



Planning & Development Division
Planning & Economic Development Department

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MEMORANDUM

DATE: June 3, 2025

TO: Planning Commission members

FROM: Kyle Deming, Senior Planner

SUBJECT: UDC Text Amendment (PLUTA-2505-0002) related to daycare, small and large; and preschool

There continues to be a shortage of capacity for childcare in Duluth as documented in public and media reports. Multiple levels of government and non-profit agencies have been addressing this through a multi-prong approach including the following:

1. The Duluth 1200 Fund's Build Forward Duluth Program offers loans to purchase and make improvements in real estate that will house childcare centers in Duluth.
2. The Duluth 1200 Fund's Childcare Collaborative Grant Program is for new childcare operations in need of state license and training requirements, furnishings, equipment, capital improvements for space and working capital needs.
3. St. Louis County provides information on different licensing options for childcare providers as well as financial assistance to families paying for childcare.
4. Families First of Minnesota offers startup grants to cover the costs required to get the childcare center open including training, application fees, equipment purchase, etc.
5. Child Care Aware offers technical assistance in navigating the process of starting a childcare center through their Child Care Wayfinders. Funding is provided through the State's Department of Human Services.
6. The State's Department of Employment and Economic Development offers financial assistance to local communities and non-profits to assist the establishment of additional childcare providers.

For its part, the City has examined current zoning rules concerning provision of childcare (City of Duluth Legislative Code Chapter 50, the Unified Development Chapter (UDC)) to identify opportunities to encourage the creation of additional childcare capacity. This memo summarizes the current zoning rules and proposed changes.

Daycare in Current UDC:

The UDC classifies childcare facilities as one of four types (described on the next page):

1. Daycare facility, small (14 or fewer),
2. Daycare facility, large (15 or more),
3. Preschool,
4. Accessory day care facility.

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Daycare facility, small (14 or fewer), is often operated by an individual proprietor with a childcare capacity of 14 or fewer children and is typically scaled to fit in a dwelling. The UDC permits it in all zone districts (except for industrial and waterfront and is a special use in MU-B).

Daycare facility, large (15 or more), requires more than one staff person to operate and is typically akin to a daycare center operating in a church or commercial building. The UDC permits it in commercial districts and most form districts (except for F-7 and F-8 downtown) but requires a special use permit in residential districts. Due to the scale the building code requires more safety features, such as multiple fire exits, toilet facilities, and controlled access points, and the State's licensing requirements are more numerous.

The UDC has a separate classification for Preschool which is treated in a similar fashion to Daycare, large. Neither the building code nor the State have separate rules for preschools and generally include them with childcare centers.

Accessory day care facility is allowed in all districts except I-W. It is intended to be accessory to the principle business use of the site providing childcare services for the employees of the business or institution. The building code and the State rules for daycare centers apply to these accessory daycare sites.

Characteristics of Existing Daycare Centers:

There are currently 30 licensed childcare centers operating in Duluth. Below is a sample excluding very large sites serving primarily preschoolers. Family childcare and group family childcare facilities are not included in the list of 30 as they are smaller facilities traditionally operating out of a dwelling.

Name:	Address:	Child Care Capacity:	Ages: I=Infants T=Toddlers P=Preschoolers S=School-aged	Lot Dimensions and Lot Area (in feet and square feet):	Lot Area per Child Care Capacity:	Pickup and Dropoff and Parking Locations:
Happy Time Day Care Center	203 N. 25 th Ave. W.	85	I, T, P	100' x 140' = 14,000 SF	164 SF/child	Off-street, On-Street
Aunty's Child Care	4801 Cooke St.	71	T, P	50' x 140' = 7,000 SF	99 SF/child	Off-street, On-Street
Montessori School of Duluth	313 Mygatt Ave.	52	T, P, S	243' x 125' = 30,375 SF	584 SF/child	Off-street
New Hope Child Care	1028 E. 8 th St.	42	I, T, P	220' x 140' = 30,800 SF	733 SF/child	Off-street
Hope For Kids Childcare Center	301 W. St. Marie St.	64	I, T, P	200' x 225' = 45,000 SF	703 SF/child	Off-street, w/ church
University Nursery School – Arlington	410 N. Arlington Ave.	72	I, T, P	200' x 225' = 45,000 SF	625 SF/child	Off-street, shared w/ church
Univ. Nursery Scl – Jefferson	916 E. 3 rd St.	168	I, T, P	300' x 170' = 51,000 SF	304 SF/child	Off-street
Young Minds Learning Center	1115 N. Lake Ave.	45	I, T, P, S	Irregular = 25,000 SF	555 SF/child	Off-street, On-Street

