

## ZONING COMMITTEE STAFF REPORT

1. **FILE NAME:** Water Street Residential **FILE #:** 19-042-513
  2. **APPLICANT:** Alfred and Carol Sundberg Trustee **HEARING DATE:** June 6, 2019
  3. **TYPE OF APPLICATION:** Rezoning
  4. **LOCATION:** 84 Water St W
  5. **PIN & LEGAL DESCRIPTION:** 062822420015; Robertsons Add to West St Paul subj to esmts & re-aligned Water St the fol; e 1/2 of vac hydes & w 1/2 of vac Walter St & w 5 ft of e 1/2 of n 83.06 ft of vac Walter St all accruing to & n 94.95 ft mol to 95.17 ft mol of lots 1 thru lot 6 blk 187
  6. **PLANNING DISTRICT:** 3 **EXISTING ZONING:** IT
  7. **ZONING CODE REFERENCE:** § 61.801(b)
  8. **STAFF REPORT DATE:** May 28, 2019 **BY:** Michael Wade
  9. **DATE RECEIVED:** May 16, 2019 **60-DAY DEADLINE FOR ACTION:** July 15, 2019
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- A. **PURPOSE:** Rezone from IT transitional industrial to T3 traditional neighborhood.
- B. **PARCEL SIZE:** 33,437 square feet
- C. **EXISTING LAND USE:** Vacant
- D. **SURROUNDING LAND USE:** North and West – Park and open space; South and East – Industrial and utility with multifamily residential
- E. **ZONING CODE CITATION:** § 61.801(b) provides for changes to the zoning of property initiated by the property owner.
- F. **HISTORY/DISCUSSION:** As of 1953 a single narrow building existed on this property. By the mid-1970s it was a parking lot with a small one-story building to the northeast side. Records indicate this building served as a gas station and service garage, a cleaning solvent business, and a pet daycare. A demolition permit was granted in 2010. The entire property is now vacant and surrounded by a chain-link fence.  

This application to rezone has been submitted in coordination with an application for two variances, one for height and one for front yard setback.
- G. **PARKING:** For an apartment building currently proposed for this site, Zoning Code § 63.207 requires a minimum of one space per 1 – 2 room unit and 1.5 spaces per 3 – 4 room unit for a total of 146 spaces. Per § 66.342, the parking requirement by use may be reduced in T3 and T4 traditional neighborhood districts by twenty-five (25) percent, lowering the requirement to 110 spaces. Per § 63.342, bicycle parking may be substituted for up to ten (10) percent of minimum off-street parking requirements. Two (2) secure bicycle lockers are the equivalent of one (1) parking space, and four (4) spaces in a secure bicycle rack are the equivalent of one (1) parking space. The maximum reduction for bicycle spaces would lower the requirement to ninety-nine (99) spaces. The current plans include 104 spaces, requiring either twelve (12) secure bicycle lockers, twenty-four (24) spaces in a secure bicycle rack, or some mix of secure lockers and spaces in a secure rack equivalent to six (6) parking spaces.
- H. **DISTRICT COUNCIL RECOMMENDATION:** The West Side Community Organization recommends approval of this rezoning. Their recommendation comes with the understanding that:

- the height will remain lower than the current development line; and that
- seventy (70) percent of the residential units will be rented at eighty (80) percent of the Area Median Income; and that
- ten (10) percent of the residential units will be rented at sixty (60) percent of the Area Median Income.

