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MEMORANDUM

TO: PLANNING COMMISSION
FROM: KYRA CHAPMAN – PLANNER
SUBJECT: REQUEST FOR VARIANCE PERMIT #V2-2025 TO ALLOW 0’ SETBACKS, 76’ MINIMUM LOT WIDTH AND TO ALLOW A MAXIMUM LAND COVERAGE OF 63.7% FOR A LOT SPLIT IN THE I1-LIGHT INDUSTRIAL DISTRICT AT 100 2ND AVE SW, AS PROPOSED BY NEW PRAGUE MILL, LLC.
DATE: MARCH 14, 2025

Background

The New Prague Flouring Mill was first established in 1896 and was the main economic driver in the City, making New Prague a large manufacturer of farm produce for several years. However, in 2019 Miller Milling closed their business, later selling the property to current owners, New Prague Mill, LLC, who use the property largely for warehousing and commercial purposes. Businesses currently operating out of the facility include 2 If By Sea Tactical, Faith, Recovery & Music, and Fancy Bones Pet Salon & Boutique.

New Prague Mill, LLC intends to separate their property into two lots from north and south. The applicant intends to divide the southern portion of the building into one parcel (1.11 acres) from the northern/western building (4.72). When a platted property is being divided into two, staff administratively complete a minor subdivision. However, if the proposed new parcels do not meet the district’s bulk standards such as minimum lot area/width, setbacks, or maximum land coverage, a variance will be required first. The proposed new lots do not meet the I1-Light Industrial District’s minimum setbacks, minimum lot width and maximum land coverage by structure requirement. The applicant is requesting Parcel A to have 0’ setback from the west and north property lines and to allow a 63.7% maximum land coverage. The applicant is also requesting that Parcel B have a 76’ minimum lot width and 0’ setbacks on the east and south property lines.

Legal Description

Parcel 1:

Lots 1, 2, 3, and 4 in Block No. 4, in the Village (now City) of New Prague, Le Sueur County, Minnesota.

Parcel 2:

Lot 4, Block 26, Syndicate Addition to New Prague, Le Sueur County, Minnesota, together with that part of the North half of the Vacated alley lying West of the Southerly extension of the East line of said Lot 4.

Parcel 3:

Block 22 of “Beans Re-Arrangement of Block 22 and 23 Syndicate Addition to New Prague”.

Parcel 4: Block 23 of “Beans Re-Arrangement of Blocks 22 and 23 Syndicate Addition to New Prague”, together with the vacated alley and the North half of vacated “L” street as shown on said Plat.

Parcel 5:

Lots 1 and 2, Block 23-1/2, of “Beans Re-Arrangement of Blocks 22 and 23 Syndicate Addition to New Prague”, together with the South half of vacated “L” Street as shown on said Plat.

Parcel 6:

Commencing with the intersection of the County Road with the line of the right way of the M. & St. L. Ry. Co., on the East side of their track, thence running East 70 feet, thence South 356 feet to a point 75 feet East of the said right of way line, thence west 75 feet to said right of way, thence running North 356 feet to the point of beginning, being in the NW1/4 of NW1/4 of Sec. 3-112-23, Le Sueur County, Minnesota.

Parcel 7:

The tract of land lying and being in the County of Le Sueur and State of Minnesota, described as follows, to wit: Beginning at a point on the North line of Section Three (3), Township One Hundred Twelve (112) North, Range Twenty-three (23) West, said point being distant East, One Hundred Fifty (150) feet, measured along said section line from the original centerline of the Railways main track; thence Southwardly Four Hundred Nine and Five-Tenths (409.5) feet, to a point distant Easterly Sixty-Seven and Ninety-seven Hundredths (67.97) feet, measured at right angles thereto, from said centerline of main track, thence Northwardly, parallel with said centerline of main track, Three Hundred Seven and One-Tenth, (307.1) feet; thence eastwardly at right angles, Three and Six Tenths (3.6) feet; thence Northwardly about One Hundred (100) feet to a point on said Section line distant West Sixty-Nine and Seventy-Three Hundredths (69.73) feet from the point of beginning; thence East, upon and along said Section line Sixty-Nine and Seventy-three Hundredths (69.73) feet to the point of beginning.

