windows are never been a problem for us and all the tenants before, I've been in there for all the time that we've been in. Never heard a complaint about the windows, you know, and so I really appreciated, you know, the office space there. I have been in two different spaces.

Something else on my mind and I can't remember. I didn't bring notes, I didn't know what to expect, but I think it's a little blue sky to say that artists and others would come from St. Paul, a downtown area to store stuff there. You really don't know, you know, where the storage tenants would come from. They could be coming from Wisconsin, Chicago, anywhere. You don't know who's coming in or what they're storing. Legal or illegal, you just don't know, but we do know this, if you get more tenants in there, offices, small businesses, it'll make the, enhance the building quite a bit more. I've never had a problem with parking never and, you know, so I thought the 85 is a little strong. Yeah, if it was twenty thirty five thirty then there, I think could be doable and help the revenue for the new owner, you know. But I think it's really right for small businesses to come back in downtown right on the edge, you know, where it is? You come right there. Right off Sixth Street, you know right after I94 on Sixth street, it's right there. You don't have to go downtown deep. Yeah. So to lure a lot of small businesses back downtown, I think the Allen building is a great place to be, and it's a lot of fun.

Mr. Miller- Any questions for a speaker here? I don't see any. Thank you for coming down and contributing here.

Russ Barrett- You want me to sign here, right?

Mr. Miller- Yes, please. Is there anyone here from the public to speak in opposition to this variance request? Name and address.

Matthew Leyden- Hi, Matthew Leyden, I live at 1024 Laurel Avenue, but my business address is 287 East Sixth Street, Suite 160, 140, 151, and some number in the basement. I don't even remember. I'm the owner of Primordial Soup, the tenant who has pretty much the whole main floor, some of the basement. And first, I want to thank Tom and Sandra have been absolutely fantastic landlords. Our whole experience with them has been fantastic. And yeah, I do have some mixed feelings about whether someone has a right to sell their own building for what they can. But I'm just going to tell you my views. It appears that we are envisioned to remain a tenant and we certainly, until this point, I have nothing but the Allen building in our future. We have a long-term lease. I signed a lease as long as I thought I'd be working there, and I didn't want to hamstring the next owner of Primordial Soup. So we're good through 2030. Love the building. I think the idea that working in an office is dead is nonsense. Office work is dead in some sense. But if you have a company like mine where you have to be present to work expensive equipment, not just manufacturing equipment, but we have test equipment. We are a design firm. We have very professional jobs, but there's a lot of firms out there that have to be in the office to collaborate and produce things so office is not dead despite the fact that maybe the banks and the insurance companies, it is there, but there's plenty of hands-on work to be done. I am concerned that this limits the growth. We're virtually at the fifteen percent limit on what they have reserved for office space and our visions of growth was up. We have first floor, let's move to the second floor and the ability to grow into space that is affordable has really been a secret to our company's success and getting our feet on the ground. And again, I thank Tom and Sandra for that. I am concerned about the safety and security. If I'm sharing a building key fob with a thousand other people, I don't know how many different clients they would have. But that's a real concern. And I also just want to correct a little bit of that loading and unloading thing. If someone tries to get into that loading dock with a U-Haul trailer, we're out of business probably for about a half a day because that is not big enough for turning a trailer around, or something like that. And it's, currently, we're sharing, that's our commercial loading dock. We do have deliveries coming and going every day. I do not see how that's compatible with, I don't know how many visits they expect to get, but it must be dozens. They also pointed out the wrong door for the drive-in lot, that's a minor issue. The correct door was one door down, but they pointed at a door directly into our space when they were describing that, but minor problem. But this storage will essentially cut my company in two. And it currently is, but it's cut in two by a friendly atmosphere of other tenants who are friends of ours and so we don't worry about theft and things like that. So that's going to be a problem and I'm not sure if they end up doing the loading and unloading the way they described, that we can, we can stay there. That's all. That's all I have. Again, I'm torn on this one. Oh, I also wanted to make sure you knew, Tom and Sarah Sandra wanted

nothing more than for me to buy the building. And for many years I had aspirations of that, but I would say the decline of the downtown the last few years made me realize I couldn't do that and be a good engineer at the same time. It's possible to survive as a real estate, but you have to be an expert. So I declined. I was offered and I really really wanted to solve the problem that way.

