

ZONING COMMITTEE STAFF REPORT

FILE NAME: 892 E 7th St Rezoning

FILE #: 24-016-948

APPLICANT: Project for Pride in Living

HEARING DATE: March 21, 2024

TYPE OF APPLICATION: Rezone

LOCATION: NE corner of 7th St. and Minnehaha Avenue

PIN & LEGAL DESCRIPTION: 28-29-22-33-0062; Lot 1, Block 1, Beacon Bluff Business Center South

PLANNING DISTRICT: 4

PRESENT ZONING: B3

ZONING CODE REFERENCE: § 61.801(b)

STAFF REPORT DATE: March 14, 2024

BY: Chris Hong

DATE RECEIVED: February 26, 2024

60 DAY DEADLINE FOR ACTION: April 25, 2024

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- A. **PURPOSE:** Rezone from B3 general business to T3 traditional neighborhood.
- B. **PARCEL SIZE:** 95,832 sq. ft.
- C. **EXISTING LAND USE:** Vacant land
- D. **SURROUNDING LAND USE:**
North: Vacant land (T2), clinic (I1)
East: Duplexes and single-family homes (H2), church (H2)
South: Mixed residential/commercial (T2), light industrial (T2), duplexes and single-family homes (H2)
West: Warehouse (I1), offices (T2), auto service station (T2)
- E. **ZONING CODE CITATION:** § 61.801(b) provides for changes to the zoning of property initiated by the property owner.
- F. **HISTORY/DISCUSSION:** The subject parcel has been occupied by a restaurant with a large parking lot since the beginning of its documented zoning history (1985). Though the ownership of the parcel changed hands several times since 1985, the building remained a restaurant. In 2011, the building and parking lot were demolished, and the parcel has been vacant ever since.
- G. **DISTRICT COUNCIL RECOMMENDATION:** As of the date of publication, the Dayton's Bluff Community Council has not made a recommendation.
- H. **FINDINGS:**
1. The Applicant requests a rezoning from B3 general business to T3 traditional neighborhood to develop the subject parcel to create a mixed-use residential/commercial building. The development would include at least 60 units of affordable housing – some of which will be much needed larger three- and four-bedroom apartments. The proposed ground floor commercial space would provide services in need by the community, such as childcare, a clinic, and a food hall incubator. The T3 zoning district's dimensional standards and design guidelines are more flexible and suitable for mixed-use developments.
 2. § 66.431 allows a maximum building height of 30 feet in the B3 district. § 66.330 allows a maximum building height of 55 feet in the T3 district, which can be increased to 90 feet if a conditional use permit is obtained. The proposed development is expected to be 53 feet and 8 inches tall.

3. The proposed T3 zoning is consistent with the Comprehensive Plan. The 2040 Comprehensive Plan designates the future land use of this parcel as Mixed Use:

“The main distinguishing characteristic is a balance of jobs and housing within walking distance of one another. Historically, these areas developed in easily-accessible locations, and they will continue to be the most dynamic areas of Saint Paul.”

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...”* This is reflected in the allowable uses in the T3 district, which permits most residential and commercial uses, but not drive-through sales and services. Mixed-use residential/commercial buildings are permitted in B3, but drive-through sales and services are also permitted uses, and most automotive services are conditional uses. The T3 district is more consistent with the future land use of this parcel, while the B3 district is focused more on providing a diversity of commercial uses along major thoroughfares.

The site is located along the 74 bus route and within walking distance of many other bus routes that connect to the Green Line and Downtown Saint Paul. The site is also within walking distance of a proposed station for the future Purple BRT Line.

The subject parcel is also within the East 7th Street – Arcade Neighborhood Node. Neighborhood Nodes are designated for “locations planned for higher-density, mixed-use development.” The proposed T3 zoning allows for higher density development, which is consistent with the Neighborhood Node designation.

The following policies apply:

2040 Comprehensive Plan:

Policy LU-1. Encourage transit-supportive density and direct the majority of growth to areas with the highest existing or planned transit capacity.

Policy LU-6. Foster equitable and sustainable economic growth by:

- proactively directing new development to high-priority geographies, such as Neighborhood Nodes;
- building and expanding neighborhood economic and cultural assets through the development of the local micro-economies of our Neighborhood Nodes;

Dayton’s Bluff District Plan (2009):

C1. Prepare a zoning study of existing commercial districts within District 4 to determine if the Traditional Neighborhood District is appropriate, particularly to promote mixed use development in these areas.

