



CITY OF SAINT PAUL
Melvin Carter, Mayor

*25 West Fourth Street, Ste. 1400
Saint Paul, MN 55102*

*Telephone: 651-266-6700
Facsimile: 651-266-6549*

TO: Comprehensive and Neighborhood Planning Committee
FROM: Marilyn Rosendahl
DATE: January 11, 2023
SUBJECT: Proposed creation of a Commercial Development District at 1079 Rice Street

Background

The property owner of 1079 Rice Street, Toua Xiong, is creating the Hi Hi Event Center at this location. Many event center business models require the ability to serve liquor to attract customers to rent the space. The owner has contacted the Department of Safety and Inspections (DSI) to initiate the process of establishing a non-restaurant on-sale Liquor license. A Commercial Development District (CDD) is required for DSI to have the legal authority to issue the license given City Charter and Legislative Code restrictions and the following outlined procedural requirements.

The Planning Commission is being consulted for advice concerning the proposal's consistency with the City's Comprehensive Plan and zoning ordinances, as per Section 409.20 of the Legislative Code. The Planning Commission's recommendation will be submitted to the City Council via Resolution which will be used by the City Council to adopt an ordinance for process compliance with Legislative Code 409.20(d).

City Charter & Legislative Code

Commercial Development Districts are designated areas across the city that are outside of ward-specific liquor license limits. Section 17.07.1 of the City Charter defines commercial development districts. Section 17.07.2 includes restrictions on liquor licenses for commercial development districts. Section 17.07.3 includes zoning requirements. Section 409.20 of the Legislative Code describes the process of creating new or amending existing districts. Relevant portions of these sections are excerpted below.

City Charter Section 17.07.1. Commercial development districts; patrol limits.

1. A commercial development district in an area within the city as designated herein, or created by the council hereafter in accordance with this section...The council may by ordinance create new or additional commercial development districts, or amend the boundaries of those already created, only in accordance with the following procedures:
 - a. The proposed commercial development district shall be submitted in writing, accompanied by a map setting forth its boundaries; and
 - b. Reasonable public notice of the proposed commercial development district shall be given by the license inspector to residents and organizations in the ward or wards in which said district is to be located; and
 - c. The council or a committee thereof shall hold a public hearing in the ward or wards in which said district is to be located; and
 - d. After the foregoing steps, an ordinance designating the new commercial development district and defining its boundaries is adopted upon the affirmative vote of at least five (5) members of the council.

City Charter Section 17.07.2. Restrictions.

5. There shall be no limitation on the number of on-sale intoxicating liquor licenses which may be issued or renewed within, or transferred into, a commercial development district, except as set forth in paragraph (6) below. No restriction applicable to such licenses in liquor patrol limits in this section shall apply to such licenses in commercial development districts.
6. Notwithstanding the provisions of any law or this Charter allowing the issuance of on-sale intoxicating liquor license, not more than two hundred fifteen (215) such licenses shall be issued by the city. Priority shall be given, by ordinance, in the issuance of all such licenses first to applicants who purchase an existing business having an "on sale" license with the intent of operating said business at the same location for at least one year thereafter, and then to restaurants capable of seating and servicing meals to not less than one hundred (100) guests at one time and then to hotels having dining rooms capable of seating and serving meals to not less than fifty (50) guests at one time, and thereafter as the council may determine.

City Charter Section 17.07.3. Zoning Requirements

Notwithstanding any provision of law or ordinance to the contrary, the council, planning commission and board of zoning appeals shall not approve a variance from the strict application of the provisions of the Saint Paul Zoning Code, nor special condition use permits thereunder, for persons, firms or corporations having on-sale intoxicating liquor licenses and seeking to operate a business using or requiring said licenses at the location or site where the variance or special condition use permit is sought, except by an affirmative vote of at least five (5) members of the council and of the board, and of at least fifteen (15) members of the planning commission.

