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**Date:** December 1, 2014  
**To:** Comprehensive Planning Committee  
**From:** Josh Williams (266-6659), Allan Torstenson (266-6579)  
**RE: Mississippi River Corridor Critical Area Rules - Public Hearing Testimony and Recommendations**

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### **Background**

The Minnesota Department of Natural Resources (DNR), on June 2, 2014, published a Request for Comments on draft rules for the Mississippi River Corridor Critical Area (MRCCA). The proposed rules would replace the Standards and Guidelines for Preparing Plans and Regulations for the MRCCA in Executive Order 79-19 by Governor Quie in 1979, and would mandate new MRCCA zoning overlay districts and regulations to replace the districts and regulations that were adopted by the City and approved by the state pursuant to Exec. Order 79-19 in 1982.

Principal general guidelines in Executive Order 79-19 for preparing plans and regulations are:

1. Management of the river corridor as a multiple-purpose resource by:
  - conserving the scenic, environmental, recreational, mineral, economic, cultural, and historic resources and functions of the river corridor; and
  - providing for the continuation and the development of a variety of urban uses; and
2. Management of the river corridor consistent with its natural characteristics and its existing development, using districts with different standards and guidelines to fit the character and existing development for different areas within the corridor.

DNR staff made a presentation to the Planning Commission on the draft rules and rulemaking process on October 17, with a focus on the impact of the draft rules in Saint Paul and alternatives for achieving Critical Area goals while supporting its multiple purposes and minimizing negative impact on property owners and businesses. In their presentation they noted a number of potential changes to the rules as currently proposed. Minnesota statutes that govern the rulemaking process require that the purposes of the rules be achieved through the least costly and least intrusive methods, and that the DNR demonstrate that the rules are needed and reasonable.

The DNR intends to complete revisions of the draft rules, based on comments they have received, by the end of the year, and then begin a formal rule adoption process in 2015.

### **Public Hearing**

On October 31, 2014, the Planning Commission held a public hearing regarding the DNR's draft rules for the MRCCA. 21 people spoke at the public hearing and 17 letters were received.

A number of comments, representing a variety of viewpoints, expressed the need for a balance in the rules between natural resource protection and providing for development and economic activity. Several people cited language from Minnesota Statute 116G, which authorizes the rulemaking and (using language from the general guidelines in Executive Order 79-19 for preparing plans and regulations) directs the DNR to ensure that the river corridor is managed as a multipurpose resource in a way that “conserves the scenic, environmental, recreational, mineral, economic, cultural, and historic resources and functions of the river corridor, [and] . . . provides for the continuation, development, and redevelopment of a variety of urban uses.” It goes on to require that the DNR “take into account municipal plans and policies, and existing ordinances and conditions” in establishing districts for “management of the river corridor consistent with its natural characteristics and its existing development, and in consideration of potential new commercial, industrial, and residential development and redevelopment.” The general thrust of the comments citing MN Stat. 116G was that the draft rules do not meet these requirements.

Several people said that City comments on the rules should reflect the Great River Passage Master Plan for Saint Paul’s Mississippi River Parklands and other elements of Saint Paul’s Comprehensive Plan.

A number of people, including representatives of groups such as Friends of the Mississippi River (FMR), and Friends of Parks and Trails of Saint Paul and Ramsey County, focused on the importance of natural resource protection in the river corridor, making general comments about the river as a City asset and the need for setbacks and building height limitations to prevent soil erosion and limit visual blight, and calling for the strongest possible protection of natural resources and limitations on development. Several said that the rules should be more restrictive in terms bluff and slope protection, building heights, and development prohibitions. FMR suggested that City staff comments did not reflect the views of the residents of Saint Paul and that concerns over nonconforming structures were overblown.

A number of people, including representatives of the Saint Paul Area Chamber of Commerce, the Saint Paul Area Association of Realtors, the Saint Paul Port Authority, the Neighborhood Development Alliance, and the West Side Community Organization, and the District 1 Community Council raised concerns about specific provisions in the draft rules that they viewed as problematic, and the impact of these provisions on existing and redevelopment.

The Chamber said the DNR had not sufficiently analyzed the impacts of the rules, such as on the large number of structures and properties that would be nonconforming, and cost implications for communities and individuals. The Saint Paul Area Association of Realtors said nonconforming properties can be very difficult to get financing for, develop, or sell. The Port Authority said that making existing development nonconforming tells the business community they are not welcome, and leads to disinvestment in property. The neighborhood Development Alliance and the West Side Community Organization said that disinvestment in properties made nonconforming by the rules would slowly destroy the residential and commercial fabric of their neighborhood, and thereby threaten its vitality and livability.

The Port Authority said the district designations need to more accurately reflect existing urban development, and the District 1 Community Council said that a large portion of their neighborhood does not meet any of the characteristics described in the draft rules for the river corridor overlay zoning district the DNR has proposed for their neighborhood. Speakers also raised concerns about provisions in the rules, particularly the requirement for private property to be set aside for open space conservation, that could lead to regulatory takings.