**I. FINDINGS:**

1. This application requests rezoning 84 Water Street West from IT transitional industrial to T3 traditional neighborhood in order to construct a multifamily building.
2. The applicant has contracted with Reuter Walton Development to planned a seven-story, 136-unit apartment building consisting of two floors of parking with 104 stalls beneath five floors of residential units. The current district, IT Transitional Industrial, does not permit residential-only use, though it does permit certain congregate living uses such as supportive housing facilities and adult care homes, as well as mixed residential and commercial use. The proposed T3 traditional neighborhood district allows residential-only use and guides the development toward a more pedestrian-oriented environment.
3. *The proposed zoning is consistent with the way this area has developed.* This finding is met. The intent of T3 traditional neighborhood is to provide for higher-density pedestrian- and transit-oriented mixed-use development. It is intended for large sites that can include residential, commercial, civic and open space uses in close proximity to one another, or for smaller sites that will contribute to the above mix of uses within reasonable walking distance. The ACVR Warehouse adjacent to this property – also known as the FOK Building – is a seventy-five-foot-tall building of mixed residential, artist studio, and storage space. Nearby, the recently-built West Side Flats apartment building at Wabasha Street and Fillmore Avenue, zoned T3M, has established the river's edge as a redeveloping mixed-use zone. T3 would complement the neighboring Harriet Island Park by allowing a mix of uses that may include residential-only. Increased local population through residential-only development – not allowed in IT transitional industrial – is expected to catalyze further retail and transit.
4. *The proposed zoning is consistent with the Comprehensive Plan.* This finding is met. The Future Land Use Map in the 2030 Comprehensive Plan designates this parcel a Mixed-Use Corridor, which Land Use Policy 1.2 indicates should be permitted to contain from 30 to 150 units per acre to achieve a compact urban fabric. "The core goal of Strategy LU-1... is higher density development." This development will reach a density of 177 units per acre. While higher than the projected Mixed-Use Corridor density, it is lower than the 200 units per acre of the neighboring Downtown, making this site an appropriate transitional site. The site is adjacent to the designated Neighborhood Node at Wabasha Street and Fillmore Avenue, a concentration of uses and transit, which the surrounding Mixed-Use Corridor-designated land is intended to support. The Comprehensive Plan also recognizes the demand for "new housing construction, at a range of income levels..." which should create density around "high amenity areas such as Downtown and the Mississippi River Corridor..."

This parcel is included in the 2003-adopted Harriet Island/District Del Sol Opportunity Site, which calls for the Harriet-Island area to transition from more mixed-use uses near Wabasha to more residential uses moving west along Harriet Island. Strategy LU3 of the West Side Community Plan, adopted 2013, supports "development that maintains the traditional urban form..." The Community Plan also calls for "rental housing options appropriate to a commercial corridor, incorporating a variety of options accessible to all

income levels” and to “increase the number of units affordable to people at 30-80% of AMI.”

5. *The proposed zoning is compatible with surrounding uses.* The ACVR Warehouse southeast of this property currently contains residential units, artist studios, and storage space. Northwest of this property is the expansive Harriet Island Park, a recreation-oriented area with water-oriented amenities and events. A half block east is the West Side Flats residential and retail development, along with restaurant and health care facilities.
  6. Court rulings have determined that “spot zoning” is illegal in Minnesota. Minnesota courts have stated that this term “*applies to zoning changes, typically limited to small plots of land, which establish a use classification inconsistent with the surrounding uses and create an island of nonconforming use within a larger zoned property.*” Rezoning from IT to T3 would not constitute a spot zoning. T3 is consistent with surrounding IT and T3 zoning and uses, and with nearby Harriet Island Park.
- J. **STAFF RECOMMENDATION:** Based on the above findings, staff recommends approval of the rezoning from IT transitional industrial to T3 traditional neighborhood.