Parcel 8:

That part of the NW1/4 NW1/4 of Section 3, Township 112 North, Range 23 West, City of New Prague, Le Sueur County, Minnesota, described as follows: Commencing at the intersection of the centerline of main track of the Union Pacific Railroad Company and the North line of Section 3; thence N. 90 degrees 00 minutes 00 seconds E. (assumed bearing) along the North line of Section 3, a distance of 150.00 feet; thence S. 07 degrees 06 minutes 51 seconds W., 409.64 feet to a point distant 67.97 feet Easterly of and measured at right angles from the centerline of said main track; thence N. 04 degrees 22 minutes 30 seconds W., parallel with the centerline of said main track, 307.10 feet; thence N. 85 degrees 37 minutes 30 seconds E., 3.60 feet; thence N. 00 degrees 28 minutes 52 seconds E., 67.01 feet to the Southerly right of way line of State Highway No. 19 (Main Street); thence N. 90 degrees 00 minutes 00 seconds W., along said right of way line, a distance of 27.32 feet to a point distant 50.00 feet Easterly of and measured at right angles to the centerline of said main track; thence S. 04 degrees 22 minutes 30 seconds E., parallel with the centerline of said main track, 464.37 feet; thence N. 07 degrees 06 minutes 51 seconds E., 90.22 feet to the point of beginning.

Neighborhood Conditions

North – Central Business District / Main Street and underutilized portions of the former mill building which are also zoned I-1 Light Industrial

South – I-1 Light Industrial Zoned properties and to the southeast are some residential dwellings separated by public roads from the subject site

East – Mach Lumber which is zoned I-1 Light Industrial and single-family homes further east

West – Union Pacific Railroad and beyond that is the B-3 Highway Commercial Zoning District and TH13/21.

Overall, the former mill property is very unique in that it is as very large lot that is unconventionally shaped. The property is located along Main Street W, which typically has smaller sized lots that are usually rectangular shaped. Furthermore, the property is surrounded by a mix of commercial and residential properties. It's especially unique in that it is an industrially zoned property along downtown Main Street, where existing commercial uses occur. In the 2045 Comprehensive Plan, the subject property is guided as "Downtown Flex" to fit the use of the greater downtown area. At this time, "Downtown Flex" does not have defined standards, but it's anticipated that commercial uses such as service and retail will be allowed in the district, while industrial uses likely would not.

Applicant's Statement

The applicant submitted the following statement on 3/9/2025:

We want to separate the block building from the rest of the property for a couple reasons. The block building has been rented out to three long term tenants. We are able to finance this portion of the building, and insure it. This will result in considerable financial savings for the rest of the property. These funds can be used to propel forward the renovation of the remaining property. Also, its possible that this could be sold off. We have had a couple of offers, but have not come to terms at this point.

Bill Gibson
The New Prague Mill, LLC

Lot Size

The entire New Prague Mill property is roughly 253,955 sq ft (5.83 acres) in total. If the variance request is approved, the applicant intends to split the property into two. Parcel A would amass 1.11 acres (48,650 sq ft) and consist of the southern portion of the building and include 2 If By Sea Tactical. Parcel B would consist of the track canopy and the northern portion of the building, amassing 4.72 acres (205,305 sq ft). Parcel B would include Faith, Recovery & Music and Fancy Bones Pet Salon & Boutique. In the I1-Light Industrial District, the parcel must have a minimum lot area of 40,000 sq ft. The two proposed parcels would mee this minimum lot area requirement.

Zoning

The applicant, New Prague Mill, LLC, intends to divide their property into two lots. When platted properties are being divided into two lots, staff would administratively complete a minor subdivision. Variances are required if the two new proposed lots do not meet their zoning district's bulk standards such as the minimum lot area, minimum lot width, setbacks (front, side, rear, alley), and maximum land

coverage by structure. The property is zoned I1-Light Industrial District, therefore, must meet its district bulk standards found in section 611 (7) in the Zoning Ordinance:

611 I1-Light Industrial District

- A. Minimum Lot Area: 40,000 square feet
- B. Minimum Lot Width: 150 feet
- C. Minimum Front Yard Setback: 40 feet
- D. Minimum Side Yard Setback: 15 feet
- E. Minimum Rear Yard Setback: 25 feet (50' when abutting a residential district)
- F. Minimum Alley Setback: 10 feet
- G. Maximum Height: 50 feet
- H. Maximum Land Coverage by Structures: 40 percent

The proposed lot split does not meet the I1 Light Industrial District's setbacks and maximum land coverage by structure requirement. Parcel A is not meeting the 25' rear setback (west) and 15' side setback (north) and has a 63.7% maximum land coverage by structure instead of the maximum allowed 40%. Parcel B is not meeting the 40' front (south/east), and 150' minimum lot width (along the platted 2nd Street SW gravel roadway on the SE corner of the site).

