

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

**Minutes August 22, 2014**

A meeting of the Planning Commission of the City of Saint Paul was held Friday, August 22, 2014, at 8:30 a.m. in the Conference Center of City Hall.

**Commissioners Present:** Mmes. DeJoy, McMahon, Noecker, Padilla, Shively, Thao, Underwood, Wang, Wencil; and Messrs. Connolly, Edgerton, Gelgelu, Lindeke, Makarios, Ochs, Oliver, and Wickiser.

**Commissioners Absent:** Mmes. \*Merrigan, \*Reveal, and Messrs. Nelson and Ward.  
\*Excused

**Also Present:** Lucy Thompson, Joe Musolf, Jake Reilly, Bill Dermody, Jamie Radel, Sarah Zorn, Ashley Foell, and Sonja Butler, Department of Planning and Economic Development staff; Tom Beach, Department of Safety & Inspections staff.

**I. Approval of minutes August 8, 2014.**

**MOTION:** *Commissioner Noecker moved approval of the minutes of August 8, 2014. Commissioner Shively seconded the motion. The motion carried unanimously on a voice vote.*

**II. Chair's Announcements**

Chair Wencil announced that several Commissioners attended the Parks and Recreation evening event at the new Arlington Recreation Library Center, and they had a tour of the building.

**III. Planning Director's Announcements**

The Acting Planning Director, Lucy Thompson, had no announcements.

**IV. Zoning Committee**

**SITE PLAN REVIEW** – List of current applications. *(Tom Beach, 651/266-9086)*

One item to come before the Site Plan Review Committee on Tuesday, August 26, 2014:

- Custom House, renovate old Federal Post Office building for apartments, hotel, restaurant and indoor parking at 180 E. Kellogg Blvd.

Five items to come before the Site Plan Review Committee on Tuesday, September 2, 2014:

- Tessman and Lynde Companies, demolish existing retaining wall and regrade the area at

1300 Sylvan.

- Oromo Community of Minnesota, new parking lot at 465 Mackubin.
- Paula Schad, new single-family house on steep slope at 321 Irvine Avenue.
- 740 River Drive, expand existing parking lot at 740 Mississippi River Blvd., South.
- Opus Design Build, Seven Corners mixed-use development (Hotel, apartments, townhouses, commercial space and parking)

Tom Beach, Department of Safety and Inspections, presented a request received from a member of the public for the Planning Commission to hold a public hearing on a site plan for Flint Hills. Flint Hills processes asphalt products at the Childs Road facility, and is proposing to build two new storage tanks on-site. The site is below the 100-year flood elevation, so a conditional use permit would be required to install the tanks; a hearing before the Zoning Committee has been scheduled for September 11, 2014. Staff had the site plan review meeting with Flint Hills this week; no major issues were raised. Mr. Beach believes that the issues raised in the letter can be covered by the conditional use permit, and is recommending the Planning Commission not hold a hearing on the site plan.

Chair Wencil wanted to know what would be accomplished with an additional public hearing on the site plan that would not already be addressed through the conditional use permit.

Mr. Beach said that most of the issues raised in the letter are policy issues that can be addressed in the context of the conditional use permit.

Commissioner Thao asked if anyone can submit a letter asking for a public hearing for a site plan.

Mr. Beach replied that anyone can ask for a public hearing.

Commissioner Oliver asked about the dock facilities and whether their location would be a site plan issue or a conditional use issue.

Mr. Beach believes it is a policy issue that could be handled as part of a conditional use permit.

Commissioner Padilla noted that having a public hearing on a site plan is rare, and seems to occur most frequently when there is no hearing requirement for other zoning permissions. It is not common to have an additional site plan review hearing when a conditional use permit hearing is already scheduled.

***MOTION: Commissioner Padilla moved the staff recommendation for denial of a formal site plan review public hearing in front of the Zoning Committee. Commissioner Edgerton seconded the motion. The motion carried 16-1 (Oliver) on a voice vote.***

## **NEW BUSINESS**

#14-313-319 Dorothy Day LLC – Conditional use permit for 278-bed overnight shelter. 411 Main Street NW corner of Main and Old Sixth Street. Lucy Thompson, 651/266-6578)

**MOTION:** *Commissioner Padilla moved the Zoning Committee's recommendation to approve the conditional use permit subject to additional conditions. The motion carried unanimously on a voice vote.*

#14-313-585 SAC Wireless – Conditional use permit for installation of cellular telephone antennas on a residential structure less than 60 ft. high. 330 Exchange/86 Wilkin Street SW intersection of Exchange and Elm. (Michelle Beaulieu, 651/266-6620)

Commissioner Noecker commented that the staff report did a really good job of showing the alternatives they analyzed.