PETITION TO AMEND THE ZONING CODE

#062822420015



PETITION TO AMEND THE ZONING CODE
Department of Planning and Economic Development
Zoning Section
1400 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102-1634
(651) 266-6589

PD=3

Zoning Office Use Only
File #: 19-042513
Fee: \_\_\_\_\_

APPLICANT

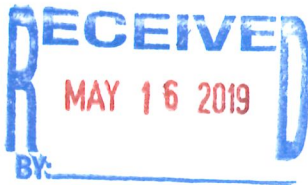
Property Owner Joint Revocable Trust of Alfred E. Sundberg & Carl H. Sundberg
Authorizing Reuter Walton Development As Applicant
Address 1710 W. Lake St. Suite 200
City Minneapolis State MN Zip 55408 Daytime Phone (612) 314-4310

PROPERTY LOCATION

Address/Location 84 W. Water St., St. Paul, MN 55107
Legal Description Attached Separately

TO THE HONORABLE MAYOR AND CITY COUNCIL:

Pursuant to Section 61.800 of the Saint Paul Zoning Ordinance and to Section 462.357(5) of Minnesota Statutes, Reuter Walton Development, Authorial Applicant, owner of land proposed for rezoning, hereby petitions you to rezone the above described property from a IT zoning district to a T3 zoning district, for the purpose of: Multifamily Housing



(Attach additional sheets if necessary)

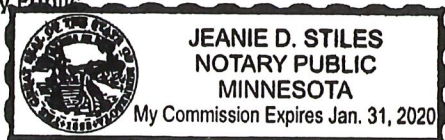
Attachments as required: [X] Site Plan [ ] Consent Petition [X] Affidavit of Property owner

Subscribed and sworn to before me

Date May 15 2019

Jeanie D. Stiles
Notary Public

By: [Signature]
Applicant, Authorized by
Fee owner of property



# **WATER STREET RESIDENTIAL DEVELOPMENT**

## PROJECT DESCRIPTION

The project site, directly across West Water Street from Harriet Island Park, is in the West Side neighborhood. It is currently abandoned with no buildings and enclosed with a chain link fence. The zoning for the site is IT, transitional industrial district, and rezoning to the T3, traditional neighborhood district is proposed. The proposed building is a 7-story, 136-unit apartment building with enclosed parking at the first and second levels.

The main entrance of the building and resident amenity areas will line the façade along Water Street on the first floor with an enclosed parking garage behind that will be accessed from Water Street on the east end of the building. A separate drive ramp from the street on the west side of the building will access the second level of the parking garage. There will be a total of 104 parking stalls between the two levels. Five floors of residential units totaling 136 units will be provided on levels 3-7, with a unit mix of studios, 1-bedroom, 1-bedroom with den, and 2-bedroom units. Level 3 will include an outdoor pool amenity space and level 7 will have an exterior deck for use by residents. Exterior materials will consist primarily of brick and storefront glass on the first and second levels. Fiber cement panels and metal panel siding will clad the building on levels 3-7. Large windows will be provided for all units. Landscape improvements will include a sidewalk along West Water Street, storm water retention tanks and trees along the street.

## CONSISTENCY WITH REZONING CONSIDERATIONS

Rezoning of the site from the IT, transitional industrial district, to the T3, traditional neighborhood district, is supported by the following factors for evaluation of a rezoning proposal.

### Compatibility with land use and zoning of property within the general area.

Zoning in the general area includes R4 (Harriet Island Park), IT, I1, T3 and T3M. T3 and industrial districts already co-exist in the Harriet Island and West Side Flats area. The intent of the T3 district is to provide for higher-density, pedestrian and transit-oriented mixed-use areas. The T3 district is designed to support a mix of housing types, interconnected streets and paths and open space amenities within a reasonable walking district. Rezoning the site to T3 for multiple-family use will compliment and provide a better transition to the park use across the street. The project will enhance the pedestrian realm by establishing sidewalk connections where none currently exist. The proposed zoning and housing project will also be compatible with the art studio use of the neighboring Farewell Ozmun Kirk (FOK) building. The proposed zoning and use are consistent with the T3/T3M and evolving residential use of the land east of Wabasha.



Suitability of the property for the uses permitted under the existing zoning classification.

