

INTERIM USE PERMIT STAFF REPORT

1. **FILE NAME:** MUSC Holdings, LLC **FILE #**18-088-762
 2. **APPLICANT:** MUSC Holdings, LLC **HEARING DATE:** August 15, 2018
 3. **TYPE OF APPLICATION:** Interim Use Permit
 4. **LOCATION:** 400 Snelling Avenue North (east side between St. Anthony and Spruce Tree)
 5. **PIN & LEGAL DESCRIPTION:** Lot 1 Block 1 MLS Soccer Redevelopment, PIN 34.29.23.32.0013. See file for legal description for property with PIN 34.29.23.32.0003
 6. **PLANNING DISTRICT:** 13 **PRESENT ZONING:** T4M
 7. **STATE STATUTE REFERENCE:** Minnesota State Statute § 462.3597
 8. **STAFF REPORT DATE:** July 30, 2018 **BY:** Kady Dadlez
 9. **DATE RECEIVED:** July 27, 2018 **60-DAY DEADLINE FOR ACTION:** September 24, 2018
-

- A. **PURPOSE:** Interim use permit to allow temporary surface parking lots.
- B. **PARCEL SIZE:** The southern parcel is 24,500 square feet in area and the northern parcel is 35,700 square feet in area.
- C. **EXISTING LAND USE:** The southern parcel is vacant and was previously used as a bus storage and maintenance facility by Metro Transit. The northern parcel is occupied by a commercial building that is part of Midway Shopping Center.
- D. **SURROUNDING LAND USE:**
 - North:** Commercial property in a T4M, traditional neighborhood master plan zone.
 - East:** Professional soccer stadium in a T4M traditional neighborhood master plan zone.
 - South:** I-94 in a T4M traditional neighborhood master plan zone, commercial uses in a T3 zone, and residential uses in and RT1 zone.
 - West:** Commercial uses in a T3 zone and residential uses in an RM2 zone.
- E. **STATE STATUTE CITATION:** Minnesota State Statute § 462.3597 provides for interim uses and includes required findings for establishing an interim use.
- F. **PARKING:** No parking is required in the T4M zone per § 63.207(b) of the Saint Paul Zoning Code. The minimum number of off-street parking spaces required is reduced by 100 percent in traditional neighborhood districts that are within one-quarter of University Avenue.
- G. **HISTORY/DISCUSSION:** The properties on which the temporary parking lots are proposed to be located were used for many years by Metro Transit for a bus storage and maintenance facility and for commercial uses at the Midway Shopping Center.
- H. **DISTRICT COUNCIL RECOMMENDATION:** The Union Park District Council had not commented on the interim use permit application at the time the staff report was drafted.
- I. **FINDINGS:**
 1. The applicant leases the property on which the proposed temporary surface parking lots are to be located from the City of Saint Paul and from RK Midway. The applicant is developing a professional soccer stadium just east of the proposed temporary surface parking lots. The professional soccer stadium is part of the master plan for redevelopment of the Snelling-Midway site. MUSC Holdings, LLC proposes to construct two temporary surface parking lots west of the stadium to provide parking for the stadium.
 2. The proposed temporary surface parking lots are not part of the adopted master plan and are therefore not a permitted use. An interim use permit is needed to allow the temporary parking lots. The City Council resolution approving the master plan, RES PH 16-239, contemplated the need for the temporary parking lots and identified the need for the interim use permit to allow them. Condition #5 of the master plans resolution states, *any parking lot west of the stadium approved by interim use permit shall be removed no later than five (5) years after establishment. Minimal improvements to the lot may be allowed but significant investment is discouraged and will not constitute a justification for long term use.* The master plan intent is for most off-street parking on site to be provided in structured parking above or below ground. It is anticipated that the property on which the temporary parking lots are located will be redeveloped with buildings that provide structured parking to serve the uses and that the parking for the new uses can be shared by stadium attendees when demand for the spaces do not conflict.