**MOTION:** *Commissioner Padilla moved the Zoning Committee's recommendation to approve the conditional use permit subject to additional conditions. The motion carried unanimously on a voice vote.*

#14-306-660 Gregory and Michelle Sutton/James Morelli – Rezone from RT1 Residential and B3 General Business to T2 Traditional Neighborhood. 637 Bedford Street and 535 Tedesco Street between Tedesco and Fred Street. (Bill Dermody, 651/266-6617)

Commissioner Ochs asked for the difference between RT1 Residential and B3 General Business, and T2 Traditional Neighborhood.

Commissioner Padilla said that the T2 zoning would allow the applicant to expand Morelli's Discount Liquor onto a lot that currently contains a single-family home. The store is not allowed in RT1. There is T2 zoning south of the site; this rezoning is consistent with that.

**MOTION:** *Commissioner Padilla moved the Zoning Committee's recommendation to approve the rezoning. The motion carried unanimously on a voice vote.*

#14-312-394 TCB Properties LLC – Rezone from B3 General Business to T2 Traditional Neighborhood. 1599-1605 Rice Street between Wheelock Parkway and Iowa Avenue. (Jamie Radel, 651/266-6614)

**MOTION:** *Commissioner Padilla moved the Zoning Committee's recommendation to approve the rezoning. The motion carried unanimously on a voice vote.*

Commissioner Padilla announced the items on the agenda at the next Zoning Committee meeting on Thursday, August 28, 2014.

## **V. Neighborhood Planning Committee**

Saint Paul Neighborhood Redevelopment Area Plan Amendment – Approve resolution regarding conformance with the Comprehensive Plan. (Jake Reilly, 651/266-6618)

Commissioner Padilla said that when the application for a Conditional Use Permit for Mississippi Market was heard at the Zoning Committee, a speaker raised issues related to the living wage ordinance and its potential application to the employees of Mississippi Market. The commenter suggested that the applicant was not necessarily meeting those requirements.

Commissioner Padilla wondered if giving Tax Increment Financing (TIF) assistance added any requirements related to living wage or other City compliance.

Jake Reilly, PED staff, said that the resolution proposed to be approved by the Planning Commission creates an area in which TIF funds may be generated and spent. A related amendment and resolution to be approved by the City Council and HRA Board will create the actual TIF district. All of the funds generated by the TIF district are slated to be applied to the affordable senior housing development adjacent to the Market. The HRA is selling a parcel to Mississippi Market at market-rate for construction of the store. If sold at market rate, no City- or HRA-related subsidy is proposed, and compliance will not kick in, including living wage.

Commissioner Lindeke inquired about the history of the TIF District in that area and asked if it is expanding.

Mr. Reilly said that there are, essentially, two components to creating, establishing, or amending a TIF district. There is the "redevelopment plan," which identifies where the TIF funds may be spent, and the "project area," an area within the redevelopment plan from which TIF funds are generated. The one that we are amending was initially established in 1987. The amendment adds two parcels to the project area and plan. The Saint Paul Neighborhood Redevelopment project area is also known as the Scattered Site TIF District.

**MOTION:** *Commissioner Oliver moved the Neighborhood Planning Committee's recommendation to approve the resolution. The motion carried unanimously on a voice vote.*

Commissioner Oliver announced the items on the agenda at the next Neighborhood Planning Committee meeting on Wednesday, August 27, 2014.

**VI. Inspiring Communities Program Update – Informational Presentation by Joe Musolf, PED Principal Project Manager. (Joe Musolf, 651/266-6594)**

Joe Musolf, PED staff, presented the evolution of the Invest Saint Paul Initiative and Neighborhood Stabilization Program to the Inspiring Communities Program. Invest Saint Paul (ISP) was a comprehensive city-wide approach to addressing areas of disinvestment. ISP was the infrastructure that allowed for successful application to HUD for Neighborhood Stabilization Program (NSP) funding to address foreclosures and vacancies. In late 2012, HRA staff conducted comprehensive analysis of properties and identified properties to be included in a newly-branded Inspiring Communities program. The goals of Inspiring Communities are to: (1) stimulate the market to "preserve, grow and sustain" neighborhoods; (2) use the HRA property inventory as a catalyst for neighborhood transformation; (3) create programs that leverage investment in weak and/or borderline markets; (4) meet the City's legal obligations and reduce holding costs; and (5) standardize the HRA's disposition policy with clearly-understood procedures and application process.