Legislative Code Section 409.20:

- (a) Commercial development districts, as defined in section 17.07.1 of the City Charter, may be created or expanded by the filing in the office of the city clerk of a written petition therefor setting forth the boundaries of the expanded district, and containing the written consent of the owners of two-thirds of the several descriptions of real estate situated within the new or area of the expanded district, together with the written consent of the owners of two-thirds of the several descriptions of real estate situated within one hundred (100) feet of the new or expanded district, and after the affirmative vote in favor thereof by at least five (5) members of the city council.
- (b) The city council may waive the requirements for consent signatures if the city council shall determine that a hardship exists therefor, and in such case the council may, on its own, initiate the process of creating or expanding a commercial development district. In such case, the affirmative vote of at least five (5) members of the city council shall be required to create or expand any such district.
- (c) **In all such cases, the planning commission shall be consulted for advice concerning the proposals for consistency with the city's comprehensive plan and zoning ordinances, and the planning commission shall report in writing to the city council its findings and recommendations.** *[bold emphasis added]*
- (d) Upon receipt of the report of the planning commission, the council's committee designated to hear license matters shall fix a date for public hearing to consider the petition or proposal to create or expand a commercial development district and afford an opportunity to all affected persons to be heard. The city clerk shall cause notice of the hearing to be published once in the official newspaper of the city, and mailed notice thereof shall be given by the department of safety and inspections to all owners of land within the new or area of the expanded district. Published notice and mailed notice shall be made at least twenty (20) days in advance of the public hearing.

Findings

Planning staff have reviewed the proposed Commercial Development District (CDD) and made the following findings:

1. The property owner, Ward 5 office, and Department of Safety and Inspection (DSI) staff are proposing the creation of a CDD to allow a non-restaurant On-Sale liquor license as requested for the Hi Hi Event Center, at 1079 Rice Street (see Figure 1.).
2. The proposed CDD is +/- 0.34 acres, defined by PIN 252923110195.
3. The property owner, Toua Xiong turned in a petition for 1079 Rice Street to become a CDD to allow full liquor without food service. The number of possible signatures within 100' of the subject property was 19. The number of signatures collected was 13 (68.4% of total signatures). The petition requirement found in Section 409.20(a) of the Legislative Code have been met according to DSI staff (see attached staff report and supporting documents with petition and signatures).
4. The proposed commercial development district is consistent with the City's *2040 Comprehensive Plan*:
 - The property lies within an area designated Mixed-Use 2040 Future Land Use map (see Figure 2). Mixed-Use areas are "vital for the ongoing growth and economic development of the City by providing the highest densities outside of downtown." Establishing a CDD supports development of this business and may influence economic development in the area.
 - The proposed CDD is located at a "Neighborhood Node" (see Figure 3). Neighborhood Nodes are "compact, mixed-use areas that provide shops, services, neighborhood-scale civic and institutional uses, recreational facilities, and employment close to residences." The proposal is consistent with this direction. Specifically, Policy LU-30 (3) identifies the principle of "Cluster[ing] neighborhood amenities to create a vibrant critical mass." DSI discourages single parcel CDDs but there are certain areas of the City where it may be appropriate to allow for the start of such district with one catalyzing business. A neighborhood node may be one such area where appropriate to accommodate future expansion of the CDD along a busy future planned mixed-use corridor.
 - Policy LU-6: Foster equitable and sustainable economic growth by facilitating business creation, attraction, retention and expansion.
5. Zoning Analysis: The proposed CDD is consistent with the B2 Community Business District zoning of the subject parcel. Reception halls / rental halls are permitted by right. Other similar uses which serve alcohol and host groups for social events are permitted by right or conditionally permitted in B2 zones. The B2 community business district is intended to serve the needs of a consumer population larger than that served by the "local business district," and is generally characterized by a cluster of establishments generating large volumes of vehicular and pedestrian traffic.

Staff Recommendation

Based on findings 1 through 5, staff recommends that the Planning Commission support the creation of the Commercial Development District at 1079 Rice Street, and report to the City Council that creating the Commercial Development District is consistent with the Saint Paul Comprehensive Plan and Zoning Code.

Attachments

DSI Staff Report and Recommendation

Request Letter and Petition Signatures

Figures 1-3 Location Map, Future Land Use Map excerpt, and Zoning Map excerpt

Planning Commission Resolution



Department of Safety and Inspections

1079 Rice Street Commercial Development District Proposal

Topic:

Creation of a new Commercial Development District at 1079 Rice Street to include the single parcel that is at that address. The new district would allow for one (1) On-Sale Liquor license of any type.