3. The parking lots will be paved and include rain gardens, lighting, curbing, and striping. The applicant states that lots will only be used for parking for up to five years after they are completed.
4. The period of time for which the interim use permit is desired is November 15, 2018 through November 15, 2023.
5. Minnesota State Statute § 462.3597, Interim Uses, defines interim uses, gives authority to governing bodies to allow them, and specifies the required findings for establishing an interim use. Minnesota State Statute § 462.3597, Subd.1, Definition, defines an interim use as “a temporary use of property until a particular date, until the occurrence of a particular event, or until zoning regulations no longer permit it.” Minnesota Statute § 462.3597, Subd.2, Authority, allows for conditions to be set on interim uses. The governing body may grant permission for an interim use of property if:
 - a. *The use conforms to the zoning regulations.* This requirement is met. The development site is zoned T4M, traditional neighborhood master plan. While parking is a permitted use in the T4M zone, the master plan calls for buildings where the temporary parking lots are proposed. Finding 1 in the master plan staff report states, “*The temporary parking lot is needed in the short term to serve the stadium until future structured parking that can be shared with other uses is built. It is anticipated that some of the future structured parking will be available for stadium visitors when event times do not conflict with peak demand time for building users.*” Finding 2.b.(1) of the staff report states the following, “*On-street parking is planned where appropriate. There is one surface parking lot in the master plan. It is located at the southeast corner of the site in the side yard of the proposed stadium. No additional surface parking is shown. Staff believes it is reasonable to allow a modest amount of surface parking (20 spaces) on each development block for convenience and handicap purposes. An interim parking lot is proposed west of the stadium to serve the stadium on event days only until such time as other development with associated parking is built that can be shared with the stadium. This parking lot is not part of the master plan; the site is planned for office, retail, and structured parking uses. The interim parking lot should be temporary and removed after a reasonable amount of time. In addition, minimal improvements to the lot should be allowed to discourage significant investment and justification for longer term use. Approval of this parking lot would best be handled through an interim use permit. A five year time limit is recommended.*”
 - b. *The date or event that will terminate the use can be identified with certainty.* This condition is met. The applicant states that the temporary parking lots will terminate on or before November 15, 2023.
 - c. *Permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future.* This condition is met. The properties on which the temporary parking lots are to be established are owned by the Metropolitan Council and RK Midway. The City has a 52 year lease with the Metropolitan Council and in turn subleases the property to the applicant.
 - d. *The user agrees to any conditions that the governing body deems appropriate for permission of the use.* This condition is met. The applicant states that it agrees to the conditions the City Council deems appropriate for permission of the use.

J. STAFF RECOMMENDATION: Based on the above findings, staff recommends approval of an interim use permit for temporary surface parking lots at 400 Snelling Avenue North, subject to the following conditions:

1. The permit shall be in effect from November 15, 2018 through November 15, 2023.
2. The applicant shall maintain the rain water gardens in working order including routinely providing litter and weed control for the duration of the permit.
3. If one or both of the temporary parking lots is not replaced by permanent development that is consistent with the master plan by the time the interim use permit expires the parking lot improvements shall be removed and planted with grass. The property shall be mowed and maintained and litter removed regularly until such time as the property is developed in

accordance with the master plan. The applicant shall maintain the rain water gardens in working order including routinely providing litter and weed control for the duration of the permit.

4. Handicapped parking spaces required by building code for the soccer stadium shall be placed near the main entrances of the stadium.
5. The temporary parking lots and all other site improvements must be constructed as shown on the approved Site Plan, SPR File #16-042321 – Amended site plan approval of plan set ASI 12.9 Revision #57 dated 06-06-18. This includes all paving, grading, driveways, utilities, storm water management facilities, landscaping, and lighting.

Attachments

- Application
- Site plan
- Area maps



INTERIM USE PERMIT APPLICATION
 Department of Planning and Economic Development
 Zoning Section
 1400 City Hall Annex
 25 West Fourth Street
 Saint Paul, MN 55102-1634
 (651) 266-6589

Zoning Office Use Only
 File #: 18-088762
 Fee: _____
 Tentative Hearing Date: 8-15-18

PD-13

3429 23 320003
 # 3429 2332 0013

APPLICANT

Name MUSC Holdings, LLC Email _____
 Address 4150 Olson Memorial Highway, Suite 300
 City Golden Valley State MN Zip 55422 Daytime Phone _____
 Name of Owner (if different) _____
 Contact Person (if different) Nate Pearson Phone (612) 752-5744

PROPERTY LOCATION

Address/Location 400 Snelling Ave N. St. Paul, MN 55104
 Legal Description Parking lots west of Allianz Field (see attached document)
 Current Zoning T-1 T4M

TYPE OF PERMIT: Application is hereby made for an Interim Use Permit under provisions of State Statute 462.3597:
 The permit is for: Interim Use Permit
 Present/Past Use _____
 Proposed Use Parking lots

SUPPORTING INFORMATION: Supply the information that is applicable to your type of permit.