Proposed Changes:

The proposed changes to the UDC would expand the sites where a daycare center is permitted in residential districts without needing a special use permit. This would reduce uncertainty in establishing a daycare center by eliminating the discretionary approval by the Planning Commission and the public hearing preceding it.

The UDC modification would add new language to the use specific standards (Section 50-20.3.1) for Daycare facility, large and small, that would exempt the project from needing a special use permit if it meets the requirements below:

1. Minimum lot area per childcare capacity of 525 square feet,
2. 25-foot setback from all exterior play areas to lots abutting a residential use (does not apply to street or alley),
3. Paved drop-off/pick-up area with capacity for 1 vehicle per 14 childcare capacity (can be on-street, but capacity must be demonstrated),
4. Off-street employee parking on site or within 400 feet of the site.

The requirements above are based on a review of existing facilities, which are listed in the table on the previous page and the site aerial imagery attached to this memo. Criteria #1 (above) establishes a threshold for when the “density” of children on a site relative to the site’s size is large enough to avoid likely land use conflicts. 525 square feet per child is the average when excluding 4801 Cooke St., which is on a small lot. Criteria #2 provides a buffer from residential properties large enough to grant privacy. Criteria #3 requires exempt sites to have adequate capacity to handle child pickup/drop-off and Criteria #4 is to ensure employee parking considerations are made.

On Pages 11 and 12 of this memo are three sample sites (4501 Glenwood St., 1710 E. Superior St., 2701 W. 3rd St.) staff considered when crafting the criteria above. The sites would meet the criteria above, exempting them from needing a special use permit, since there is adequate off-street parking for employees as well as pickup/drop-off, and space for outdoor play areas away from the abutting residential use.

In addition to the changes above allowing certain sites to be exempt from getting a special use permit, there are three additional changes proposed to the use specific standards for daycare facilities, large and small, including:

1. Deleting the requirement for fencing of outdoor exercise areas in MU-B as this is already a State licensing requirement;
2. Deleting the provision that allows the Land Use Supervisor to deny an application for childcare in MU-B due to health and safety concerns because this consideration can be made by the Planning Commission during the special use permit review;
3. Adding a requirement for the Planning Commission to consider the location of outdoor play area relative to abutting residential uses.

Concerning existing UDC requirements for Preschools, the regulatory framework at the State has increased the enrichment activities that daycare facilities need to provide to the point that they are similar to the UDC definition of Preschool. It is for this reason that staff are recommending eliminating the Preschool line from the Use Table but retaining the definition in Section 50-41 and referring users to the corresponding Daycare facility, large or small, definitions.

In addition to the proposed changes listed above, staff is proposing UDC changes to definitions of daycare facility, large and small, to better align terminology with the building code and State licensing for the desired result of reduced confusion by potential daycare operators when navigating UDC rules.

Findings and Recommended Action:

Per Section 50.37.3 of the UDC, Planning Commission may review the proposal based on the criteria below:

1. Is consistent with the comprehensive land use plan;
2. Is reasonably related to the overall needs of the community, to existing land use, or to a plan for future land use;
3. Is required by public necessity, convenience, or general welfare, or good zoning practice;
4. Will not create material adverse impacts on nearby properties, or if material adverse impacts may be created they will be mitigated to the extent reasonably possible.