Prior to 2009, many of the parcels along East 7th Street within Dayton’s Bluff were zoned B2 or B3. Since then, many of the B2 and B3 districts have been rezoned to T2 for the flexibilities in allowable uses and dimensional standards (Attachment 3). While a zoning study was not conducted, it’s clear that the B districts were found to be too restrictive for the way this commercial corridor would develop.

4. 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 to T3 would not be considered spot zoning because the subject parcel abuts multiple parcels zoned T2. There are few uses that are permitted in T3 but not T2. However, those uses that are not permitted in T2 are permitted in I1, which also abuts the subject parcel. The proposed rezoning will not result in a change of allowable uses in the area.

- I. STAFF RECOMMENDATION:** Based on the above findings, staff recommends **approval** of the rezoning from B3 general business to T3 traditional neighborhood at 892 East 7th Street.

ATTACHMENTS:

1. Application Materials
2. Site Maps
3. B District Comparison Maps



REZONING APPLICATION

Department of Planning and Economic Development
Zoning Section
1400 City Hall Annex, 25 West Fourth Street
Saint Paul, MN 55102-1634
(651) 266-6583

Zoning Office Use Only

File # _____
Fee Paid \$ _____
Received By / Date _____
Tentative Hearing Date _____

PD=4

APPLICANT

Property Owner(s) Saint Paul Port Authority
Address 892 East 7th Street City Saint Paul State MN Zip 55106
Email eduardo.barrera@ppl-inc.org Phone 651-238-7659
Contact Person (if different) Same as above Email Same as above
Address 1035 E Franklin Avenue City Minneapolis State MN Zip 55404
(Attach additional sheet if necessary to include all of the owners of at least 67% of the area of the property to be rezoned.)

PROPERTY INFO

Address/Location 892 East 7th Street
PIN(s) & Legal Description 282922330062
(Attach additional sheet if necessary.)
B l o c k _____ A r e a _____
Current Zoning B3

TO THE HONORABLE MAYOR AND CITY COUNCIL:

Pursuant to Saint Paul Zoning Code § 61.801 and Minnesota Statutes § 462.357, Saint Paul Port Authority

owner(s) of land proposed for rezoning, hereby petition(s) to rezone the above described property from a B3 zoning district to a T3 zoning district, for the purpose of:
The Saint Paul Port Authority has entered into a purchase agreement with Project for Pride in Living for the purpose of Redeveloping the current vacant parcel located at 892 East 7th Street (PIN 282922330062) from a B3 to T3 zoning classification. The site will be redevelop to create a mixed-use building that includes 60 units of affordable housing and 35+ thousand square feet of commercial space. The housing units have a range of affordability from 30% to 50% AMI and includes seven supportive housing units for families. This project will bring a much needed affordable housing supply to the neighborhood, in addition, due to the demand for larger units in this demographically diverse area, we are introducing larger units with four and five bedrooms. Additionally, the commercial space will be occupied by a much needed child care center, an expansion of the community clinic across the street, a workforce space and a food hall incubator for entrepreneurial opportunities for small business in the neighborhood.

Attach additional sheets if necessary. Attachments as required: ☒ Site Plan ☐ Consent Petition ☐ Affidavit
☐ If you are a religious institution you may have certain rights under RLUIPA. Please check this box if you identify as a religious institution.

Subscribed and sworn to before me

Date February 26th 2024

[Signature]
Notary Public



By: [Signature]
Fee owner of property
Title: SR Affordable Real Estate Development Lead

**PRELIMINARY NOT FOR
CONSTRUCTION**

Ergebnis	Info	Beurteilung
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Project Information					
Name	ID	Date	PIC/ACC.	Job Number	Notes
	21-0008				

