

**MINUTES OF THE ZONING COMMITTEE**  
**Thursday, August 27, 2015 - 3:30 p.m.**  
**City Council Chambers, 3rd Floor**  
**City Hall and Court House**  
**15 West Kellogg Boulevard**

PRESENT: Nelson, Padilla, Reveal, and Wencil  
EXCUSED: Edgerton, Makarios, Merrigan, and Wickiser  
STAFF: Bill Dermody, Samantha Langer, and Allan Torstenson

The meeting was chaired by Commissioner Nelson.

**Stone House Tap Room - 15-143-784 - Historic use variance for a tap house / microbrewery with food service, 445 Smith Ave N, between Goodrich and McBoal**

**Stone House Tap Room – 15-143-968 – Side and rear setback variances, 445 Smith Avenue N**

**Stone Saloon Parking – 15-146-534 – Variance to allow the corner of a parking space to be set back 4 inches from a public sidewalk at 444 7<sup>th</sup> Street W.**

Bill Dermody presented the staff reports with a recommendation of approval with conditions for the historic use variance (HUV), side and rear setback variances, and variance to allow the corner of a parking space to be set back 4 inches from a sidewalk. District 9 recommended approval for each case, and there were 59 letters and a petition with 42 signatures in support, and 7 letters and a petition with 31 signatures in opposition.

Upon questions from the Commissioners, Mr. Dermody stated that the saloon parcel owner is proposing to lease the parking lot parcel for ten years. A lease hold interest is enough to make an application for a variance. Mr. Dermody stated that the most direct access to the saloon from the proposed parking lot would be through the alley, and there is sidewalk access along 7<sup>th</sup> Street, McBoal Street, and Goodrich Avenue. He can't confirm the lighting situation in the alley. The realistic access to the bike racks shown on the site plan is not very convenient. He stated that the project still needs to go through site plan review. The Department of Safety and Inspections (DSI) will review this issue. The bike racks alleviate the need for a parking space. He confirmed that these will be private bike racks for the business.

Commissioner Nelson questioned Finding #3 in the HUV, and how it can be partially met. It requires that the use variance should be the minimum needed and there are uses that are less intense than a saloon.

Mr. Dermody stated that this is a difficult section of code to deal with and it is a difficult finding for any project to be able to meet completely. This site was used for alcohol service or something similar in the 1850's to 1863. Since 1863 it has been a single family residence. Tax credits for historic sites require that the site is revenue producing, and that makes a single family home use difficult. Staff looked to see if there was a use that has a business element, but affects the building less. In their opinion there is, however, they still recommend approval on this application because the overall goal of the new ordinance is to encourage investment in historic properties. They recognize it's overly difficult to meet this finding the way it is written. That is why they recommended approval while recognizing this finding is only partially met.

Commissioner Padilla agreed that the finding is difficult. It's challenging to see words with least impact upon its historic character, but not really defining what that could mean. She does struggle with the fact that they are utilizing language like "this finding can be partially met". It is generally required that findings be met or not met. If this application is approved that language needs to state clearly if the finding has been met and include supporting reasons of how it is met.

Tom Schroeder, the applicant, 194 McBoal Street, Saint Paul, thanked the Committee and Bill Dermody for all of the work that went into applying this ordinance. This ordinance was prompted by this very project. He also thanked everyone in attendance, both the supporters and people with concerns. He respects everyone's views and hopes to address any concerns. He referred to a letter that was submitted stating that this area is primarily a residential block. In regards to finding 2(a) he states that the criteria looks to the surrounding area not the immediate block that the building sits on. This is by definition a mixed use area. There are a vast range of businesses in the area from the social service institutions to commercial garages to coffee shops that illustrates the mixed uses of the community. He lives about 250 feet from the Stone Saloon and has been in the neighborhood for 24 years. The finding also states this use must be compatible with existing uses. He stated other instances where establishments have been compatible with surrounding residential uses. He noted Forepaugh's, in Irving Park, as one example in Saint Paul that has been successful within a neighborhood for the past 25 years. He noted concerns from neighbors about a bar being in the neighborhood. He explained that he loves this building and it's the oldest commercial building in the Twin Cities. This will not be a sports bar. There will be no TV's, stereos, pull tabs, or liquor licenses associated with this saloon. The official licensure will be a taproom / brewery, but that does not even describe the Stone House Saloon adequately. They will not have offsite commercial distribution. The purpose of this is to create a living history example of a territorial period civil war era saloon. They will not have a full service restaurant. They are only proposing to serve cheeses, meats, pretzels, and desserts. He stated that the petition circulated in opposition overstates the seating capacity, presumes outdoor seating, and that parking may be an issue. The petition was circulated under false pretext. They will have code compliant parking if they are able to get the variance on the parking space. He stated that both zoning and HPC staff find that this is consistent with the Comprehensive Plan. He explained that at one time he considered using the structure as a violin repair shop, but because of the extreme expense it would take to bring it up to code, he decided against this option. It was not an economically viable use. He also referred to some neighbors' opposition to him moving the cottage at 447 Smith. He provided history on the structures that existed on the site. They all shared a sewer line and water feed. There was no way to gain access to utilities for the Stone Saloon unless he purchased the lots to the south. The cottage to the south has been demolished and the existing cottage will be moved 2 1/2 blocks north under the Inspiring Communities Program. He also noted that some neighbors have stated that he is not a good preservationist. He finds this most heartily disappointing. He has stated numerous preservationist credentials including, but not limited to, being the President of the Preservation Alliance of Minnesota, founder of the Uppertown Preservation League and he has received the preservation award from HPC for restoring his own home. He also noted neighbors' concerns about noise and people damaging property in the neighborhood. This is so far away from his intended use of the site. He noted issues presently happening in the neighborhood and he is hoping to turn the neighborhood into a more vibrant area with the Stone