Attach additional sheets if necessary

Attachments as required: Site Plan

Applicant's Signature William W. McCauley Date 7/27/18 City Agent add 7-27-18

The two parking areas located immediately to the west of the new stadium being constructed by MUSC Holdings, LLC (MUSC) pursuant to the Development Agreement dated April 1, 2016 with the City of Saint Paul (City) are intended to meet some of the parking needs identified in Exhibit D of the Development Agreement. Pursuant to the Parking Agreement dated July 25, 2018 between MUSC and the City (copy attached), MUSC has agreed that these areas will only be used for parking for up to five years after they are completed. The parking areas will include the rain gardens, lighting, curbing and striping according to plans that have been submitted to the City in connection with the site ordinance permit that the City has issued.

PARKING AGREEMENT

**Between
City of Saint Paul
and
MUSC Holdings, LLC**

THIS PARKING AGREEMENT (“Agreement”) is entered into as of the 25th day of July, 2018, by and between the City of Saint Paul, a Minnesota home rule Charter city (hereinafter “City”) and MUSC Holdings, LLC, a Minnesota limited liability company (hereinafter the “Team”). The parties identified in the preceding sentence are sometimes referred to individually as a “Party” or together the “Parties.”

RECITALS

- A. The City has leased the property located at 400 Snelling Avenue North in the City of Saint Paul, Minnesota (the “**Bus Barn Property**”) from the Metropolitan Council (the “**Met Council**”) pursuant to the Net Ground Lease dated April 1, 2016 (as may be amended from time to time, the “**NGL**”).
- B. The City and Team have entered into a Development Agreement dated April 1, 2016, as amended by Amendment No. 1 to Development Agreement dated October 31, 2016, and Amendment No. 2 to Development Agreement dated May 19, 2017, and Amendment No. 3 dated November 15, 2017 (and as may be further amended from time to time, the “**Development Agreement**”), for development of a professional soccer stadium and certain appurtenances thereto (collectively, the “**Stadium**”) on a portion of the Bus Barn Property and certain adjoining property to be secured by Team (the “**Team Acquired Property**”; and together with the portion of the Bus Barn Property on which the Stadium will be located, the “**Stadium Site**”). Pursuant to the Development Agreement, Team has agreed to design and construct the Stadium at its expense and convey the Stadium to the City upon completion.
- C. The City and Minnesota United Soccer Club, LLC, a wholly-owned subsidiary of Team (the “**Club**”), have entered into a Playing and Use Agreement dated April 1, 2016, as amended by a First Amendment dated November 15, 2017 (and as may be amended from time to time, the “**Use Agreement**”), under which the Club has agreed to operate and maintain the Stadium at its expense.
- D. The City, Team and Met Council have entered into the Environmental Project Management Agreement dated effective as of April 1, 2016 as amended by the First Amendment dated October 31 2016, the Second Amendment dated May 20, 2017 and the Third Amendment dated June 12, 2017 (and as may be further amended from time to time, the “**Environmental Project Management Agreement**”).
- E. Exhibit H to the Development Agreement included a line item in the amount of \$419,689 for parking as part of the City Public Infrastructure Budget and Section 2.3(h)(iii) of the Development Agreement provided City funds could be used for grading, blacktopping, striping and curbing of any parking areas within the Stadium Site.