**CPL - 892 E 7th Street,
Saint Paul Minnesota**

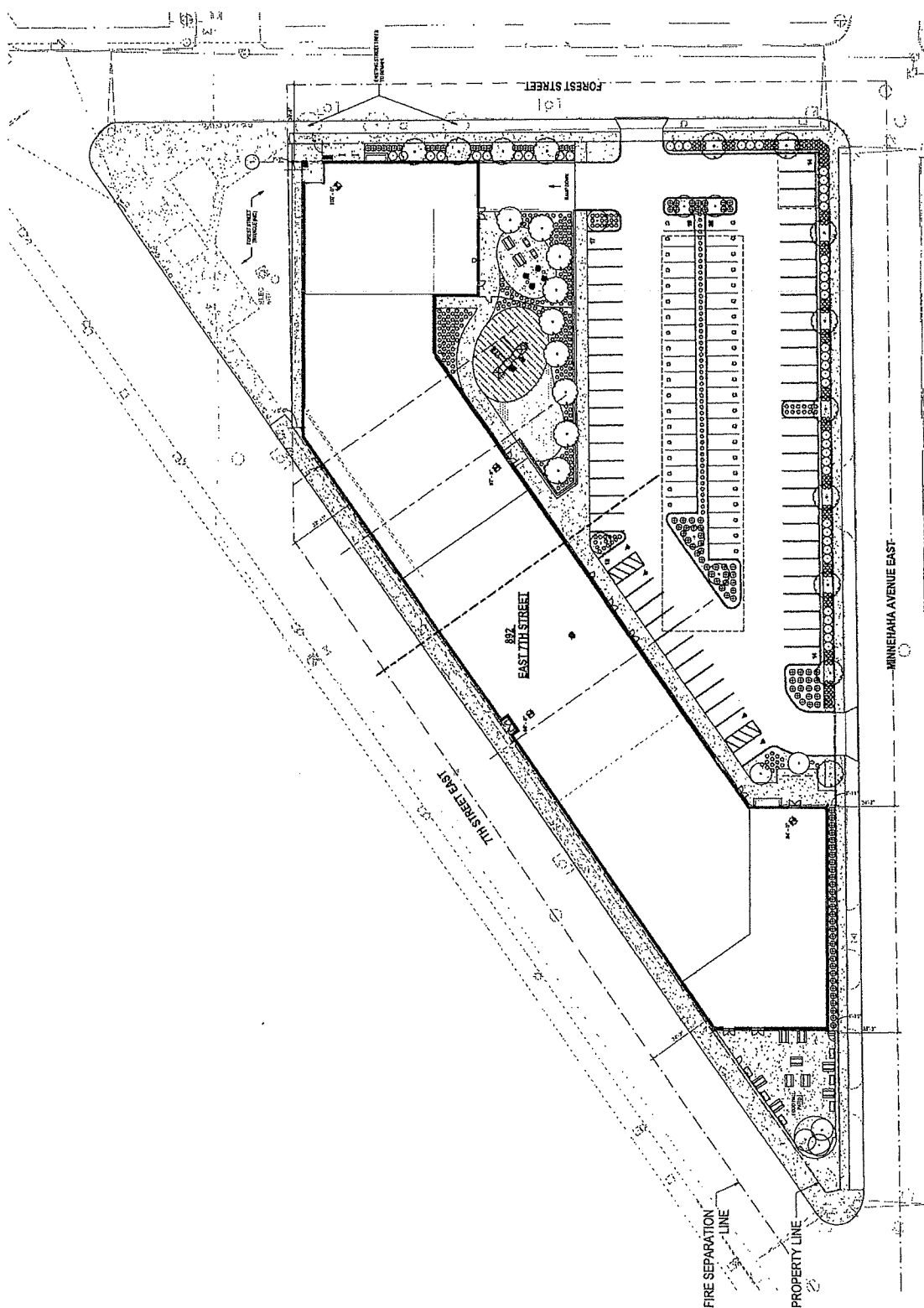


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Driving Package _____ \$0

Overall Site Plan

Order Number: A010



1 SITE - OVERALL
ADN 1° 27.4'

OWNER'S ACKNOWLEDGMENT & CONSENT TO ZONING APPLICATIONS

THIS OWNER'S ACKNOWLEDGMENT & CONSENT TO ZONING APPLICATIONS (this "Consent"), dated February 21, 2024, is executed by the Port Authority of the City of Saint Paul, a Minnesota public body corporate and politic, ("Port Authority"), in favor of PPL East 7th LLC, a Minnesota limited liability company ("Buyer") and Project for Pride in Living, Inc., a Minnesota non-profit corporation ("PPL").