This memorandum summarizes the detailed comments and recommendations received at the public hearing, followed by analysis and recommendations for Planning Commission consideration to forward to the Mayor, the City Council, and the DNR. While the hearing used the DNR's working draft rules released in June 2014 as a basis for discussion, this memorandum also refers to alternative language for some provisions that DNR staff have indicated (during their October 17 presentation or in subsequent communications) is under consideration.

## **Public Hearing Testimony and Recommendations**

### **1. Proposed new MRCCA Zoning Overlay Districts and Use of the Districts in St. Paul**

#### **1.1 Draft Rule and Purpose**

The draft rules establish six new districts to manage the river corridor as a multiple-purpose resource consistent with the variation in both its natural characteristics and types of urban development in the corridor.

#### **1.2 Testimony**

The Chamber of Commerce, the Department of Parks and Recreation, the District 1 Community Council, and the Port Authority all noted areas where proposed district designations and the characteristics described in the draft rules for them are not consistent with natural characteristics or existing and planned development in the area.

Area east of Highway 61. The District 1 Community Council said the area east of Highway 61 does not meet any of the characteristics described in the draft rules for the ROS Rural & Open Space District. District 1 and the Chamber both expressed concern about the high level of nonconformities the greater setbacks requirements of the ROS district would create in this area. District 1 recommended that the RN River Neighborhood and SR Separated from River Districts should be used instead.

Regional Parks. The Department of Parks and Recreation said the ROS Rural & Open Space District and its much more restrictive dimensional standards generally don't fit the constraints and more intensive use of urban parks that are part of the Regional Park system, and recommended keeping them in an Urban Open Space District. The ten implementing agencies of the regional parks have recommended that the Urban Open Space District have performance-based guidelines instead of prescriptive regulations. The regional parks in the river corridor are already publicly managed for the purposes of the Critical Area under Metropolitan Council requirements, and prescriptive rules may be a redundant layer of management.

Ford Site. The Chamber and the Port Authority said the districts proposed for the Ford site may unnecessarily restrict appropriate development of the site, don't appear necessary to protect critical views of and from the river, and recommended use of the SR Separated from River District instead.

West Side Flats. The Chamber said the UC Urban Core District would be more consistent with the community's redevelopment vision for the area directly across the river from downtown.

### 1.3 Analysis

Area east of Highway 61. The SR Separated from River District, described in the draft rules as “characterized by its physical and visual distance from the river, . . . [including] land separated from the river by distance, development, or a transportation corridor,” best describes this area that is separated from the river by distance, industrial areas, railroad yards and tracks, and Highway 61. The description in the draft rules for the RN River Neighborhood as “riparian or readily visible from the river” doesn’t fit this area that is separated from riparian areas by railroads and a highway, and is far from the river. The description of the ROS Rural & Open Space District is even less applicable to this developed urban neighborhood. The only practical implication of the RN District for this area might be the 35 foot height limit, although the underlying one-family zoning of the area generally keeps buildings lower than this.

Regional Parks. An excellent way to manage open space for the purposes of the Critical Area is to make it part of the regional park system. Regional parks are managed to protect unique and valuable natural, aesthetic, cultural, historical, biological, and ecological functions of the river corridor, and to conserve and provide for the scenic and recreational resources and functions of the river corridor for the use and enjoyment of the region. ROS Rural & Open Space District dimensional standards would be inconsistent with existing and proposed development in the urban regional parks in the Critical Area, and make a lot of the existing development nonconforming. That’s why the Interim Regulations in Exec. Order 79-19 had a separate Urban Open Space District. Keeping them in an Urban Open Space District, with performance-based guidelines instead of prescriptive regulations, would effectively and efficiently manage them for the purposes of the Critical Area and help to avoid the complications of a redundant layer of management.

Ford Site. RTC River Towns & Crossings District, described in the draft rules as including limited nodes of intense development at river crossings, would be a good fit for the part of the Ford site west of Mississippi River Boulevard including historic hydro and power plant buildings that are the kind of historic and economic resources MN Stat. 166G.15 and Exec. Order 79-19 call for continuing. This is not rural or open space. Use of the RTC District for this site would be consistent with its use directly across the river from this site.

CA Urban Mixed District, described in the draft rules as urbanized mixed-use areas that are part of the urban fabric, is a good description and fit for the part of the Ford site immediately east of Mississippi River Boulevard. SR Separated from River District, which is used directly across the river from the Ford site, would be a better fit for the part of the Ford site further east, which is more separated from the river by physical and visual distance and development.

West Side Flats. Use of the UC Urban Core District for a relatively small (< 1 mile) stretch of riverfront directly across the river from downtown as suggested by the Chamber would be consistent with the community’s redevelopment vision for the area, more consistent with the current River Corridor Urban Diversified District that has no height limit, and more consistent with how the UC Urban Core District is proposed to be used for a much larger portion of the Minneapolis urban core on both sides of a the 3½ mile stretch of the river. Another way to address the concern raised by the Chamber would be to allow a little more height (such as 75 feet) without a CUP in the UM Urban Mixed District.