House Saloon. He is looking to change the neighborhood for the better. Mr. Schroeder stated the point of this ordinance is to allow historic sites to realize their full economic potential using regulatory incentives such as the HUV to make it easier and more feasible to rehabilitate historic structures. The legislative intent of the ordinance was not to minimize change. The intent is to enable the minimum necessary change that is economically viable. He stated the structure could have been renovated as a rental property, but a return of investment on a 1,800 square foot rental property, abutting a State Trunk Highway, with no parking, would not have paid for this project. This has been an extremely costly endeavor. The maintenance of this property will continue to be costly. The historic character of this building is its original designed purpose and use, and it was originally built as a lager beer saloon. The HUV is in fact the minimum necessary to enable this property to be used in a manner that will not only have the least impact on the historic character, but will fully realize it.

At questions from the Commissioners, Mr. Schroeder stated that the fire code capacity for the building is between 50-55 people. He presumes he would have discussions of the hours of operation at the licensing phase. He is hoping to have the hours of operation be the same or similar to those of the tap room 16 ½ feet to the north. He said he would work with the neighboring owners to work on getting better lighting in the public alley.

Michael Padgett, 274 Goodrich Avenue, Saint Paul, spoke in support. He has lived at his property since 1978. He applauds the fact that he is seeing very positive changes in the neighborhood. These are two sites that have not been the most exciting sites in the neighborhood for many years. He supports this proposal and believes it is a wonderful idea. He commends Tom Schroeder for his efforts, and he hopes the project is not too bogged down with zoning and variance issues because this area needs improvement.

Adam Yust, 202 McBoal Street, Saint Paul, spoke in support. He lives in very close proximity to the future Stone Saloon. He is also a board member of the West Seventh / Fort Road Federation and they have given their unanimous support of this project. They find that is fully within line of their district plan. He would like to thank the HPC staff and commissioners for their recommendation of approval for the HUV. The neighborhood is mixed use and this type of project is what makes their neighborhood unique. This is a wonderful way to rejuvenate the neighborhood with the HUV for the very first time. The precedent it would set would be exquisite for Saint Paul.

Brian Harvey, 201 Goodrich Avenue, Saint Paul, spoke in support. Mr. Harvey explained the mixed uses in the neighborhood he noticed while walking through the neighborhood and said the only negative thing they encountered was a neighbor who disagreed with his support of the Stone House Saloon. He stated if you want large lots and no immediate neighbors you should consider living in the suburbs. This is not a suburban neighborhood. They have a great variety of residential and commercial uses within the neighborhood and we have benefited from the mixed uses. With respect to concerns of parking and traffic in the neighborhood, he stated it already faces some challenges. We shouldn't assume this use will dramatically make it worse. It is a very walkable neighborhood and there is excellent bus service for this area. He doesn't believe it will bring a flood of more cars to the neighborhood. A project like this adds interest and vitality to our neighborhood. It is one more reason to live in the neighborhood and for people to spend money in the area. He believes investment feeds investment. When one

neighbor improves one property it prompts other people to improve their properties. If everyone in his neighborhood treated their property the way that Mr. Schroeder has treated his, this neighborhood would be the envy of everyone in the metro area.

Richard Miller, 242 Goodrich Avenue, Saint Paul, spoke in support. Mr. Miller said he appreciates the some of the fears of his neighbors, however, he also believes that this is not what that is going to be. He is pleased to hear from Mr. Schroeder that this will not be a sports bar.

