

MINUTES OF THE ZONING COMMITTEE
Thursday, June 3, 2021 - 3:30 p.m.

PRESENT: Baker, Rangel Morales, Reilly, Syed, and Taghioff
EXCUSED: DeJoy, Grill, and Hood
STAFF: Bill Dermody, Samantha Langer, Allan Torstenson, and Peter Warner

The meeting was chaired by Commissioner Baker. He stated that the chair of the Planning Commission had determined that due to the COVID-19 pandemic it is neither practical nor prudent for the Zoning Committee to meet in person, and therefore the meeting was being conducted remotely, with all members of the Zoning Committee attending the meeting remotely. The public is also able to join the meeting remotely and can speak during the public hearing portion or submit comments by noon on the day before the meeting.

520 Payne Rezoning - 21-263-450 - Rezone from I1 light industrial to T2 traditional neighborhood, 520 Payne Ave, between Kenny Road and Woodward Avenue

Bill Dermody presented the staff report with a recommendation of approval for the rezoning. He said District 5 recommended approval, and there were no letters in support, and 2 letters in opposition.

In response to Commissioner Baker, Mr. Dermody said they project they are proposing on this property is multifamily residential and he will let the developer explain it in more detail.

Johnny Opara, 3640 Dunbar Knoll, Brooklyn Park, MN said they have been working on this project since late 2017. They are excited to bring much needed affordable housing to the community. They will be building a 62 unit multi family residential apartment building. It is affordable workforce housing with 80% of the units at 60% Area Median Income (AMI) and 20% will be at fair market value. He has been working with the community since 2018 and has been very transparent and they want to make sure if there are any concerns surrounding the development of this building, they can have an open dialog, and he is open to diversity of thought. They have received a letter from the FAA supporting the development of the Hollows stating that there is no hazard to air navigation. Over the last four years they have done everything in terms of transparency and making sure that they are following all the rules and regulations of the City of St. Paul and working with the community both broad and micro. They want to make sure that they are fulfilling their due diligence and bring forth a project that will uplift and encourage the diversity of the neighborhood and more importantly bring much needed affordable housing.

In response to Commissioner Rangel Morales, Mr. Opara said that they looked at reserving a few units at 30% or 50% AMI, but development is very expensive, and the feasibility of this project is directly related to the revenues coming in based on the units. 60% AMI for 80% of the units and having 20% at fair market value directly impacts the project and allows us to bring in affordable housing. If they were to have units at 30% or 50% AMI that would make the gap bigger and it would not be feasible. It's unfortunate that in today's world we are dealing with a lot of different factors surrounding cost increases in materials like lumber and steel. He said that what they are currently proposing for rates aligns with the current community.

In response to Commissioner Taghioff, Mr. Opara said regarding funding they are receiving 2.5 million of local funding including Tax Increment Financing (TIF). That allows the project to be feasible. The unit mixes are studios, alcoves, one-bedrooms and two-bedrooms and the square footages of the units are replicant of what is in the market right now in multifamily within the area.

In response to Commissioner Baker, Mr. Opara said that this is a bond deal and in the State of Minnesota you must have 20% of the units at fair market value. He confirmed that 80% of the units will be at 60% AMI and 20% of the units will be at fair market value. Mr. Opara said he is a newer developer and he is very interested in complete engagement with the community. His first meeting to present this project was in October 2018 and he presented in front of the Railroad Island Task Force. Since then he has had several meetings with several community members, Vice Chairman for the Railroad Island Taskforce and they had a design presentation in August 2019 for the community to present several different ideas and got their feedback. They took the data from that meeting and presented a design based on their feedback. They have had four meetings with the Swede Hollow Brownstone neighborhood. He has been extremely transparent, and he wants to make sure he isn't a developer came in and built a building and left. He wants to be a developer that listens to the community.

In response to Commissioner Taghioff, Mr. Opara said that initially they proposed 54 units with 38 one-bedroom units and 16 two-bedroom units, but due to the pandemic and limited supply of materials they changed the units mix and went from 54 to 62 units. They included studio and alcove units and reduced the number of two-bedroom units. The design has not changed much since 2018 other than adding more units and types of units. It is a four story building with underground and surface parking.

Kate Palm, Minnesota Music Café, 499 Payne Avenue, Saint Paul, spoke in opposition. She said they have been a live music venue and restaurant for 24 years and it has been a venue since 1921. They bring in hundreds of people into the City of Saint Paul. A lot of them are driving into this community and spending money in Saint Paul and they are concerned about parking for their customers. They are going to lose 75 to 100 units of parking and that does threaten their business by this area being developed. In the presentation there is one parking stall reserved for every two units in the development. She wonders where the rest of the tenants will park. The streets across from Payne Avenue are full in the evening already from current residents. Most street parking was removed in 2018. She is also concerned about the impact of their venue on the new tenants. Hundreds of people are coming through this neighborhood up until 2:00 a.m. and in the future she doesn't want that to be something the tenants could bring up as a nuisance. They have been at this property for 24 years and have been a great asset to the community.

John Belpedio, 536 Payne Avenue, Saint Paul, spoke in opposition. He said he also submitted a letter stating his concerns. Parking is one of his concerns and he hasn't received a number of how many parking spaces will be provided at the development. He is also concerned about the environmental impact on Swede Hollow that is directly behind his property. He said he has appreciated meeting with Mr. Opara, he is a very good politician, but he hasn't given direct answers. The brownstones have had to have a rain garden and be conscious about the environmental impact on Swede Hollow where their surface water is going. He isn't clear on what the plan is for the surface area and where the water displacement is going to end up. His fear is that it will end up in the Hollows and erode the bluff. He would like assurances on the parking and environmental impact from Mr. Opara before this moves forward with this development.

Mr. Dermody said that this rezoning application does not have a variance application with it so it needs to meet the zoning code requirements for parking. For this district it is one parking space for the one-bedroom and studio apartments and 1.5 for two-bedroom apartments. In this district those amounts can be reduced by up to 25%. There is also a 10% reduction for bicycle parking. This is under the current zoning code and he acknowledges there is a parking study being conducted that may change citywide

parking requirements. He also noted that the City has stormwater requirements that will apply to this site too, through the site plan review process.

In response to public testimony, Mr. Opara said that they will have 27 underground parking stalls for the tenants.

John Ferrier, President of Doran Architecture, 5727 Pond Drive, Shoreview, MN said that the current design shows fourteen surface parking stalls for the tenants.

Mr. Opara said that the total number of parking stalls meets the requirement of the zoning code at present.

No one spoke in support. The public hearing was closed.

Commissioner Taghioff moved approval of the rezoning. Commissioner Reilly seconded the motion.

Commissioner Reilly said that this is a rezoning and the rest of the issues will be reviewed at Site Plan Review. He appreciates everyone answering questions and providing more information and making their statements, but the proposed zoning is particularly appropriate for this area regardless of what ends up being built at the site.

Commissioner Baker agrees with Commissioner Reilly and appreciates that the applicant has had multiple meetings with the community. However, this is a rezoning, and a lot of these items don't necessarily apply for this application at this stage.

Commissioner Taghioff echoed both Commissioners. He said because this is a land use application the question before us is T2 traditional neighborhood an appropriate zoning for this site, not necessarily is this development right for this site, and he believes T2 is appropriate for this site.

The motion passed by a vote of 5-0-0.

Adopted Yeas - 5 Nays - 0 Abstained - 0

Drafted by:

Submitted by:

Approved by:

Samantha Langer
Recording Secretary

Bill Dermody
City Planner

Cedrick Baker
Chair