- F. The Transportation and Parking Study described in the Development Agreement is currently underway with an expected completion date of approximately 2-3 months. This Transportation and Parking Study is considering multi-model transportation strategies, including but not limited to identification of remote parking and shuttle opportunities in accordance with the requirements of the AUAR, as defined in the Development Agreement.
- G. One of the surface parking areas adjacent to the Stadium is designated as Parcel H on the attached Site Plan (referred to as the "**Parking Parcel**"). Team desires to improve the Parking Parcel and Parcels C1 and C2 (as designated on the Site Plan) for Stadium parking.
- H. City ordinances require that an interim use permit for a duration no longer than 5 years is required to improve Parcels C1 and C2 as shown and designated on the attached Site Plan (the "**Interim Parking Parcels**") for parking because the Snelling-Midway Master Plan shows that these two Parcels C1 and C2 are intended to be used for office buildings.
- I. Section 4.2(b) of the Development Agreement contemplates that a parking agreement will be entered into by the Parties for the minimum number of parking spaces before completion of the Stadium consisting of (a) 316 parking spaces located on the southeast corner lot and west lots of the Stadium Site as specified on the site plan (the "**Parking Site Plan**") included in Exhibit D of the Development Agreement (the Parties acknowledge that the Team has reduced this number to 289 in its proposed site plan), and (b) 350 parking spaces at Spruce Tree Centre Parking Ramp. The City does not own the Spruce Tree Centre Parking Ramp so a separate agreement with the Saint Paul Housing and Redevelopment Authority (the "**HRA**"), as landowner, will be needed to obtain those spaces as provided in the Development Agreement.
- J. The Parties desire that this Agreement will constitute the parking agreement between the Parties.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, undertakings and covenants hereinafter set forth, Team and City hereby agree as follows:

1. Transportation and Parking Study. The City and Team agree to continue their collaboration on the preparation of the Transportation and Parking Study. The City and Team may adjust the terms of this Agreement by mutual agreement after the Transportation and Parking Study is completed.
2. Interim Use Permit for Interim Parking Parcels. The City agrees to join in and support Team's application for an interim use permit for the Interim Parking Parcels as shown and designated on the attached Site Plan on the following conditions: (a) Team shall pay all costs to improve such parcels for use as surface parking, and to maintain such parking in good condition and repair and to secure all other required City approvals and permits for the construction of such improvements; and (b) Team shall at its cost remove such improvements upon the expiration of the interim use permit. The application will be for five years from the completion of the parking improvements for the Interim Parking Parcels.
3. Construction and Operating Expenses and Revenue from Parking Parcel and Interim Parking Parcels. Team shall pay all construction and operating expenses for the Interim Parking Parcels.. Team shall be entitled to receive and retain all revenue realized from the operation of the Interim Parking Parcels. Team may discontinue using the Interim Parking Parcels for parking when and as Team determines within the five year permit period. Nothing contained in this Agreement shall restrict or limit the right of the Team to designate either or both of the Interim Parking Parcels as Sublease Property as defined in the Development Agreement. Team will also construct

at its cost the parking on Parcel H; provided that Team shall be entitled to reimbursement from the City for the cost to construct such parking as contemplated in Paragraph 4 below. Team shall pay the operating costs for the parking on Parcel H and shall be entitled to receive and retain all revenue realized from the operation of the parking on Parcel H.