Grit Youngquist, 270 Page Street, Saint Paul, spoke in support. She and her husband have been excited to watch the progress of this preservation project. She is appreciative of Mr. Schroeder for his investment and what he is doing to preserve this site and to create something wonderful for the neighborhood. She walks and bikes frequently from where she lives to destinations in the neighborhood. It will be nice to have a place in their neighborhood to enjoy.

Andrew Ruggles, 4745 Aldrich Avenue S, Minneapolis, spoke in support. Mr. Ruggles said he cycles through this area each week. He said this will be a wonderful place. It is very small and it will be a great neighborhood addition. It will be a unique experience.

Katie Swanson, 201 McBoal Street, Saint Paul, referred to a letter she submitted stating her full support of the project (see attached letter).

Jan Grover, 251 Banfil Street, Saint Paul spoke in support. Ms. Grover wanted to thank government agencies for establishing heritage preservation sites. Saint Paul is doing something so affirmative in terms of its commitment to preserving its past. Preservations are affirmations they affirm the relevance of the past to the present. The Stone Saloons deepest past was as part of a walking city and a distinctive model of sociability brought to Saint Paul by its German immigrants. That model is particularly relevant to this application and it deserves the City's full support. In the 1850's when the Stone Saloon was built entertainment was not home centered except for the very wealthy. When people wanted to enjoy themselves they went out for entertainment. The German model of the tavern setting brought to America by immigrants is something very different and was designed for families to visit. The Stone Saloon follows this model. Too much of the past 40 years has been turning ones back on neighbors and communities and hunkering down in front of a television. A place like the Stone Saloon that is in walkable distance to a large neighborhood would be a small step in reversing those kinds of patterns and help to bring the neighborhood together. Things are really changing in Saint Paul and changing in exciting directions. She would like this site to be returned to its earliest use as a German Lager Saloon. It will be an income producing property as well as honoring its first use. It will honor the traditions that the Germans brought to this country of family friendly places for drinking and simple entertainment.

Becky Yust, 256 Goodrich Avenue, Saint Paul, spoke in support and submitted a letter (see attached). She has been president of the West Seventh / Fort Road Federation and lived in the area since 1974. This is a neighborhood that has come a long way in forty years and the community has worked on those changes. This neighborhood is not a residential neighborhood. She explained the changes in the neighborhood that have improved the area. This project is

totally in keeping with the intent for their neighborhood. They want to see improvements and assets that will be utilized by their community.

Andrea Marboe, 253 Western Avenue, Saint Paul, spoke in support. Ms. Marboe stated she wouldn't live in this area if she hadn't met people like Tom Schroeder. She appreciates his dedication to historic preservation and the value of community. Her family is very happy with the Stone Saloon being in the neighborhood.

John Ulven, 278 Goodrich Avenue, Saint Paul, spoke in support. Mr. Ulven stated he has witnessed a great deal of changes in the neighborhood. He has worked in historic preservation quite a bit. He stated that ownership is one thing, but stewardship is another, and that's one thing that is an intangible that is evident in Tom's dedication to this project. He certainly isn't in it for the money. We are not making any more historic buildings and to lose one through neglect would be a tragedy.

Joycellen Boykin, 233 Goodrich Avenue, Saint Paul, spoke in opposition and submitted a letter (see attached). Ms. Boykin stated she is not opposed to the Stone House, she is opposed to the saloon use. The restoration of the building is beautiful, but the building has never been a saloon. It has been insinuated that the owner in 1860 had a liquor license, but never that this place was a saloon. It was a single family residence from 1857-1860 and 1863 until 2008. She attended the Heritage Preservation Commission meeting on August 13, and didn't get home until 10:30 p.m. The victory party they were having at 445 Smith Street was confirmation of all of her concerns. There were people in the alley, someone in her bushes urinating, and about 20 people outside. She is right next door to the property and she is worried people will have no regard for her privacy or her property. The proposed new building will be right at her property line. She is also concerned with traffic and parking in the neighborhood and the alley with this new business. She said there is nothing minimal to what Mr. Schroeder is proposing.

Richard Hause, 444 Smith Avenue, Saint Paul, spoke in opposition and submitted a letter (see attached). Mr. Hause he is predominately concerned with the hours of operation, parking, ADA parking, traffic, and the proposed setbacks of the proposed side building. He also has concerns with the traffic in the alley.