The Planning Commission may recommend approval, approval with modifications or denial to the City Council.

Staff finds that:

- Studies and media accounts have documented the high demand for and shortage in supply of daycare facilities in Duluth and that the proposed Unified Development Chapter (UDC) modification may assist in relieving this supply shortage.
- The proposed UDC modification will help reduce the uncertainty in obtaining zoning approval for daycare facilities on sites meeting certain conditions while still requiring other sites to use the special use permit approval process through the Planning Commission. The criteria in the proposed ordinance change will provide for buffering of outdoor activities spaces and thereby protect against creating material adverse impacts on surrounding properties.
- The proposed UDC amendment will promote orderly development in the city by continuing to guide where daycare uses can be located while proposing amendments to allow certain daycare facilities to locate without a special use permit if certain conditions are met that address orderly site development.
- The proposed ordinance language allows daycare uses in areas consistent with other similar land uses within the city and expands the conditions under which daycare, large, uses are allowed in certain zone districts, thereby implementing the comprehensive land use plan and following good zoning practice.

Staff recommends that the Planning Commission recommend approval to the City Council.

Proposed changes to the Use Table:

Offices																									
Bank							S ²	P ¹	P ¹	P	S	P ³	P	P	P	P	P	P	P	P					50-20.3.E
Office					S ²		P ²	P ¹	P ¹	P	P ¹	P ³	P	P	P	P	P	P	P	P					50-20.3.M
Data center							S ²	P ¹	P ¹	P	S	P ³	U	U	U	U	U	U	U	U	P				
Outdoor Recreation & Entertainment																									
Golf course		S	S			P ³																		P	
Marina or yacht club											P ¹										S	S			
Recreational vehicle park	S	S	S			P ³					S											S			50.20.3.P
Other outdoor entertainment or recreation use not listed		S						S		S	S														50.20.3.N
Personal Services																									
Business park support services										P		P ³													
Commercial support services							S ²	P ¹		P															
Preschool		S	S	S	P²	P³	P²	P⁴	P⁴	S	P⁴	P³	P	P	P	P	P	P	S	P	S				50-20.3.I
Daycare facility, small (14 or fewer)	P	P	P	P	P ²	P ³	P ²	P ¹	P ¹	S	P ¹	P ³	P	P	P	P	P	P	P	P					50-20.3.I
Daycare facility, large (15 or more)		S	S	S	S ²	P ³	P ²	P ¹	P ¹	S	P ¹	P ³	P	P	P	P	P	P	S	P	S				50-20.3.I
Funeral home or crematorium					S ²		S ²	P ¹	P ¹	P		P ³		P		P		P			P				
Mini-storage facility or self-service storage facility		S						S ¹		P						P		P	P		P	P			50-20.3.L
Personal service and repair, small (less than 10,000 sq. ft.)					S ²	P ³	P ²	P ¹	P ¹	P	P ¹	P ³	P	P	P	P	P	P	P	P					
Personal service and repair, large (10,000 sq. ft. or more)							S ²	P ¹	P ¹	P	P ¹	P ³		P		P		P		P		P			

Proposed changes to Use Specific Standards:

I. ~~Daycare facility, small and large, and preschools.~~

1. ~~For both Daycare facility, small and large, all new uses after May 1, 2019, the use must provide off-street parking spaces for pick-up and drop-off determined by the Land Use Supervisor to be sufficient to provide for the safe pick-up and drop-off of users of the facility based on the maximum licensed capacity of the facility, the configuration of the facility, the types and intensity of other uses adjacent to the facility, the intensity of traffic adjacent to the facility and other factors determined to be relevant to the safe pick-up and drop-off of users of the facility. The determination of the Land Use Supervisor may be appealed to the Commission. Pick-up and drop-off areas must be clearly signed as for pick-up and drop-off only, and shall not conflict with safe on-site pedestrian and vehicular movements.~~
2. ~~In the RR-1 and RR-2 districts, this use for both Daycare facility, small and large, all structures and related parking facilities, and structures other than driveways, are limited to no more than 20 percent of the lot or parcel area;~~
3. ~~In the MU-B district, uses shall provide a fenced outdoor exercise area. Outdoor exercise areas must be separated from improved public streets, drive lanes, and loading areas by at least 20 feet;~~
4. ~~In the MU-B district, the application may be denied by the Land Use Supervisor if he or she determines that the size, nature, character or intensity of the use of property in the immediate vicinity of the applicant's property would pose an unreasonable risk to the health, safety or welfare of users of the applicant's facility; the decision of the Land Use Supervisor may be appealed to the Commission~~
3. For both Daycare facility, small and large, proposed to abut a lot with a residential use, outdoor play areas must be setback and screened for privacy and acoustics as determined by the Planning Commission considering the size of the daycare facility and distance to the abutting residential structures;
4. For Daycare facility, large, an application is exempt from the requirement for a special use permit, and is therefore considered a permitted use, if the Land Use Supervisor determines the following conditions have been met:
 - a. The lot area exceeds the 525 square feet of lot area per child care capacity of the site.
 - b. There shall be a minimum 25-foot setback from all exterior play areas to lots abutting a residential use (does not apply to street or alley).
 - c. There shall be a paved drop-off/pick-up area with capacity for 1 vehicle per 14 child care capacity, and this requirement may be met with on-street parking if capacity can be demonstrated.
 - d. Paved off-street parking shall be provided for employees on the largest shift on site or within 400 feet of the site.

Proposed changes to Definitions:

Section 50-41.4 Definitions: D.

~~Daycare facility. A facility that provides accommodations for persons of any age who receive custodial care for less than 24 hours by individual other than parents or guardians, relatives by blood, marriage, or adoption, and in a place other than the home of the person cared for.~~

Daycare facility, small (14 or fewer). A facility that provides accommodations for up to 14 people of any age who receive custodial care for less than 24 hours by individuals other than parents or guardians, relatives by blood, marriage, or adoption, and in a place other than the home of the person cared for. This use is customarily regulated by the State as a "family child care home" or "group family child care home."

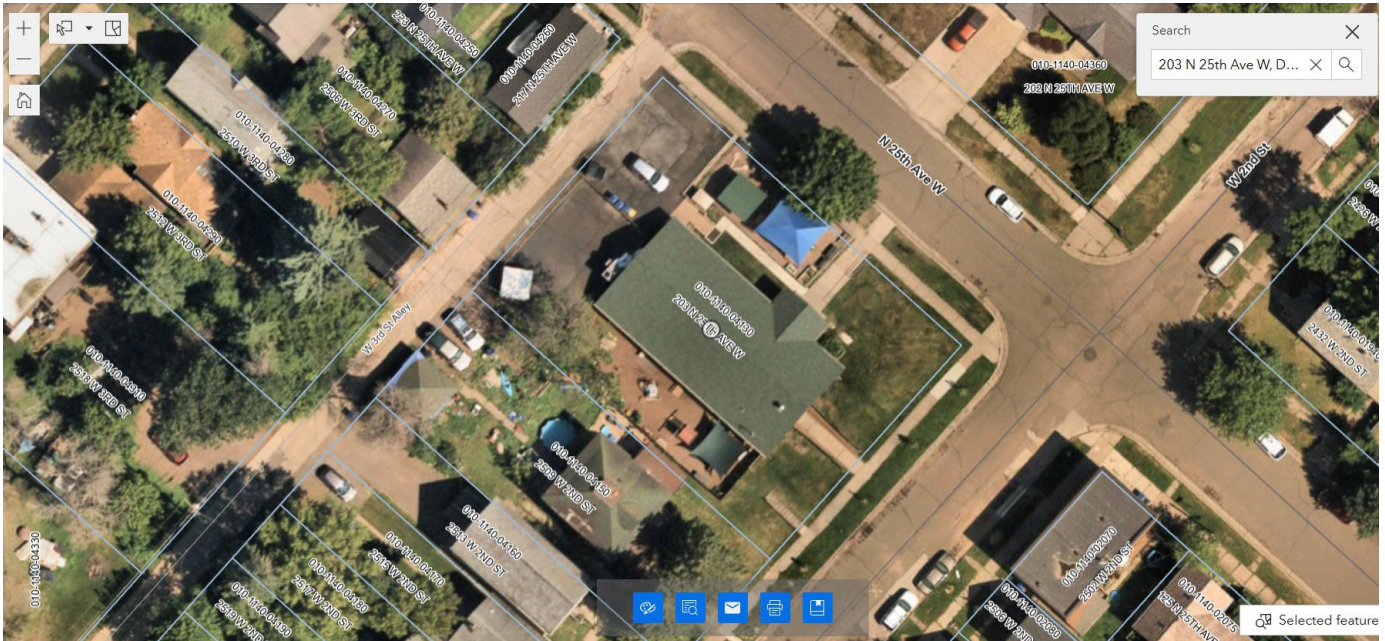
Daycare facility, large (15 or more). A facility that provides accommodations for 15 or more people of any age who receive custodial care for less than 24 hours by individuals other than parents or guardians, relatives by blood, marriage, or adoption, and in a place other than the home of the person cared for. This use is customarily regulated by the State as a "child care center," "adult day care center," or "adult day services center."