Background:

- Outside of Downtown and Commercial Development Districts, Saint Paul Code of Ordinances only allow On-Sale liquor licenses to be issued to restaurants (closing at midnight), hotels, and private non-profit colleges.
- There are numerous Commercial Development Districts throughout Saint Paul that allow for the issuance of an On-Sale Liquor license without the requirements of being a restaurant, hotel, or private non-profit college.
- The owner of 1079 Rice Street has initiated the application process for the On-sale Liquor license for the building located at that address. This process includes the application for a Commercial Development District.
- Based on the intended operations of the space, a number of Ordinance and Statute rules prevent the owner of 1079 Rice Street from operating an On-Sale Restaurant Liquor license. Examples include: Kitchen not being properly sufficient for restaurant service therefore, unable to obtain a Minnesota Department of Health restaurant license. However, a Commercial Development District at this address would allow for a non-restaurant On-Sale Liquor License to be granted.
- Issuance of a non-restaurant On-Sale Liquor license to 1079 Rice Street for their intended use will require being within a Commercial Development District.
- DSI discourages single parcel Commercial Development Districts as they tend to prevent orderly development and equity of opportunity. However, from an Economic Development perspective, it may be appropriate at certain locations in the city to create a Commercial Development District if it is consistent with the underlying Zoning and future land use designation.
- The Owner of 1079 Rice Street turned in 13 signatures out of a possible 19 signatures, having a percentage of 68.4% of signatures possible. This meets the threshold required for a Commercial Development District to move forward for consideration.



Recommendation:

Amend Saint Paul Code of Ordinances to create a Commercial Development District at 1079 Rice Street to encompass the single lot defined as 1079 Rice Street. The new district would allow for one (1) On-Sale Liquor licenses of any type.



December 20, 2022

To whom it may concern

From Toua Xiong, owner of Hi Hi Event Center

Sub: Request for a Liquor License under Commercial Development District

My name is Toua Xiong, I am the property owner at 1079 Rice Street, St. Paul, MN 55117. We are setting up an event center by the name Hi Hi Event Center in this building. We need to serve drinks including hard liquor to our customers. We are requesting that that the city give us a liquor license under a Commercial Development District.

In this unprecedented economic condition, it is very difficult for us to sustain our mortgage payments as well as others such as property taxes, and etc. We have been sustaining this building since October 2020 and until now we have not been able to generate any income. We really appreciate the city's help in expediting the approval process. If you have any questions, please feel free to reach me via email at toua@hmongtowmarketplace.com or cell phone at 612-382-6401.

Sincerely,

Toua Xiong

Toua Xiong turned in a petition to turn 1079 Rice Street into a Development District to allow full liquor without food service.

The number of possible Signatures- 19

The number of Signatures collected- 13

68.4% of total signatures.

Thank you,

Ross Haddow

A		B	C	D	E
1	Property Owner (PO)	PO Mail-to Address	PO Mail-to City/State/Zip	Parcel ID # (PIN)	Parcel Address
2	TONG PAO YANG XO L YANG	1086 RICE ST	SAINT PAUL MN 55117-4922	302922220125	1086 RICE ST
3	METRO HOME HEALTH CARE CORPORATION	2203 CARVER AVE E	SAINT PAUL MN 55119-6002	302922220124	1090 RICE ST
4	CHON YANG	1096 RICE ST	SAINT PAUL MN 55117-4922	302922220164	1096 RICE ST
5	JAMES H BRADSHAW JAYNE M BRADSHAW	1078 RICE ST	SAINT PAUL MN 55117-4921	302922230038	1078 RICE ST
6	JAMES H BRADSHAW JAYNE M BRADSHAW	1078 RICE ST	SAINT PAUL MN 55117-4921	302922220126	0 RICE ST
7	JASON R DEMING RACHEL L BERNEN	1084 ALBEMARLE ST	ST PAUL MN 55117-5101	252923110159	1084 ALBEMARLE ST
8	PATRICIA S KAUFMAN	1080 ALBEMARLE ST	ST PAUL MN 55117-5101	252923140010	1080 ALBEMARLE ST
9	TK INSPIRATION INC	1091 RICE ST	SAINT PAUL MN 55117-4920	252923110196	1091 RICE ST
10	THATKA PROPERTY LLC	1407 BRADLEY ST	SAINT PAUL MN 55130-3403	252923110154	1101 RICE ST
11	NOU VANG TOUA XIONG	4455 LAKE ELMO AVE N	LAKE ELMO MN 55042-9506	252923140001	1075 RICE ST
12	PAULETTE G OKERSTROM	1090 ALBEMARLE ST	SAINT PAUL MN 55117-5101	252923110160	1090 ALBEMARLE ST
13	ALL GREEN LLC	217 COMO AVE # 2-100	SAINT PAUL MN 55103-1838	252923110195	1079 RICE ST
14	NOU VUE	1074 ALBEMARLE ST	SAINT PAUL MN 55117-5101	252923140009	1074 ALBEMARLE ST
15	RAYMOND E KADECHKA	1067 RICE ST	ST PAUL MN 55117-4920	252923140143	155 COOK AVE W
16	RICHARD HERR	1064 ALBEMARLE ST	SAINT PAUL MN 55117-5101	252923140007	1064 ALBEMARLE ST
17	WILLY YANG	1135 ALBEMARLE ST	SAINT PAUL MN 55117-4414	252923140008	1070 ALBEMARLE ST
18	TAYLOR JAMES SWARTWOOD	PO BOX 10714	WHITE BEAR LAKE MN 55110-0714	252923110161	1094 ALBEMARLE ST
19	XUA LEE	1098 ALBEMARLE ST	SAINT PAUL MN 55117-5101	252923110191	1098 ALBEMARLE ST
20	XUA LEE	1098 ALBEMARLE ST	SAINT PAUL MN 55117-5101	252923110190	1100 ALBEMARLE ST