4. Parking Budget. The City reaffirms its commitment of \$419,689 that can be used to improve the Parking Parcel. Any portion of the City's commitment that is not used for parking on Parcel H shall be applied to pay other City Funded Public Infrastructure Costs (as defined in the Development Agreement). All reimbursement requests by Team to the City shall comply with the requirements of the Development Agreement.
5. Spruce Tree Parking Ramp. The City and Team agree to work together to obtain the HRA's agreement on the use of parking spaces in the Spruce Tree Parking Ramp by the Team for Club Events.
6. City/HRA Owned and Operated Parking Ramps and Surface Parking Lots. Prior to completion of the Stadium, the City and Team, shall identify City and its HRA owned and operated parking ramps and surface parking lots that will provide adequate and convenient parking for those attending Club Events at the Stadium and to agree upon negotiated discounted rates (the "**City/HRA Owned and Operated Parking Ramps and Surface Parking Lots**").
7. Non City/HRA Owned and Operated Parking Ramps and Surface Parking Lots. The City and Team agree to continue their efforts to identify non City/HRA Owned and Operated Parking Ramps and Surface Parking Lots for use for Club Events at the Stadium with the costs of such parking to be paid by Team.
8. Indemnity. Team agrees to defend, protect, indemnify and save City and its HRA, its agents, officials, and employees harmless from and against all liabilities, losses, damages, costs and expenses including reasonable attorney's fees arising out of the work performed by Team for the Parking Parcels and the operation of the Parking Parcels.
9. Insurance. Team agrees to carry the insurance with respect to the construction of the parking improvements on the Parking Parcel and Interim Parking Parcels as required under the Development Agreement and thereafter with respect to the operation of the Parking Parcel and Interim Parking Parcels as required under the Use Agreement.
10. Default and Remedies. Any default by either party in the performance of its obligations hereunder that remains uncured after thirty (30) days written notice of such default by a Party to the non-performing Party entitles the non-defaulting party to remedies afforded at law and in equity.
11. Binding Effect. This Agreement is legally binding on the successors, assigns and transferees of the parties.
12. General Provisions:
 - A. This Agreement shall be construed in accordance with the laws of Minnesota.
 - B. Each of the parties has duly authorized the execution and delivery of this Agreement.

- C. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument.
- D. This Agreement constitutes the entire agreement of the parties regarding the subject matter hereof and shall supersede and replace any prior agreement, or parts of any other agreement and/or resolutions of the City Council that are germane to this Agreement or understanding with respect to the subject hereof; provided that this Agreement does not modify or amend the Development Agreement, the Use Agreement or the Environmental Project Management Agreement except with respect to the Development Agreement and Use Agreement as provided in Section 4 above. This Agreement may be amended only by a writing signed by the City and Team.
- E. An electronic signature is deemed as effective as an original signature on this Agreement.
- F. Any waiver of the performance of any obligation or provision of this Agreement must be in writing to be effective.
- G. All data generated under this Agreement is governed by the Minnesota Data Practice Act, Chapter 13.
- H. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the above-written date.

City of Saint Paul

By: _____
Its: Mayor

Approved as to form

By: _____
Its: Director, Office of Financial Services

Assistant City Attorney

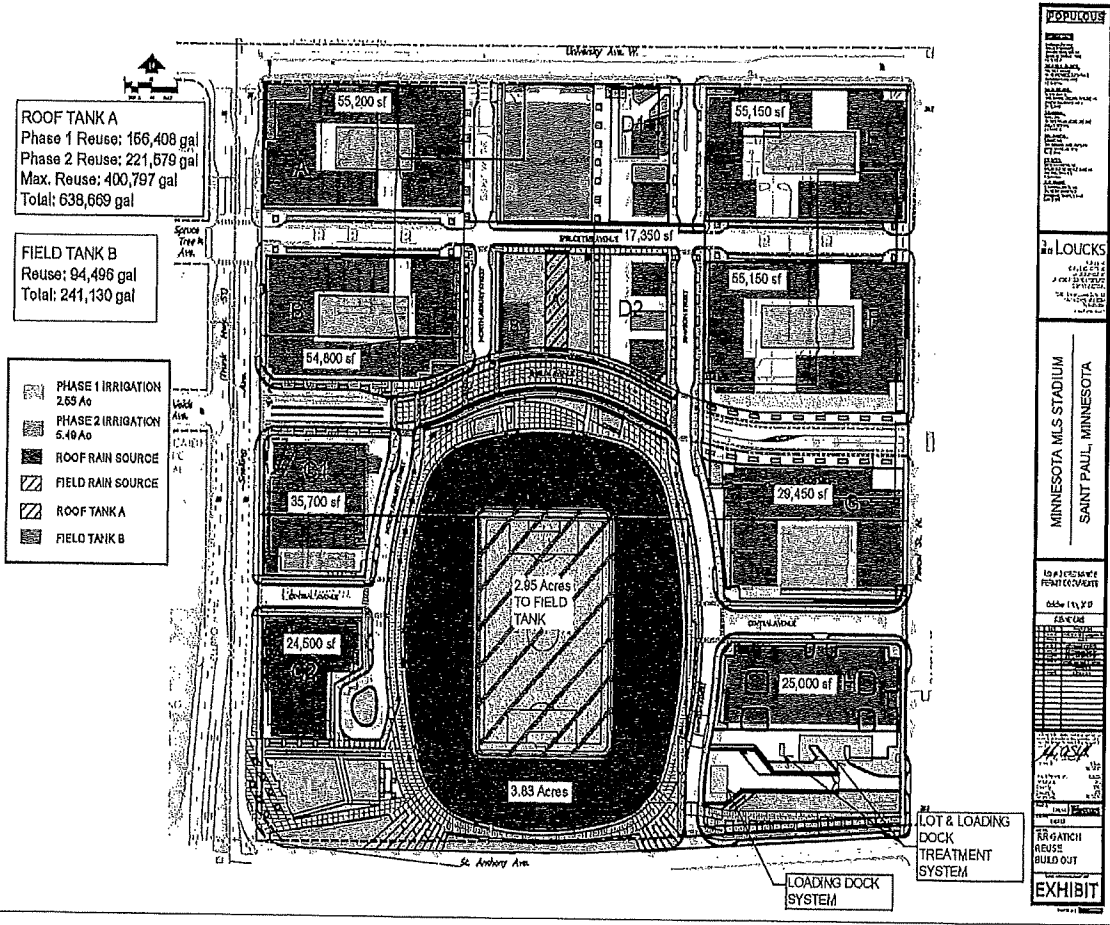
Address: 25 W. 4th St, Suite 1300, St. Paul, Mn 55102