Recitals

WHEREAS, the Port Authority, as Seller, and Buyer are parties to that certain Amended and Restated Contingent Purchase Agreement, dated June 1, 2023 (the "Purchase Agreement"), regarding the purchase and sale of Lot 1, Block 1 Beacon Bluff Business Center South (the "Property"), as more particularly defined in the Purchase Agreement;

WHEREAS, Buyer wishes to purchase the Property from Seller in order to redevelop the Property into a mixed-use development consisting of approximately 30,000 square feet of retail space, approximately 100,000 square feet of affordable housing space to be operated by Buyer and comprised of 60-units which will include some multi-generational units and which facility may include a daycare, clinic, autism center, learning center, and a cafeteria style restaurant incubator space for local entrepreneurs (the "Intended Use");

WHEREAS, Buyer's Intended Use is currently not permitted by the Zoning Code of the City of Saint Paul and PPL, on behalf of Buyer, intends to file the zoning applications necessary to allow for the Intended Use; and

WHEREAS, the Port Authority agrees to acknowledge and consent to, subject to the conditions expressed herein, PPL's zoning applications.

NOW, THEREFORE, in consideration of the recitals, the covenants of the parties contained in this Consent, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Port Authority, Buyer and PPL agree as follows:

Agreements

1. Acknowledgment. The Port Authority acknowledges the following:
 - (a) the Property is not currently zoned to allow for PPL's Intended Use;
 - (b) that PPL wishes to submit applications to the City of Saint Paul for Conditional Use Permits and any necessary rezoning of the Property necessary to use the Property for the Intended Use (the "Zoning Applications").
2. Representations and Consent. Subject to and expressly conditioned upon the provision in Paragraph 3 herein, the Port Authority hereby consents to PPL pursuing the Zoning Applications.

3. Consent Contingency. Notwithstanding anything contained in this Consent to the contrary, any Zoning Applications or approvals of the same must be conditioned upon the Closing of Buyer's purchase of the property as defined in the Purchase Agreement, such that any change in the zoning of the Property will only take effect following Closing. For the avoidance of doubt, the Port Authority does not consent to the rezoning of the Property becoming effective prior to Closing. PPL agrees to provide information to the Port Authority from time to time about PPL's progress in the re-zoning process and will notify the Port Authority of all substantive meetings with the City prior to such meetings occurring.

4. Duration and Effect. This Consent shall remain and continue in full force and effect from the date hereof until the earlier of either (a) the approval of the Zoning Applications, or (b) the termination of the Purchase Agreement.

5. Amendment. Neither this Consent nor any provisions hereof may be changed, waived, discharged or terminated orally or in any manner other than by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

6. Cumulative Rights. The rights and remedies of the parties under this Consent shall be cumulative, and the exercise or partial exercise of any such right or remedy shall not preclude the exercise of any other right or remedy

7. Governing Law; Interpretation. This Consent is made under and shall be construed in accordance with and governed by the laws of the State of Minnesota.

8. Counterparts. This Consent may be executed in two (2) or more counterparts and it shall not be necessary that the signatures of all parties hereto be contained on any one (1) counterpart hereof; each counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

EXECUTED as of the date first above written:

PORT AUTHORITY OF THE CITY OF SAINT PAUL

By: Todd P. Hurley

Name: Todd P. Hurley

Title: President

By: [Signature]

Chief Financial Officer or Controller

Reviewed and Approved as to form:

By: Emily Lawrence

Saint Paul Port Authority General Counsel

RECEIPT of this Consent acknowledged and agreed to:

PPL East 7th LLC, a Minnesota limited liability company

By: Scott Cordes

Name: Scott Cordes

Title: Treasurer

Project for Pride in Living, Inc., a Minnesota non-profit corporation

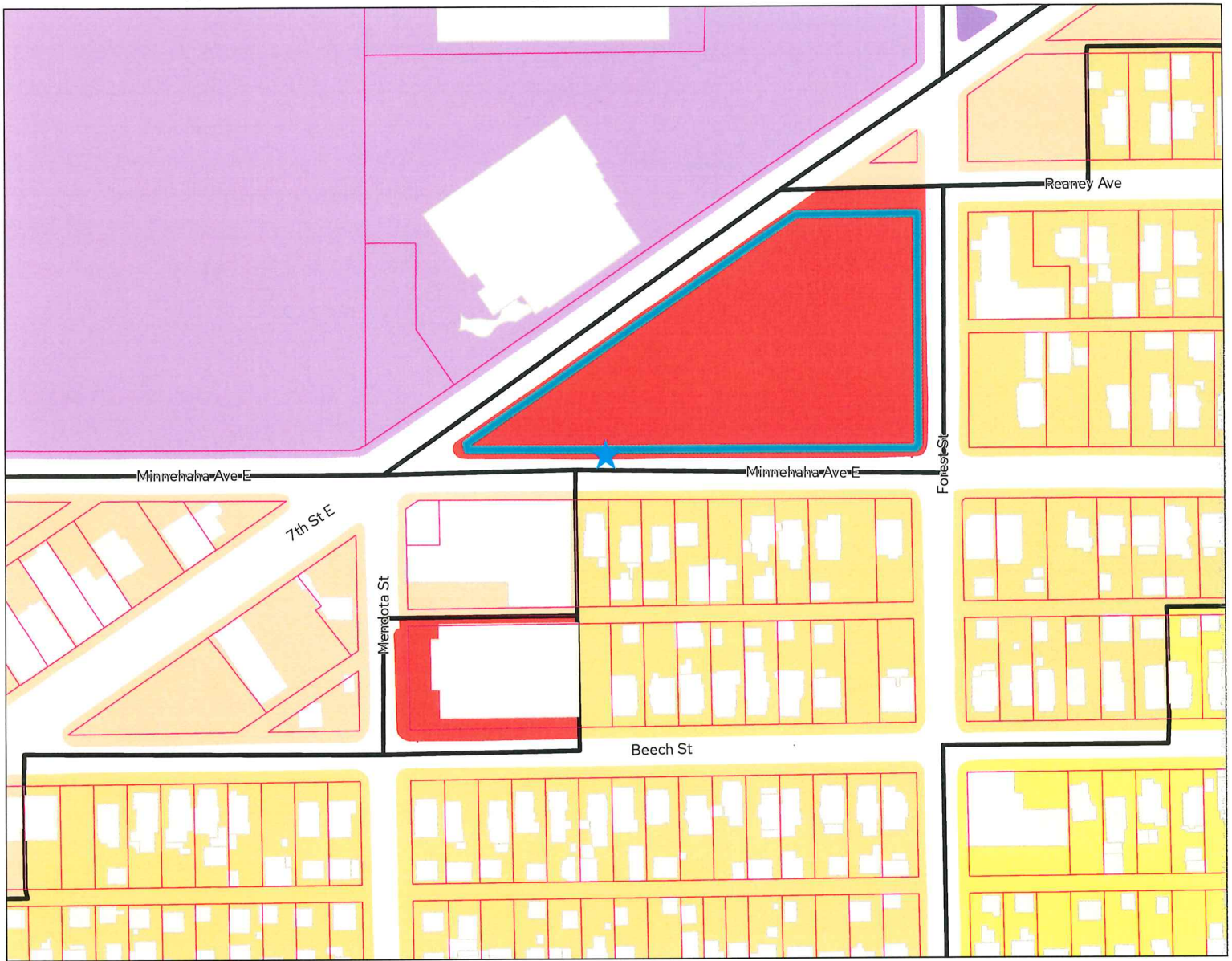
By: [Signature]

Name: CHRIS DETTING

Title: VICE PRESIDENT OF REAL ESTATE DEVELOPMENT

Application of Port Authority Zoning map

application number: 24-016-929 • type: Rezone • date: 2/26/24 • planning district: 4



Subject parcel(s) are outlined in blue

Other parcels are outlined in pink

RL One-Family Large Lot
H1 Residential
H2 Residential
RM1 Multiple-Family
RM2 Multiple-Family
RM3 Multiple-Family

T1 Traditional Neighborhood
T2 Traditional Neighborhood
T3 Traditional Neighborhood
T3M T3 with Master Plan
T4 Traditional Neighborhood
T4M T4 with Master Plan
OS Office-Service
B1 Local Business
BC Community Business (converted)
B2 Community Business

