



DATE: November 21, 2023  
TO: Neighborhood and Comprehensive Planning Committee  
FROM: Tony Johnson, Senior City Planner  
RE: Proposed Creative Enterprise Commercial Development District

**Creative Enterprise District Commercial Development District Background:**

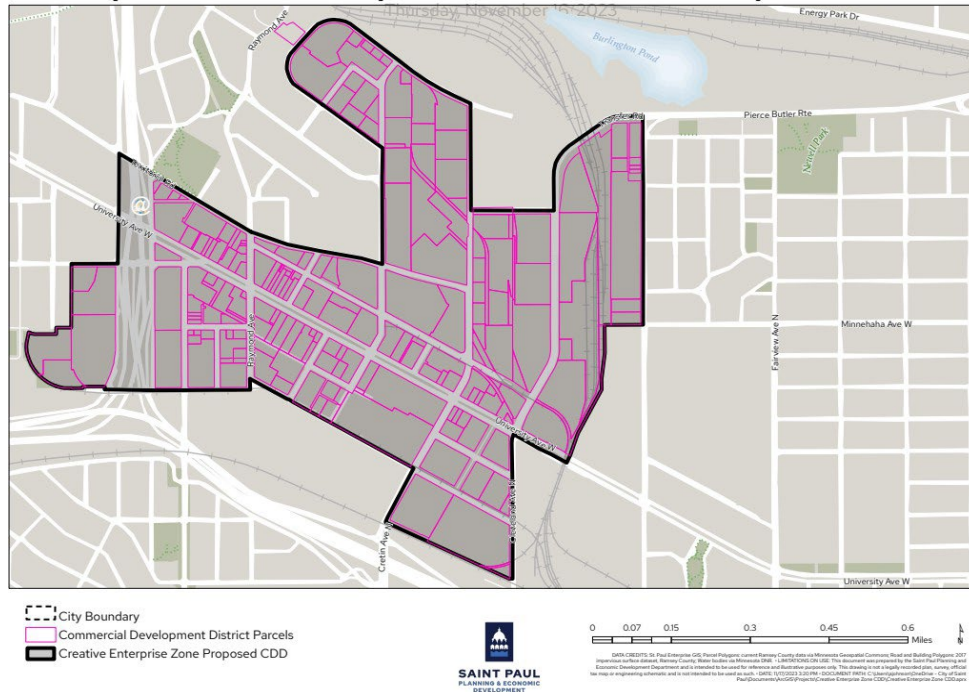
Outside of Downtown and other commercial development districts, on-sale liquor licenses may only be issued to restaurants, hotels, and private non-profit colleges. Per section 409.03 (a) of the Legislative Code, establishments holding liquor licenses prior to August 16, 1995, outside of the downtown business district and other commercial development districts may renew their licenses provided they are in compliance with all other requirements, there isn't grounds to take adverse action against their license, the previous license wasn't revoked within the previous 15 years, and the license for an establishment hasn't been terminated or expired for more than two years. This "legacied" provision provides for existing 2 am on-sale establishments to remain, however, establishing a commercial development district is necessary to license new liquor-serving establishments, other than restaurants (12 am closing), hotels, and private non-for-profit colleges. The proposed Creative Enterprise Zone commercial development district will allow the issuance of new 2 am liquor licenses for bars, restaurants, event centers, theaters, and other liquor-serving land uses within the boundaries of the new proposed district.

This request to form a new Creative Enterprise Zone commercial development district originated with Paikka event center requesting a non-food related on-sale liquor license to support their event/rental hall business. Currently, Paikka and other event centers outside of commercial development districts are required to cater alcohol for events which increases their costs and reduces their potential revenue from alcohol sales during events. The establishment of this proposed commercial development district would allow them to apply for an on-sale liquor license, without having to also provide food service so that the event center is able to fall under the licensing definition of a restaurant.

In an effort to create additional economic development opportunities in the broader area, Paikka event center worked with the Creative Enterprise Zone to request the establishment of a commercial development district that extends beyond the boundaries of their parcel. The proposed Creative Enterprise Zone commercial development district includes 206 parcels, and this larger district will be divided into four sub districts.