## 1.4 Recommendation

Area east of Highway 61. Use the SR Separated from River District for the area east of Highway 61, which is separated from the river by distance, industrial areas, railroad yards and tracks, and Highway 61.

Regional Parks. Use a UOS Urban Open Space District, with performance-based guidelines instead of prescriptive regulations, for urban regional parks.

Ford Site. Use the RTC River Towns & Crossings District for the part of the Ford site west of Mississippi River Boulevard, the CA Urban Mixed District for the part of the Ford site immediately east of Mississippi River Boulevard, and the SR Separated from River District for the part of the Ford site further east.

West Side Flats. Use the UC Urban Core District for the portion of the West Side Flats bounded by Lafayette Road/Hwy. 52, Plato Boulevard, Wabasha Street, and Fillmore Street.

## 2. **Bluffs, Steep Slopes, Setbacks and Nonconformities**

### 2.1 Draft Rule and Purpose

The working draft rules define bluffs as being at least 25 feet high and having at least a 30% grade. The draft rules create new setback requirements for structures and impervious surfaces from the top of “very steep slopes” (VSSs) defined as having an average grade of at least 18% (8 degrees) and a height of at least 10 feet. The new setback requirement from such slopes would be the same as from bluffs: 100 feet in the CA-ROS Rural & Open Space District and 40 feet in other districts. The draft rules also create a new 20-foot “slope preservation zone” (SPZ) and “bluff impact zone” (BIZ) around all sides of such slopes. In these zones, structures and impervious surfaces would be prohibited and a new permit process would be required for land alteration and vegetation removal. The rules would prohibit expansion of existing structures and uses where it would result in further encroachment into SPZs and BIZs and required setbacks.

Based on recent communications with DNR staff, it is believed that the rules when officially released will differ from what is in the working draft rules in regard to bluffs and slopes. DNR staff have indicated that they are leaning toward eliminating very steep slopes and SPZs as defined features, and define bluffs as any slope that which rises at least 25 feet and has an average slope of at least 18% over at least 25 horizontal feet, and is at least 2,000 square feet in area. It would also include any slope greater than 75%, regardless of total height. Bluff setbacks (of 40 or 100 feet, depending on district) would apply to all bluffs as more broadly defined. DNR staff are also considering continuing to have separate definitions for bluffs and VSSs, and adding some criteria to narrow their focus to reduce the number of structures and developed lots that would be nonconforming with setback requirements.

The primary purpose of regulations pertaining to bluffs and steep slopes is to protect slope integrity and prevent soil erosion. Secondary purposes (particularly for bluffs) are to protect river corridor views and to preserve their natural character.

### 2.2 Testimony

A number of people, including representatives of Friends of the Mississippi River and Friends of Parks and Trails of Saint Paul and Ramsey County, expressed the need for more restrictive rules and prohibition of development to protect bluffs and slopes. Others,

including representatives of the Saint Paul Area Chamber of Commerce and the Port Authority, testified that the working draft rules are so restrictive in this regard that they do not meet the intent of the rules to also protect existing urban development and allow for new development and redevelopment, citing the large number of structures and developed lots that would be nonconforming.

The Chamber said the DNR had not sufficiently analyzed the impacts of the rules, such as on the large number of structures and properties that would be nonconforming, and cost implications for communities and individuals. The Saint Paul Area Association of Realtors said nonconforming properties can be very difficult to get financing for, develop, or sell. The Port Authority said that making existing development nonconforming tells the business community they are not welcome, and leads to disinvestment in property. The neighborhood Development Alliance and the West Side Community Organization said that disinvestment in properties made nonconforming by the rules would slowly destroy the residential and commercial fabric of their neighborhood, including several large affordable housing complexes on the West Side, and thereby threaten its vitality and livability.

### 2.3 Analysis and Key Questions

The way bluffs and very steep slopes and the associated setback and impact/protection zones are defined determines how many structures and properties will become nonconforming under the MRCCA rules. Working draft rules related to bluffs and slopes would create a large number of new nonconforming structures and developed lots. Given these impacts, it appears that the draft rules may not yet have found the best way to achieve Critical Area purposes to both protect natural resources and provide for urban development. Impacts to property owners and local governments, including increased costs and administrative burden, may be substantial. Testimony suggested that such impacts, and the failure to adequately analyze these impacts, may make it difficult for the DNR to develop a satisfactory Statement of Needs and Reasonableness (SONAR)—a key piece of final approval—for the rules.

This leads to some key questions about less intrusive options for bluff- and slope-related performance standards to achieve Critical Area goals while minimizing negative impact on property owners and businesses:

- (a) Is it possible to protect slope integrity and prevent erosion, without prohibiting structures and impervious surfaces, by requiring that development on certain slopes be done according to plans and best management practices specified by qualified professionals?
- (b) To reduce erosion and stormwater runoff, might it sometimes be best to locate a building on a slope where there would otherwise be more runoff, rather than on flatter areas where stormwater would soak in?
- (c) For the purpose of protecting public river corridor views, could the regulations related to this be more focused on locations and structure types that affect public river corridor views, and not on slopes, locations, low structures and impervious surfaces that do not affect public river corridor views?
- (d) For the purpose of preserve natural character, could regulations for this be more focused on currently undeveloped land areas and not on fully developed areas (such as downtown, commercial and industrial areas, and fully developed residential lots) where there is no natural character to preserve.

