

**MINUTES OF THE ZONING COMMITTEE**  
**Thursday, February 15, 2018 - 3:30 p.m.**  
**City Council Chambers, 3rd Floor**  
**City Hall and Court House**  
**15 West Kellogg Boulevard**

PRESENT: Baker, DeJoy, Eckman, Edgerton, Fredson, Lindeke, Ochs, and Reveal  
STAFF: Bill Dermody, Cherie Englund, Allan Torstenson, and Peter Warner

The meeting was chaired by Commissioner Edgerton.

**2103 Wabash - 18-024-155 - Conditional use permit for a mixed residential / commercial use with more than 6 dwelling units (64 proposed), with modification to allow residential use of the first floor (39 units proposed) at 2103 Wabash Ave., NE corner at Montgomery Street.**

**2103 Wabash - 18-023-089 - Rezone from I2 General Industrial to IT Transitional Industrial at 2103 Wabash Ave., NE corner at Montgomery Street.**

**2103 Wabash - 18-024-315 - Variance to allow residential use of 90% of the first floor (50% maximum allowed in IT district) at 2103 Wabash Ave., NE corner at Montgomery Street.**

Bill Dermody presented the staff report with a recommendation of denial for the conditional use permit, rezoning, and variance. He stated District 12 recommended approval, and there were 2 letters in support, and no letters in opposition.

Mr. Dermody noted that the applicant will either need the conditional use permit or the rezoning with the variance to move forward with this project.

In response to a question by Commissioner Baker, Mr. Dermody noted that the businesses that are occupying the 1<sup>st</sup> floor of the building are listed in finding 1 of the staff report for the conditional use permit.

Commissioner Lindeke asked about the age of the building. Mr. Dermody said it is from the 1800s and the applicant may have more information as they have been researching the buildings historic status.

Mr. Dermody noted that the two letters in support are from the Saint Paul Port Authority and Midway Chamber of Commerce.

The applicant, Clinton Blaiser, 275 E. 4<sup>th</sup> Street, said he is a member of the team that has been working on this project for over a year and it is a federal and state historic tax credit redevelopment site. He said their goal is to save this historic building without a City or local subsidy to avoid tearing it down and it cannot be reused or redeveloped while staying in compliance with the current zoning requirements. He said they are proposing to redevelop this site into a functional industrial, office, and retail space with direction from Councilmember Stark and the Saint Paul Port Authority. He said because of the new tax laws they have submitted these three applications, rather than go through the City's historic use variance, because that process takes longer than they have to stay in compliance with the new federal, state, and historic tax credit laws. He said they need to start construction by June 2018. He added the

building is a 100,000 sq. ft. former meat packing plant built in 1886, 1911, 1928, 1935, and 1947. It has been mostly vacant since closing in 1979. The building has approximately 30 roofs, and as many elevations inside that do not line up well. He said the structure almost fills the 1.6-acre lot, and cannot be occupied in its current condition. He said this area is changing with the Green Line one block to the north and Vandalia Tower, Lake Monster Brewing, Metro Transit Central Warehouse, and Lake Region Storage to the south and west. He noted American Engineering and Testing has purchased the truck parking lot to the east and the Rihm Kenworth facility to the north. He said they hope to join the key landmark buildings like WestRock, and Vandalia Towers and housing like C&E Lofts, Carleton Artist Lofts, The Lyric at Carleton Place, and Union Flats. He said this development would support the restaurants and bars in this area. Their plan is to have several commercial maker units and are proposing a redevelopment for a mix of commercial and residential space to bring the building back to life without public investment.

Another representative, Rick Wessling, Project Manager for Urban Works Architecture, 901 N. 3<sup>rd</sup> Street, Minneapolis said the building condition has declined significantly over the years and all parts of the building will need to be renovated, including roof, windows, HVAC and the electrical service, as well as tuck pointing to the building envelope. He said the building is a historic shell that has been a part of the architectural fabric of the area since the 1880s. The geometry of the building doesn't work well for industrial reuse due to low ceiling heights, multiple floor levels, and its overall proportions, making this building unmarketable. He added that multiple floor levels are a deterrent for use as office space because of having to add ramps to connect spaces. He said they would have pursued a historic use variance, but their timeline and the change of the tax code require them to begin construction by June 2018. They are proposing a balance between what the zoning district would like to retain and what works viably as a project.

Commissioner Ochs asked why razing the building is not an option. Mr. Blaiser said that economically it won't work because the rents would not support it. Their intent is to do a historic tax credit renovation and preserve the building in accordance with the National Parks Service.

In response to questions by Chair Edgerton, Mr. Blaiser said the apartments will be approximately 700 sq. ft. and they can work with multifamily dwellings at the different elevations, but they will replace all roofs, and add decks and balconies. He said they had to move quickly and met with the Department of Safety and Inspections, Midway Chamber of Commerce, Saint Paul Port Authority, Councilmember Stark, and the St. Anthony Park Community Council, but did not have time to reach out to all surrounding neighbors.

Commissioner Ochs said he would like to know how they plan to make this habitable in terms of human perspective as this proposal is hard to digest because it is living units within a very industrial area that provides no curbs or sidewalks and no definitive boundary between residential and the industrial area.

Mr. Blaiser said that much of the truck traffic will diminish when Rihm moves. He said that there is a bus line on Cleveland Avenue convenient to the University of St. Thomas, which has a potential need by graduate and international students for family housing needing a 2-or 3-bedroom unit. He said they were pursuing vacating Montgomery Avenue because it only goes

for two blocks and it is hardly used on the one block to University Avenue. He said they have been encouraged to add bike paths that are large enough for fire trucks and emergency vehicles as well as parking, green space, and sidewalks.

In response to a question by Commissioner Baker, Mr. Blaiser said there was a change in the state and federal historic tax credit that was grandfathered in, and they had to get their bank investor and tax credit partner to submit the paperwork before the end of the year and start construction by June 2018. He said they were told that a historic use variance can take longer than six months and there was not enough time for that.