MUSC Holdings, LLC

By: William W. McGuire
William W. McGuire
Managing member

Address: 4150 Olson Memorial Highway, Suite 300, Golden Valley, MN 55422

Site Plan





FILE #18-088762 | AERIAL MAP

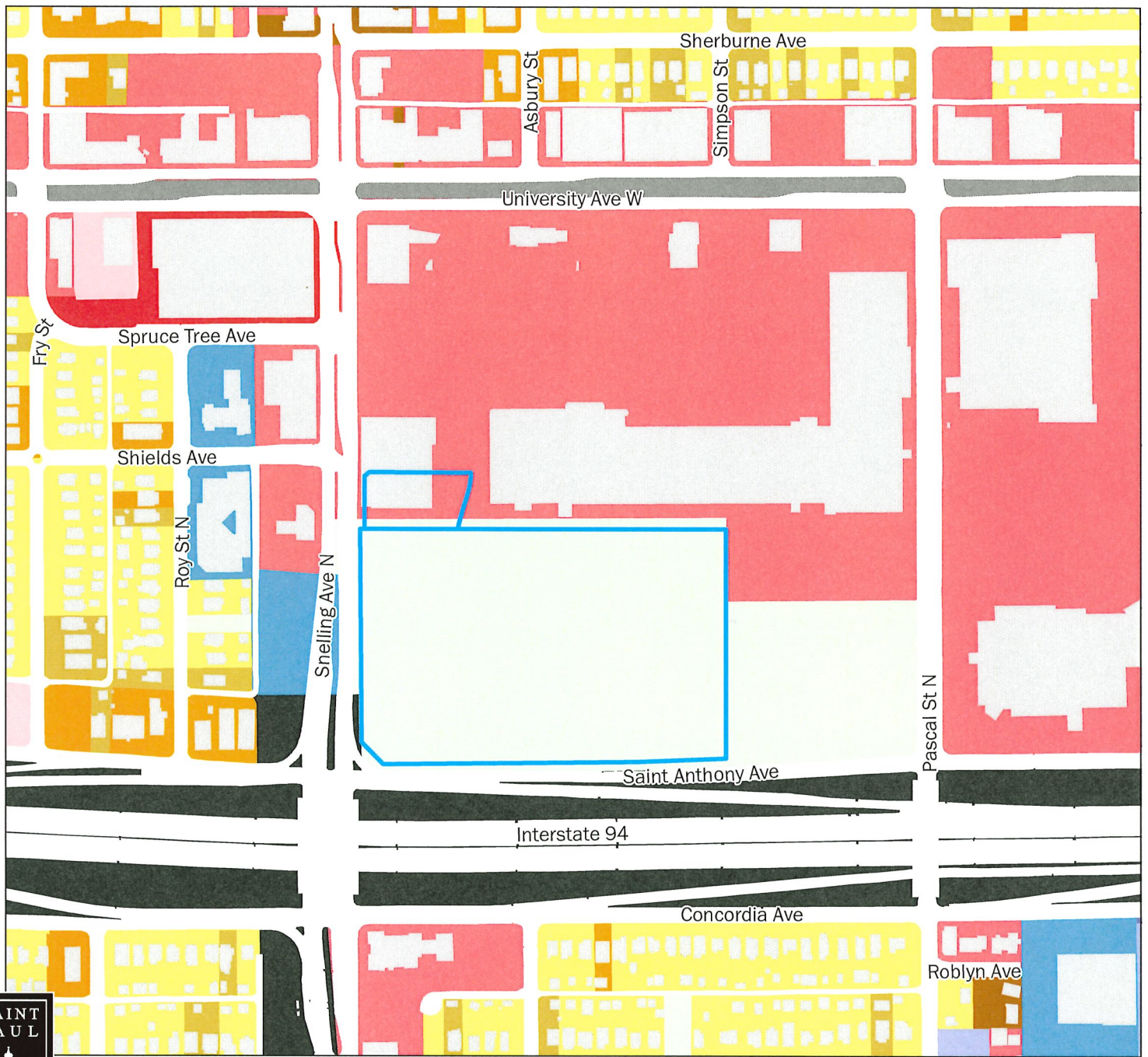
Application of MUSC Holding LLC

Application Type: Interim Use Permit
 Application Date: July 27th, 2018
 Planning District: 13

Subject Parcels Outlined in Blue