TOUA XIONG OF NITH, LLC (1079 RICE ST) PETITION NOTE:

1096 Chon Yang - HAVE NO WAY TO CONTACT CHON YANG - DOWN ALWAYS LOCKED.
NO OTHER ADDRESS OR PHONE TO REACH CHON YANG.

1078 James Bradshaw - TRIED CONTACTED BY PHONE AND LEFT MESSAGE
MULTIPLE TIMES BUT RECEIVED NO RESPONSE. NO OTHER ADDRESS
TO WRITE TO OR REACH OUT TO BRADSHAW.

17 OF 19 SIGNED THE PETITION.

19 Possible Signatures
11 - Signatures received

8 No signatures or signature doesn't match name on File at Ramsey County

57.9%

11/28/22

PETITION

We, the undersigned, have no objection to Hi Hi, LLC, dba/Hi Hi Event Center at 1079 Rice Street, St. Paul, MN 55117 (the former Club Haus) for applying for a beer and liquor license with the city of St. Paul to operate its business.

Name	Address	Phone	Date
Tong Pao Yang	Usable Home Health Care 1086 Rice St #2	651-292-8705	11/28/22
Chit Toe	1101 Rice St	651-494-7088	11/28/22
ALL GREEN, LLC	1079 Rice St	(612) 383-2403	11/28/22
Now Lang & Tong Xue	1075 Rice St	(612) 382-6401	11/28/2022
Dan Huang	1091 Rice St. (eer)	612-716-0462	11/28/2022
Richard Heer	1064 Albemarle	651-276-9952	11/29/2022
Peter Vae	1070 Albemarle St	651-323-4732	11/29/2022
Paul Hecker	1090 Albemarle St	651-246-6761	11/29/2022
Robert E. E. E.	1092 Albemarle St	651-500-7612	11/29/2022
Tong Khang	1098 Albemarle St	651-500-7612	11/29/2022
Xue Lu	1100 Albemarle St	763-355-2038	11/29/2022
Impact Printing	1079 Rice Street	651-489-0803	11/29/2022
Metro Home Health Care, Corp.	Perry Lang 1090 Rice St.	651-433-7240	11/29/22
Now Vae	1074 Albemarle St	651-403-2791	11-29-22
Rachel Beren	1084 Albemarle	612-276-5167	12/1/2022
Patricia Kiphan	1080 Albemarle	612-508-902	12/2/22

No Signature

Name Doesn't Match

Name Doesn't Match

No Signature

No Signature Wrong Name

PETITION

We, the undersigned, have no objection to Hi Hi, LLC, dba/Hi Hi Event Center at 1079 Rice Street, St. Paul, MN 55117 (the former Club Haus) for applying for a beer and liquor license with the city of St. Paul to operate its business.