Section 50-41.16 Definitions: P.

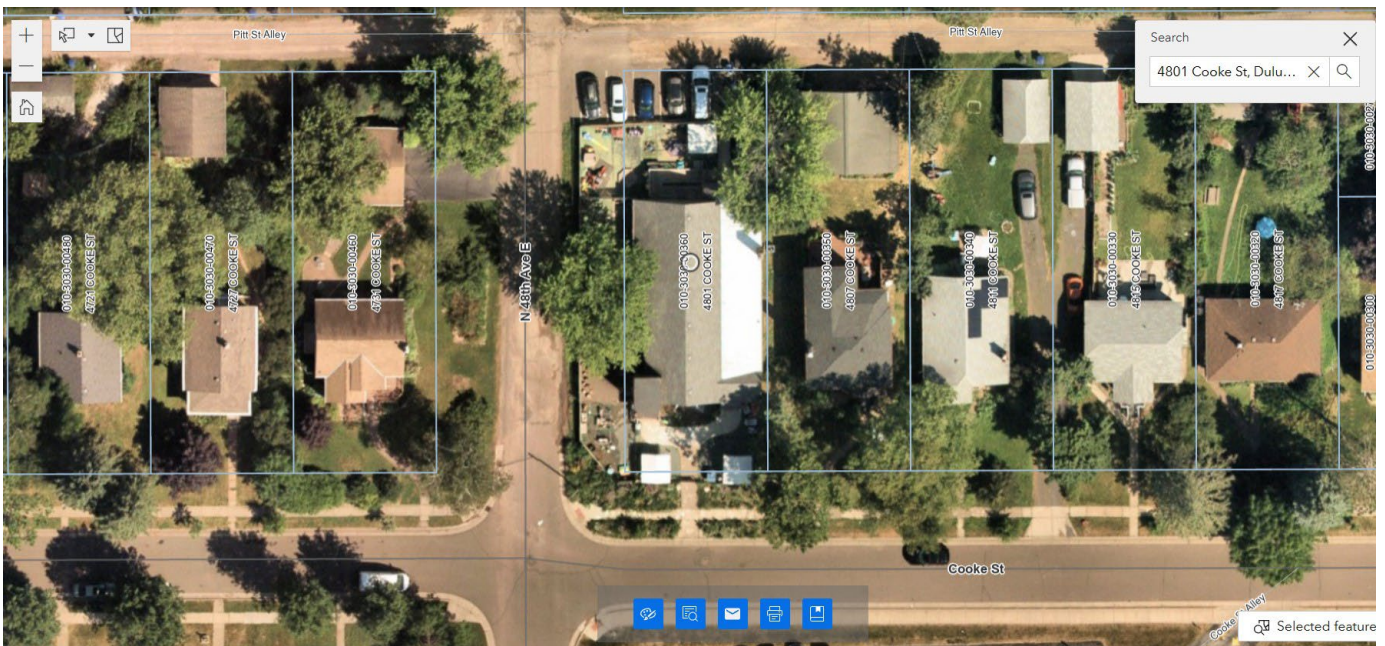
Preschool. An establishment licensed by the state to provide a systematic organization or arrangement of activities, personnel, materials, and equipment in a facility to promote the physical, intellectual, social, and emotional development of a child, who is at least 33 months old but who has not yet attended the first day of kindergarten, in the absence of the parent for a period of less than 24 hours a day. This use shall be considered either a Daycare facility, small or Daycare facility, large, based on the child care capacity.