The applicant is requesting that Parcel A have a 0' setback on north and west property line and a maximum land coverage of 63.7%. The applicant would also like Parcel B to have a 0' setback on the south and east property lines and 76' minimum lot width. A variance is required before a minor subdivision can be complete, because the proposed lots are not meeting the I1-Light Industrial District's bulk standards.

North and east of the subject site, there are properties zoned as B-1 Central Business District. In the B-1 Central Business District, there is no lot size/width, setbacks or maximum land coverage requirements. The Future Land Use Map in the Comprehensive Plan has this property guided as "downtown flex". At this time, the bulk standards have not been determined or rezoned but it would likely have similar requirements as the B-1 District.

Parking

The applicant will need a dedicated access agreement and shared parking agreement. Once complete, it must be filed with Le Sueur County. The parking lots at the site still must meet Section 717 of the Zoning Ordinance and parking lot plan in C5-2023 and V4-2023.

Public Works /Utilities / Engineering Comments

Utilities General Manager Bruce Reimers stated that there must be access to the shared domestic water service and the fire protection system on how it is shared throughout the entire complex. Public Works Director Matt Rynda did not have any comments on the subject.

City Engineer Chris Knutson did not provide any comment on the subject.

Police Chief Comments

Police Chief Tim Applen did not provide any comment at the time of this report.

Building Official Comments

Building Official Scott Sasse provided the following information:

Per Code section MNBC 2020 706.1.1 exception 2 says a fire walls are not necessary when dividing a building for ownership purposes. Each owner will have to sign a dedicated access easement agreement that states clearly the defined usages and access for each side. This shall be reviewed by the City of New Prague and then filed at the County's property records for each property before the property line will be assumed. This exception does take both properties into account when an addition might be proposed to either side of the ownership division line. Meaning, if either side wanted to add on they would not be able to discount the building area on the other side of the ownership property line. The building area, height and stories will all still be added together when looking at maximum allowable areas. So assuming that the building currently fits within the buildings allowable area, height and stories this could a code path for their architect to use for code compliance.

706.1.1 Party walls.

Any wall located on a *lot line* between adjacent buildings, which is used or adapted for joint service between the two buildings, shall be constructed as a *fire wall* in accordance with Section 706. Party walls shall be constructed without openings and shall create separate buildings.

Exceptions:

1. Openings in a party wall separating an *anchor building* and a mall shall be in accordance with Section 402.4.2.2.1.
2. *Fire walls* are not required on lot lines dividing a building for ownership purposes where the aggregate height and area of the portions of the building located on both sides of the lot line do not exceed the maximum height and area requirements of this code. For the code official's review and approval, he or she shall be provided with copies of dedicated access easements and contractual agreements that permit the owners of portions of the building located on either side of the lot line access to the other side for purposes of maintaining fire and life safety systems necessary for the operation of the building.

Criteria for Granting Variance – Section 507

The Zoning Ordinance defines a variance as follows: A modification or variation of the provisions of this Ordinance where it is determined that by reason of unique circumstances relating to a specific lot, that strict application of the Ordinance would cause practical difficulties. Practical difficulties is a legal standard set forth in law that cities must apply when considering applications for variances. To constitute practical difficulties, all three factors of the test must be satisfied, which are reasonableness, uniqueness and essential character. The Zoning Ordinance's criteria addresses these standards.

