

**CITY OF SAINT PAUL***Christopher B. Coleman, Mayor**25 West Fourth Street
Saint Paul, MN 55102**Telephone: 651-266-6700
Facsimile: 651-228-3220*

September 20, 2010

Kathy Lantry, President
Members of the City Council
310 City Hall
15 W. Kellogg Blvd.
Saint Paul, MN 55102

Dear Council President Lantry and City Councilmembers:

At the end of 2009, the City Council adopted a resolution (Council File 09-1349) and ordinance (Council File 09-1386) that placed a moratorium on the establishment of any new currency exchanges or industrial loan and thrifts in the City and directed the Department of Planning and Economic Development to conduct a study of the current regulations for these and similar uses, including "pay day lenders." The moratorium will expire on December 8, 2010.

Planning and Economic Development staff have completed the report, and they have recommended changes to the zoning code regarding regulation of these businesses, also known as alternative financial establishments. As directed by the City Council, the recommendations also include changes to coordinate the regulations for pawn shops with those proposed for alternative financial establishments.

As required by Minnesota Statutes Sec. 462.357 Subd. 4, the Planning Commission has reviewed the report and proposed zoning text changes. They are now forwarding them to you with a recommendation for approval. The Planning Commission's resolution and minutes are attached, along with the proposed ordinance and study.

Minnesota Statutes Sec. 462.357, Subd. 3 requires a public hearing on zoning ordinance amendments by either the planning agency or by the governing body. In the interests of bringing the results of the study and the proposed zoning code amendments before the City Council as quickly as possible, the Planning Commission did not hold a public hearing on these proposed amendments. The hearing before the City Council will therefore be the public's first opportunity to comment on the proposed text changes. For further information regarding the report, proposed code amendments, or any questions about the Planning Commission's actions, please contact Patricia James (651-266-6639) or Ryan Kelley (651-266-6562) of PED staff.

Sincerely,

A handwritten signature in blue ink that reads "Donna Drummond".

Donna Drummond
Director of Planning

city of saint paul
planning commission resolution
file number _____ 10-73 _____
date _____ September 10, 2010 _____

Currency Exchange Zoning Study

WHEREAS, City Council Resolution 09-1349, adopted December 9, 2009, enacted a moratorium on the establishment of any new currency exchanges in the City and directed the Saint Paul Planning and Economic Development (PED) department to conduct a study of the effectiveness of current zoning regulations regarding currency exchanges; and

WHEREAS, City Council Ordinance 09-1386, adopted January 13, 2010, enacted a moratorium on the issuance of any building or zoning permit or approval to open a currency exchange or industrial loan and thrift within the city until December 8, 2010 when the moratorium is set to expire; and

WHEREAS, the Saint Paul Planning Commission has reviewed the study and report of PED staff regarding the current regulation of currency exchanges in §65.512 as well as other similar types of uses as required by Minnesota Statutes Chapter 462 Subd. 4; and

WHEREAS, the study has found that businesses that operate in a manner similar to currency exchanges have obtained licenses from the Minnesota Department of Commerce and that these similar businesses are not regulated by the current zoning ordinance; and

WHEREAS, the study also found that these businesses have a similar effect on the public health, safety, morals and general welfare as do currency exchange and pawn shop businesses, and that numerous other cities in the United States have developed a range of regulations to limit the location of these establishments to protect the public health, safety, morals, and general welfare of their communities;

NOW, THEREFORE, BE IT RESOLVED, that the Saint Paul Planning Commission hereby finds that regulation of the location of consumer small loan companies, industrial loan and thrifts, regulated loan companies, and similar businesses in a manner consistent with currency exchange and pawn shop businesses would more fully realize the intent and purpose of the zoning code as established in Sec. 60.103, including the promotion and protection of the public health, safety, morals, and general welfare; and

BE IT FURTHER RESOLVED, that the Saint Paul Planning Commission recommends to the Mayor and City Council that the following proposed amendments to the Saint Paul Zoning Code be adopted.

moved by _____ Wencil _____
seconded by _____ Merrigan _____
in favor _____ Unanimous _____
against _____

Currency Exchange Zoning Study

Sec. ~~65.511~~ 65.512. Business sales and services.

Sec. ~~65.512~~ 65.511. ~~Currency Exchange~~ Alternative financial establishment.