The mixed residential and commercial use allowed in the IT district is not viable for the site under current conditions. Inclusion of retail use is not feasible because there is not yet a sufficient residential base in the area to support it. Rezoning to T3 is required to allow a residential-only project. This only project is expected to catalyze further redevelopment near Harriet Island Park with both residential and commercial uses.

The trend of development in the area of the property in question.

The nearest residential use, Sherman Associates' West Side Flats project, opened in 2014. Sherman plans to break ground soon on another phase of that project soon. Other housing developers have projects in the planning stage. The 84 Water Street project will pioneer redevelopment on the west side of Wabasha that, as discussed below, is consistent with the planned trend for redevelopment of the area away from industrial use to a mix of uses, including residential.

Consistency with the Comprehensive Plan and the plans for the area that have been adopted by the City Council.

Rezoning to T3 to allow for a residential development is highly consistent with the City's land use plans. The site is located within a Mixed Use Corridor as identified in the 2030 Comprehensive Plan. Mixed Use Corridors are intended to accommodate a variety of uses, including residential, within a building or in buildings that are in close proximity. Policy 1.25 of the 2030 Comprehensive Plan encourages development of more intensive housing on Mixed-Use Corridors where supported by zoning that permits mixed-use and multifamily residential development. T3 zoning will allow for exactly the type of residential development envisioned for the site in the Harriet Island / District Del Sol Neighborhood Plan. T3 zoning is also consistent with the future land use guidance for the area east of Wabasha Street described in the West Side Flats Master Plan.

HEIGHT VARIANCE

The height limit in the T3 district is 45 feet. The proposed height of the project is 74 feet, 6 inches to the top of the roof deck. The proposed height meets the following criteria for a variance.

The variance is in harmony with the general purposes and intent of the zoning code.

The general purposes of height limits are to maintain access to light and air for surrounding properties, to preserve important views and to mitigate shadowing – particularly of residential properties and significant public spaces. Height limits also establish and protect the character of the area. The project is substantially separated from other buildings and separated from the

park by Water Street, so it will not impact access to light and air for surrounding properties. Views from and toward the FOK buildings are preserved by the 12-foot side setbacks of the parking levels, the additional building setbacks of the upper floors and the 121-foot separation between the buildings. The project will not shadow other residential properties and shadows cast on Harriet Island Park will be minimal. Consistency with the character of the area is discussed below.

The variance is consistent with the comprehensive plan.

The proposed building height will allow for redevelopment of the site with the type of high-density housing that is called for in Mixed-Use Corridor areas.

- Policy 1.21 of the 2030 Comprehensive Plan seeks to balance the following objectives for Mixed-Use Corridors through the density and scale of development: accommodating growth, supporting transit use and walking, providing a range of housing types, and providing housing at densities that support transit.
- Policy 1.25 promotes the development of more intensive housing on Mixed-Use Corridors where supported by zoning that permits mixed-use and multifamily residential development.
- Policy 1.26 permit residential development in Mixed-Use Corridors at densities contemplated in Policy 1.2.
- Policy 1.27 encourages provision of connections by bicycle and pedestrian facilities in Mixed-Use Corridors to adjacent areas.
- Policy 1.28 promotes conditions that support those who live and work along Mixed-Use Corridors, including frequent transit service, vibrant business districts, and a range of housing choices.

The proposed density of 177 du/acre is above the general density guidance for Mixed-Use Corridors of 30 – 150 du/acre but is appropriate due to the proximity to Downtown where residential density up to 200 du/acre is encourage. The density and scale of the project will provide a range of housing types and support transit use of bus routes on nearby Wabasha and Downtown connectors. The project will include construction of public sidewalk along Water Street that does not currently exist, which will promote further extension of pedestrian facilities in the area.

The applicant has established that there are practical difficulties in complying with the provision and that the property owner proposes to use the property in a reasonable manner not permitted by the provision. Economic considerations alone do not constitute practical difficulties.