**Proposed Creative Enterprise Zone Commercial Development District**



**Planning Commission review:**

Section 409.16 of the Saint Paul Legislative Code pertains to the process for amending or creating new commercial development districts. When any new commercial development district is established or amended, section 409.16 (c) states that The Planning Commission shall be consulted for advice concerning the proposals for consistency with the city's comprehensive plan and zoning ordinances, and the planning commission shall report in writing to the city council its findings and recommendations.

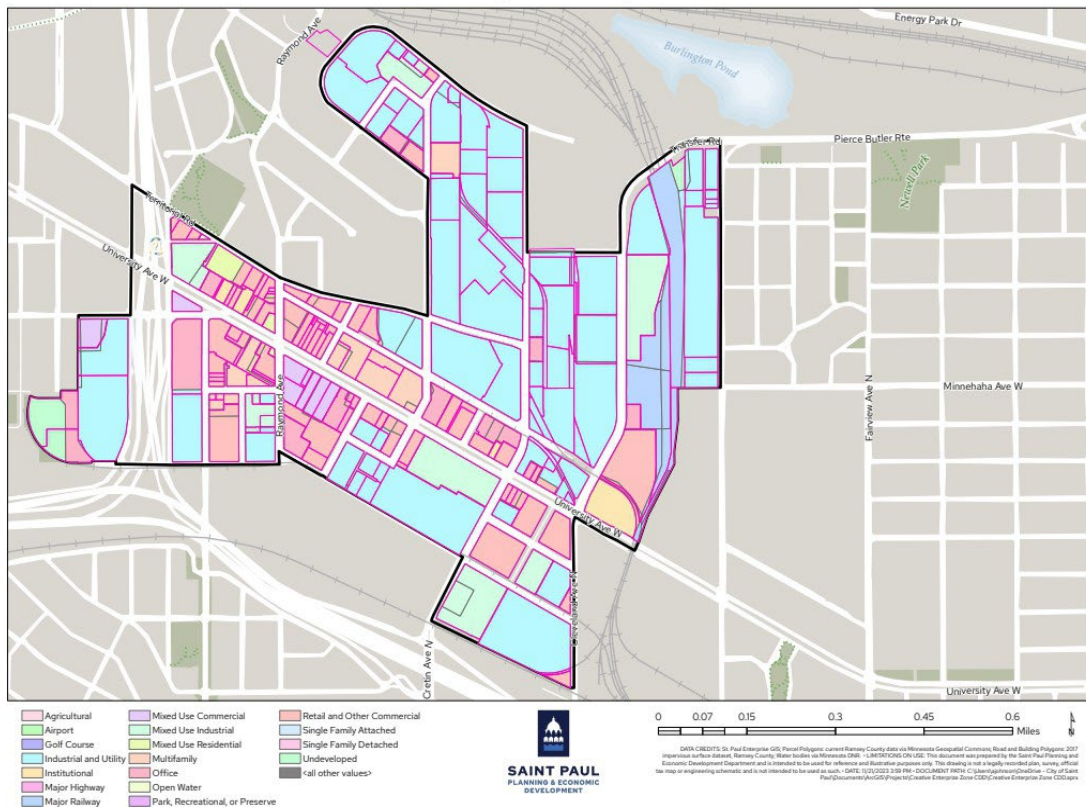
**Findings:**

1. The proposed commercial development district comprises 206 parcels within the Creative Enterprise Zone. The land use within the proposed district is comprised primarily of retail, multi-family residential, mixed residential/commercial, and industrial land uses.



**Proposed Creative Enterprise Zone Commercial Development District - Land Use**

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**2. The proposed commercial development district is consistent with the comprehensive plan.** The proposed Creative Enterprise Zone commercial development district is in areas defined by the 2040 comprehensive plan as Mixed Use, Industrial, with portions also within the Raymond Ave Neighborhood Node. The proposed commercial development district and the potential future land uses that it would facilitate are consistent with the underlying generalized future land use designations in the comprehensive plan, as well as specific comprehensive plan policies:

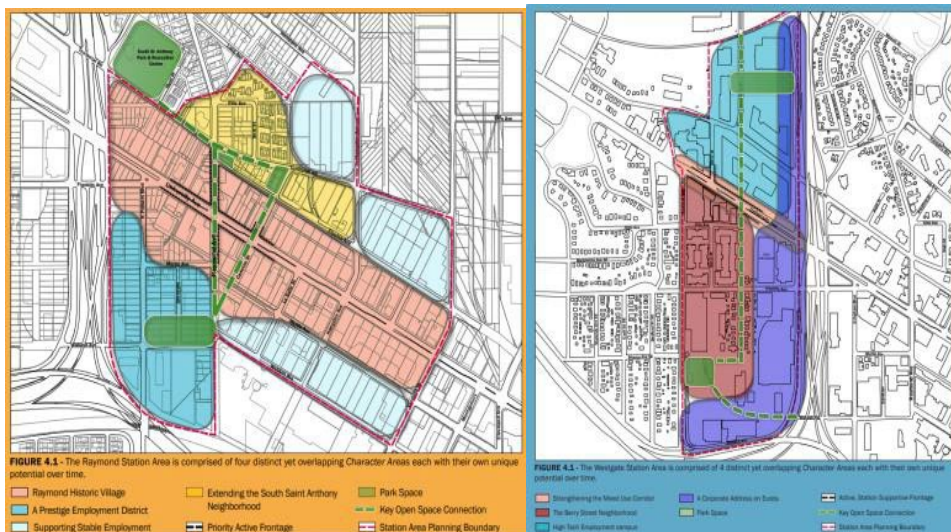
- o Policy LU-6. Foster equitable and sustainable economic growth by:
  1. facilitating business creation, attraction, retention and expansion;
  2. encouraging cultural and arts-based businesses and business districts, such as Little Mekong, Little Africa, Rondo and the Creative Enterprise Zone;
  3. building and expanding neighborhood economic and cultural assets through the development of the local micro-economies of our Neighborhood Nodes;
- o Policy LU-7. Use land use and zoning flexibility to respond to social, economic, technological, market and environmental changes, conditions and opportunities.
- o Policy LU-30. Focus growth at Neighborhood Nodes using the following principles:
  - i. Cluster neighborhood amenities to create a vibrant critical mass.



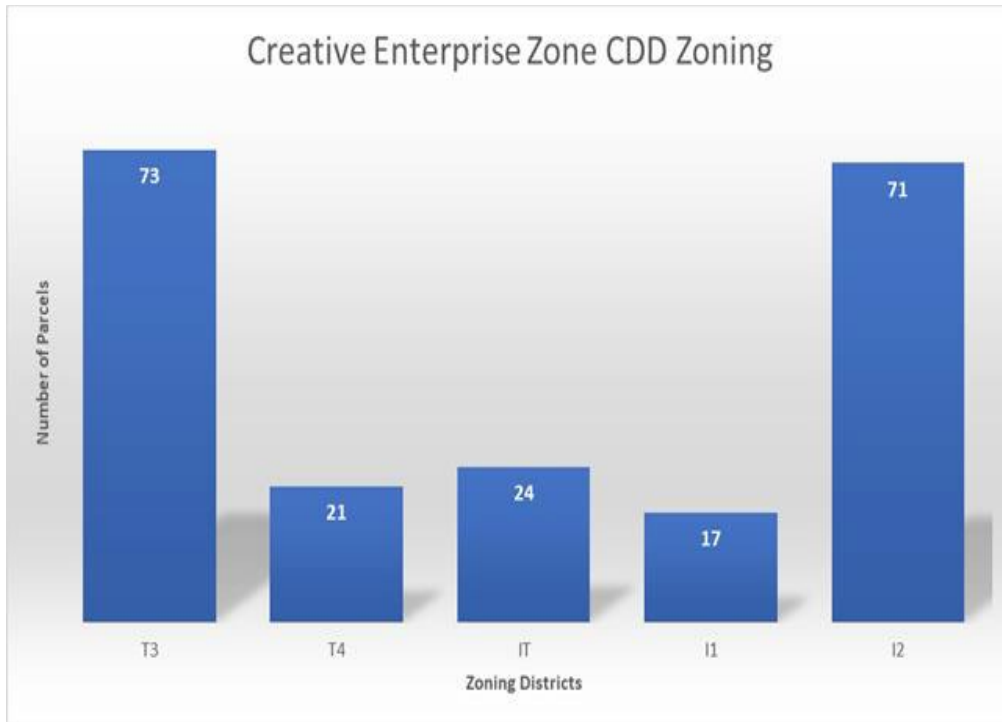
Portions of the proposed commercial development district are also within the boundaries of the district 12 neighborhood plan, the district 11 neighborhood plan, the Raymond Avenue station area plan, and the West Gate Station Area Plan. The proposed commercial development district is generally consistent with policies within the two neighborhood plans and station area plans.