John Young, board member of the Midway Chamber of Commerce and industrial real estate broker, 2414 W 54<sup>th</sup> Street, Minneapolis said the Midway Chamber of Commerce did not take these applications lightly as this organization has always supported industrial development and jobs to create a vibrant Midway. He said this building was awful years ago and they believe that redeveloping the property as the applicant is proposing will fit in their vision for the Midway supporting a vibrant community that has a mix of uses in industrial, office, retail, and residential. He added that if we want to attract companies to the Midway, they will want places for their employees to live, so they support the proposed applications. He said this building has remained vacant through several of the best real estate cycles and this proposal is a chance to preserve a historic building for a productive use.

Terry Swor, American Engineering and Testing, 550 Cleveland Ave. N., said he owns property that is leased to Rihm motors and he has a vested interest. He asked if the property at 2103 Wabash is rezoned from I2 general industrial to IT transitional industrial, will it change the zoning for his property? Mr. Dermody said the rezoning request is for the 2103 Wabash only and does not change any other zoning in the area. Mr. Swor said this proposal would be similar to people moving in next to an airport, because of their truck traffic in the morning and evening. He said that under their 5-10 year strategic plan they plan to build a repair facility and they are concerned about whether families moving into this location would be concerned about the noise. The only thing he would suggest is that they add a sound barrier to their proposal to mitigate any issues. He said they are not for or against the proposal; he did not want to lose his property, because they have too much invested in it, but said he loves new construction.

Chair Edgerton asked if this proposal would create any new noise restrictions for neighboring properties. Mr. Dermody said he is not familiar with the noise regulations. He said the uses allowed in the I2 zoning district would continue to be allowed in the I2 district.

Sherman Eagles, St. Anthony Park Community Council, 980 Hampden Ave., said they support this project. He said this is a worthwhile project to save a historic building and the proposal is moving the city in a direction that needs to happen. He said in the 1970s there was a large effort to rehabilitate many industrial buildings in the Midway area. He said that helped some major employers that are now gone, but have not been replaced by large manufacturers, and the buildings are being divided and used by multiple smaller businesses. He said as they work on their new 10 year plan, the community council wrestles with how to support these creative and diverse businesses that are going to bring in jobs. He said they have worked with the Creative Enterprise Zone. He said they are not seeing the types of industrial uses that would create a large-scale business, but that makerspaces are in demand for small businesses and

small-scale manufacturing. He said they are encouraged by the commercial spaces that the developer is proposing and are in talks with the developer to provide more of these spaces as well as pedestrian and bicycle safety. He added that the creative people that are moving in to these areas are comfortable with the mix of residential and industrial uses.

In response to questions by Commissioner Ochs, Mr. Eagles said a makerspace is a space for a small-scale fabrication shops, such as 3D printing or custom furniture. He added that the fastest growing business in the area is storage and it does not bring in jobs. He said they are starting to see new uses coming into old buildings, such as Vandalia Tower that is a large industrial building with a lot of small business. He said he does not see new large businesses moving into the city. He added that industrial spaces on the north side of University Avenue are moving to housing, with the apartments like the Ray and Union Flats being built in the station area. He said outside of the station area there are a lot of for rent or lease signs outside of larger buildings offering space for smaller businesses.

Chair Edgerton asked Mr. Eagles for his thoughts on pedestrian and bike safety issues around the industrial area. Mr. Eagles said the area south of University Avenue is a challenge because there are a number of streets that have been vacated, are privately owned, and they don't have sidewalks which can make it difficult to get through this area. He said they are hoping to work with the developer to create parking, sidewalks, and bike paths by vacating Montgomery Street between Wabash and Myrtle. He added that this will be an improvement and within one block, there are sidewalks.

No one spoke in opposition and the public hearing was closed.

In response to a question by Chair Edgerton, Mr. Dermody said the Planning Commission would only make a recommendation to City Council on the rezoning, so if the Planning Commission approves the conditional use permit, the applicant may want to withdraw the rezoning application and carry forward with their development based on the conditional use permit.

In response to a question by Commissioner Lindeke, Mr. Dermody said that the IT zone is a transitional industrial district intended to be a transition from industrial to other uses to lessen land use conflicts and protect industrial uses for the long term. He said the Central Corridor traditional neighborhood zoning study was used for rezoning near the Green Line, and followed up on the Central Corridor Development Strategy and the station area plans. He said there was some rezoning along University Avenue based on the Green Line to try and create a transition zone between the T districts and I2 and that is why some areas were rezoned either I1 or IT.

Commissioner Ochs said he would like to support staff's findings to preserve our industrial uses. He said the Port Authority made a presentation to the Planning Commission a few years ago about the value of industrial zones and the amount of tax revenue they bring to the City. He said there is a struggle to create compatible uses between these industrial zones and residential mixed use areas. It has also been a struggle for the City to bring industrial businesses into this area and because of this he said he is leaning in favor of the applicant's proposal, but he is struggling with placing a residential use in the middle of this industrial area.

Chair Edgerton said there were various findings that were not met in the staff report, but because of the support by the District 12 Council, Midway Chamber of Commerce, and the Saint Paul Port Authority, he said he called Lee Krueger to find out why they are supporting this. He noted Mr. Krueger said they are supporting this but would like the City to preserve the ability to have industrial land use there by not changing the zoning, so it can be used as industrial in the future. This is a challenging site and in 40 years this site has not redeveloped. It makes sense to allow the mixed residential and commercial uses over a vacant building, and it may encourage other mixed industrial uses in the area.

Commissioner DeJoy said she recalls the former president and CEO of the Saint Paul Port Authority talking to the Planning Commission about preserving industrial land. She said with the support by District 12, Midway Chamber of Commerce and the Saint Paul Port Authority, she is leaning in favor of the application.

Commissioner Reveal said a point of the IT district is to create more flexibility for future uses as for traditional neighborhood districts. She added that there are residential uses in industrial areas all over the city. She said she is happy to preserve industrial uses where they are economically viable, but agrees with this mixed use because the building has been vacant for 40 years, and that this is an opportunity to support creativity in the Creative Enterprise Zone.

Chair Edgerton noted that not long ago we allowed a residential use in an industrial area along Transfer Road, which he did not support that proposal because he thought there were viable industrial uses for the property, but he does not feel there are viable industrial uses for this property.

Commissioner Eckman asked what vulnerable land use edges look like between residential and industrial uses. Mr. Dermody said they occur where you have residential uses that are immediately adjacent or across the street from industrial uses. He said the Midway Industrial Area Plan calls out vulnerable land use edges and looks for ways to improve buffers to reduce conflict.

