



CITY OF SAINT PAUL
Melvin Carter, Mayor

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Date: July 16, 2021

To: Comprehensive and Neighborhood Planning Committee (CNPC)

From: Mike Richardson, Michael Wade, Marilyn Rosendahl, City Planners; Luis Pereira, Planning Director

Subject: Industrial Zoning Study – Scope Review and Initiation

BACKGROUND

The Planning Commission has considered industrial zoning regulations intermittently over the past decade, resulting in text amendments in 2013, the West Midway Industrial Area Plan in 2014, and project-specific discussion in 2018. Attached is a memo dated March 2, 2018 that summarizes that work. The purpose of the 2018 memo was primarily to request direction from the Planning Commission regarding the scope of an industrial zoning study. The discussion resulting from that memo and contemporaneous zoning cases centered around the changing nature of industrial uses and appropriateness of other uses on industrially-zoned land.

The 2018 discussion did not result in a study or amendments. However, now is an appropriate to reengage in the effort due to a newly-adopted Comprehensive Plan that identifies a need to address questions of industrial land conversion given the goals of industrial land preservation, tax generation, job creation, and the relationship to infrastructure to industrial uses. In addition, the Saint Paul Housing and Redevelopment Authority (HRA) has expressed concern over potential impacts of currently-permitted institutional uses in industrial districts, particularly including loss of tax base and infrastructure demands. Meanwhile, volatility in industrial trends (exacerbated by the COVID-19 pandemic) combined with demand for institutional and residential uses have resulted in continued tension regarding use of industrial land.

Staff has drafted a study scope of work and requests confirmation of direction based on Comprehensive Plan 2040 policies and the long-held interest of the St. Paul HRA in this study. The study is broken into three phases: Inventory & Analysis, Solution Vetting, and Adoption. The bulk of the scope focuses on the first phase and is intended to address the characteristics of industrial land in Saint Paul, the people who work there, tax capacity, and how the industrial universe is changing. At the conclusion of the first phase, staff will report back to the CNPC to summarize findings and preview potential solutions.

RECOMMENDATION

The staff recommendation is for the Comprehensive and Neighborhood Planning Committee to recommend that the Planning Commission initiates a zoning study based on the provided scope.

ATTACHMENTS

1. March 2, 2018 Memo to the Planning Commission “Industrial Zoning Study”
2. Draft Scope of 2021 Industrial Zoning Study
3. Draft Resolution Initiating Industrial Zoning Study



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DATE: March 2, 2018
TO: Planning Commission
FROM: Bill Dermody & Allan Torstenson, PED staff
RE: Industrial Zoning Study

ISSUES

During recent deliberations on a set of zoning cases to permit additional residential uses in an industrial district at 2103 Wabash Ave., the Zoning Committee and Planning Commission expressed interest in directing staff to conduct an industrial zoning study. Before beginning staff work on such a zoning study, it would be helpful to receive better direction on the issues to be considered in the study.

Fundamentally, an industrial zoning study could result in:

- the rezoning of certain industrial properties (e.g. from I2 to IT); or
- changes to the permitted uses and their standards in industrial districts.

Which result does the Planning Commission anticipate?

Regardless of desired result, what should be the components of staff research into the matter? That is, what types of information or analysis should we pursue as part of the zoning study? What would help you make decisions regarding industrial zoning regulation?

BACKGROUND

To inform the discussion, it may be helpful for the Planning Commission to understand some of the recent history around industrial zoning regulation in our city. Namely, the 2013 Industrial Zoning Study and the 2014 West Midway Industrial Area Plan.

2013 Industrial Zoning Study

In early 2013, the Mayor and City Council adopted zoning code amendments pertaining to industrial zoning districts and regulation of industrial uses after 16 months of study and deliberation by Planning Commission and staff, including a public hearing at Planning Commission in June 2012. Among the many code amendments were:

- A reduction in the amount of first floor and basement space permitted to be dedicated to residential principal uses from 50% to 0% in the I1 and I2 zoning districts.