The Zoning Ordinance identifies criteria for granting variances as noted below. These items must be evaluated by the Planning Commission and City Council when considering variance requests. It is important to note that variances should only be granted in situations of practical difficulties. A variance may be granted only in the event that all of

the circumstances below exist. Staff has evaluated the established criteria for this specific request. Staff's comments are highlighted in yellow below:

- A. The variance is in harmony with the general purposes and intent of this Ordinance. (The requested variance is in harmony with the general purposes and intent of this Ordinance because industrial and commercial uses are allowed in the I-1 Light Industrial Zoning District.)
- B. The variance is consistent with the comprehensive plan. (The requested variance is consistent with the comprehensive plan because minor subdivisions are consistent with land use goals in the comprehensive plan.)
- C. The applicant proposes to use the property in a reasonable manner not permitted by this Ordinance, the City Code or the City Subdivision Ordinance. (The applicant will continue to use the property in a reasonable manner in that the variances are only needed to facilitate a minor subdivision.)
- D. Unique circumstances apply to the property which do not apply generally to other properties in the same zone or vicinity and result from lot size or shape, topography or other circumstances over which the owner of the property since enactment of this Ordinance has had no control. The unique circumstances do not result from the actions of the applicant. (Unique circumstances apply to this property over which the applicant had no control and which do not generally apply to other properties in the same zoning district because the subject property is very large and unconventionally shaped and surrounded by a variety of different zoning districts and is also only necessary as the property is currently zoned I-1 Light Industrial District which has more strict bulk requirements than the guided zoning of the property as downtown flex which will more closely resemble the existing B-1 Central Business District zoning which does not have setbacks, minimum lot size/width, or maximum building coverage requirements.)
- E. The variance does not alter the essential character of the neighborhood. (The variance does not alter the essential character of the neighborhood because there are no physical changes being proposed but rather a minor subdivision.)
- F. That the variance requested is the minimum variance which would alleviate the practical difficulties. Economic conditions alone do not constitute practical difficulties. (The variance requested is the minimum variance which would alleviate the practical difficulties because it would allow a portion of the property to be sold or the lot split would make it easier to finance and insure.)
- G. The Board of Adjustment may impose such conditions upon the premises benefited by a variance as may be necessary to comply with the standards established by this Ordinance, or to reduce or minimize the effect of such variance upon other properties in the neighborhood, and to better carry out the intent of the variance. The condition must be directly related to and must bear a rough proportionality to the impact created by the variance. No variance shall permit a lower degree of flood protection than the

Regulatory Flood Protection Elevation for the particular area or permit standards lower than those required by federal, state or local law. (A dedicated access easement agreement and shared parking agreement must be made, clearly defining the usages and access as well access to the shared domestic water service and fire protection system.)

Staff Recommendation

Staff recommends approval of Variance #V2-2025 to allow reduced access to allow 0' setback on Parcel A's north and west property line, and 63.7% maximum land coverage as well as a variance for Parcel B to have a 0' setback on the south and east property lines and a minimum lot width of 76' at 100 2nd Ave SW, as proposed by New Prague Mill, LLC, with the following findings for the variance:

- A. The requested variance is in harmony with the general purposes and intent of this Ordinance because industrial and commercial uses are allowed in the I-1 Light Industrial Zoning District.
- B. The requested variance is consistent with the comprehensive plan because minor subdivisions are consistent with land use goals in the comprehensive plan.
- C. The applicant will continue to use the property in a reasonable manner in that the variances are only needed to facilitate a minor subdivision.
- D. Unique circumstances apply to this property over which the applicant had no control and which do not generally apply to other properties in the same zoning district because the subject property is very large and unconventionally shaped and surrounded by a variety of different zoning districts and is also only necessary as the property is currently zoned I-1 Light Industrial which has more strict bulk requirements than the guided zoning of the property as downtown flex which will more closely resemble the existing B-1 Central Business District zoning which does not have setbacks, minimum lot size/width, or maximum building coverage requirements.
- E. The variance does not alter the essential character of the neighborhood because there are no physical changes being proposed but rather a minor subdivision.
- F. The variance requested is the minimum variance which would alleviate the practical difficulties because it would allow a portion of the property to be sold or the lot split would make it easier to finance and insure.
- G. A dedicated access easement agreement and shared parking agreement must be made, clearly defining the usages and access as well access to the shared domestic water service and fire protection system.