The water table is only 7 feet below grade under the project site, so it is not feasible to build parking underground. The building height increases due to the need to provide all parking above grade. In addition, the lot is long and narrow, which constricts the floor plates of the parking garage, requiring two levels of above grade parking to meet the parking requirements of the residential use. The narrow floor plates also limit the number of units per floor, requiring

5 levels of housing above the garage to attain the high density called for by the City's land use plans. These are practical difficulties related to lot conditions. The proposed high-density, multiple-family development, including the proposed 7-story height, is a reasonable use of the property.

The plight of the landowner is due to circumstances unique to the property not created by the landowner.

The high water table and the narrowness of the lot are unique circumstances that were not created by the applicant or property owner.

The variance will not permit any use that is not allowed in the zoning district where the affected land is located.

The proposed multiple-family use is allowed in the T3 district.

The variance will not alter the essential character of the surrounding area.

The built-form scale and character of the area is most defined by the nearby FOK building. The FOK building is 75 feet tall and of similar massing to the proposed building. The height of the proposed building is also in character with the 65 to 75-foot heights allowed as of right in the nearby West Side Flats T3M Master Plan area just east of Wabasha. The proposed 74-foot, 6-inch height of the proposed building will not alter the essential character of the surrounding area.

#### FRONT YARD VARIANCES

The minimum front yard requirement is 10 feet from the street. A small corner of the building façade will be 8 feet, 6 inches from the street when the building angles to the southwest to conform with the curving property line. Balconies on the residential levels will extend into the required front yard. The proposed front yard setbacks meet the following criteria for a variance.

The variance is in harmony with the general purposes and intent of the zoning code.

The general purposes of yard controls are to provide for the orderly development and use of land and to minimize conflicts among land uses by regulating the dimension and use of yards in order to provide adequate light, air, open space and separation of uses. But for a small "corner", the building façade will comply with the minimum yard requirement. The proposed balconies will not interfere with light or air for surrounding property. Balconies projecting into the front yard will not impact the open space character of the street or the park. There are no neighboring buildings on either side that will be impacted by the reduced front setbacks.



The variance is consistent with the comprehensive plan.

As discussed above, the proposed development is consistent with the policies of the comprehensive and neighborhood plans. The minor reduction in setback of a corner of the building and the proposed balconies will promote land use policies that encourage traditional urban design and enhancement of the pedestrian environment through placement of active uses that engage the street.

The applicant has established that there are practical difficulties in complying with the provision and that the property owner proposes to use the property in a reasonable manner not permitted by the provision. Economic considerations alone do not constitute practical difficulties.

As noted above, the narrowness of the lot constricts the floor plates. In order to have reasonably-sized residential units, the majority of the building is placed at the 10-foot front yard setback to maximize the width of the floor plate. Consequently, in order to provide desired outdoor amenities for residents, the balconies project into the required yard. The minor setback reduction for the façade of the building relates to the curve of the property line along the street front. The narrowness and shape of the lot create practical difficulties in complying with the front yard setback. The proposed design is reasonable for the location.

The plight of the landowner is due to circumstances unique to the property not created by the landowner.

The narrowness and shape of the lot are unique circumstances that were not created by the applicant or property owner.

The variance will not permit any use that is not allowed in the zoning district where the affected land is located.

The proposed multiple-family use is allowed in the T3 district.

The variance will not alter the essential character of the surrounding area.

The proposed front setbacks will not alter the essential character of the area. The neighboring building to the east has an unusually large setback from Water Street that does not exemplify the desired urban character. The relation of the proposed building to neighboring properties is also impacted by the curve of the street, such that there is not a uniform alignment of building facades.



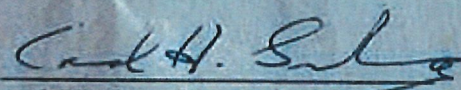
May 15, 2019

To whom it may concern:

I, Carol H. Sundberg, the Trustee of the Joint Revocable Trust of Alfred R. Sundberg and Carol H. Sundberg, dated December 7, 2005, owner of the property at 84 West Water Street, St Paul MN , grant my permission to Reuter Walton Development and DJR Architecture to make an application to the City of St. Paul for a redevelopment project on my property.