- (e) Why is it necessary to create a new 20-foot “slope preservation zone” around all sides of all slopes of at least 18% (8 degrees) and 10 feet high, where structures and impervious surfaces would be prohibited and a new permit process would be required for land alteration and vegetation removal, and why is it necessary to add a setback requirement from such slopes the same as from bluffs?

## 2.4 Recommendations

City comments on the rules should advocate for definitions and standards that ensure effective protection of natural resources while minimizing negative impact on existing developed neighborhoods and providing for reasonable expansion of urban development where appropriate. To help achieve this goal, the rules might also provide for their reasonable application, either through defined exemptions via the flexibility provision for ordinances (discussed in section 7 of this memorandum).

There should continue to be separate definitions for bluffs and steep slopes, with some additional criteria to narrow their focus to reduce the number of structures and developed lots that would be nonconforming with setback requirements. The locational requirements and development restrictions related to bluffs should continue to be different from those related to steep slopes because the issues and purposes of each are different.

Slope integrity should be protected and erosion prevented without wholesale prohibition of structures and impervious surfaces, particularly for “very steep slopes” (differentiated from bluffs) by requiring that development be done according to plans and best management practices specified by qualified professionals.

For the purpose of protecting public river corridor views, regulations related to this should be more focused on bluffs (differentiated from “very steep slopes”), locations and structure types that affect public river corridor views, and not on slopes, locations, low structures and impervious surfaces that do not affect public river corridor views. One criteria in the definition of bluffs might be that they face the river.

For the purpose of preserve natural character, the regulations for this should be more focused on currently undeveloped bluff areas and not on fully developed areas (such as downtown, commercial and industrial areas, and fully developed residential lots) where there is no natural character to preserve.

## 3. **Building Heights**

### 3.1 Draft Rule and Purpose

The draft rules would provide less deference to local underlying zoning on structure height. The RC3 Urban Open Space District is the only River Corridor overlay district currently used in St. Paul that includes a height limit. Under the proposed new districts, almost all parcels would be covered by a River Corridor overlay district height limit. For the 3948 parcels of land in St. Paul that are in the MRCCA, the River Corridor district height limits would stay the same for 267 parcels (7%), would be less restrictive for 74 parcels (2%), and would be more restrictive for 3607 parcels (91%).

The principal source for the purposes of the Critical Area, and for standards and guidelines for regulations to achieve them, is the *Standards and Guidelines for Preparing Plans and Regulation* in Executive Order 79-19. It doesn’t provide specific standards for building height, but rather a general standard for structures (in C.2.b) that “structure site and location

shall be regulated ... to minimize interference with views of and from the river, except for specific uses requiring river access.” This suggests that the goal of minimizing interference with views is often more a matter of location than of height.

Another key source for policies and standards for River Corridor regulations is *the Mississippi River and Recreation Area (MNRRA) Comprehensive Management Plan* adopted in 1995. The general land use and protection policy in the *MNRRA Comprehensive Management Plan* that pertains to height (page 15) is:

“Except in existing commercial and industrial areas, downtowns, and historic districts, currently undeveloped land areas in the corridor will continue to appear open from the river and its shoreline areas (as observed from the opposite bank), although there may be intensive development away from the shoreline. This open appearance does not mean all undeveloped land must remain undeveloped. In most cases this general policy could be achieved through setback, height limit, and vegetation screening policies and design guidelines while allowing for extensive use of the site.”

Site development policies in the *MNRRA Comprehensive Management Plan* include the following specific policy that pertains to height (page 19):

“Reduce visual impacts and protect views of the river and from the river and its shoreline areas by establishing maximum building heights for the bluffline and riverfront preservation areas:

within 100 feet of the bluff line – 30 feet

within 200 feet of river – 30 feet

within 300 feet of river – 45 feet

beyond the areas above – no restrictions except those in local zoning codes

It is understood that building height limits will be ... higher in downtown areas”

### 3.2 Testimony

The Chamber of Commerce raised concern that the proposed height limits are inconsistent with appropriate development, that they may be unnecessarily restrictive for some key redevelopment sites, and that the provisions in the rules for greater height with a conditional use permit in some cases may too often be unnecessarily onerous. The Chamber recommended that height limits be more generally left to underlying zoning, and that the rules provide more local flexibility in crafting conditional use permit requirements for allowing greater height.

### 3.3 Analysis

The *MNRRA Comprehensive Management Plan* suggests that minimal interference with views of and from the river does not necessarily mean a structure can't be seen. The urban setting of the MRCCA, in a major city located here because of the river, is key to its significance and importance. Well-designed buildings can enhance the MRCCA experience. Some of the most beautiful and significant views in the Critical Area, views highlighted in MRCCA and Mississippi National River and Recreation Area documents, involve the juxtaposition of the natural and urban built environment.