Mr. Schweitzer- I just want to clarify one point. You say you've leased, your business is leasing and occupying the majority of the first-floor area. But there I want to make sure we're on the same page. The central corridor to which the applicants were referring to in terms of a truck access to the interior of the building, that is not something that you are a lessee or owner of.

Matthew Leyden- No, that's shared by all tenants.

Mr. Schweitzer- And currently your security perimeter with that space is probably pretty minimal on account of the atmosphere you spoke of?

Mr. Schweitzer- Yes, we have locked doors and security, but nothing like we would need in the event that there were a thousand strangers walking through there.

Mr. Schweitzer- Okay. Thank you.

Mr. Miller- Any questions for the speaker? Thank you for coming down. Is there anyone else here to speak in opposition to this variance request? Anyone to speak in opposition? Okay, not seeing any. At this point, we'll invite the applicants back up to address any concerns that have been voiced in the previous.

Brian Alton- Thank you, Mr. Chair, members of the board. Brian Alton. Tucker will make some responses and Bernardo may as well too. And then Jeff Houge will speak very briefly to the security, of past security of the building and as well as the difficulty in finding tenants to the building.

Tucker Lewis- I'll go first. And first, I want to say that. I am a huge proponent of small businesses. The nine office buildings I built catered to an average square foot of 1,200 square feet, including the one that I still own. They were all basically courtyard buildings. Two to three stories in suburban areas. All built around big, a doughnut around a courtyard so that the tenants have, they're all 40-foot-deep spaces with windows and windows out so the tenants had either windows to the outside of the building or into the courtyard area. In the courtyard we landscaped them very nicely and put in water features and things like that. So any particular building that I built, they were all between 55 to 90,000 square feet. They accommodate anywhere from 50 to probably 80 tenants including like executive suite tenants we'd have in some small parts of the building too. So we're, I'm very much in favor of small businesses. One of the probably mistakes we made was not spending more time talking to the tenants. You know, our intent is not to come in and just kick everybody out day one. We see this as a phased project, probably floor by floor, we'll have to see logically, logistically how it how it could happen. It actually works better for us that way. Because, as I mentioned, it takes long time to lease the space up, but we're okay with sort of phasing it and leasing space as we go. We showed a picture of our project in Des Moines. We actually built out the first climate-controlled area, which was 40,000 square feet of self-storage and a total of 100,000 were to build. We just are finishing construction on the next twenty thousand square feet and 20,000 square feet of, these are not climate controlled, they are outdoor access. So we're slowly phasing that one and that works for us. You know, the comments, the last comment on the first floor business. I don't even know that there couldn't be operating. We have no intent of ever kicking him out of the first floor. We'd have to obviously find some ways to work through the ingress and egress issues, but I think we could probably come to an accommodative solution that works. I didn't realize you had intended to take space on the other floors. The problem is, I mean, from a, from a business owner standpoint and I just would go back to where Tom has been very accommodating. It's very difficult to sort of hold space for somebody who may or may not take it at some point in the future, either near term or

long term. So there's, you try to be accommodating, but there's only so far you can go with making it work but we what, we can say, we will try and work with the existing tenants to let them stay in the building as long as we possibly can. And could we make accommodation for some of the tenants for longer term tenancy? I think that's possible, and we're pretty flexible. We are, we signed a lease with Tom to stay in the building for a couple of years so that he can transition out very slowly. We are generally pretty good to work with. We're businesspeople ourselves, as I mentioned, I've had lots of small tenant businesses over the years. We worked through issues through COVID where we let people get some free months or whatever we need to do to make it work, so that they could, their business could survive. And we're not intending to come in and be, you know, we're not a company that's a huge company. You're talking to the chairman at this zoning board meeting. So we try to work with everyone in the developments we do to make sure that we can try to achieve the best outcome possible for everybody. So I think that perhaps some of the tenants didn't realize the plan isn't just to come and sort of scrape the building and start over again. We're also very environmentally sensitive, which is why we do this in the first place, instead of coming and tearing down a building and building a brand-new building, we try to utilize as much of the existing building as we can so we don't keep filling up our landfills. So will there be some parts components of the building that will have to come out like carpets and things like that, of course, but they'll need to come out someday anyhow. I mean, carpets don't last forever. So, we try to be environmentally sensitive to how we do this, and we try to be as accommodating as possible, within reason, with existing tenants and buildings where we can. In the Des Moines project, we actually had Dollar Tree as a tenant in the existing building and we worked a deal where they moved out into their own pad building. So we had a good relationship with them to get that done. So I don't know if you have anything to add to that?