Sincerely

The Joint Revocable Trust of Alfred R.  
Sundberg and Carol H. Sundberg,  
dated December 7, 2005

By:   
Carol H. Sundberg, Trustee



CITY OF SAINT PAUL

**AFFIDAVIT OF PROPERTY OWNER AUTHORIZING REZONING APPLICATION**

STATE OF FLORIDA )  
COUNTY OF SARASOTA )SS

Your affiant(s), Carol Sundberg (print name(s) of property owner), being duly sworn, affirm(s) as follows:

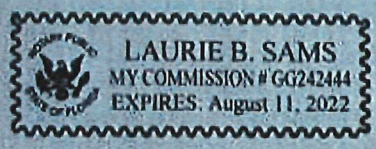
I am the Trustee (title or position) of the Joint Revocable Trust of Alfred R. Sundberg and Carol H. Sundberg, dated December 7, 2005 (name of owner entity), and am authorized to appoint, and do so appoint, Reuter Walton Development (name of agent) to petition for rezoning of the property located at 84 Water Street in the City of Saint Paul.

Signature Carol H. Sundberg

1255 N GULFSTREAM AVE #1201  
Address

Telephone Number 941-964-0380

Subscribed and sworn to before me this  
15 day of May, 2019



Laurie B. Sams  
NOTARY PUBLIC

1121 4<sup>th</sup> Street SE





May 20, 2019

**To:** Saint Paul Board of Zoning & Saint Paul Planning Commission  
**From:** West Side Community Organization, West Side Voices Committee  
**Re:** 84 Water Street, St. Paul MN 55107, Letter of Support

To Whom It May Concern:

On Tuesday, May 14<sup>th</sup> the voting members of the West Side Voices Land Use & Environment Committee and non-voting community members gathered at the WSCO offices for a presentation from Reuter Walton Developer, and DJR Architecture.

After a time of questions and dialogue the committee members voted in support of the following:

1. Rezoning of the 84 Water Street Development Site from IT (Transitional Industrial) to T3.
2. A variance of front setback from the 10' required to 5' to allow for balconies.
3. A height variance of 25 feet (3 stories) on this project site from 4 stories, 45' to 7 stories, 74' -6".

With the understanding of the following:

1. That the first 2 levels will be parking, with 5 levels of housing above. The height of this building will be lower than what currently exists within the development site line.
2. 70% of the units will be at 80% of the AMI

10% of the units will be at 60% of the AMI

This aligns with the West Side 10 year plan providing:

- mixed income housing
- cleaning contamination of site
- maintain traditional urban form
- bike and pedestrian use design & transit oriented

In Partnership,

A handwritten signature in black ink that reads "Monica Bravo". The signature is written in a cursive, flowing style.

Monica Bravo  
Executive Director





FILE #19-042513 | AERIAL MAP  
**Application of Reuter Walton**

Application Type: Rezone  
Application Date: May 16, 2019  
Planning District: 3

**Subject Parcel 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 #19-042513 | LAND USE MAP  
**Application of Reuter Walton**

Application Type: Rezone  
 Application Date: May 16, 2019  
 Planning District: 3