Some of the most iconic and appreciated views in the Mississippi River Corridor Critical Area include buildings and other structures for the multiple purposes and uses that characterize this urban river corridor. There is no need to place blanket restrictions on the height of structures in developed urban areas to fulfill the purpose of the critical area based on direction and guidelines in MN Stat. 116G.15, Executive Order 79-19, and the *MNRRRA Comprehensive Management Plan*. That's why the Interim Development Regulations in Exec. Order 79-19 (in effect in St. Paul between 1979 and 1982) did not have a height limit for the urban diversified district that was for areas where there was a diversity of commercial, industrial, residential, and public land use along the river.

The height policy in the *MNRRRA Comprehensive Management Plan*, which limits building heights only within 100 feet of blufflines and within 300 feet of the river, and exempts downtown areas (along with exempting some commercial, industrial, utility and transportation structures that need greater height for operational reasons), represents a reasonable least-intrusive standard for the Critical Area purpose of reducing visual impacts and protecting views of the river and from the river and its shoreline areas.

#### 3.4 Recommendation

Follow the *MNRRRA Comprehensive Management Plan* policy of limiting the river corridor height limits to areas within 100 feet of blufflines and within 300 feet of the river, stepping up the height limits moving away from the river, exempting downtown areas between Lafayette Road/Hwy. 52 and Smith Avenue, and exempting some commercial, industrial, utility and transportation structures that need greater height for operational reasons.

### 4. **Vegetation Management, Land Alteration, and Stormwater Management**

#### 4.1 Draft Rule and Purpose

The draft rules would restrict removal of vegetation and landscaping through a combination of prohibitions and permit requirements. The stated purpose of these standards is to sustain and enhance ecological functions, preserve the natural character and topography of the MRCCA, and maintain stability of bluffs and very steep slopes. Stormwater management requirements are included in the draft rules for the stated purpose of protecting property from damage cause by runoff and erosion, protecting surface water quality, and promoting infiltration and groundwater recharge.

A permit would be required for any land alteration above a minimum threshold (Part 6106.0150 Subp. 7 proposes a range for the minimum threshold of between 250 and 3,000 square feet) within the shoreland impact zone (SIZ) and land alterations are prohibited in the SPZ and BIZ. The rules provide for two exceptions in the SPZ only for construction of erosion control structures (e.g., retaining walls, riprap, etc.) with a permit, and patios and retaining walls of a minimal size (a range of 250-500 square feet maximum is proposed) subject to certain performance standards and only in areas where vegetation has already been altered. Intensive vegetation removal within the SIZ, BIZ, SPZ, areas of native plant communities, and other areas of significant vegetation as identified in local government plans would be generally prohibited. Selective pruning for tree health or safety reasons is allowed without a permit, as is removal of up to 1,000-5,000 square feet of vegetation or 5-15% of a vegetated area, whichever is less. Any removal of vegetation above these thresholds would require a permit. Replanting with native species would be required only where native species have been removed.

Stormwater management provisions of the rules (Part 6106.0160) would apply MS4 stormwater permit requirements—which currently apply only for developments disturbing more than an acre—to any project resulting in new or redeveloped impervious areas of 10,000 square feet or more on parcels that abut a public water body, wetland, or natural drainageway.

#### 4.2 Testimony

A number of commenters noted the importance of preventing erosion and protecting water quality. Several said the working draft rules are not strong enough in this regard. The District 1 Community Council expressed general support for rules on vegetation management, but noted concerns over invasive species and potential for soil/slope instability.

#### 4.3 Analysis and Key Questions

As with many aspects of the draft working rules, the challenge regarding provisions that address vegetation removal and land alteration is to adequately meet the intent of the rules for a large and diverse area in terms of the existing land use and natural characteristics. The rules seem to focus on preventing mass vegetation removal and land disturbance in primary conservation areas (the catchall term in the draft rules for bluffs, slope preservation zones, floodplains, tree canopies, native vegetation, scenic views, etc.) where future development may occur in previously undeveloped areas. In Saint Paul, many of these areas are in publicly owned parklands where the land alternation and vegetation management restrictions may be unnecessary, or are already subdivided into low density residential lots.

For owners of developed residential lots, the draft working rules do provide exemptions from vegetation management and land alteration requirements for projects of a limited size—such as the installation of a small retaining wall or patio. The question is whether or not the exemptions are sufficient to prevent an undue burden on homeowners or others by requiring permits for projects where it is not really needed to achieve the purpose of the rules.

For stormwater, the City already requires rate control for projects which impact 10,000 square feet. The additional requirements proposed by the working draft rules would likely not result in significant increased costs, if any, for project proposers.

#### 4.4 Recommendations

Comments from the City to the DNR should address vegetation removal and land alteration requirements as they apply to public parkland as part of any larger comments regarding the management of parklands. The requirements as they would apply to developed residential lots should be evaluated to ensure that most or all landscaping installations and vegetation management activities typical occurring on such properties do not face more permitting requirements than do under current City ordinances.