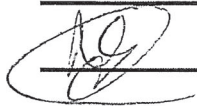
Name	Address	Phone	Date
Impact Printing	1067 Rice St Saint Paul, MN 55117	651-489-0803	12/29/2022

Caleb Jester

DocuSigned by:

Caleb Jester

BA1010F7319A417...



1079 Rice St St Paul, MN 55117 612-382-6403 12/30/22

1079 Rice St

100' Radius Ownership

11/16/2022

	A	B	C	D	E
1	Property Owner (PO)	PO Mail-to Address	PO Mail-to City/State/Zip	Parcel ID # (PIN)	Parcel Address
2	TONG PAO YANG XO L YANG	1086 RICE ST	SAINT PAUL MN 55117-4922	302922220125	1086 RICE ST
3	METRO HOME HEALTH CARE CORPORATION	2203 CARVER AVE E	SAINT PAUL MN 55119-6002	302922220124	1090 RICE ST
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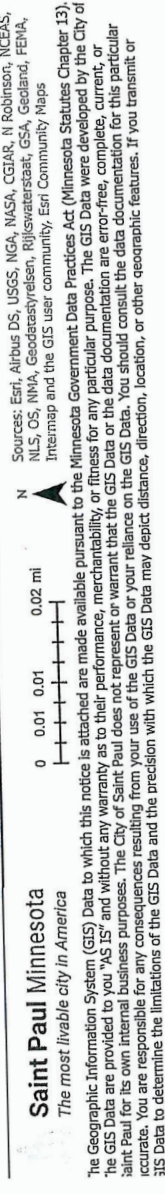


Figure 1. Location of Commercial Development District Proposal at 1079 Rice Street



Figure 2. Future Land Use Map: Rice Street Mixed Use Corridor with 1079 Rice Street Location and Neighborhood Node