Bernardo Simoes- No, I don't think so.

Tucker Lewis- That would be my rebuttal.

Brian Alton- Thank you very much.

Mr. Martinson- I have questions, but I'm not sure if, where the right places, or to whom I should be directing it, quite honestly.

Mr. Miller- Why aren't you proceed with what you were going to tell us about and then we can obviously.

Jeff Houge- Okay, yeah. And I just wanted to just respond to the comment that office isn't dead. It's not dead. I mean there is still office leasing going on. It's just extremely challenging in downtowns, but what's happened is the suburban office owners have lowered their rates. They've come down, because they have vacancy as well. And when the suburbs come down in their rent, that competes with downtown rent. Business owners are saying, okay? If I go downtown, I have to subsidize my employee somehow with parking. I have. So, we're losing downtown, they're losing office tenants. It's not a secret, to suburban office buildings because of the sea of parking and the overall cost of running the business is cheaper because of the free parking. You know, in downtown St. Paul, and Lowertown there's, there is an abundance of vacancy. And what happens then as well, is if a tenant looking for a couple thousand square feet and they have a budget of \$2000 a month, they look around to see the different spaces that are available for that, for their budget, and their size requirement and as much as I love, I've been a tenant in the Allen Building for six years. I'm just I'm with you guys. It's good building. But we have been marketing the heck out of that property for six years and it's really, in the last 3-4 years fallen upon deaf ears. There just isn't hasn't been a lot of movement in our building. In fact, there have not been a lot of showings in our building recently and we all use the same tools to find tenants and I'm sending out blast emails to the brokerage community and business owners twice a month. I'm sorry, twice a month. It's going out to about 800 brokers and most tenants have a broker representing them, you don't go in, typically, without assistance or any type of advisory. So, we're marketing the heck out of the building. So I'm not saying office is dead but it's really, really, really challenging

right now. And we're in a building that's already 54% vacant. If there's any other leasing or market questions, I can answer them.

Mr. Miller- Any questions for this speaker specifically? I guess I don't see any.

Mr. Martinson- So I had a couple questions. So that so I'm curious about what the current HVAC configuration of the building as, and how that would be, how would that be changed to convert this into a primarily a climate-controlled storage facility? That seems like there would be potentially some quite expensive renovations that would have to happen inside the building as well as possibly with the heating and cooling system to make what you need for the expectations of people that are purchasing climate-controlled storage.

Brian Alton- Commissioner, board member Martinson. This is Brian Alton and I don't have the answer to that question. Bernardo does.

Bernardo Simoes- We are still looking into that. Our GC didn't come to the site yet to take a look at the building and see how we going to reconfigure that exactly. But we are keeping the cooling tower currently existing on the building and the idea was to use the city system for the heating of the building.

Mr. Martinson- District Energy?

Bernardo Simoes- Yeah. That was the idea. Even, we're trying to bring it to the building. It is not there yet. So we're trying to bring it to the building, even for the parking, we are thinking of putting a system in the parking lot so we don't have to snowplow so we just melt. We still didn't get the plans on that. We use Kiesel as our architect, they would have to come in and kind of a see what would be the best solution for further use for office and storage, how that would work.

Mr. Miller- Other questions. Yes, I have a question. I'm not sure who this would be addressed to. It seems to me, like, there's some sense of you'd be open to potentially having some office space, some other mixed-use type of space, maybe it's not residential apartments. But you've asked for 100% self-storage, you've asked us to approve 100% self-storage.

Bernardo Simoes- 85%.

Mr. Miller- Oh, the variance is for 70.

Brian Alton- Up to and again up to 85%. So, you know, it could be less.

Mr. Miller- I'm guessing there's some sort of numbers being run to make the business model work. You wouldn't be here otherwise. Is 85% leaving some office space or some, do you have some sort of general plan and maybe you're not there on day one, but maybe, you know what.

Brian Alton- Yeah, I think that the general plan is to, yes, it will remain a mixed-use building and that is the intention and the examples of previous projects that Global has done showed that they've got multiple tenants in their projects. So storage is not 100% for any of them. So, it's going to continue to be a mixed-use building and component of office, residential and, you know, manufacturing or whatever the current tenant is on the first floor, that sort of could and would continue. Uses that are permitted in a B5 district.