Commissioner Lindeke said he is wary of creating industrial space such as storage units that do not create jobs or increase tax base. He said a good example of a buffer zone is Can Can Wonderland, which is a thriving mixed-use space. He wished there were a zoning solution to this. It would be nice to see IT transitional industrial zoning being applied for more broadly in this area where there isn't hope for an I2 jobs-based use. He added that if the conditional use permit were approved, he would like to have a 50/50 mix of ground floor uses other than residential. He added that he is concerned with the lack of sidewalks for the safety of pedestrians.

Commissioner Fredson asked if they need to find an error in the staff report to change the recommendation. Mr. Warner said that they do not need to find error because this is not an appeal, but they have to find that the application meets the conditions in the zoning code. Commissioner Edgerton said that they have to provide rationale as to why they feel the conditions are met. Mr. Warner added that they need to provide a factual and legal rationale that the required findings are met.

In response to a question by Commissioner Fredson, Mr. Dermody said that the applicant is pursuing National Register of Historic Places designation, a process that requires comment from the Heritage Preservation Commission, which hasn't happened yet. They need National Register designation to qualify for the tax credits they are pursuing.

Commissioner Fredson said that the decision on these applications is so much bigger because the site is at the center of this industrial area and he feels the City's hope is that we would have robust industry here. Once industrial land is gone it's gone, but with organizations such as the Midway Chamber of Commerce and the Saint Paul Port Authority always fighting for industry and good paying jobs their support is very impactful.

In response to a question by Commissioner Eckman, Mr. Warner said that the Zoning Committee would need to show findings have been met with respect to each finding that staff has determined is not met. Commissioner Reveal said they need to be mindful of the 60-day deadline for action, which is March 26, 2018, and that she is not comfortable making changes to the findings on the fly. Mr. Warner said they could make a motion of intent for approval of the conditional use permit with direction for staff to draft findings consistent with that motion to be presented to the Planning Commission.

Commissioner Eckman asked if these applications are denied, what options that leaves for the applicant. Mr. Warner said if the Planning Commission upholds the staff recommendation of denial, the applicant could appeal the denial before City Council and if City Council upheld the denial, they could file an appeal to the State District Court. Mr. Torstenson added that the rezoning would go to the City Council automatically, because the Planning Commission does not take the final action on that application.

Mr. Dermody said he had rewritten findings 4(a), 4(c), 4(d), and 5 for the conditional use permit and proposed the following language for finding 4(a) as: *"The extent, location, and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council. This condition is ~~not~~ met. The site is designated in Comprehensive Plan Figure LU-B as Industrial, which calls for "(p)rimarily manufacturing and/or the processing of products; could include light or heavy industrial land uses, large warehouse facilities, and/or utilities." The 2007 Central Corridor Development Strategy identifies the site as being outside the Areas of Change adjacent to the Green Line LRT. The West Midway Industrial Area Plan (WMIAP) says in Strategy PI-1 that we should, "(r)etain and protect current industrial land from conversions to non-industrial uses." The WMIAP also places great importance on improving buffering between existing "vulnerable land use edges" between residential and industrial uses so as to reduce conflicts and preserve industrial viability. The proposed introduction of apartments at this location is contrary to the Comprehensive Plan's Industrial designation and creates a new vulnerable land use edge in the heart of an industrial area that will put surrounding industrial uses at risk. This conditional use permit maintains the I2 zoning, which makes it in substantial compliance with the comprehensive plan."*

Commissioner Reveal said she would agree to this finding.

In response to a question by Commissioner Lindeke, Mr. Dermody said the Creative Enterprise Zone is a non-profit entity promoted and supported by the City and District Council, but is not in the comprehensive plan or zoning code.

Mr. Dermody proposed the following language for finding 4(c): "~~The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.~~ This condition is not met. ~~Adjacent streets do not have sidewalks and convey large amounts of truck traffic. To place apartments in the middle of an industrial area without sidewalks and with heavy truck traffic would endanger public safety.~~ The use does not negatively impact the areas existing character subject to a condition provided that the property owner work on improving the bicycle and pedestrian infrastructure."

He said the proposed language for finding 4(d) is: "~~The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.~~ This condition is not met. ~~The introduction of apartments in the heart of an industrial area will impede the development and improvement of surrounding property for industrial uses permitted in the I2 general industrial zoning district. The adjacent properties are not being rezoned and maintain their permitted uses.~~"

The final proposed finding 5 presented by Mr. Dermody is: "Zoning Code § 61.502 provides that "the planning commission ... may modify any or all special conditions when strict application of such special conditions would unreasonably limit or prevent otherwise lawful use of a piece of property or an existing structure and would result in exceptional undue hardship to the owner of such property or structure; provided, that such modification will not impair the intent and purpose of such special condition and is consistent with health, morals and general welfare of the community and is consistent with reasonable enjoyment of adjacent property." These requirements for modification of special conditions are not met. The application requests modification of conditions that prohibit dwelling units on the first floor and require that 80% of the first floor be devoted to principal uses permitted in the district, other than residential uses. ~~Though the Strict application of these conditions would likely prevent otherwise lawful use of this long-underutilized building due to its condition and the investment that would be required to make it functional for industrial uses. The requested modification to allow 39 dwelling units on the first floor and decrease the required amount of non-residential use on the first floor from 80% to 10% would not impair the intent and purpose of these conditions to retain and protect industrial land in the I2 general industrial district from conversion to residential uses, because the adjacent properties maintain their zoning, to reduce conflicts between residential and industrial uses, and to preserve industrial viability. Also, the modification would be detrimental to public safety and reasonable enjoyment of adjacent property by locating a large number of residential units in the middle of an industrial area, as discussed in Findings 4(a), 4(c), and 4(d).~~"

In response to Commissioner Reveal, Mr. Dermody said the recommendation would be restated to recommend approval with one condition that the property owner work with the community and other interested persons on improving the bicycle and pedestrian infrastructure.

Commissioner Reveal moved approval of the conditional use permit with the language provided by staff and one condition. Commissioner Ochs seconded the motion.

The motion passed by a vote of 8-0-0.

Commissioner Reveal moved layover of the rezoning to March 1, 2018 and requested staff to advise on the appropriate way to address the broader zoning issues in the surrounding area. Commissioner Ochs seconded the motion.