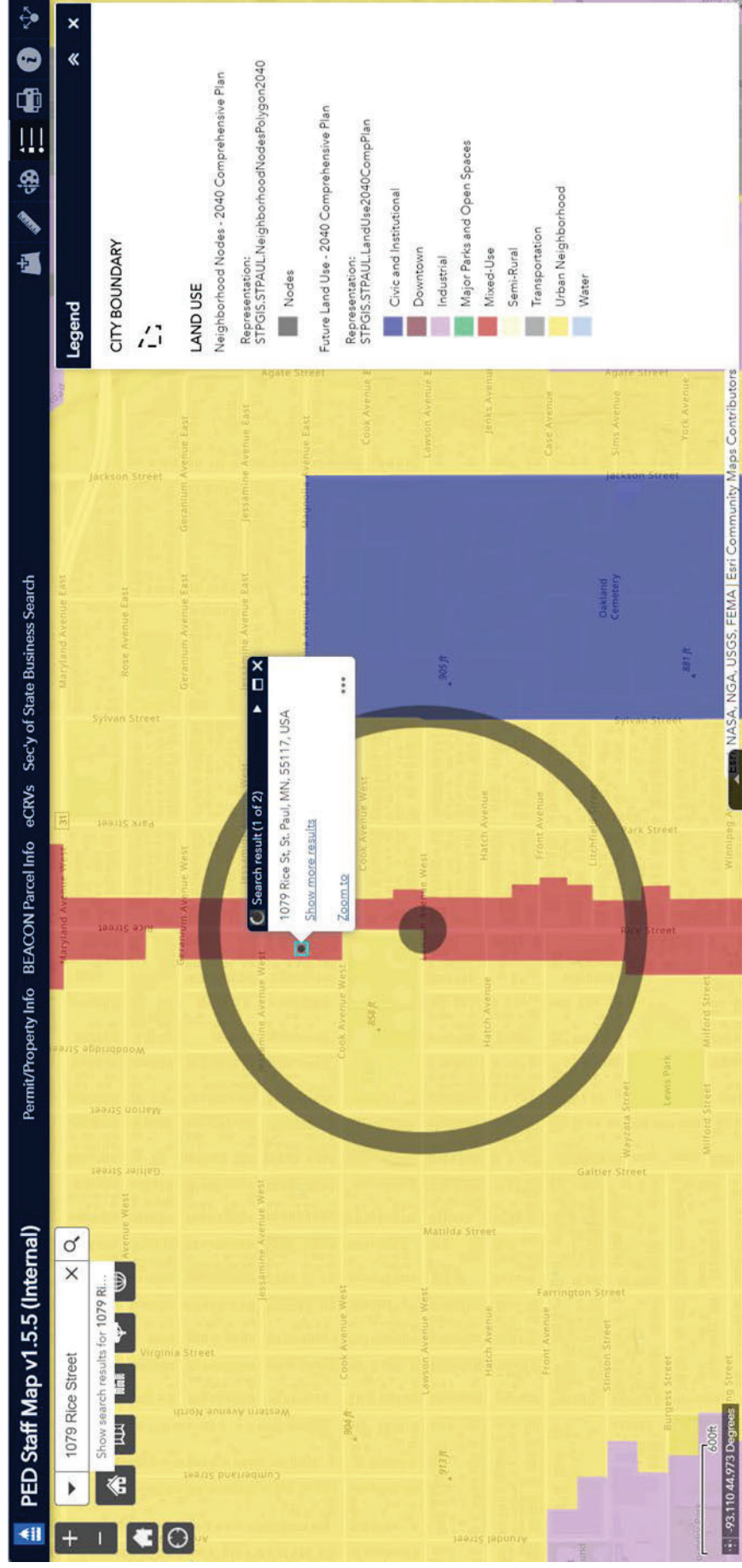
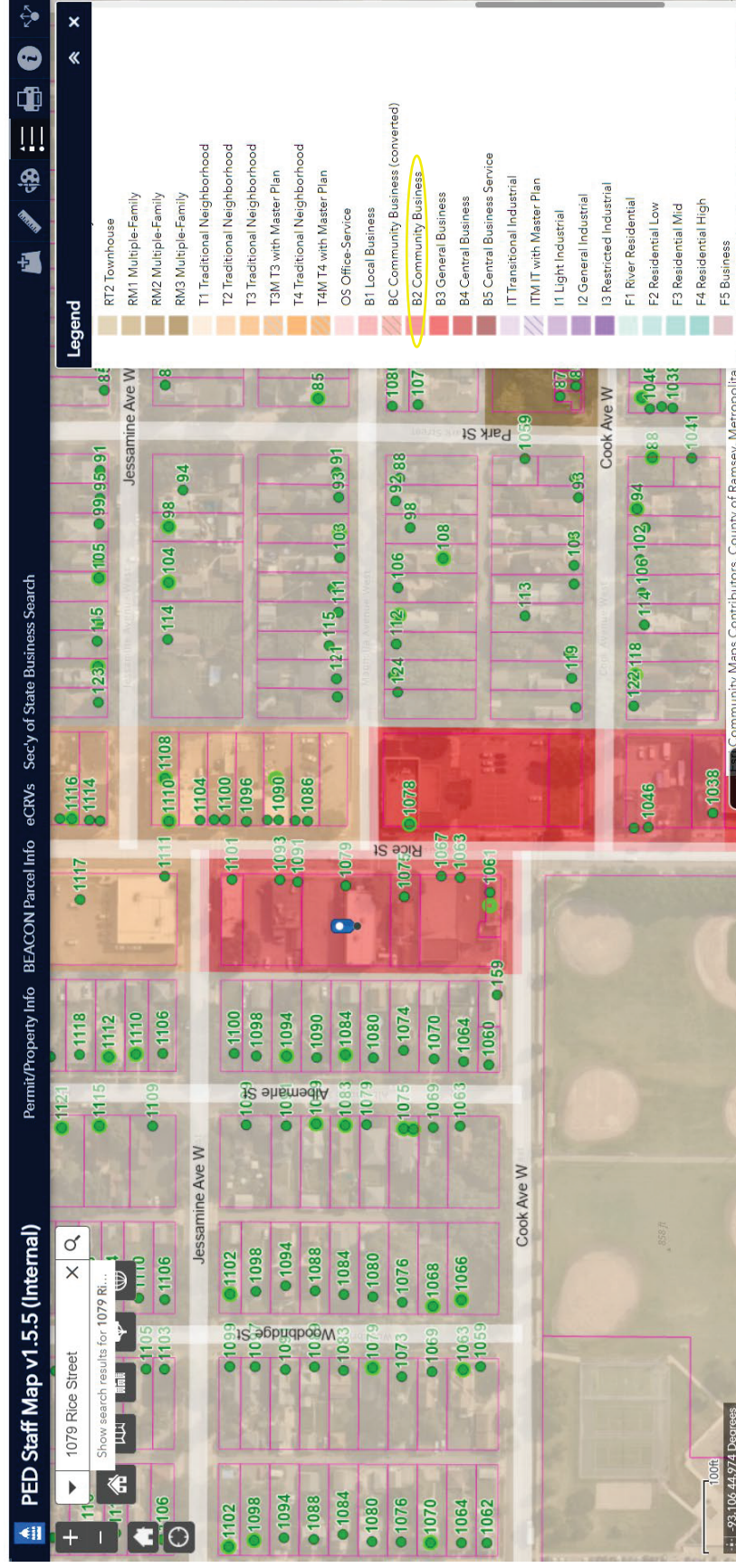