And with the following conditions:

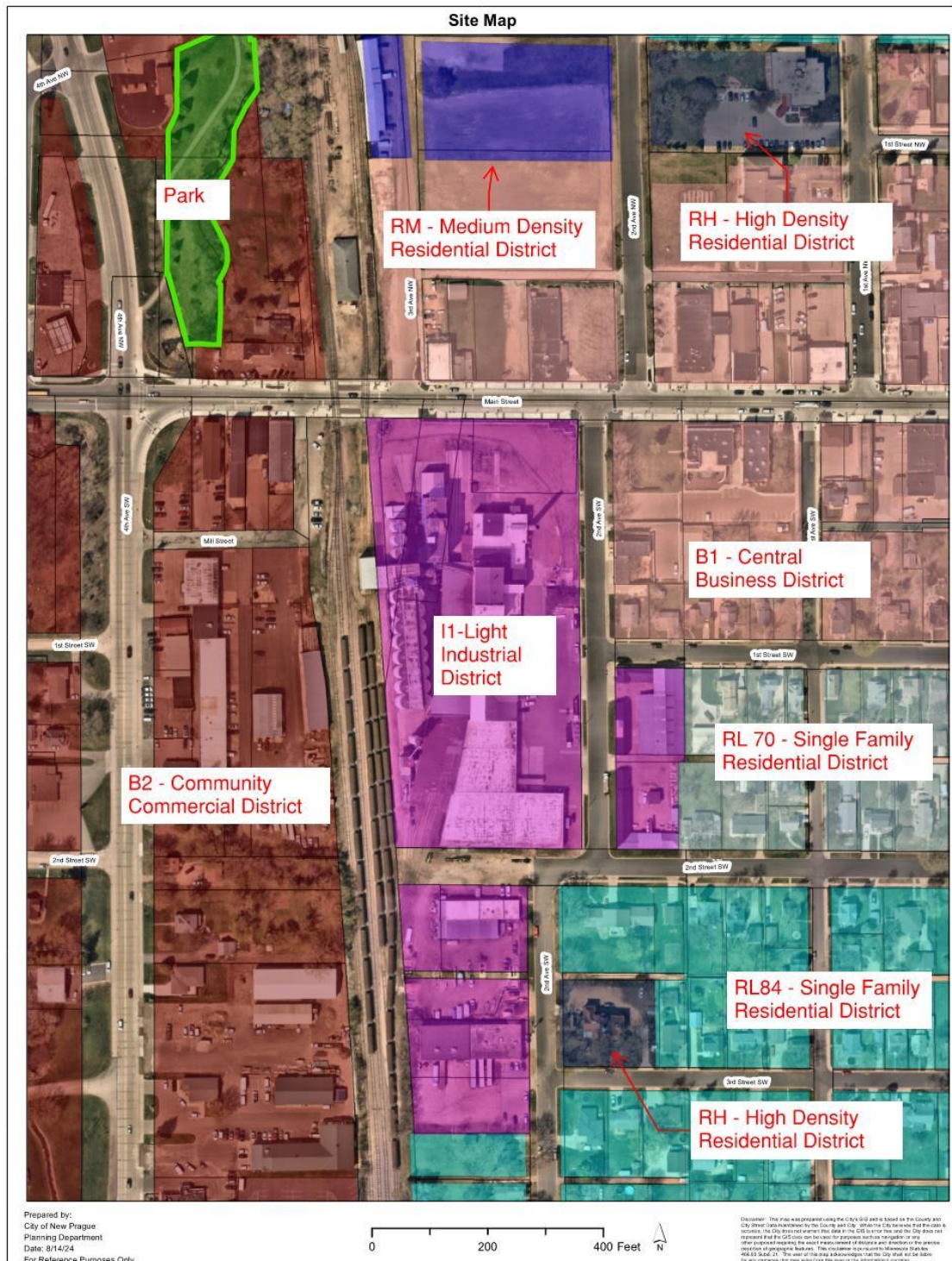
- 1. A dedicated access easement agreement and shared parking agreement must be made, clearly defining the usages and access as well as access to the shared domestic water service and fire protection system and filed with Le Sueur County.