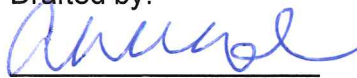
The motion passed by a vote of 8-0-0.

Commissioner Reveal moved denial of the variance. Commissioner Baker seconded the motion.

The motion passed by a vote of 8-0-0.

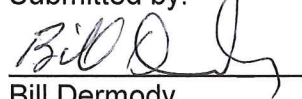
Adopted                      Yeas - 8              Nays - 0              Abstained - 0

Drafted by:



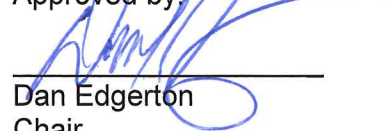
Cherie Englund  
Recording Secretary

Submitted by:



Bill Dermody  
City Planner

Approved by:



Dan Edgerton  
Chair



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PRESENT: Baker, DeJoy, Eckman, Edgerton, Fredson, Lindeke, Ochs, and Reveal  
STAFF: Kady Dadlez, Cherie Englund, Allan Torstenson, and Peter Warner

The meeting was chaired by Commissioner Edgerton.

**Jewish Community Center - 18-024-542 - Conditional use permit for community center expansion at 1375 St. Paul Ave., between Davern and Edgumbe.**

Kady Dadlez presented the staff report with a recommendation of approval for the conditional use permit with a condition. She stated District 15 recommended approval, and there were no letters in support or opposition.

In response to a question by Commissioner Baker, Ms. Dadlez said the previous expansion in 2017 did not expand by more than 50%, but this additional expansion increases the floor area of the use by 4,427 sq. ft. and triggers the need for a new conditional use permit since the floor area of the use will be expanded by more than 50%.

Chair Edgerton asked if future expansions would require new conditional use permits. Ms. Dadlez said no but future expansions would likely require variances unless they rezone the property, because they are close to the 35% lot coverage that is allowed under the RM2 zoning.

Ryan Johnson, 780 West Crest Lane, Ellsworth, WI, with LSE Architects and representative for Michael Waldman said the St. Paul Jewish Community Center was established in 1963 and the creative arts wing for the education of music and dance will be an asset to the community.

Tim Oskey, 671 Apache Lane, Mendota Heights, Board of the St. Paul Jewish Community Center, and chair of the renovation committee accompanied the applicant's architect and was available for questions.

No one spoke in favor or opposition and the public hearing was closed.

Commissioner Reveal moved approval of the conditional use permit with a condition.  
Commissioner DeJoy seconded the motion.

The motion passed by a vote of 8-0-0.

Adopted                      Yeas - 8              Nays - 0              Abstained - 0

Drafted by:



Cherie Englund  
Recording Secretary

Submitted by:



Kady Dadlez  
City Planner

Approved by:



Dan Edgerton  
Chair

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STAFF: Kady Dadlez, Cherie Englund, Allan Torstenson, and Peter Warner

The meeting was chaired by Commissioner Edgerton.

**KTJ 298 LLC - 18-024-461 - Rezone from R3 one-family residential to RM2 multiple family residential at 1891 Norfolk Ave. (between Prior and Sue) and 1413 Sue Street (SW corner at Graham).**

Kady Dadlez presented the staff report with a recommendation of approval for the rezoning. She stated District 15 recommended approval, and there were no letters in support, and 1 letter in opposition.

Commissioner Ochs noted a typo on the "applicant" line of the staff report. He asked why there isn't sufficient parking for the existing development and said there should be storm water management for the new surface parking lot.

Ms. Dadlez said the existing development meets the off-street parking requirement of 54 parking spaces, but the actual operation is demanding more parking than what is required.

Commissioner Lindeke asked if the City measures on-street parking usage, how much on-street parking is available during the day, and if houses in the area have garages.

Ms. Dadlez said the City did not measure on-street parking use and availability. Neighbors have complained about use of on-street parking by the facility, which rents parking from a neighboring church but doesn't want to rely on it. She was unsure about garages.

Commissioner Reveal asked about the parking requirements for the site. Ms. Dadlez said they have 78 assisted living units and 73 independent living units. Assisted living requires one parking space per three residents and there can be more than one resident per unit, so that parking requirement can fluctuate. Independent living requires 0.33 parking space per unit. The approximate off-street parking requirement is 54 spaces and they have 86. All 86 spaces are being used by residents, leaving no parking for employees or visitors. The maximum number of surface parking spaces is 170 percent of the required minimum, which limits the number of surface spaces to 92 and they are proposing 52 surface parking spaces.

In response to a question by Commissioner Reveal, Ms. Dadlez said she believed the existing home on the NW corner of Norfolk and Sue Avenues is owned by the person who resides there.

The applicant, Michelle Riedel, 400 Water St., Excelsior said that all of their underground parking spaces are leased by their residents. Other residents, staff, visitors, and vendors use on-street parking. Because parking in front of their houses is important for area residents, the facility leases parking from the church to alleviate parking problems. Some people do not have driveways or garages, and they receive numerous complaints from neighbors about parking. She said that 1885 Norfolk is owned by the resident that lives there and she has paid a deposit to move in to the Highlands of St. Paul facility, but has not determined what she would like to do with her house.

In response to a question by Commissioner Reveal, Ms. Riedel said that they receive complaints about day and evening usage of on-street parking.

Shannon Rusk with Oppidan, 400 Water St., Excelsior, said they have 151 apartments and 140 of them are occupied, putting pressure on the neighborhood for use of on street parking. She said the proposed parking lot will be safer for employees, residents and visitors.

Commissioner Ochs said he applauds the applicants for being good neighbors by addressing parking concerns. He said that parking lot design, landscaping and infiltration of storm water runoff should be addressed as part of site plan review.

In response to a question by Commissioner Lindeke, Ms. Rusk said they were told that a Travel Demand Management Plan (TDMP) is not required for this proposal, and will work with staff to determine if it's necessary. Ms. Dadlez said she met with the applicants and Tia Anderson at the Department of Safety and Inspections, and the need for a TDMP will be determined through site plan review process. Ms. Rusk said that it may be possible to update a previous TDMP.