Below are aerial photos showing some of the existing day care centers from the table on Page 2 above.
Note: The scale of the images is not consistent.

Happy Time Day Care Center (203 N. 25th Ave. W) 85 child care capacity



Aunty's Child Care (4801 Cooke St.) 71 child care capacity



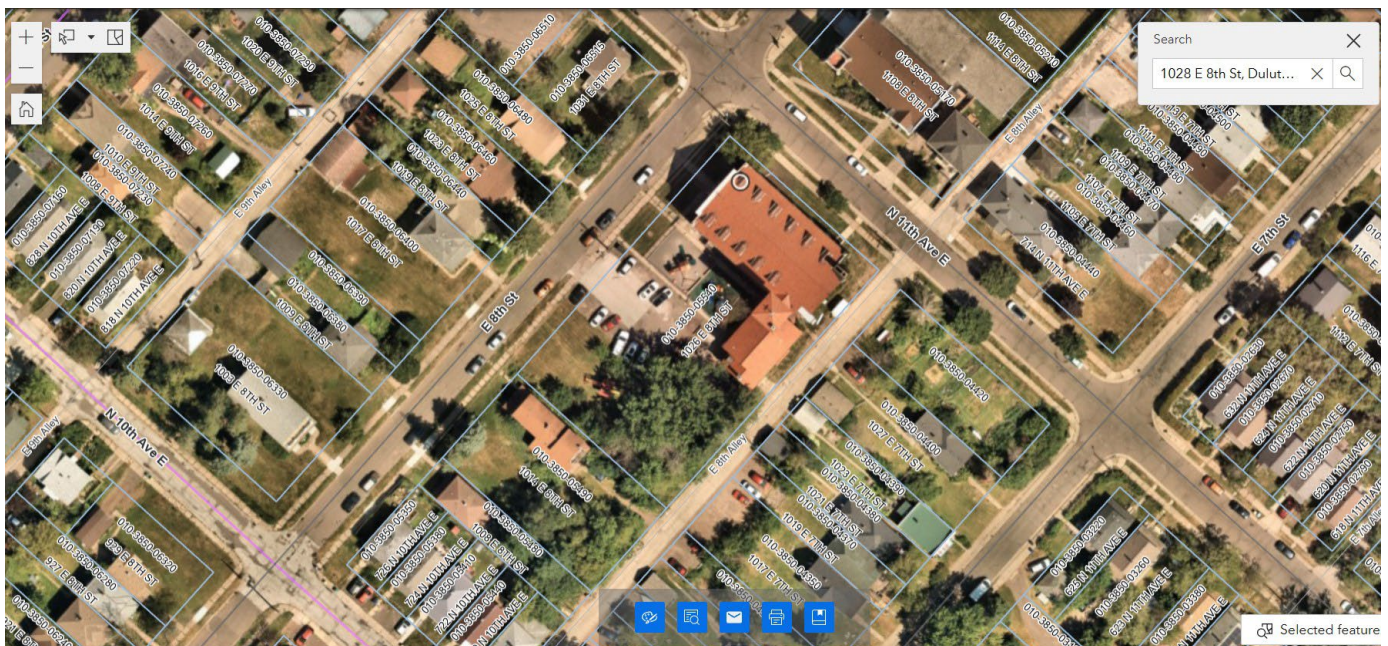
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Montessori School of Duluth (313 Mygatt Ave.) 52 child care capacity