Attachments

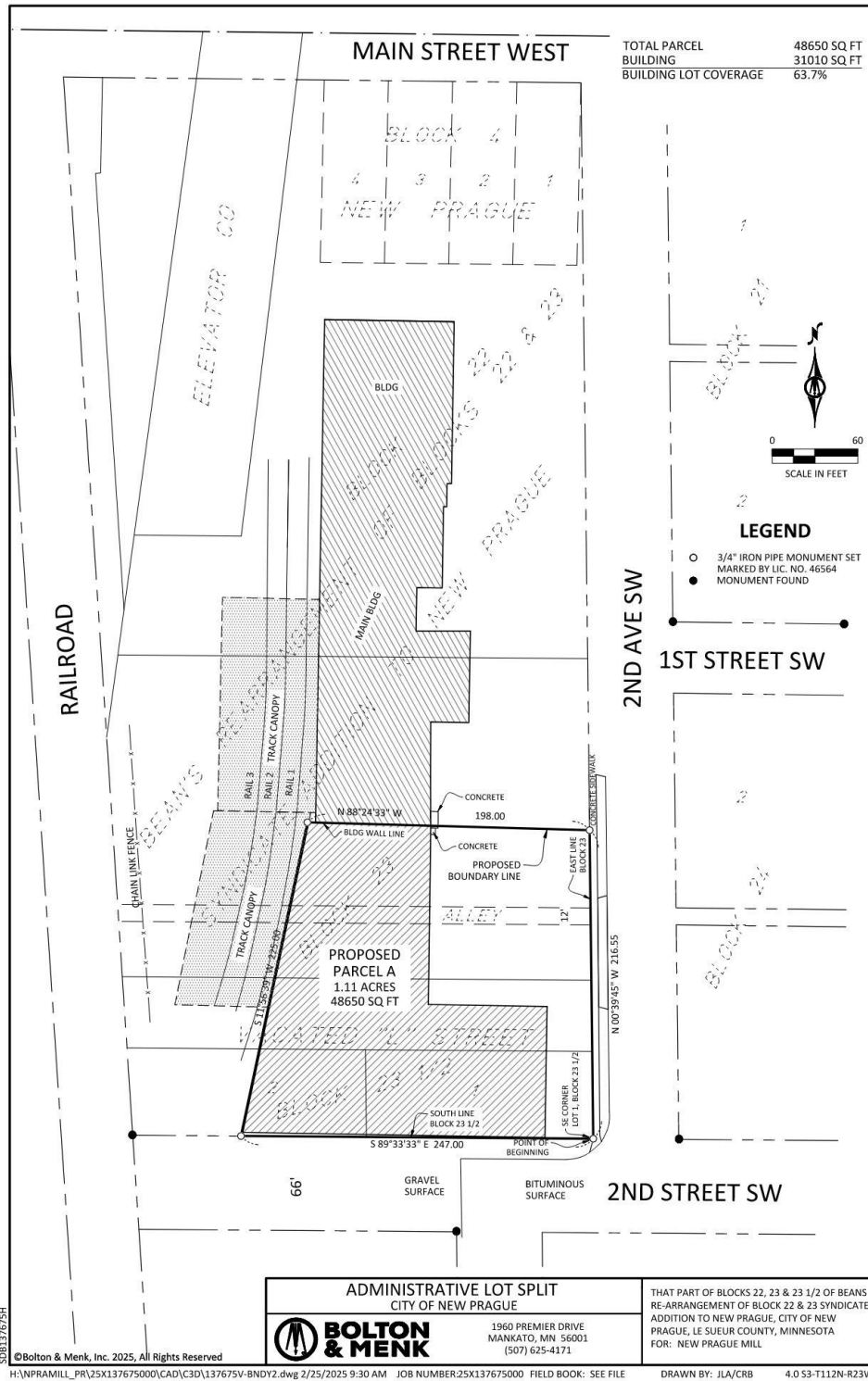
- 1. Site Map Aerial – Dated 8/14/24
- 2. Site Map Zoning – Dated 8/14/24
- 3. Survey of Proposed Lot Split – Dated 2/25/25
- 4. Markup of the Survey – Dated 3/11/25
- 5. Pictures – Dated 3/11/25



Aerial View of the Site



Zoning Districts of Subject and Neighboring Properties



Survey of Proposed Lot Split



Picture of the Mill Looking South from Main St (TH19/13)



Picture of the Mill Looking Southwest from 2nd Ave SW



Picture of the Mill Looking West from 2nd Ave SW



2 If By Sea Tactical Shooting Range Looking Southwest from 2nd Ave SW



Back of 2 If By Sea Tactical Shooting Range Looking North from the City ROW/2nd Ave SW