### 5. **Set-asides / Takings**

#### 5.1 Draft Rule and Purpose

The draft rules would create a new requirement that applies to all subdivisions, and to redevelopment of land involving at least 10-20 acres, requiring that areas defined as “*primary conservation areas*,” to a maximum of 10-50% of the tract land, must be permanently set aside and restored for habitat and conservation purposes through public acquisition, a

permanent conservation easement, or deed restriction. The draft rules state that the purpose of this requirement is to protect primary conservation areas and to preserve or restore the ecological function of those areas.

## 5.2 Testimony

The Chamber of Commerce and the Port Authority raised concern that if cities are forced to implement rules that require a large percentage of private property to be set aside as a condition of development approval they will be subject to takings and inverse condemnation law suits which will cost significant amounts of money. The Saint Paul Area Association of Realtors said that the set aside requirement may result in a significant reduction in the value of the property, and that a fairer approach may to provide for clustering and transfer of development rights, with flexibility to achieve permanent protection of open space while maintaining development rights based on the full area of the parcel. Friends of the Mississippi River said that a lot of properties that don't have a lot of primary conservation areas won't be required to set aside or protect as much.

## 5.3 Analysis

The term "*primary conservation areas*" is broadly defined. It includes "tree canopies," for example. Virtually all residential neighborhoods in St. Paul have tree canopies, so the term applies to most tracts of land in residential neighborhoods.

The set aside requirement is written to apply to all subdivisions of land. As a result, the term will include minor subdivisions such as lot splits as well as new subdivision plats. A large portion of lot splits in St. Paul involve the separation of two or three previously platted lots that at some point were combined into a single parcel. One question is whether it is worth the time and money it would take to set aside small pieces of such lots through public acquisition, permanent conservation easement, or deed restriction.

The definition of "*primary conservation areas*" includes "floodplains." There are large commercial and industrial areas in the "flood fringe" portion of the floodplain, where development is allowed subject to flood protection requirements. Many of these tracts are large enough that the set aside requirements would apply to building permits as well as to subdivision of land. The commercial and industrial uses are typically one story buildings or use of the land itself, so clustering and transfer of development rights would not help to maintain development rights based on the full area of the parcel.

The definition of "*primary conservation areas*" includes "historic sites and structures." It is unclear why a portion of sites containing historic structures should be permanently set aside and restored for habitat and conservation purposes through public acquisition, a permanent conservation easement, or deed restriction.

The definition of "*primary conservation areas*" includes public river corridor views and other scenic views and vistas. This is so vague that debate about what it means is inevitable, and it could potentially apply to any parcel that can be seen from somewhere.

The ability to take private property for public purpose without payment of just compensation is limited to cases where the public purpose is directly related and proportionate to needs specifically created by the development. Without this, as noted in the testimony, cities will be subject to takings and inverse condemnation law suits. Restoring land for habitat and conservation is generally not a private land use purpose or a need created by development of

the property, and is therefore a public purpose for which just compensation would have to be paid.

Most of the resources and features included in the definition of “*primary conservation areas*,” such as shore impact zones, bluff impact zones, and wetlands, are already well protected by other provisions in the draft rules. The set aside requirements don’t seem necessary for this purpose.

To provide for open space for the general public purposes of the MRCCA, a better approach might be to require that the MRCCA Plan element of local comprehensive plans identify areas that need to be maintained and protected as public open space and public access for the broad public purposes of the MRCCA, that these areas then be identified and protected for public open space purposes on an official map under the provisions of MN Stat. 462.359, and that a program for acquisition of these areas (including payment of just compensation) be established. Perhaps the state could set up such a program and provide funding for this public purpose.

The draft rules include a separate rule pertaining to requiring dedication of land for parks and open space under MN Statutes 462.358 and 94.25. These statutes are written to avoid takings and inverse condemnation law suits.

#### 5.4 Recommendation

In Part 6106.0170 Subdivisions & Development Standards of the draft rules, delete Subpart 3 pertaining to the set-aside requirements, and revise Subpart 4, Land dedication, to say that “local governments shall require dedication of land or a fee in lieu of land for parks and open space under Minnesota Statutes 462.358 or 94.25.”

### 6. **Administrative Burden/Disincentive to Development**

#### 6.1 Comments

The Port Authority, SPAAC, SPAAR, and several others commented on the potential for the draft working rules to result in an administrative burden for local governments and additional costs, a disincentive to development, and potential financing difficulties for property owners. The primary cause of such impacts would be bluff/VSS setback requirements, and potentially shoreland setback requirements, which would make a number of existing buildings non-conforming. Building height restrictions and other restrictions—such as on impervious surfaces including roads and parking lots—could also be problematic for commercial properties. Small residential property owners could also be impacted, although the draft working rules specify that lots where past vegetation clearance and landscaping activities has occurred should not be considered non-conforming.