~~Currency Exchange, as defined in Minnesota Statutes section 53A.01, means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders or travelers' checks for a fee. A person, firm, association, corporation or partnership engaged in the business or service of check-cashing or making loans to be repaid in one lump sum or in installments over a set period of time, either collateralized or not, for which there is a fee or service charge, or interest received, including but not limited to loans collateralized by personal check, payroll check, wage assignment or personal property title, or collateralized with the promise to relinquish possession of any personal property upon default. Alternative financial establishment includes but is not limited to consumer small loan companies, currency exchanges, industrial loan and thrifts, and regulated loan companies, as defined and licensed by the Minnesota Department of Commerce. Alternative financial establishment does not include federal or state chartered banks, credit unions, or savings banks, nor does it "Currency Exchange" does not include a person, firm, association, corporation or partnership that provides the service of cashing checks, drafts, money orders, or travelers' checks for a fee, incidental to the person's primary business; if and the charge for cashing a check or draft does not exceed one dollar (\$1.00) or one (1) percent of the value of the check or draft, whichever is greater.~~

Standards and conditions:

- (a) ~~The currency exchange~~ alternative financial establishment ~~business~~ shall be located at least one hundred-fifty (150) ~~(100)~~ feet from any lot in a residential district or lot occupied with a one-, two-, or multiple-family dwelling, measured in a straight line from the closest point of the building in which the business is or is to be located to the closest point of the residential property line.
- (b) No alternative financial establishment shall be located within (2,640) feet of another alternative financial establishment, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.
- (c) No alternative financial establishment shall be located within (1320) feet from any pawnshop, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.

Table 66.421. Principal Uses in Business Districts

Use	OS	B1	BC	B2	B3	B4	B5	Development standards
...								
Retail Sales and Services								
General retail		P	P	P	P	P	P	
<u>Alternative financial establishment</u>					<u>C</u>	<u>P</u>	<u>P</u>	✓
Bank, credit union	P	P	P	P	P	P	P	
Business sales and services					P	P	P	
<u>Currency exchange</u>					<u>C</u>	<u>P</u>	<u>P</u>	✓

...

Table 66.521. Principal Uses in Industrial Districts

Use	IR	I1	I2	I3	Development Standards
...					
Retail Sales and Services					
General retail	P	P	P		
<u>Alternative financial establishment</u>		<u>C</u>	<u>P</u>		✓
Bank, credit union	P	P	P		
Business sales and services	P	P	P		
<u>Currency exchange</u>		<u>P</u>	<u>P</u>		✓

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DRAFT

Saint Paul Planning Commission
City Hall Conference Center
15 Kellogg Boulevard West

Minutes September 10, 2010

A meeting of the Planning Commission of the City of Saint Paul was held Friday, September 10, 2010, at 8:30 a.m. in the Conference Center of City Hall.

Commissioners Present: Mmes. Donnelly-Cohen, Halverson, Merrigan, Porter, Thao, Wang, Wencil; and Messrs. Alton, Connolly, Fernandez, Gelgelu, Kramer, Nelson, Schertler, Ward and Wickiser.

Commissioners Absent: Ms. *Young and Messrs. *Commers, *Spaulding.
*Excused

Also Present: Donna Drummond, Planning Director; Allen Lovejoy, Public Works, Patricia James, Ryan Kelley, and Sonja Butler, Department of Planning and Economic Development staff.

I. Approval of minutes August 27, 2010.

MOTION: *Commissioner Alton moved approval of the minutes of August 27, 2010. Commissioner Gelgelu seconded the motion. The motion carried unanimously on a voice vote.*

II. Chair's Announcements

Chair Donnelly-Cohen announced that there will be a change in the order of the items on the agenda for today, the Parks and Recreation Project update will come right after the Planning Director's announcements.

III. Planning Director's Announcements

Donna Drummond reported that the City Council and HRA have approved various finance and spending plans related to the Rebuild Saint Paul initiative. The HRA took final action on Wednesday, September 8th regarding these projects. The two major projects in downtown are the Penfield and Lofts at Farmers Market.

IV. Zoning Committee

Site Plan Review – List of current applications. *(Tom Beach, 651/266-9086)*

Two items will come before the staff Site Plan Review Committee on September 14, 2010. They are: Highland Park Golf Center and Putting Course, called the First Tee Denny Sanford Highland Learning Center, at 1403 Montreal Avenue, a new teaching facility building and putting greens; and the Penfield mixed use development (grocery store and apartments) at 10th and Minnesota,

for preliminary review.

OLD BUSINESS

#10-506-183 Sandra Belisle – Change of nonconforming use to add pet day care and boarding to existing pet grooming business. 360 Clifton Street, SE corner at Jefferson.
(Patricia James, 651/266-6639)

MOTION: *Commissioner Kramer moved the Zoning Committee's recommendation to deny the change of nonconforming use. The motion carried 13-3 (Connolly, Halverson, Wencl) on a voice vote.*

Commissioner Kramer announced the agenda for the next Zoning Committee meeting on Thursday, September 16, 2010.