Bernardo Simoes- So, I mean, right now we have the basement as well. I think there is one tenant is actually occupying as an office. I think everyone else mostly is occupying as a storage from what I could see when I was in the building. So that one probably would have to be storage, for sure. We're not going to touch the first floor, and then I think the problem is, so we have to have access on the elevators and the tenants that we talked to, the office tenants, it is too

deep, so probably the best thing would be to use the deep part of the building. If, if we could, we didn't do that study yet. I think right now, our idea was, keep the tenants as long as they want. Move them to a floor that makes sense to them. And I again, I apologize that we didn't talk with the tenants before, we should, we should have talked with all them to see how we'd structure. We just wanted this variance to get approved and to see how can we move them around. Is it better by floor, or is better to concentrate it, like outside, so we still didn't think about it. But in my opinion, we'd probably do storage, full floor storage for security. Full floors for security to lock, so they will lock the full floors for storage and the office, then it will be on the other floors. Right now, I think the sixth floor and the fifth floor probably be ideal for that, for office, and then the larger floors maybe for storage, we would think. We would have to talk with the tenants and understand their positions on it.

Mr. Miller- So potentially, let's say hypothetically the code said you could do 50 percent just by right. Do you think you'd still be in here asking for a percentage more? Is that something that would just fail a business model at 50% self-storage?

Brian Alton- I think that's correct. Yes.

Mr. Miller- Any other questions for the speakers?

Mr. Martinson- So I guess it does strike me that it sounds as if the ground floor tenant will be lost. That's the, you have a business conflict with them. Your business model is in conflict with their business model and how they, how they need to make use of that loading dock and how your business model would make use of that. So that tenant will be, that's a long-term tenant currently. I've no idea who would replace that tenant on that first floor in a building like this, when the rest of it's going to be storage. Do you have any sense of who that new tenant is going to be? Because that long-term lease, sure sounds to me like it's going to go away if your business goes into this building.

Bernardo Simoes- We would have to talk with them and see how we can structure that loading area. Maybe you can make their space more secure on their sides. I mean, we're going to have cameras on that corridor, we are going to have cameras outside. We're going to have alarms and all that, and we try to work as much as we can with the tenants like we do in all of our projects. I mean someone that could replace. I mean, we have a bar right now. Maybe we can bring more retail. I mean, we did that in all of our projects, maybe that could be something that we could do. We would have to think that, we would like to keep the tenant if we could, so that will be our priority number one. If not, I think maybe retail if it does come back to the downtown area, that would probably be the most desirable for us, that we can activate that side of Lowertown, being so close to the stadium and all of that there.

Jeff Houge- Would it be ok if I chimed in real quick? The first floor is a little different than the rest of the building. The first floor has giant windows, much larger than the picture of me standing in front of the window. High ceilings, a great presence on both, on all six, certainly on 6th Street, on Broadway and Wall. It is a great corner. The first floor space is wonderful.

Mr. Miller- Because we're being recorded and he's in the back of the room, if you just kind of want to repeat what he said.

Jeff Houge- Sure, so he said there's good windows, nice windows on the Broadway, I'm sorry, you said on the 6th Street side. Sixth Street side of the building. Well, the first floor is different than the rest of the building in that it has much higher ceilings, it has a much more. Well, it's the main floor. So, it's a welcoming presence to the building and in my estimation, and I've been doing this for a while. I don't want to, I don't want to relocate them, I don't want them to go away but if we, if the space was vacant, Bernardo is correct. Due to its location and it's in, it's a nice presence to the building and with the ballpark across the street, and the wedding venue in the parking ramp next door. We think we could re-tenant that with something that's more of a hospitality type of use. Maybe some retail as well.

Mr. Martinson- I'm just trying to think what's going to draw that to Lowertown. I mean, we're losing Barrio. We're probably going to lose the Bulldog soon. These are hospitality venues that are shuttering because they don't have foot traffic to support them at this point. So, it's like, it feels a bit of a pipe dream to me to, I mean, I'd love to see it, right? I go to games at CHS field we're losing Saint Dinette, you know, places I love to go and spend money in Lowertown, they're going away. And so I, as much as I would love to see that. I'm not seeing a method of how we're going to get there from here.

Jeff Houge- Well, and if that space did become vacant. Right now I'm not marketing that space. It's occupied. But if I were to market that the way I would any vacant space, I would. I wouldn't just mark it at to hospitality or restaurants and bars. I would try to get an office use in there. It's a beautiful space on the first floor.

Brian Alton- But that does then support this notion that it is going to be very difficult, at least up the rest of the building for anything other than storage. And the storage is a reasonable use.