Figure 3. B2 Community Business Zoning District with Location of 1079 Rice Street



PLANNING COMMISSION RESOLUTION DRAFT

Creation of a Commercial Development District at 1079 Rice Street

WHEREAS, the Department of Safety and Inspections has proposed to the City Council the creation of a Commercial Development District at 1079 Rice Street, pursuant to §17.07.1 of the City Charter and §409.20 of the Saint Paul Legislative Code, for the purpose of removing the property from restrictions on the number of on-sale intoxicating liquor licenses allowed within the liquor patrol limits; and

WHEREAS, the Department of Safety and Inspections has consulted with the Planning Commission for advice concerning the proposal's consistency with the City's Comprehensive Plan and zoning ordinance pursuant to §409.20 of the Saint Paul Legislative Code; and

WHEREAS, the Saint Paul Planning Commission has made the following findings:

1. The property owner and Department of Safety and Inspection are proposing the creation of a Commercial Development District (CDD) to allow a non-restaurant On-Sale liquor license as requested for the Hi Hi Event Center, at 1079 Rice Street.

2. The proposed CDD is +/- 0.34 acres, defined by PIN 252923110195.

3. Toua Xiong turned in a petition for 1079 Rice Street to become a CDD to allow full liquor without food service. The number of possible signatures within 100' of the subject property was 19. The number of signatures collected was 13 (68.4% of total signatures). The petition requirement found in Section 409.20(a) of the Legislative Code have been met according to staff with the Department of Safety and Inspections.

4. The proposed commercial development district is consistent with the City's 2040 Comprehensive Plan:

- The property lies within an area designated Mixed-Use 2040 Future Land Use map. Mixed-Use areas are "vital for the ongoing growth and economic development of the City by providing the highest densities outside of downtown." Establishing a CDD supports development of this business and may influence economic development in the area.*

- The proposed CDD is located at a "Neighborhood Node". Neighborhood Nodes are "compact, mixed-use areas that provide shops, services, neighborhood-scale civic and institutional uses, recreational facilities, and employment close to residences." The proposal is consistent with this direction. Specifically, Policy LU-30 (3) identifies the principle of "Cluster[ing] neighborhood amenities to create a vibrant critical mass." DSI discourages single parcel CDDs but there are certain areas of the City where it may be appropriate to allow for the start of a district with one catalyzing business. A neighborhood node may be one such area where appropriate to accommodate future expansion of the CDD along a busy future planned mixed-use corridor.*

- Policy LU-6: Foster equitable and sustainable economic growth by facilitating business creation, attraction, retention and expansion*

5.Zoning Analysis: The proposed CDD is consistent with the B2 Community Business District zoning of the subject parcel. Reception halls / rental halls are permitted by right. Other similar uses which serve alcohol and host groups for social events are permitted by right or conditionally permitted in B2 zones. The B2 community business district is intended to serve the needs of a consumer population larger than that served by the "local business district," and is generally characterized by a cluster of establishments generating large volumes of vehicular and pedestrian traffic.

NOW, THEREFORE, BE IT RESOLVED, under provisions of the City Charter §17.07.1 and Legislative Code §409.20, that the Planning Commission hereby reports to the City Council that the proposed creation of a Commercial Development District at 1079 Rice Street, defined by PIN 252923110195, is consistent with the Comprehensive Plan and Zoning Code, and supports creation of the proposed district.