In response to a question by Chair Edgerton, Ms. Rusk said that there is currently ornamental fencing along the perimeter of the property at 1885 Norfolk. She likes landscaping to fit into the residential community, which will be worked out during the site plan review process.

In response to a question from Commissioner Lindeke, Ms. Riedel said that residents pay extra for underground parking spaces and they are all leased.

No one spoke in favor or opposition and the public hearing was closed.

Commissioner Reveal moved approval of the rezoning. Commissioner Ochs seconded the motion.

Commissioner Lindeke said he will vote against the motion based on findings 2 and 3. He said he opposes the loss of housing for car storage, and for sustainability reasons they should try to come up with an alternative solution such as increasing parking lease rates and reviewing on-street parking demand. He said the proposal is not consistent in the way the area developed or with the comprehensive plan.

Commissioner Fredson made a motion to reopen the public hearing to ask if the applicant would be interested in purchasing 1885 Norfolk if the owner decides sell the property. Commissioner Reveal seconded the motion. The motion passed by a vote of 8-0-0.

In response to the question by Commissioner Fredson, Ms. Riedel said she thinks it would be good for them to buy it. The homeowner is moving into the Highlands of St. Paul facility this spring, and they plan to meet with her again then. She noted that of the two houses they own, one will be vacant in March and the other tenant will vacate the property once they are given notice.

The public hearing was closed.

Commissioner Ochs asked about the relevance of 1885 Norfolk ownership. Commissioner Fredson said it could be awkward to sell a single family house all by itself at the corner. Commissioner Ochs said he shares the concern but sees a need to address parking and thinks high density housing is a reasonable exchange.

Commissioner Baker asked about the Travel Demand Management Plan (TDMP). Ms. Dadlez said the possible need for a TDMP was raised during a meeting she and Tia Anderson had with the applicants. They need to review what had been done previously for the Highlands of Saint Paul. If the property is rezoned and they move forward with the parking lot, the site plan review process requires review and input by many City departments including public works, and a TDMP would be required if needed. Commissioner Baker said he would like to have this information before deciding on the rezoning.

In response to a question by Chair Edgerton, Ms. Dadlez said the applicant has not applied for a site plan review yet. The use cannot be established without the proper zoning. In response to a question by Commissioner Eckman, Ms. Dadlez said setbacks will be determined during the site plan review process.

Commissioner Eckman asked if this is consistent with preserving naturally occurring affordable housing and maintaining existing housing. Ms. Dadlez said that from a zoning and land use perspective the rezoning request is consistent with the way the area has developed and with the comprehensive plan. Sometimes there are conflicting policies, but on balance the request is consistent with the comprehensive plan.

Commissioner Lindeke noted that the rezoning is for a parking lot. Ms. Dadlez said the proposal is to rezone to RM2, which is a multiple family zoning district. The immediate intent is to provide off-street parking to serve the existing multi-family development. In the future it could be used for additional multi-family residential development.

Commissioner Fredson said there will be site plan review for the parking lot. Peter Warner said that conditions can't be placed on a rezoning, but the Planning Commission could review the site plan and place conditions on site plan approval. Commissioner DeJoy commented that approval of the rezoning doesn't approve the parking.

Commissioner Lindeke said he would vote in support of the rezoning.

The motion passed by a vote of 8-0-0.

Adopted                      Yeas - 8                      Nays - 0                      Abstained - 0

Drafted by:  
  
Cherie Englund  
Recording Secretary

Submitted by:  
  
Kady Dadlez  
City Planner

Approved by:  
  
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The meeting was chaired by Commissioner Edgerton.

**Danmark LLC - 18-024-674 - Reestablishment of nonconforming use as a 4-family dwelling at 780-784 Agate St., SE corner at Sycamore**

Bill Dermody presented the staff report with a recommendation of approval for the reestablishment of nonconforming use permit with a condition. He stated District 6 made no recommendation, and there were no letters in support or opposition.

In response to questions from by Chair Edgerton and Commissioner Reveal, Mr. Dermody said that the building was used as flats 1903 and had 4 dwelling units as recently as August 2016. He said he was unsure of its use during the interim. He noted that the building is on two lots, and a recommended condition of approval is that the two lots be tied together to create a single parcel. There may be minor exterior changes due to a long list of code compliance issues, but no expansion has been proposed. The building must be brought up to code to get a certificate of occupancy, so this is not a necessary condition of approval.

Commissioner Ochs asked if the building crosses the property line. Mr. Dermody said yes.

Ryan Conners, attorney for Danmark LLC, 120 S. 6<sup>th</sup> Street, Suite 2050, Minneapolis said he was available for questions. Jay Mitchell, 923 Payne Avenue, also representing the applicant, said at one time there were 5 units in this building and they are proposing a 4 unit dwelling. In response to a question by Commissioner Reveal, Mr. Mitchell said they would like to tie the two lots together to create a single parcel.

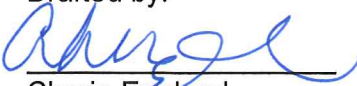
No one spoke in favor or opposition and the public hearing was closed.

Commissioner Baker moved approval of the reestablishment of nonconforming use permit with a condition. Commissioner Reveal seconded the motion.

The motion passed by a vote of 8-0-0.

Adopted                      Yeas - 8                      Nays - 0                      Abstained - 0


Drafted by:

  
Cherie Englund  
Recording Secretary

Submitted by:

  
Bill Dermody  
City Planner

Approved by:

  
Dan Edgerton  
Chair

**MINUTES OF THE ZONING COMMITTEE**  
**Thursday, February 15, 2018 - 3:30 p.m.**  
**City Council Chambers, 3rd Floor**  
**City Hall and Court House**  
**15 West Kellogg Boulevard**

PRESENT: Baker, DeJoy, Eckman, Edgerton, Fredson, Lindeke, Ochs, and Reveal  
STAFF: Bill Dermody, Cherie Englund, Allan Torstenson, and Peter Warner

The meeting was chaired by Commissioner Edgerton.