This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, official tax map or engineering schematic and is not intended to be used as such. Data sources: City of Saint Paul, Ramsey County, Metropolitan Council, State of Minnesota.

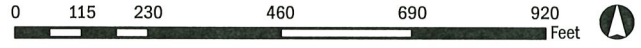


FILE #18-088762 | LAND USE MAP

Application of MUSC Holding LLC

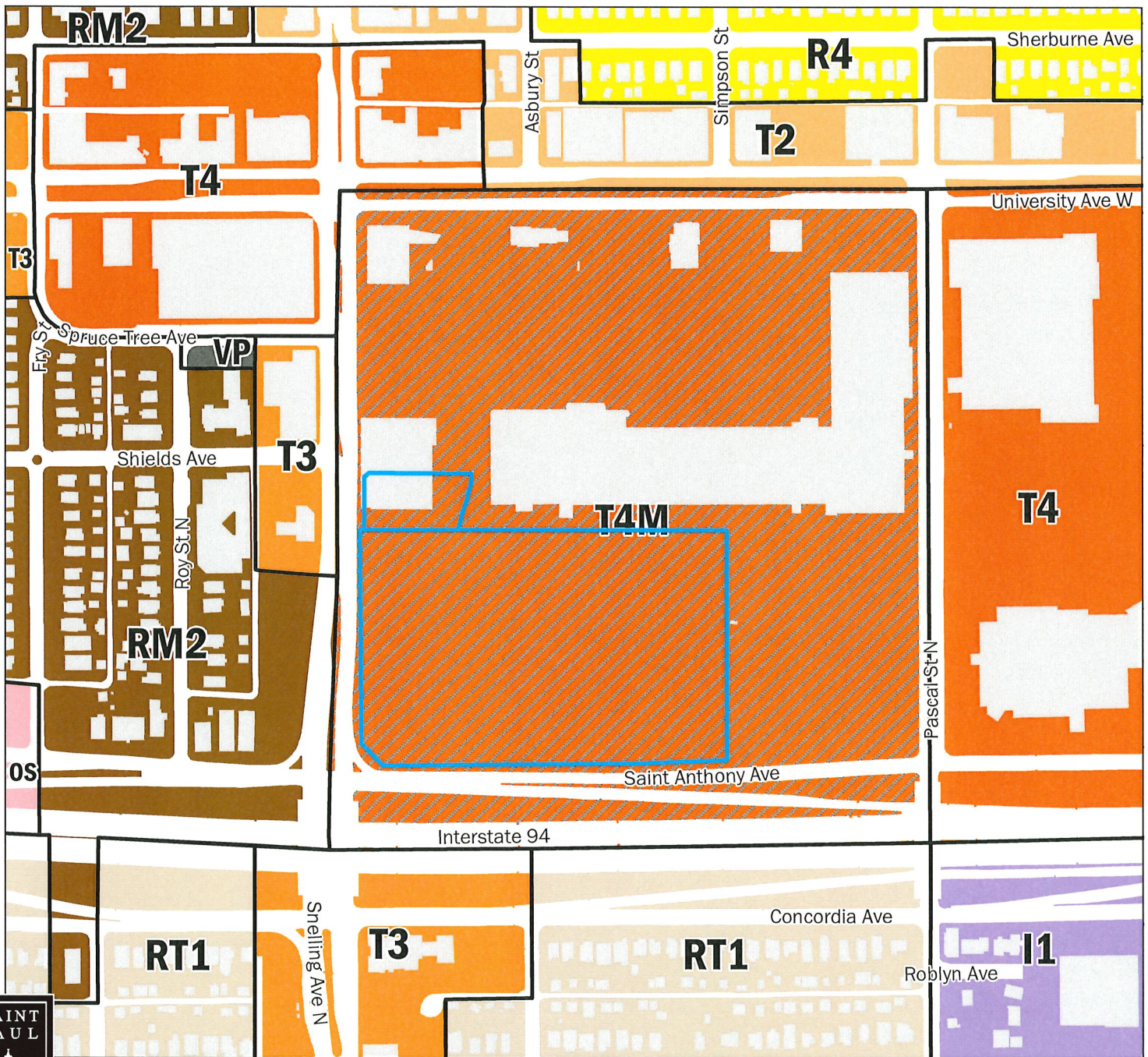
Application Type: Interim Use Permit
 Application Date: July 27th, 2018
 Planning District: 13