V. Comprehensive Planning Committee

~~X~~ Currency Exchange/Industrial Loan and Thrift Study – Approve resolution recommending zoning code text amendments to the Mayor and City Council.
(Patricia James, 651/266-6639, and Ryan Kelley, 651/266-6562)

Ryan Kelley, PED staff, gave background on the Currency Exchange/Industrial Loan and Thrift Study. He said the City Council passed a moratorium on currency exchanges and industrial loan and thrifts that expires December 8, 2010. Mr. Kelley provided descriptions of the types of businesses covered by the proposed text amendments. He also stated that a previous zoning study on currency exchanges was done as a result of a state statute change in 1992, which added a distance requirement of one-half mile between establishments and added a system of notification so that the state would notify the municipality when a business is applying for a state currency exchange license. Denial or approval of that currency exchange license thus resided with the municipality; the state would follow whatever the municipality decided. The zoning study also added a distance requirement of 100 feet from the establishment to a residential district or residential dwelling.

Research for the study included identifying other licenses issued by the Department of Commerce that might allow a business to operate in the same manner as a currency exchange. Through this research the study also found that businesses referred to as payday loan lenders were not regulated in Saint Paul zoning code. The proposed text amendments combine these uses with currency exchanges under the umbrella use of alternative financial establishments. This use would include businesses licensed as currency exchanges, industrial loan and thrifts, consumer small loan companies and regulated loan companies. Mr. Kelley showed a map of where these establishments are currently located. He also showed a map of areas where these establishments would be allowed under the proposed zoning amendments.

Commissioner Alton commented that the proposed changes expand the separation from residential by 50%, from 100 to 150 feet and also add restrictions of distance between establishments. We are greatly reducing the area in which these legal businesses can operate. His concern was whether the City could restrict the location of a legal operation of business so that there is no place for it to open up and that the ordinance would therefore be unenforceable. It is a legal business and you can not zone it out of existence. University Avenue is an example

where it might be an appropriate place to have this type of business, but there may not be anywhere on the map that is 150 feet from a residential unit the way it is defined in this ordinance.

Donna Drummond, Planning Director, pointed out that the proposed language for the ordinance was revised based on the committee's actions last Tuesday, and it requires 150 feet from any lot in a residential district or lot occupied with a one-, two-, or multiple family dwelling. It may need to be clarified whether or not that includes a mixed-use building.

Patricia James, PED staff, added that they have reviewed the ordinance with the City Attorney and he has not raised this as an issue. One of the things found in the research is that there are communities that ban these uses outright. There are also cities in Minnesota that limit the number of licenses that are permitted.

Commissioner Alton noted that in Section 65.511 in the first sentence it says: A person, firm, association, corporation or partnership and towards the end it says: include a person or firm, but the words association, corporation or partnerships are not there and he suggested including these terms.

MOTION: Commissioner Wencl, on behalf of the Comprehensive Planning Committee, moved to approve the resolution and forward it on to the Mayor and City Council for their consideration. Commissioner Wencl accepted Commissioner Alton's suggested language change as a friendly amendment. Commissioner Merrigan seconded the motion. The motion carried unanimously on a voice vote.

VI. Neighborhood Planning Committee

Commissioner Wencl announced that they had no business this past week but the next Neighborhood Committee meeting will be on Wednesday, September 15, 2010.

VII. Parks and Recreation Project Updates – Informational presentation by Jody Martinez, Manager of Design and Construction, Saint Paul Parks and Recreation.

Jody Martinez, Saint Paul Parks and Recreation, gave a power point presentation to update the Commission on current Parks and Recreation projects.

- Raspberry Island was completed last year (2009) and that was a \$5,000,000 project which the State of Minnesota funded directly. The project turned out beautifully and then it flooded, but almost everything survived.
- Harriet Island Regional Park Phase II – A new picnic shelter. This completed what was begun in phase I, which extends the river walk all the way to the end of the island.
- McMurray Fields – Three new synthetic turf soccer fields, the first in their system.
- St. Clair Play Area – A new playground.
- Hamline/Hague Park – Another playground just finished.
- Bruce Vento Nature Sanctuary – A new trail project that connects from the sanctuary into downtown.
- Bruce Vento Master Plan – This is a regional park and trail system. They worked with the Metropolitan Council, which has a very specific process to go through, and now this is a part

of the regional system.