**2103 Wabash - 18-024-155 - Conditional use permit for a mixed residential / commercial use with more than 6 dwelling units (64 proposed), with modification to allow residential use of the first floor (39 units proposed) at 2103 Wabash Ave., NE corner at Montgomery Street.**

**2103 Wabash - 18-023-089 - Rezone from I2 General Industrial to IT Transitional Industrial at 2103 Wabash Ave., NE corner at Montgomery Street.**

**2103 Wabash - 18-024-315 - Variance to allow residential use of 90% of the first floor (50% maximum allowed in IT district) at 2103 Wabash Ave., NE corner at Montgomery Street.**

Bill Dermody presented the staff report with a recommendation of denial for the conditional use permit, rezoning, and variance. He stated District 12 recommended approval, and there were 2 letters in support, and no letters in opposition.

Mr. Dermody noted that the applicant will either need the conditional use permit or the rezoning with the variance to move forward with this project.

In response to a question by Commissioner Baker, Mr. Dermody noted that the businesses that are occupying the 1<sup>st</sup> floor of the building are listed in finding 1 of the staff report for the conditional use permit.

Commissioner Lindeke asked about the age of the building. Mr. Dermody said it is from the 1800s and the applicant may have more information as they have been researching the buildings historic status.

Mr. Dermody noted that the two letters in support are from the Saint Paul Port Authority and Midway Chamber of Commerce.

The applicant, Clinton Blaiser, 275 E. 4<sup>th</sup> Street, said he is a member of the team that has been working on this project for over a year and it is a federal and state historic tax credit redevelopment site. He said their goal is to save this historic building without a City or local subsidy to avoid tearing it down and it cannot be reused or redeveloped while staying in compliance with the current zoning requirements. He said they are proposing to redevelop this site into a functional industrial, office, and retail space with direction from Councilmember Stark and the Saint Paul Port Authority. He said because of the new tax laws they have submitted these three applications, rather than go through the City's historic use variance, because that process takes longer than they have to stay in compliance with the new federal, state, and historic tax credit laws. He said they need to start construction by June 2018. He added the

building is a 100,000 sq. ft. former meat packing plant built in 1886, 1911, 1928, 1935, and 1947. It has been mostly vacant since closing in 1979. The building has approximately 30 roofs, and as many elevations inside that do not line up well. He said the structure almost fills the 1.6-acre lot, and cannot be occupied in its current condition. He said this area is changing with the Green Line one block to the north and Vandalia Tower, Lake Monster Brewing, Metro Transit Central Warehouse, and Lake Region Storage to the south and west. He noted American Engineering and Testing has purchased the truck parking lot to the east and the Rihm Kenworth facility to the north. He said they hope to join the key landmark buildings like WestRock, and Vandalia Towers and housing like C&E Lofts, Carleton Artist Lofts, The Lyric at Carleton Place, and Union Flats. He said this development would support the restaurants and bars in this area. Their plan is to have several commercial maker units and are proposing a redevelopment for a mix of commercial and residential space to bring the building back to life without public investment.

Another representative, Rick Wessling, Project Manager for Urban Works Architecture, 901 N. 3<sup>rd</sup> Street, Minneapolis said the building condition has declined significantly over the years and all parts of the building will need to be renovated, including roof, windows, HVAC and the electrical service, as well as tuck pointing to the building envelope. He said the building is a historic shell that has been a part of the architectural fabric of the area since the 1880s. The geometry of the building doesn't work well for industrial reuse due to low ceiling heights, multiple floor levels, and its overall proportions, making this building unmarketable. He added that multiple floor levels are a deterrent for use as office space because of having to add ramps to connect spaces. He said they would have pursued a historic use variance, but their timeline and the change of the tax code require them to begin construction by June 2018. They are proposing a balance between what the zoning district would like to retain and what works viably as a project.

Commissioner Ochs asked why razing the building is not an option. Mr. Blaiser said that economically it won't work because the rents would not support it. Their intent is to do a historic tax credit renovation and preserve the building in accordance with the National Parks Service.

In response to questions by Chair Edgerton, Mr. Blaiser said the apartments will be approximately 700 sq. ft. and they can work with multifamily dwellings at the different elevations, but they will replace all roofs, and add decks and balconies. He said they had to move quickly and met with the Department of Safety and Inspections, Midway Chamber of Commerce, Saint Paul Port Authority, Councilmember Stark, and the St. Anthony Park Community Council, but did not have time to reach out to all surrounding neighbors.

Commissioner Ochs said he would like to know how they plan to make this habitable in terms of human perspective as this proposal is hard to digest because it is living units within a very industrial area that provides no curbs or sidewalks and no definitive boundary between residential and the industrial area.

Mr. Blaiser said that much of the truck traffic will diminish when Rihm moves. He said that there is a bus line on Cleveland Avenue convenient to the University of St. Thomas, which has a potential need by graduate and international students for family housing needing a 2-or 3-bedroom unit. He said they were pursuing vacating Montgomery Avenue because it only goes

for two blocks and it is hardly used on the one block to University Avenue. He said they have been encouraged to add bike paths that are large enough for fire trucks and emergency vehicles as well as parking, green space, and sidewalks.

In response to a question by Commissioner Baker, Mr. Blaiser said there was a change in the state and federal historic tax credit that was grandfathered in, and they had to get their bank investor and tax credit partner to submit the paperwork before the end of the year and start construction by June 2018. He said they were told that a historic use variance can take longer than six months and there was not enough time for that.

John Young, board member of the Midway Chamber of Commerce and industrial real estate broker, 2414 W 54<sup>th</sup> Street, Minneapolis said the Midway Chamber of Commerce did not take these applications lightly as this organization has always supported industrial development and jobs to create a vibrant Midway. He said this building was awful years ago and they believe that redeveloping the property as the applicant is proposing will fit in their vision for the Midway supporting a vibrant community that has a mix of uses in industrial, office, retail, and residential. He added that if we want to attract companies to the Midway, they will want places for their employees to live, so they support the proposed applications. He said this building has remained vacant through several of the best real estate cycles and this proposal is a chance to preserve a historic building for a productive use.

Terry Swor, American Engineering and Testing, 550 Cleveland Ave. N., said he owns property that is leased to Rihm motors and he has a vested interest. He asked if the property at 2103 Wabash is rezoned from I2 general industrial to IT transitional industrial, will it change the zoning for his property? Mr. Dermody said the rezoning request is for the 2103 Wabash only and does not change any other zoning in the area. Mr. Swor said this proposal would be similar to people moving in next to an airport, because of their truck traffic in the morning and evening. He said that under their 5-10 year strategic plan they plan to build a repair facility and they are concerned about whether families moving into this location would be concerned about the noise. The only thing he would suggest is that they add a sound barrier to their proposal to mitigate any issues. He said they are not for or against the proposal; he did not want to lose his property, because they have too much invested in it, but said he loves new construction.