B3 General Business
B4 Central Business
B5 Central Business Service
IT Transitional Industrial
ITM IT with Master Plan
I1 Light Industrial
I2 General Industrial
I3 Restricted Industrial

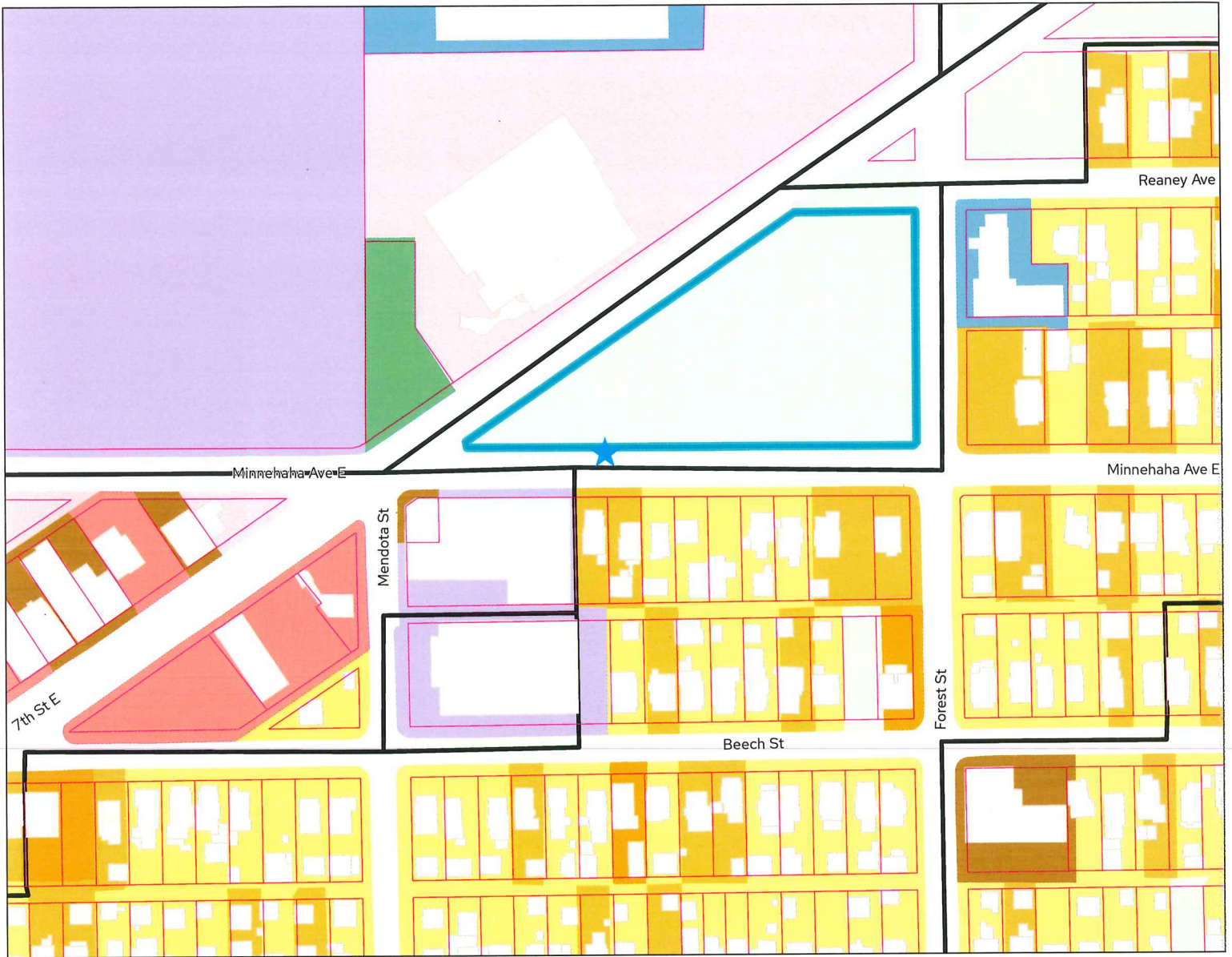
F1 River Residential
F2 Residential Low
F3 Residential Mid
F4 Residential High
F5 Business
F6 Gateway
VP Vehicular Parking
PD Planned Development
CA Capitol Area Jurisdiction

This map is for informational purposes only. It is not a legal document. The official zoning map is the one on file with the City of Saint Paul. The map is subject to change without notice. The map is not to be used for any other purpose. The map is not to be used for any other purpose. The map is not to be used for any other purpose.