Subject Parcels Outlined in Blue



This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, official tax map or engineering schematic and is not intended to be used as such. Data sources: City of Saint Paul, Ramsey County, Metropolitan Council, State of Minnesota.

- | | | | |
|---------------------------|--------------------------------|--------------------------------|--------------|
| Farmstead | Office | Extractive | Airport |
| Seasonal/Vacation | Retail and Other Commercial | Institutional | Agricultural |
| Single Family Detached | Mixed Use Residential | Park, Recreational or Preserve | Undeveloped |
| Manufactured Housing Park | Mixed Use Industrial | Golf Course | Water |
| Single Family Attached | Mixed Use Commercial and Other | Major Highway | |
| Multifamily | Industrial and Utility | Railway | |



FILE #18-088762 | LAND USE MAP

Application of MUSC Holding LLC

Application Type: Interim Use Permit

Application Date: July 27th, 2018

Planning District: 13

Subject Parcels Outlined in Blue



This document was prepared by the Saint Paul Planning and Economic Development Department and is intended to be used for reference and illustrative purposes only. This drawing is not a legally recorded plan, survey, official tax map or engineering schematic and is not intended to be used as such. Data sources: City of Saint Paul, Ramsey County, Metropolitan Council, State of Minnesota.

RL One-Family Large Lot	RM3 Multiple-Family	BC Community Business (converted)	I3 Restricted Industrial
R1 One-Family	T1 Traditional Neighborhood	B2 Community Business	F1 River Residential
R2 One-Family	T2 Traditional Neighborhood	B3 General Business	F2 Residential Low
R3 One-Family	T3 Traditional Neighborhood	B4 Central Business	F3 Residential Mid
R4 One-Family	T3M T3 with Master Plan	B5 Central Business Service	F4 Residential High
RT1 Two-Family	T4 Traditional Neighborhood	IT Transitional Industrial	F5 Business
RT2 Townhouse	T4M T4 with Master Plan	ITM IT with Master Plan	F6 Gateway
RM1 Multiple-Family	OS Office-Service	I1 Light Industrial	VP Vehicular Parking
RM2 Multiple-Family	B1 Local Business	I2 General Industrial	PD Planned Development
			CA Capitol Area Jurisdiction