New Hope Child Care (1028 E. 8th St.) 42 child care capacity



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The screenshot displays the Parcel Viewer application interface. The main area is an aerial map with overlaid property boundaries and lot numbers. A search bar in the top right corner contains the text "301 W Saint Marie St...". The map shows several streets, including "Worth St", "Gold St", "Milway Ave", "Carver Ave", and "Dunedin Ave". A specific property at "301 W Saint Marie St" is highlighted. The bottom of the screen features a toolbar with icons for navigation and information. The address "301 W Saint Marie St" is also visible in the search bar.

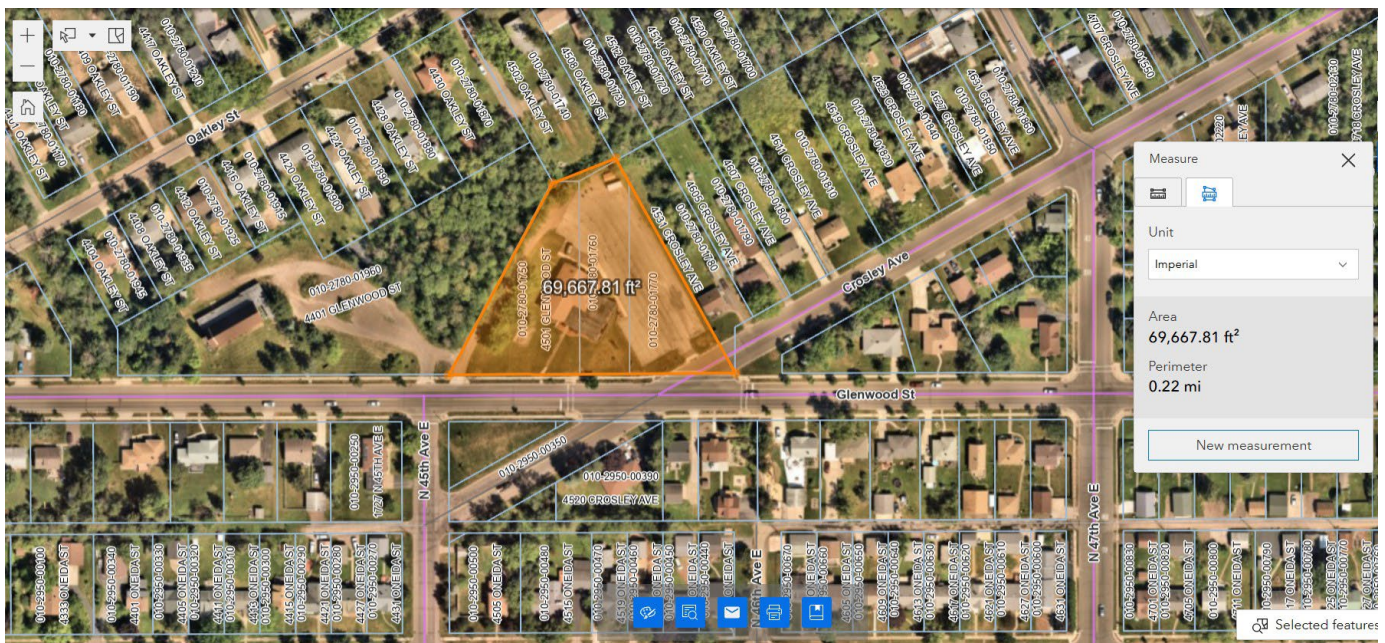
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Young Minds Learning Center (1115 N. Lake Ave.) 45 child care capacity



Below are the three sample sites that were reviewed when considering criteria under which a daycare center could be approved without needing a special use permit.