Terrance Schreiner, 433 Smith Avenue, Saint Paul, spoke in opposition. Mr. Schreiner said his driveway is right next to the Stone House. He lives twelve feet from the new Bad Weather Brewing Company and he doesn't believe they need two breweries/saloons fifty feet from each other. There is not enough room in the neighborhood. When he learned that the Stone House was going to be a brewery he told Mr. Schroeder he would sell his home of 30 years. He is working on selling it right now because of this project. His grandchildren live with him and there is no reason that there should be a saloon right next door. When he purchased his home the Stone House was a single family residential home. He imagines they will be brewing with wheat and his grandson is deathly allergic to wheat. That will compromise the air around his home. He is also concerned about the traffic in the alley. Mr. Schroeder said he would make an offer on his home. After the Preservation hearing there were folks there drinking and Mr. Schroeder had no control and he is concerned that this is what they will see if the saloon opens. If this project is approved he would like to see conditions for 24 hour resident parking on Smith Avenue, and for Mr. Schroeder to cut him a new driveway so he can avoid the alley. There will be a lot of

traffic and people coming in and out of the alley he is afraid of accidents. The alley is horrible in the spring and winter months.

Tom Schroeder responded to testimony. He stated he is extremely proud of what happened on the evening of August 13. He received a request from Randal Dietrich, a Civil War Specialist, to have a historical event at the Stone Saloon. Mr. Schroeder said he was at the Historic Preservation Commission meeting, but he had three of his neighbors on site. He can swear to the fact that there was no public urination, people in the back yard, and no one was on the side after 11:00 p.m. He cleaned out the place beginning at 10:30 p.m. He is very regretful that so much of this has been misinterpreted. He will bend over backwards to address all neighborhood concerns. He lives in the neighborhood and cares about the neighborhood. He will be the first to address concerns. No one called him or told him about any of these concerns. If he had any concerns expressed to him he would have remedied them immediately.

At questions from the Commissioners, Mr. Schroeder stated that there is a letter from Bad Weather Brewery confirming that they will work together on ordering supplies to share deliveries and minimize truck traffic through the alleyway. They will have a lease usage of their trash pad to minimize dumpsters. They will address many more issues with site plan review and with the HPC. Until they can finalize the exact location of the brew building some of the issues will remain in flux.

The public hearing was closed.

Upon inquiry from the Commissioners, Mr. Dermody stated the reason for the condition of no off-street parking on site is to maintain as much as possible the residential nature of the block and limit the commercial impact. It's apparent that a full range of T2 uses wouldn't appropriate on this site, but only to have a limited commercial intrusion. By limiting parking on this site is a way of limiting the commercial intrusion.

Commissioner Padilla stated her concern that there is no condition to the HUV that ties the requirement that parking be provided elsewhere under an agreement. She wants it clearly stated what the parking required by the zoning code is and where it will be provided off-site. She also wants it to be clear in condition three that this isn't just substantial compliance with HPC design review, but that it also needs to go through site plan review.

At questions from the Commissioners, Allan Torstenson stated that the code allows parking in both T2 and VP districts.

There was discussion based on the operational plan for the facility, the new ordinance, and concerns that the neighbors raised.

Mr. Dermody stated that Condition #3 in the HUV recommendation states that expansion of the use beyond what is proposed in this application would require a separate historic use variance application and approval.

Commissioner Elizabeth Reveal moved approval with conditions of the historic use variance subject to; clarification of Finding 3 stating that the use is met instead of partially met, an

additional condition that there must be a site plan review application and approval by the Zoning Administrator, and that parking requirements be clearly stated. Commissioner Julie Padilla seconded the motion.

The motion passed by a vote of 4-0-0.  
Adopted                      Yeas - 4              Nays - 0              Abstained - 0

Commissioner Elizabeth Reveal moved approval with conditions for side and rear setback variances. Commissioner Julie Padilla seconded the motion.

It was requested that the required setback distance be included with the resolution to be presented at the Planning Commission on September 4, 2015.

The motion passed by a vote of 4-0-0.  
Adopted                      Yeas - 4              Nays - 0              Abstained - 0

Commissioner Elizabeth Reveal moved approval with conditions of the variance to allow the corner of a parking space to be set back 4 inches from a lot line at the public sidewalk subject to an additional condition stating submission of a more detailed site plan to the Zoning Administrator for review and approval, showing the number and location of bike racks, access to the bike racks, paving and landscaping in conformance with all applicable code requirements. Commissioner Julie Padilla seconded the motion.

The motion passed by a vote of 4-0-0.  
Adopted                      Yeas - 4              Nays - 0              Abstained - 0

Drafted by:	Submitted by:	Approved by:
<hr/> Samantha Langer Recording Secretary	<hr/> Bill Dermody Zoning Section	<hr/> Gaius Nelson Chair