Chair Edgerton asked if this proposal would create any new noise restrictions for neighboring properties. Mr. Dermody said he is not familiar with the noise regulations. He said the uses allowed in the I2 zoning district would continue to be allowed in the I2 district.

Sherman Eagles, St. Anthony Park Community Council, 980 Hampden Ave., said they support this project. He said this is a worthwhile project to save a historic building and the proposal is moving the city in a direction that needs to happen. He said in the 1970s there was a large effort to rehabilitate many industrial buildings in the Midway area. He said that helped some major employers that are now gone, but have not been replaced by large manufacturers, and the buildings are being divided and used by multiple smaller businesses. He said as they work on their new 10 year plan, the community council wrestles with how to support these creative and diverse businesses that are going to bring in jobs. He said they have worked with the Creative Enterprise Zone. He said they are not seeing the types of industrial uses that would create a large-scale business, but that makerspaces are in demand for small businesses and



small-scale manufacturing. He said they are encouraged by the commercial spaces that the developer is proposing and are in talks with the developer to provide more of these spaces as well as pedestrian and bicycle safety. He added that the creative people that are moving in to these areas are comfortable with the mix of residential and industrial uses.

In response to questions by Commissioner Ochs, Mr. Eagles said a makerspace is a space for a small-scale fabrication shops, such as 3D printing or custom furniture. He added that the fastest growing business in the area is storage and it does not bring in jobs. He said they are starting to see new uses coming into old buildings, such as Vandalia Tower that is a large industrial building with a lot of small business. He said he does not see new large businesses moving into the city. He added that industrial spaces on the north side of University Avenue are moving to housing, with the apartments like the Ray and Union Flats being built in the station area. He said outside of the station area there are a lot of for rent or lease signs outside of larger buildings offering space for smaller businesses.

Chair Edgerton asked Mr. Eagles for his thoughts on pedestrian and bike safety issues around the industrial area. Mr. Eagles said the area south of University Avenue is a challenge because there are a number of streets that have been vacated, are privately owned, and they don't have sidewalks which can make it difficult to get through this area. He said they are hoping to work with the developer to create parking, sidewalks, and bike paths by vacating Montgomery Street between Wabash and Myrtle. He added that this will be an improvement and within one block, there are sidewalks.

No one spoke in opposition and the public hearing was closed.

In response to a question by Chair Edgerton, Mr. Dermody said the Planning Commission would only make a recommendation to City Council on the rezoning, so if the Planning Commission approves the conditional use permit, the applicant may want to withdraw the rezoning application and carry forward with their development based on the conditional use permit.

In response to a question by Commissioner Lindeke, Mr. Dermody said that the IT zone is a transitional industrial district intended to be a transition from industrial to other uses to lessen land use conflicts and protect industrial uses for the long term. He said the Central Corridor traditional neighborhood zoning study was used for rezoning near the Green Line, and followed up on the Central Corridor Development Strategy and the station area plans. He said there was some rezoning along University Avenue based on the Green Line to try and create a transition zone between the T districts and I2 and that is why some areas were rezoned either I1 or IT.

Commissioner Ochs said he would like to support staff's findings to preserve our industrial uses. He said the Port Authority made a presentation to the Planning Commission a few years ago about the value of industrial zones and the amount of tax revenue they bring to the City. He said there is a struggle to create compatible uses between these industrial zones and residential mixed use areas. It has also been a struggle for the City to bring industrial businesses into this area and because of this he said he is leaning in favor of the applicant's proposal, but he is struggling with placing a residential use in the middle of this industrial area.

Chair Edgerton said there were various findings that were not met in the staff report, but because of the support by the District 12 Council, Midway Chamber of Commerce, and the Saint Paul Port Authority, he said he called Lee Krueger to find out why they are supporting this. He noted Mr. Krueger said they are supporting this but would like the City to preserve the ability to have industrial land use there by not changing the zoning, so it can be used as industrial in the future. This is a challenging site and in 40 years this site has not redeveloped. It makes sense to allow the mixed residential and commercial uses over a vacant building, and it may encourage other mixed industrial uses in the area.

Commissioner DeJoy said she recalls the former president and CEO of the Saint Paul Port Authority talking to the Planning Commission about preserving industrial land. She said with the support by District 12, Midway Chamber of Commerce and the Saint Paul Port Authority, she is leaning in favor of the application.

Commissioner Reveal said a point of the IT district is to create more flexibility for future uses as for traditional neighborhood districts. She added that there are residential uses in industrial areas all over the city. She said she is happy to preserve industrial uses where they are economically viable, but agrees with this mixed use because the building has been vacant for 40 years, and that this is an opportunity to support creativity in the Creative Enterprise Zone.

Chair Edgerton noted that not long ago we allowed a residential use in an industrial area along Transfer Road, which he did not support that proposal because he thought there were viable industrial uses for the property, but he does not feel there are viable industrial uses for this property.

Commissioner Eckman asked what vulnerable land use edges look like between residential and industrial uses. Mr. Dermody said they occur where you have residential uses that are immediately adjacent or across the street from industrial uses. He said the Midway Industrial Area Plan calls out vulnerable land use edges and looks for ways to improve buffers to reduce conflict.

Commissioner Lindeke said he is wary of creating industrial space such as storage units that do not create jobs or increase tax base. He said a good example of a buffer zone is Can Can Wonderland, which is a thriving mixed-use space. He wished there were a zoning solution to this. It would be nice to see IT transitional industrial zoning being applied for more broadly in this area where there isn't hope for an I2 jobs-based use. He added that if the conditional use permit were approved, he would like to have a 50/50 mix of ground floor uses other than residential. He added that he is concerned with the lack of sidewalks for the safety of pedestrians.

Commissioner Fredson asked if they need to find an error in the staff report to change the recommendation. Mr. Warner said that they do not need to find error because this is not an appeal, but they have to find that the application meets the conditions in the zoning code. Commissioner Edgerton said that they have to provide rationale as to why they feel the conditions are met. Mr. Warner added that they need to provide a factual and legal rationale that the required findings are met.