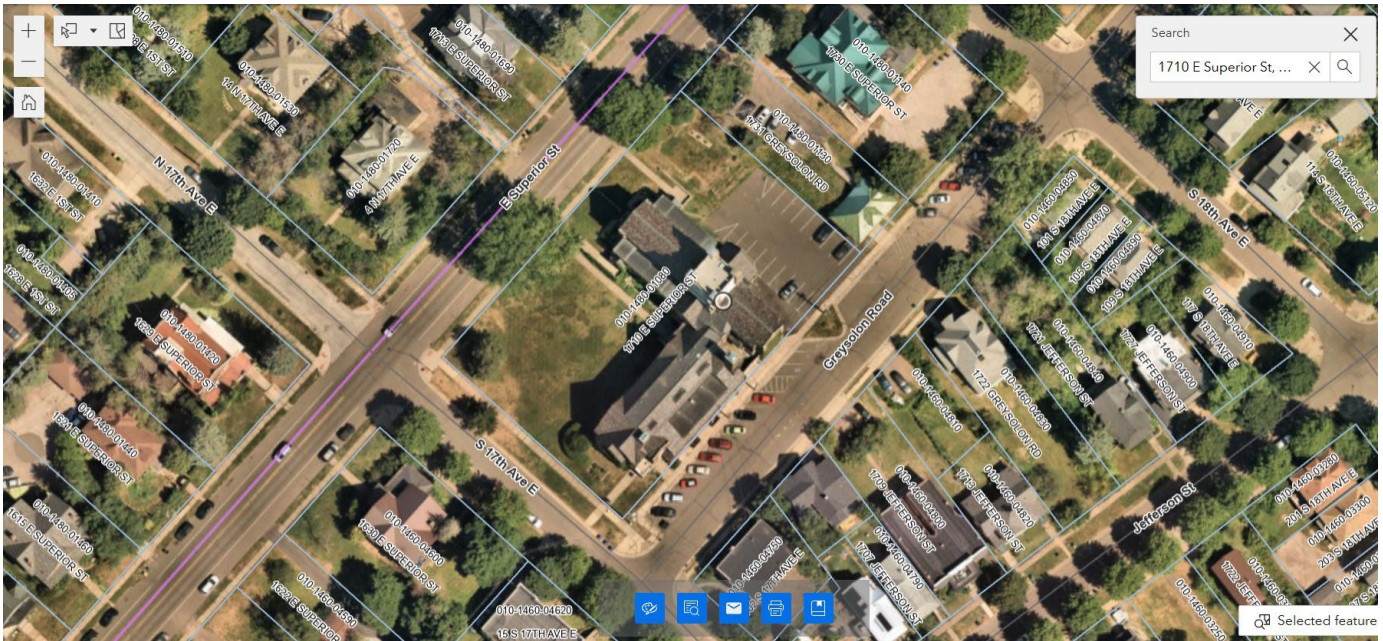
4501 Glenwood St. – 70,000 sq. ft. lot that would be exempt for a special use permit if the number of children permitted was limited to 133 ($70,000 / 525$) and play areas were at least 25 feet from the abutting residential use.



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1710 E. Superior St. – 35,000 sq. ft. lot that would be exempt for a special use permit if the number of children permitted was limited to 66 ($35,000 / 525$) and play areas were at least 25 feet from the abutting residential use.



2701 W. 3rd St. – 21,000 sq. ft. lot that would be exempt for a special use permit if the number of children permitted was limited to 40 ($21,000 / 525$) and play areas were at least 25 feet from the abutting residential use.