Policy EBD3 of the district 12 neighborhood plan calls for changing zoning to allow greater flexibility and mixed-use that may include industrial, commercial, and residential uses. A commercial development district is not a zoning mechanism but is consistent with policy in the sense that it will allow a greater range of land uses to be established in this area and it will also help *promote transitional industry/creative enterprise that allows work/live space while preserving jobs.*

Both the West Gate and Raymond Avenue Station area plans include character areas geared toward employment and character areas geared toward promoting ground floor retail/service businesses on the first floor of mixed-use developments adjacent to University Avenue. Within the employment character areas in both Station Area Plans, entertainment land uses are specifically called for, and within the Mixed-use character areas fronting University Avenue, the station plans call for a broad mix of uses and first floor commercial. The proposed commercial development district is consistent with these land use policies within the station area plans, as it may help facilitate the development of new entertainment uses and ground floor commercial uses by improving their potential revenue mix.



- The proposed commercial development district is consistent with the underlying zoning.** The underlying zoning of the commercial development districts consists of T3 Traditional Neighborhood, T4 Traditional Neighborhood, IT Transitional Industrial, I1 Light Industrial, and I2 General Industrial zoning districts.

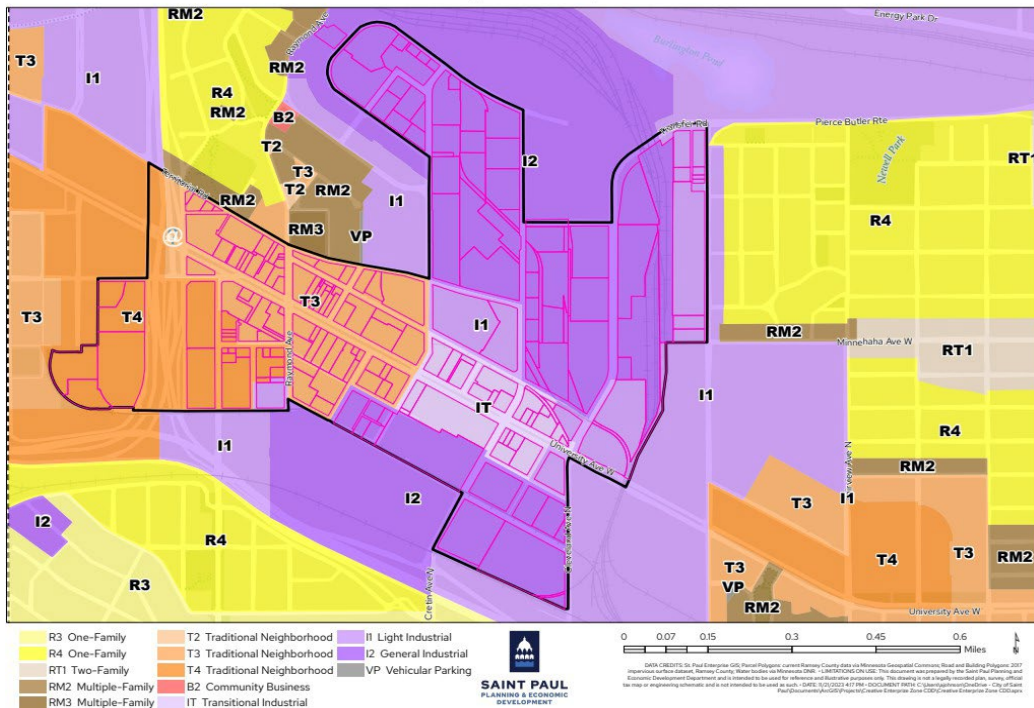


Creative Enterprise Zone CDD Zoning					
Zoning District:	T3	T4	IT	I1	I2
Number of Parcels:	73	21	24	17	71



**Proposed Creative Enterprise Zone Commercial Development District - Zoning**

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Entertainment land uses which may apply for a new license are generally permitted/conditional uses in traditional neighborhood districts. Conditional use permits are required for restaurants and bars that exceed a certain square footage in order to ensure size and design compatibility within a certain location. They are also required for reception/rental halls of any size in traditional all traditional neighborhood districts. Theaters over 500 seats require a conditional use permit in traditional neighborhood districts.

