City of Saint Paul Planning Commission Resolution File Number <u>25-23</u> Date <u>May 30, 2025</u>

WHEREAS, Housing and Redevelopment Authority (HRA), File # 25-015-702, have applied to rezone from I2 general industrial to T3 traditional neighborhood under the provisions of Sections 61.801, 66.500, and 66.300 of the Saint Paul Legislative Code on property located at 680 Minnehaha Avenue E ("Parcel 3") and 694 Minnehaha Avenue E ("Parcel 4"), Parcel Identification Numbers (PINs) 32.29.22.12.0128 and 32.29.22.12.0134; and

WHEREAS, the Zoning Committee of the Planning Commission, on May 22, 2025, held a public hearing at which all persons present were given an opportunity to be heard pursuant to said application in accordance with the requirements of § 61.303 of the Saint Paul Legislative Code; and

WHEREAS, the Saint Paul Planning Commission, based on the evidence presented to its Zoning Committee at the public hearing as substantially reflected in the minutes, made the following findings of fact:

Parcel 3: An application has been submitted to rezone from I2 general industrial to T3 traditional neighborhood. The HRA has tentatively approved JB Vang and their proposal for a mixed-use development at the Hamm's Brewery site on Parcels 3 and 4.

Parcel 4: An application has been submitted to rezone from I2 general industrial to T3 traditional neighborhood. A lot split is in progress, which would bisect the parcel into western and eastern parts. The rezoning would apply to both halves. The HRA has tentatively approved JB Vang and their proposal for a mixed-use development at the Hamm's Brewery site on Parcels 3 and 4.

The proposed T3 zoning is consistent with the 2040 Comprehensive Plan. The subject parcels are guided Industrial and as a Mixed-Use Opportunity Site. Mixed-Use Opportunity Sites have been identified to have potential for redevelopment as *"higher-density mixed-use development or employment centers."* T3 permits a variety of uses including higher-density residential, commercial, and employment uses like office, retail, service business. The intent of the T3 zoning district is to provide for *"higher-density pedestrian- and transit-oriented mixed-use development. It is designed for development or redevelopment of land on sites large enough to support: (a) A mix of uses, including residential, commercial, civic and open space uses in close proximity to one another."*

Policy LU-46 calls for the prevention of industrial land being converted to residential or institutional uses unless guided otherwise in a City of Saint Paul adopted plan. In addition to being guided as a Mixed-Use Opportunity Site in the Comprehensive Plan, which encourages the conversion away from industrial zoning, the subject parcels are guided mixed-use in small area plans for the neighborhood. The <u>Phalen Corridor Development Strategy</u> (adopted as a

moved by <u>Taghioff</u> in favor <u>2 (Ochoa, Syed)</u> against <u>9 (Holst, Hood, Johnson Becker, Martinson, Ortega, Presley,</u> <u>Risberg, Starling, Taghioff)</u> Planning Commission Resolution Zoning File # 25-015-702 Page 2 of 2

Comprehensive Plan addendum in 2001), calls for mixed-use development at this site. An objective of development identified in the Payne-Arcade area include "reflect the area's denser, more urban character." The <u>Near East Side Roadmap</u> (2012) identifies the subject parcels as "reuse opportunity candidates," "building reuse opportunit(ies) to explore," and a "potential placemaking or community gathering location".

There is also a small portion of Parcel 4 (less than 10%), along its southern edge, that is guided Urban Neighborhood. Policy LU-35 calls for "multi-family housing along arterial and collector streets." Minnehaha Avenue is a minor arterial street. T3 zoning permits both multi-family housing and mixed-use developments.

The proposed zoning is compatible with the surrounding uses. The surrounding uses include a craft brewery, a craft distillery, multi-family residential, single-family and duplex residential, parkland, and a multi-tenant commercial campus with auto sales, a trapeze center, a wholesale laundry service, a tree trimming service, and other services. Most of the surrounding uses, with the possible exception of the tree trimming service (depending on its classification), but certainly including the craft brewery and craft distillery, are allowed in the T3 zoning district. The uses permitted in T3 are compatible with the existing uses established in the area.

The proposed zoning does not constitute spot zoning. 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." The proposed T3 zoning is a large plot of land, the T3 classification is consistent with the surrounding uses (see Attachment 2), and it does not create an island of nonconforming uses in T2 and T3 largely overlap.

The rezoning would further the general welfare of the public and the proposed T3 zoning would not result in significant negative impacts on neighbors. The allowable uses in T3 are compatible with the surrounding uses and so would not discriminatorily benefit the property owner. The <u>Dayton's Bluff District Plan</u> includes goals to address vacant buildings in the neighborhood. This rezoning would further the general welfare of the public by facilitating the development of two parcels that have been vacant for nearly thirty years.

There are two other parcels completely surrounded by Parcel 4 (and a third surrounded on three sides) that are zoned I2 and are not part of the proposed rezoning. The fact that these parcels would be surrounded by a property with a different zoning classification does not, alone, constitute spot zoning. The current uses on these other parcels are a craft brewery and a craft distillery, which are allowed in the T3 district and therefore not inconsistent with T3 zoning. Additionally, the industrial parcels surrounded by Parcel 4 are adjacent to a large area zoned I2 on the north side of Minnehaha Avenue.

NOW, THEREFORE, BE IT RESOLVED, that the Saint Paul Planning Commission recommends to the Mayor and City Council that the application of the Housing and Redevelopment Authority (HRA), for rezoning from I2 general industrial to T3 traditional neighborhood at 680 Minnehaha Avenue E and 694 Minnehaha Avenue E be approved.