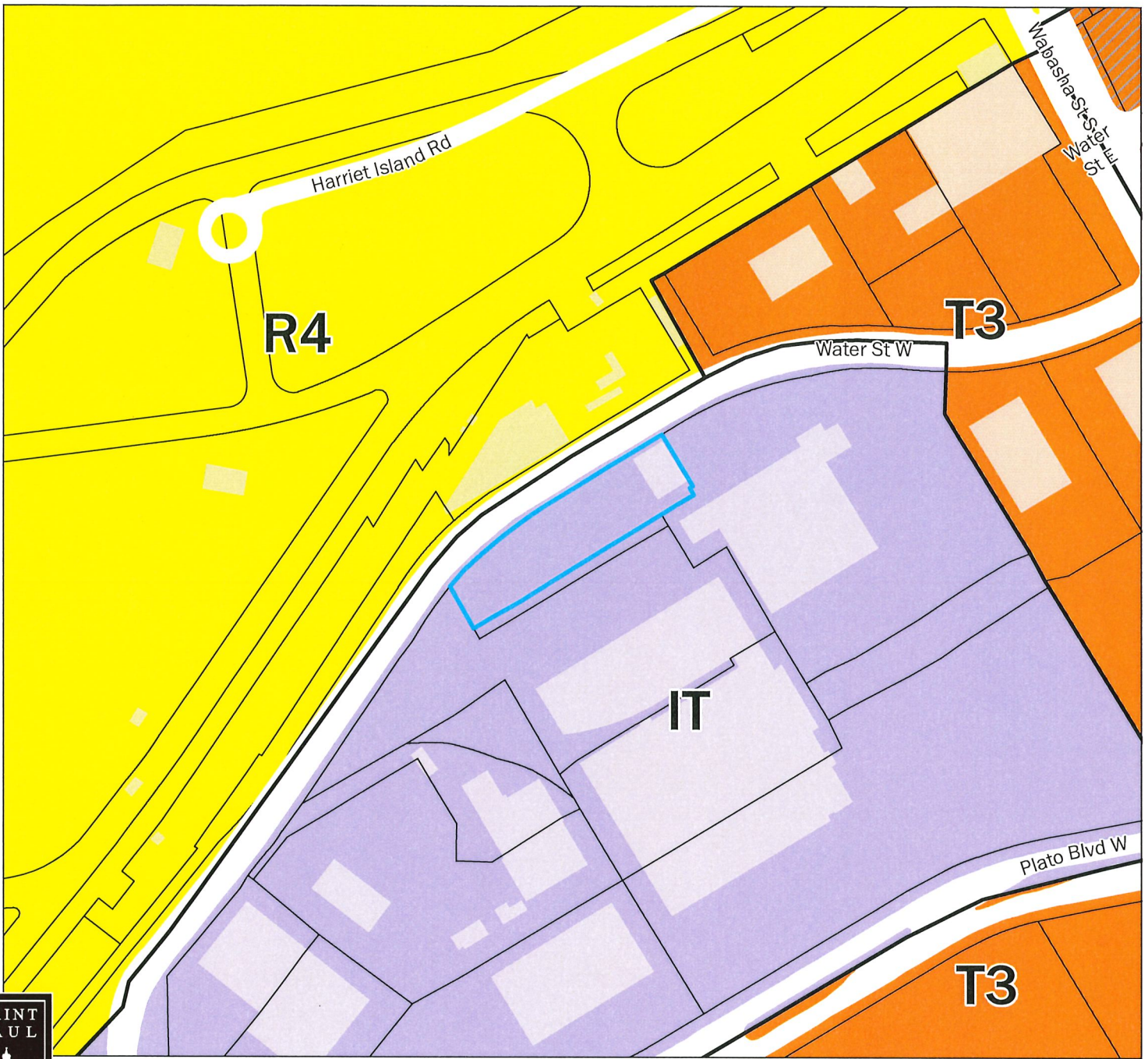


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**Subject Parcel Outlined in Blue**

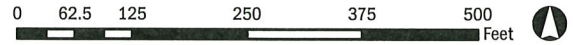
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|---------------------------|--------------------------------|--------------------------------|--------------|
| Farmstead                 | Office                         | Extractive                     | Airport      |
| Seasonal/Vacation         | 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 #19-042513 | ZONING MAP**  
**Application of Reuter Walton**

Application Type: Rezone  
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**Subject Parcel Outlined in Blue**

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