Application of Port Authority

Land use map

application number: 24-016-929 • type: Rezone • date: 2/26/24 • planning district: 4



Subject parcel(s) are outlined in blue

Other parcels are outlined in pink

Single Family Residential

- Farmstead
- Seasonal/Vacation
- Single Family Detached
- Manufactured Housing Park

Multifamily Residential

- Single Family Attached
- Multifamily

Commercial

- Office
- Retail and Other Commercial

Mixed Use

- Mixed Use Residential
- Mixed Use Industrial
- Mixed Use Commercial and Other

Other Uses

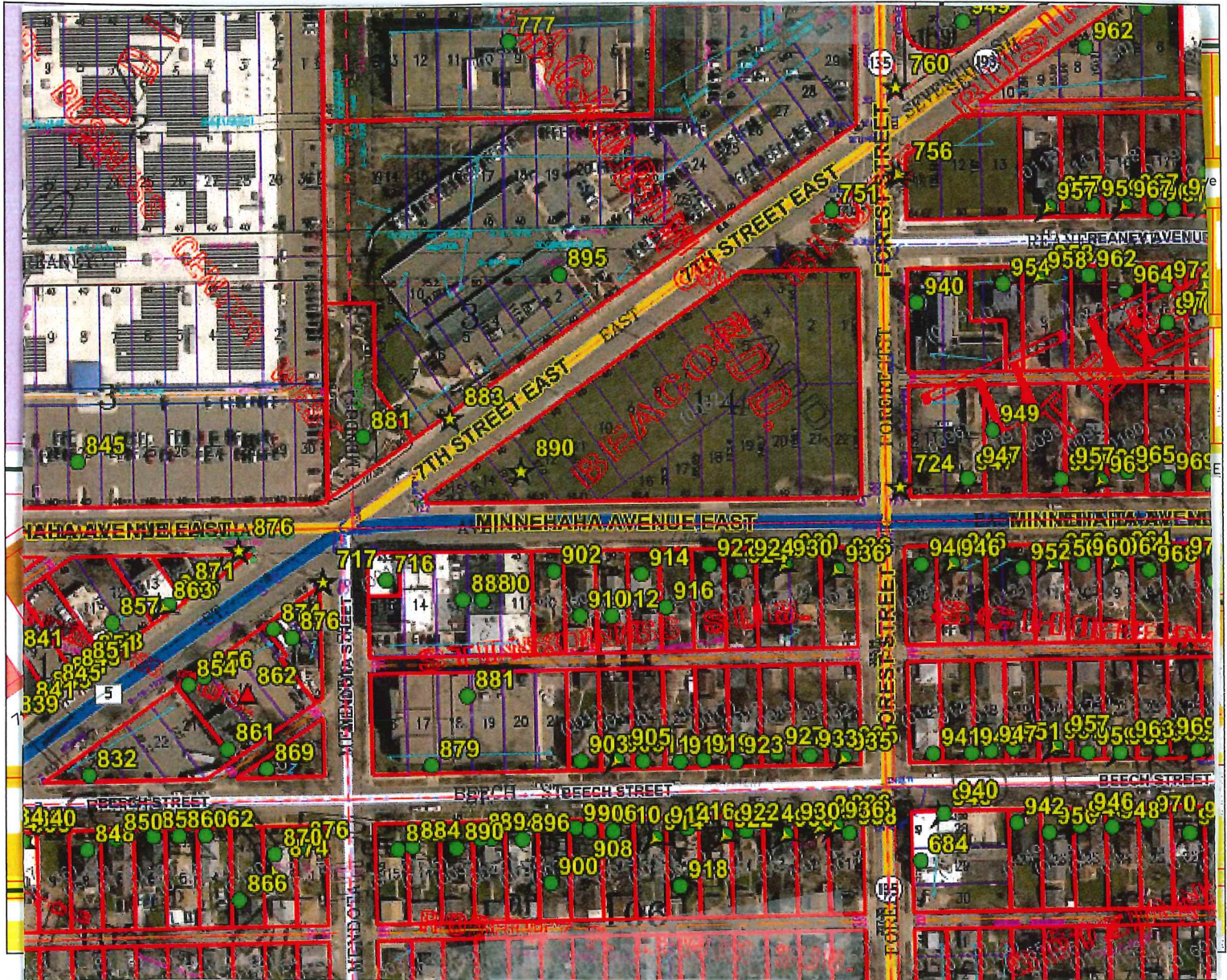
- Industrial and Utility
- Extractive
- Institutional