In response to a question by Commissioner Fredson, Mr. Dermody said that the applicant is pursuing National Register of Historic Places designation, a process that requires comment from the Heritage Preservation Commission, which hasn't happened yet. They need National Register designation to qualify for the tax credits they are pursuing.

Commissioner Fredson said that the decision on these applications is so much bigger because the site is at the center of this industrial area and he feels the City's hope is that we would have robust industry here. Once industrial land is gone it's gone, but with organizations such as the Midway Chamber of Commerce and the Saint Paul Port Authority always fighting for industry and good paying jobs their support is very impactful.

In response to a question by Commissioner Eckman, Mr. Warner said that the Zoning Committee would need to show findings have been met with respect to each finding that staff has determined is not met. Commissioner Reveal said they need to be mindful of the 60-day deadline for action, which is March 26, 2018, and that she is not comfortable making changes to the findings on the fly. Mr. Warner said they could make a motion of intent for approval of the conditional use permit with direction for staff to draft findings consistent with that motion to be presented to the Planning Commission.

Commissioner Eckman asked if these applications are denied, what options that leaves for the applicant. Mr. Warner said if the Planning Commission upholds the staff recommendation of denial, the applicant could appeal the denial before City Council and if City Council upheld the denial, they could file an appeal to the State District Court. Mr. Torstenson added that the rezoning would go to the City Council automatically, because the Planning Commission does not take the final action on that application.

Mr. Dermody said he had rewritten findings 4(a), 4(c), 4(d), and 5 for the conditional use permit and proposed the following language for finding 4(a) as: *"The extent, location, and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council. This condition is not met. The site is designated in Comprehensive Plan Figure LU-B as Industrial, which calls for "(p)rimarily manufacturing and/or the processing of products; could include light or heavy industrial land uses, large warehouse facilities, and/or utilities." The 2007 Central Corridor Development Strategy identifies the site as being outside the Areas of Change adjacent to the Green Line LRT. The West Midway Industrial Area Plan (WMIAP) says in Strategy PI-1 that we should, "(r)etain and protect current industrial land from conversions to non-industrial uses." The WMIAP also places great importance on improving buffering between existing "vulnerable land use edges" between residential and industrial uses so as to reduce conflicts and preserve industrial viability. The proposed introduction of apartments at this location is contrary to the Comprehensive Plan's Industrial designation and creates a new vulnerable land use edge in the heart of an industrial area that will put surrounding industrial uses at risk. This conditional use permit maintains the I2 zoning, which makes it in substantial compliance with the comprehensive plan."*

Commissioner Reveal said she would agree to this finding.

In response to a question by Commissioner Lindeke, Mr. Dermody said the Creative Enterprise Zone is a non-profit entity promoted and supported by the City and District Council, but is not in the comprehensive plan or zoning code.

Mr. Dermody proposed the following language for finding 4(c): "~~The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.~~ This condition is not met. ~~Adjacent streets do not have sidewalks and convey large amounts of truck traffic. To place apartments in the middle of an industrial area without sidewalks and with heavy truck traffic would endanger public safety.~~ The use does not negatively impact the areas existing character subject to a condition provided that the property owner work on improving the bicycle and pedestrian infrastructure."

He said the proposed language for finding 4(d) is: "~~The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.~~ This condition is not met. ~~The introduction of apartments in the heart of an industrial area will impede the development and improvement of surrounding property for industrial uses permitted in the I2 general industrial zoning district. The adjacent properties are not being rezoned and maintain their permitted uses.~~"

The final proposed finding 5 presented by Mr. Dermody is: "Zoning Code § 61.502 provides that "the planning commission ... may modify any or all special conditions when strict application of such special conditions would unreasonably limit or prevent otherwise lawful use of a piece of property or an existing structure and would result in exceptional undue hardship to the owner of such property or structure; provided, that such modification will not impair the intent and purpose of such special condition and is consistent with health, morals and general welfare of the community and is consistent with reasonable enjoyment of adjacent property." These requirements for modification of special conditions are not met. The application requests modification of conditions that prohibit dwelling units on the first floor and require that 80% of the first floor be devoted to principal uses permitted in the district, other than residential uses. ~~Though the Strict application of these conditions would likely prevent otherwise lawful use of this long-underutilized building due to its condition and the investment that would be required to make it functional for industrial uses. The requested modification to allow 39 dwelling units on the first floor and decrease the required amount of non-residential use on the first floor from 80% to 10% would not impair the intent and purpose of these conditions to retain and protect industrial land in the I2 general industrial district from conversion to residential uses, because the adjacent properties maintain their zoning, to reduce conflicts between residential and industrial uses, and to preserve industrial viability. Also, the modification would be detrimental to public safety and reasonable enjoyment of adjacent property by locating a large number of residential units in the middle of an industrial area, as discussed in Findings 4(a), 4(c), and 4(d).~~"

In response to Commissioner Reveal, Mr. Dermody said the recommendation would be restated to recommend approval with one condition that the property owner work with the community and other interested persons on improving the bicycle and pedestrian infrastructure.

Commissioner Reveal moved approval of the conditional use permit with the language provided by staff and one condition. Commissioner Ochs seconded the motion.

The motion passed by a vote of 8-0-0.

Commissioner Reveal moved layover of the rezoning to March 1, 2018 and requested staff to advise on the appropriate way to address the broader zoning issues in the surrounding area. Commissioner Ochs seconded the motion.

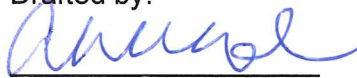
The motion passed by a vote of 8-0-0.

Commissioner Reveal moved denial of the variance. Commissioner Baker seconded the motion.

The motion passed by a vote of 8-0-0.

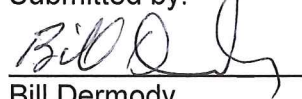
Adopted                      Yeas - 8              Nays - 0              Abstained - 0

Drafted by:



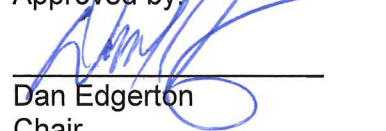
Cherie Englund  
Recording Secretary

Submitted by:



Bill Dermody  
City Planner

Approved by:



Dan Edgerton  
Chair