#### 6.2 Analysis/Key Questions

The draft working rules provide for matching of setbacks on new structures and expansions in areas where there are existing structures. However, the draft working rules specifically state that expansion of structures further into the setback areas is not allowed. Variances are possible, but the draft working rules would require that local governments evaluate any proposed variances for impacts on primary conservations areas and require proportional mitigation. In cases where any sizable impacts would occur on a small site, it is not clear how this requirement would be practically applied.

The draft working rules also require a site plan for any projects requiring discretionary approval or requiring a permit under the MRCCA rules, such as land alteration or vegetation removal permits. It is possible that this requirement would lead to a site plan being required for projects in the MRCCA which would not otherwise trigger a site plan requirement in Saint Paul. This would result in an increased administrative burden for the City and increased costs for property owners.

The fact that a structure is considered nonconforming generally may make getting financing for the purchase or expansion of that property more complicated, as lender's may require additional documentation or that granting of any additional required permits/approvals (from the local government) be obtained before finalizing financing. In the case of investment in commercial properties, the latter may create a disincentive to investment, particularly where locational considerations are of a lower priority. In all cases, adding additional permitting requirements adds time and cost to transactions, burdening both the City and property owners/purchasers.

### 6.3 Recommendations

The severity and scale of these potential impacts should be considered in evaluating how effectively the draft working rules balance the requirements to protect resources and provide for existing and future development. If the resource protection goals of the rules can be as effectively achieved through alternative means that will not result in the types of burdens described above--such as performance standards on development in certain areas--the City should advocate for such provisions.

## 7. **Ordinance Adoption and the Flexibility Provision**

### 7.1 Draft Rule and Purpose

Part 6106.0070 of the draft working rules contains provisions for the preparation of plans and ordinances by local governments and their review by the Metropolitan Council and the Department of Natural Resources (DNR). Upon adoption of the MRCCA rules, the DNR will provide a schedule for local adoption of plans and ordinances consistent with the rules. Once notified, a local government will have one year to submit a plan and ordinance for review by the Metropolitan Council and DNR. The DNR may extend the period for plan and ordinance development upon written request and subject to certain provisions. Once a plan and ordinance have been submitted for review, the DNR must provide a written response within 60 days to the local government either approving the ordinance or returning the draft plan and ordinance with a written explanation of needed modifications. If the DNR determines that the plan and/or ordinance need modification, the local government must resubmit the revised plan and/or ordinance within 60 days. Again, the local government can request an extension. If the local government fails to meet deadlines for plan and/or ordinance adoption, the DNR must develop a plan and/or ordinance within 90 days, hold a public hearing, and adopt a plan and/or ordinance on behalf of the local government within a further 60 days.

Subpart 6 of 6106.0070 of the draft working rules provides for, with prior approval of the DNR, the adoption by local government of ordinances not in strict conformity with the MRCCA rules. This provision applies to "special circumstances", including the presence of "areas where existing residential, commercial or industrial development patterns have been in place for many years and much of the development does not meet the minimum state standards."

## 7.2 Comments

Although not all directly related to the ordinance adoption provisions of the draft working rules, a number of comments received are relevant for consideration in regard to how the MRCCA rules will impact planning, land use regulation, and zoning in Saint Paul.

The Port Authority highlighted Saint Paul's long history of effective planning for and management of the river corridor, including working with the Port Authority to protect over 1,800 acres in the river corridor for open space and recreation in perpetuity. Port Authority and SPACC comments also highlighted the effectiveness of local, fine-grained planning and regulation in managing the river corridor over what they characterized as the broad-brush regulation of the draft working rules. Both the Port Authority and SPACC also suggested in their comments that the draft working rules are not consistent with the authorizing legislation (MN Statute 116G), which requires that the MRCCA rules provide for "the continuation, development, and redevelopment of a variety of urban uses...where appropriate."

## 7.3 Analysis and Recommendations

Despite the authorizing language specifically requiring the rules to provide for urban uses in the MRCCA, the draft working rules in effect make many areas in Saint Paul--including both residential neighborhoods and commercial and industrial areas--inconsistent with the proposed standards. To meet the full intent of the authorizing legislation, the MRCCA rules should include districts and/or development standards that are consistent with already developed urban areas, such as those in Saint Paul. The rules should not put the onus on local governments to demonstrate to the DNR's satisfaction that large areas of the MRCCA constitute special circumstances in order to justify ordinance provisions that reflect long-standing development patterns.

The timelines for plan and ordinance development by local governments may not be sufficient. In particular, the 60-day period for revising ordinances and plans at the direction of the DNR is likely unworkable. The issues the local ordinances and plans need to address are complex and in some cases controversial. Development of local plans and ordinances should be an open process, and often involves consensus building; these processes take time. Public hearings and related notification and agenda deadlines also come into play. If upon review the DNR requires any changes of substance to draft local plans and/or ordinances, the 60-day timeline for a revised ordinance would be extremely difficult, if not impossible, to meet. Although the draft working rules do allow for extension of ordinance and plan development and review periods at the request of the local government unit and at the discretion of the DNR, the DNR should consider an absolute extension of the timelines for actions contained in the rules.