- Comprehensive Plan/ Parks & Recreation Chapter and the Parks Vision Plan which were both adopted in 2008. The vision plan has five sections, looking at the current parks system, overview of recreation trends, defining the six major goals and then a list of initiatives and actions that will help achieve those goals and provide tools to help implement the plan.
- Parks System Plan – Follows the vision plan and will look at the specifics of how they are going to get to what is stated in the vision plan.
- Great River Park Master Plan – A huge planning effort involving all 17 miles of the riverfront. It's looking at the entire river valley system of parks based on the three principles of more natural, more urban and more connected. This is a current project that is just underway.
- Como Regional Park Transportation & Implementation Plan – Traffic issues within the neighborhood are very important and problematic. Como is the most popular regional park and they need to come up with some long term ways to solve these issues.
- Victoria Park Master Plan – Parks is working with PED on this project and the community to finalize some programming ideas. The plan is to have four new soccer fields and a new community park within this site.
- Palace Recreation Center – Renovation and addition with CIB funds.
- Payne/Maryland Complex - a \$38,000,000 project that will be built on the site of the current Arlington Recreation Center. This is a very complex project. A church, a celebration of life center, a community center, a new library and a recreation center are all intended to be included in this complex.
- Como Aquatic Center – A complete replacement of the pool and includes a bath house, a lazy river, a splash pool, a lap pool and a zip line.
- Highland Pool – Renovating the bath house.
- Play Areas – Hancock and Holly are underway, Baker starting now, and Harriet Island is a new nature based playground. Como Park, Conway and Burns play areas have not started yet, but they have funds to do so.

Trails:

- Sam Morgan Trail Extension – Parks recently celebrated the grand opening of this newly constructed trail from 35E to Hwy 5.
- Grand Round Project – Involves putting in 4 new stations, and 14 interpretive signs along the river portion of the Grand Round.
- Cherokee Regional Trail – Extending the trail up Ohio and along the bluff.

Historic Bridges:

- Phalen Historic Bridge – Currently under construction, to be completed the summer of 2011.
- Como Historic Bridge – Starting design process. The bridge is historic and a trail will go under it, but the bridge is in a dangerous condition. So it will be stabilized and completed as a ruin.
- City House – A new facility along the river, very unique. Work will be done on the sprinkler system and the restrooms. The long term goal is to have a nice restaurant in the building.
- Como Woodland and Outdoor Classroom – Within this is the Joyce Kilmer Fireplace which is a historic structure and it is in need of repair. There are some funds for this and currently it is out for bid and the bids are due today.

Ms. Martinez said that there are so many more big projects that she has not even touched on such

as the Como Zoo and Conservatory. They just completed the polar bear exhibit and are starting on the gorilla exhibit. A lot of this information is on the web site at www.stpaul.gov.

Commissioner Porter asked Ms. Martinez to explain what's involved in the community process for these projects.

Ms. Martinez said that every project is different and every one of their projects involves working with community groups. Usually the first call is to the district council, and to work with them to set up a task force of interested people. Then they go through a design process, which is very extensive, and get input and work with people.

Commissioner Connolly asked what is being done for dog parks.

Ms. Martinez said that within the Lilydale Park they are scheduled to have a new dog park. There are some plans for a few others that are just in the planning stage. As it's coming forward in the systems plan they will be identifying several sites for dog parks because they know it's a need and they want to go forward with it.

Commissioner Merrigan said that within the Payne/Maryland complex there is a Celebration of Life Center, what is that?

Ms. Martinez explained that it is a Bradshaw Funeral Home and it will be a center for people to come and celebrate someone's life.

Commissioner Ward asked about the dog parks, wanting to know will these dog parks be free, will they need a permit or will there be some type of licensing that the dog owners will need to access the park.

Ms. Martinez said that the way Parks has been looking at it, since there is only one right now, it did not make sense to go forward with some kind of fee system. But as they add more to the system they will work something out.

VIII. Transportation Committee

Donna Drummond announced that the Transportation Committee will be meeting on Monday, September 13, 2010. This will be their second meeting and she announced the items on the agenda for that meeting.

IX. Communications Committee

No report.

X. Task Force Reports

Commissioner Wencil announced that the Joint Airport Zoning Board will be meeting on Tuesday, September 14, 2010 at 3:00 p.m.

Commissioner Wencil also reported that the Smith Avenue Plan Task Force will be meeting on Tuesday, September 14, 2010 at 6:00 p.m.

Commissioner Nelson reported that the Como Avenue Task Force will be meeting on Thursday, September 16, 2010 to review the summary for the Comprehensive Plan.

XI. Old Business

None.

XII. New Business

None.

XIII. Adjournment

Meeting adjourned at 9:38 a.m.

Recorded and prepared by
Sonja Butler, Planning Commission Secretary
Planning and Economic Development Department,
City of Saint Paul

Respectfully submitted,



Donna Drummond
Planning Director

Approved _____
(Date)

Marilyn Porter
Secretary of the Planning Commission