- Park, Recreational or Preserve
- Golf Course
- Major Highway
- Railway
- Airport
- Agricultural
- Undeveloped
- Water

This map is a representation of the land use data for the City of Saint Paul. It is not a legal document. The City of Saint Paul is not responsible for any errors or omissions on this map. The City of Saint Paul is not responsible for any damages or losses resulting from the use of this map. The City of Saint Paul is not responsible for any claims or liabilities resulting from the use of this map. The City of Saint Paul is not responsible for any claims or liabilities resulting from the use of this map.

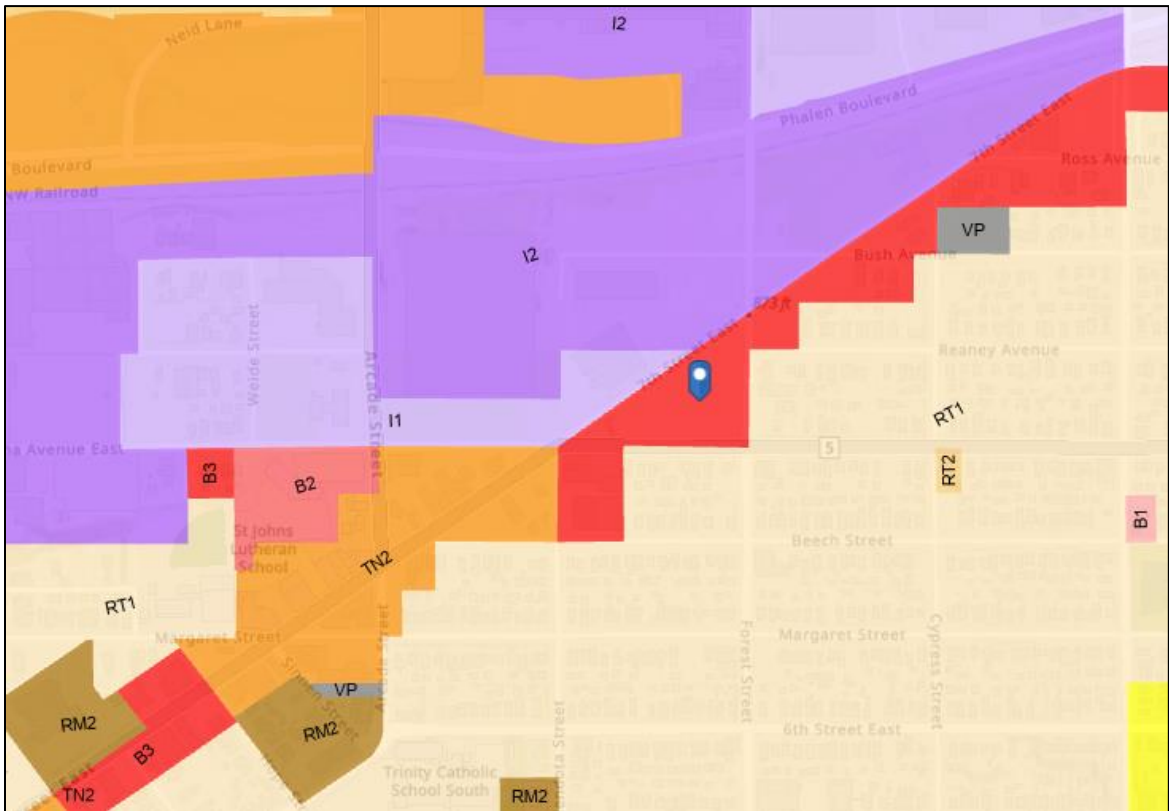
Application of
Port Authority
Aerial map

application number: 24-016-929* type: rezone * date: 2/26/24 * planning district: 4



Attachment 3: B District Comparison Maps

Zoning Map: November 2010



Zoning Map: March 2024