## 8. **Key River Corridor Redevelopment Sites**

The former Ford plant site, the former U.S. Bank site in the Shepard-Davern area, the Ramsey County jail and Government Center West site, and the West Side Flats are some of the most important redevelopment sites in Saint Paul and are all located within the MRCCA. Long-range planning for all of these sites envisions higher-density, residential and mixed-use development. Height limitations and other development restrictions proposed in the draft working rules would reduce the development potential for these sites.

## 8.1 Comments

Ramsey County Government Center West and Jail. These buildings are built into the bluff face, as are Kellogg Park, 2<sup>nd</sup> Street, and a number of other buildings in Downtown. Comments from SPACC and the Port Authority noted that the ability to redevelop this site would be seriously impacted by the MRCCA rules as proposed. The Port Authority's comments also noted that the ability under the rules to create the river balcony called for in the Great River Passage is not clear. Both organizations noted that the Planning Commission taskforce which convened to update the City's river corridor ordinance several years ago recommended exempting Downtown Saint Paul between Chestnut Street and Lafayette/Highway 52 from locational requirements, and proposed that the MRCCA rules should include a similar exemption.

Ford site. Both SPACC and the Port Authority expressed concern over the potential impacts of height restrictions on redevelopment at the Ford site. Both parties also noted that a thoughtful planning effort for redevelopment of the site is ongoing; SPACC noted that this process will include significant community engagement and could address building height concerns, and the Port Authority that the DNR has not demonstrated that the proposed height restrictions are needed to protect critical views to and from the river.

West Side Flats. SPACC and the Port Authority both stated that at least portion of the West Side Flats should be changed to the CA-UC (urban core) designation. Under this designation, building height is determined by underlying zoning. The SPACC comments noted that this designation would better align with the West Side Flats Master Plan, and that the rules as proposed don't seem to take this planning process or its results into consideration.

## 8.2 Analysis, Key Questions, and Recommendations

Ramsey County Government Center West and Jail. It is not entirely clear how the bluff setback provisions in the draft working rules would impact redevelopment of the Ramsey County site. For example, would the rules permit the portions of a new building within the bluff impact zone or setback—which would be considered nonconforming—to exceed the height of the current building? Timing of redevelopment is also at issue. Ramsey County has stated that they believe it will be difficult if not impossible to sell or get a redevelopment agreement in place for the site without first demolishing the existing buildings and stabilizing the bluff. Yet, it seems highly unlikely that any deal could be finalized and construction of a new building(s) begun within one year of demolition. The broader question is whether restricting development on bluffs that were long ago built upon and located in the downtown of a large city makes sense. Restricting development in this case would mean less efficient land use in the urban core where it is served well by transit and is close to both jobs and housing, would mean loss of substantial tax base, and would in general reduce the vitality of Saint Paul. Yet, it would do little to protect or enhance the river corridor, and would potentially even reduce the accessibility of the waterfront. The City of Saint Paul should support the exemption of Downtown Saint Paul, as proposed by several commenters, from the provisions of the rules which prohibit development on or near bluffs.

West Side Flats and Ford site. Careful, fine-grain planning work has been done or is underway for both sites. This planning work has and will include substantial public involvement, and in each case has or will address specifically the issue of building height. Building heights need to be sufficient to allow transit-supportive density and make redevelopment economically feasible. This kind of density is also a key part of long-term urban sustainability. For this reason, building heights should not be limited any more than necessary to achieve the purposes of the MRCCA rules.

The West Side Flats master planning process included a view study to determine how to minimize impacts to views to and from the west side bluffs. The plan generally recommends increasing allowed building heights as distance from the river increases, with a maximum height of 50 feet along the river to a maximum height of 90 feet for a small area at the intersection of Robert Street and Plato Boulevard. By contrast, the draft working rules would limit buildings to a maximum of 65 feet throughout the redevelopment area. Comments from the City should encourage a district designation and height limits for the West Side Flats consistent with the Master Plan.

The Ford site is scheduled to begin being actively marketed by Ford to developers sometime in 2015. With that timeline in mind, the City will continue to work through public processes to refine the vision for the site and to put in place zoning and development standards that will guide future redevelopment of the site. This guidance is needed to ensure that the character and scale of redevelopment on the site is beneficial to Saint Paul, and to give certainty to potential developers regarding the value of the site. Analysis by City staff has shown that the height limits for the site as proposed in the draft working rules are more restrictive than necessary to prevent new buildings from being visible from the opposite shore of the river.

In making comments on the MRCCA rules, the City should highlight the need to not unnecessarily limit heights on the site, through a change in district designation or other means. Comments should also focus on the need for clarity in the rules on how evaluate potential impacts of development on river corridor views, which views are considered most important, and how to balance the impacts on views with the other objectives of the rules, such as redevelopment of urban land uses. Finally, the comments should emphasize the importance of allowing for local planning efforts to answer questions about building height at finer-grained scale, rather than applying blanket height restrictions.