Below are the applicable use tables:

Traditional Neighborhood Districts

Use	T1	T2	T3	T4	Development (d) Standards (s)
Bar		P/C	P/C	P/C	(d), (s)
Restaurant		P/C	P/C	P/C	(d), (s)
Reception hall/rental hall		C	C	C	



Theater, assembly hall		P/C	P/C	P/C	(s)
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Industrial Districts

Use	IT	I1	I2	I3	Definition (d) Standards (s)
Bar	P	P	P		(d)
Restaurant	P	P	P		(d)
Reception hall/rental hall	P	P	C		
Theater, assembly hall, concert hall	P	P	C		

Below are the applicable development standards:

**Sec. 65.610. Bar.**

An establishment that serves wine, beer, or intoxicating liquor for consumption on the premises any time between midnight and 2:00 a.m.

Standards and conditions:

In traditional neighborhood, Ford, and B2 community business districts, a conditional use permit is required for a bar of more than five thousand (5,000) square feet in floor area to ensure size and design compatibility with the particular location.

(Ord. No. 12-26, § 1, 5-23-12; Ord 18-1, § 1, 1-24-18)

**Sec. 65.614. Restaurant.**

A public eating place which serves a substantial portion of its food for consumption at tables or counters located on the premises. This term shall include a deli with seating for more than twelve (12) customers.

Standards and conditions:

(a) In T2—T3 traditional neighborhood districts, a conditional use permit is required for establishments of more than fifteen thousand (15,000) square feet in floor area to ensure size and design compatibility with the particular location.

(b) Outdoor restaurants shall be accessory to an indoor restaurant or a farmers market.

**Sec. 65.657. Theater, assembly hall.**

Development standards and conditions in traditional neighborhood districts:



(a) A conditional use permit is required for a facility with a total seating capacity of more than five hundred (500).

(b) In T2—T3 traditional neighborhood districts, total seating capacity shall not exceed one thousand (1,000), and the facility shall not be divided into more than three (3) separate theater/auditorium areas.

**4. Based on findings, staff recommends the Comprehensive and Neighborhood Planning recommends that the Planning Commission report to the City Council that the proposed Creative Enterprise Zone Commercial Development District is consistent with the Saint Paul Comprehensive Plan and Zoning Code.**

**Licensing Code Appendix:**

Section 17.07.1 of the City Charter defines commercial development districts. Section 17.07.2 includes restrictions on liquor licenses for commercial development districts. Section 409.16 of the Legislative Code describes the process of creating new or amending existing districts. Relevant portions of these sections are excerpted below.

Section 17.07.1. Commercial development districts; patrol limits.

1. A commercial development district in an area within the city as designated herein, or created by the council hereafter in accordance with this section. Six (6) commercial development districts are hereby created, whose names and defined boundaries are indicated on maps attached hereto as Exhibits 1 through 6, which are incorporated and adopted herein by reference. The council may by ordinance create new or additional commercial development districts, or amend the boundaries of those already created, only in accordance with the following procedures:
  - (a) The proposed commercial development district shall be submitted in writing, accompanied by a map setting forth its boundaries; and
  - (b) Reasonable public notice of the proposed commercial development district shall be given by the license inspector to residents and organizations in the ward or wards in which said district is to be located; and
  - (c) The council or a committee thereof shall hold a public hearing in the ward or wards in which said district is to be located; and
  - (d) After the foregoing steps, an ordinance designating the new commercial development district and defining its boundaries is adopted upon the affirmative vote of at least five (5) members of the council.
2. The council may by ordinance adopt additional procedural and substantive requirements for the creation or amendment of commercial development districts.
3. The entire land area in each council ward, which has not been made part of a commercial development district, is a separate liquor patrol limit.





Section 17.07.2. Restrictions.

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

Section 409.16 of the Legislative Code

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