Mr. Musolf then discussed HRA's present property of 535 parcels. Some of these parcels are not redevelopable because of small lot size. Those are now classified as "splinter parcels." There are 130 properties with some obligation to the funders (source of funding for the acquisition) requiring redevelopment for residential use. Most of these are vacant redevelopable lots, but some of them are rehabable homes. HRA staff recognizes that the redevelopment of all these lots is

going to require some sort of subsidy. Because funding need exceeds available funds, it was decided to find clusters of properties that will be high priority.

Mr. Musolf then discussed three parallel approaches underway to dispose of inventory: (1) parcels in need of subsidy (with priority for the cluster area properties); (2) splinter parcels; and (3) sale of other lots that do not have a funder obligation or a subsidy need. Regarding #3, HRA will offer these parcels for market value. Regarding #2, some will be conveyed to other City departments (such as remnants from a street-widening, or some things that are associated with Parks). Other splinter parcels will be offered as a side yard to neighboring property owners. Regarding #1, a Request for Proposals (RFP) to real estate developers will be issued.

Commissioner Edgerton asked if consideration has been given to using HRA lots as public gardens, neighborhood gardens, public space, or stormwater management areas.

Mr. Musolf responded that the HRA is not interested in owning property long-term, but there are entities interested in doing so.

Commissioner Noecker asked if there was any publicly-available list of the splinter parcels, and asked if local Community Development Corporations (CDCs) and/or District Planning Councils were aware of these properties.

Mr. Musolf said that HRA staff have met with both CDCs and District Planning Councils about both the splinter parcels and the redevelopable lots.

Lucy Thompson, PED staff asked if the inventory was online.

Mr. Musolf said no. But, he stressed that staff has been doing a tremendous amount of outreach.

Commissioner Noecker inquired about a specific parcel at 76 Baker Street, near Humboldt High School. She said there seems to be a lack of clarity regarding the use of this lot as a garden.

Mr. Musolf responded that he talked to Karen Reid, Executive Director of NeDA, about that specific parcel. He is aware that the school district, WSCO, and NeDA are all interested in that lot. This is the perfect opportunity for those organizations to pull together and purchase it from the HRA.

Commissioner DeJoy asked about the marketability of lots with substandard dimensions.

Mr. Musolf replied that HRA staff does not intend to sell a substandard size parcel for redevelopment.

Commissioner DeJoy asked if prices of vacant lots ever get too high to make financial sense for developers.

Mr. Musolf replied that HRA staff acknowledges that redevelopment of many of these lots will require subsidy, and the HRA is offering subsidy.

Commissioner Underwood encouraged Mr. Musolf to create a webpage with information about available property to make it easier for the general public to participate.

Mr. Musolf expressed appreciation for the suggestion; he pointed out that he and his HRA staff colleagues are working very hard to do as much outreach as possible.

Commissioner Edgerton asked if real estate agents have been consulted and/or utilized.

Mr. Musolf replied yes.

Commissioner Ochs, acknowledging the limited amount of resources available, asked about energy efficiency and sustainability efforts with these properties.

Mr. Musolf explained that the HRA has been imposing certain "green" requirements on the redevelopment of these lots, but discussed that every time a string is attached, the limited subsidy funds can go a little less further.

Lucy Thompson, PED staff, asked if Historic Saint Paul helped with some of the Inspiring Communities rehabs.

Mr. Musolf said yes, Historic Saint Paul was involved with rehabilitation of some houses on Fourth Street in Dayton's Bluff.

Commissioner Thao asked about the Inspiring Communities parcels as a percentage of the lots city-wide.

Mr. Musolf said the Department of Safety and Inspections maintains a registered vacant building list that he thinks presently has somewhere between 1,000 and 2,000 vacant buildings on the list.

Commissioner Thao asked if most properties were purchased from national or local banks.

Mr. Musolf said the purchases were primarily from big national banks.

#### **VII. Comprehensive Planning Committee**

Chair Wencil reported that the next Comprehensive Planning Committee meeting is on Tuesday, September 2, 2014.

#### **VIII. Transportation Committee**

Commissioner Lindeke announced the items on the agenda at the next Transportation Committee meeting on Monday, August 25, 2014.

#### **IX. Communications Committee**

Commissioner Thao had no report.

#### **X. Task Force/Liaison Reports**

No reports.

**XI. Old Business**

None.

**XII. New Business**

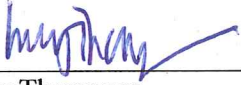
None.

**XIII. Adjournment**

Meeting adjourned at 9:48 a.m.

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

Respectfully submitted,

  
\_\_\_\_\_  
Lucy Thompson  
Acting Planning Director

Approved September 5, 2014  
(Date)

  
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Daniel Ward H  
Secretary of the Planning Commission