Mr. Miller- And I guess, I don't know if this is something that you need to answer, but I would think that this is probably working currently because of what is potentially owed or mortgage on the property if you sell and have a new owner with a mortgage, I don't imagine you could keep running the building the same way.

Brian Alton- That's probably correct.

Mr. Miller- Any other questions for the applicants? Okay, thanks.

Brian Alton- Thank you very much for your time and attention. We understand this has been a long afternoon. We appreciate your listening to us. Thank you very much.

Mr. Miller- Okay, I'll go ahead and close the public portion of the hearing and open this up for a discussion or a motion. Starting with, it's been a long day and I'm a little bit under some time constraints. I'm not sure how everybody else is feeling. If there is any, is going to go long, we may need to lay over, I guess, is what I'm saying. Any other discussion to start?

Ms. Porter- I am under those same time constraints.

Mr. Miller- And this is a big one, and I think it's worth not rushing also, just to throw that out there.

Ms. Porter- I also think, I think it was mentioned numerous times that the tenants, there were no discussions, prior discussions with the tenants and I think if we were to lay it over, I think that would provide that opportunity to have that discussion as well, and therefore we can make a better-informed decision.

Mr. Miller- Is there any other information anybody would like beyond what we've learned so far?

Ms. Porter- I would like to know what the current vacancy rate is in the downtown area. I keep hearing about residential/office and you know, I live in St. Paul. It's like a ghost town. So, I mean, would something like this, how would you even support that. Would it be a successful business model? You know, would storage be a successful business model knowing that the vacancy rate is X, right?

Mr. Benner II- I think board member Porter brings up a great point, you know, this business is based on people being near it, right, and to use it. The downtown is that a place of, you know, vacancy rates all over, residents are, you know there's not a huge residential market for downtown. We know that the mayor is trying to get office people back into the office to support the thriving downtown business. We know that's not happening, and so it's challenging to, on both sides to just give up a whole property to one particular type of use, where we do see this diverse group of business owners who have patronized this business and have been here for a number of years would like to be going away. And

who knows what the type of adaptive reuse that this could be once this gets converted to a storage unit. I think I'm going to present a motion to deny the variance. I think there have been. I think that the intent of that provision that we're here today to talk about is meant to preserve some compatibility between uses and asking for 85% is exceeding that. I think Mr. Alton is respectfully incorrect, saying it's reasonable, when this variance is considered to be so high. Maybe like we said, 20 to 30 maybe even half the building. But I think to say that 85% of this building is reasonable, is not correct. And so, for those reasons, I'll be recommending denial for this variance.

Mr. Schweitzer- Second.

Mr. Miller- Discussion before we put that to a vote?

Mr. Schweitzer- Mr. Chair, appreciate you not wanting to rush the decision, but I've heard what I need to hear and support Mr. Benner's motion because the proposal for a self-storage business, as explained by the applicants themselves, as I was questioning them, is not about introducing a viable business to the city, is not necessarily about providing service or enhancing the neighborhood. This is almost exclusively a real estate speculation. The self-storage facility is there to occupy space and generate whatever incidental revenue it may until the building appreciates enough until it can be resold at a reasonable profit for the, for the company. With that in mind, I want to say this proposal is, in light of the downtown's plans and the needs of the downtown community, a huge step in the wrong direction. Eliminating a number of viable businesses, relocating and evicting a number of long-term residents at a time when downtown needs more businesses and needs more people living in it.

Mr. Miller- Okay. And we've got a motion with the second on the floor and before roll call, just to reiterate that a vote of yes is to approve staff's recommendation to deny the variance request. Yeah. Okay, Maxine roll call.

Ms. Linston- Porter- (No.) Schweitzer- (Yes.) Martinson- (Yes.) Benner II- (Yes.) Dayton- (Yes.) Miller- (No.)

Mr. Miller- Now that has passed with a vote of 4-2 and receiving quorum, the variance request has been denied and that decision is final unless appealed to the city council within 10 days.

Moved by: Benner II / Second by: Schweitzer

Denied 4-2

Mr. Miller- With that, I am going to adjourn.

The meeting adjourned at 5:24 p.m.

Submitted by: Maxine Linston


Maxine Linston (Oct 29, 2024 08:50 CDT)

David Eide



Approved by: Marilyn Porter, Secretary


Marilyn Porter (Oct 28, 2024 21:14 CDT)