- A new requirement for a conditional use permit (CUP) for more than six (6) dwelling units in the I2 district. Formerly there was no limit on the number of residential dwelling units in I2 as part of a mixed residential and commercial use.
- New requirements for CUPs for several other uses in I2 that had formerly been permitted by-right, including day cares, schools, libraries, churches, reception halls, and theaters.
- Change in the nature of separation requirements for certain industrial uses (e.g. asphalt manufacturing, concrete crushing, outdoor recycling processing, solid waste composting) from being a certain distance from *existing* residential uses to being a certain distance from residential or traditional neighborhood *zoning*.
- Added an exception to the 300-foot separation for outdoor storage from certain uses/zoning, *if*: a visual screen were provided, the Zoning Administrator considered adjacent character and materials, and nearby property owners were notified.
- Added design standards tailored for the IT district (rather than referring to certain T district standards), some of which were made to also apply to the I1 district.

Notably, Planning Commission had considered removing uses like churches and schools entirely from industrial districts, before acting otherwise in the end.

The Planning Commission memo and resolution from the 2013 Industrial Zoning Study are attached.

West Midway Industrial Area Plan

In September 2014, more than four years after a task force was established by the Planning Commission to study the issue, the Mayor and City Council adopted the West Midway Industrial Area Plan (WMIAP) as an addendum to the Saint Paul Comprehensive Plan. The WMIAP was intended to foster investment and redevelopment in the West Midway Industrial Area, recognizing that “(i)ndustrial business is the engine that drives the city’s growth in livable-wage jobs, and helps stabilize the property tax base.” The WMIAP analyzed location-based and industrial sector strengths and trends to inform policies regarding business collaboration, workforce development, and strategic public investments to encourage private industrial investment. The WMIAP recognized that modern industrial uses do not need to be noxious, but still identified multiple “vulnerable land use edges” where the proximity of residential uses to industrial uses are a threat to industrial viability. The WMIAP also called for exploring smaller artisanal, creative business to re-use vacant buildings. No rezoning was undertaken as part of the WMIAP.

The WMIAP was informed by much research from a variety of sources, particularly including a report titled “An Industrial Strategy for the City of Saint Paul,” which was prepared for the Saint Paul Port Authority by the Institute for a Competitive Inner City (ICIC), and is commonly referred to as the “ICIC Report.”

Not long after the WMIAP was adopted, the Planning Commission held a retreat on December 19, 2014 on the topic of “Urban Industrial Development – Current Market & Future Trends.”

Attachments

1. 2013 Industrial Zoning Study PC Resolution 13-03
2. 2013 Industrial Zoning Study PC Memo
3. [West Midway Industrial Area Plan](#)
4. [ICIC Report](#)



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2021 Industrial Zoning Study Draft Scope and Research/Work Program
Updated: Tuesday, July 15, following a discussion with the Saint Paul Port Authority

STUDY QUESTION(S): Are current projects that are permitted by right under the zoning code aligned with 2040 Comprehensive Plan policy and industrial zoning district intent (job density, tax base, job access and equity)? What can be done through changes to the zoning code or city policy to ensure that intent and policy goals are met?

Projected Study Phasing

1) Phase I (12 weeks +/-) – Inventory & Analysis

- Information-gathering, background-establishing and goal-setting
 - o Draft project charter
 - o Summarize Comp Plan Policies, Industrial Zoning Intent and purpose of figuring out what changes need to be made to ensure they're met
 - o Summarize work that has already been done
 - Comp Plan Land Use Policies
 - Planning Commission work from a few years ago
 - West Midway Industrial Area Plan
 - Industrial-related sections of small area plans and master plans, such as the *West Side Flats Master Plan*
 - *An Industrial Strategy for the City of Saint Paul* Report (“ICIC report,” Saint Paul Port Authority)
 - Ramsey County Economic Competitiveness and Inclusion Plan
 - o Identify any needs, goals, limitations specific to river, rail, airport
 - Mississippi River Corridor Critical Area (MRCCA) policy and zoning regulations

- How has the industrial market changed in Saint Paul since 2000?

Below are the dimensions of industrial uses and businesses that staff intends to analyze with the study, including the types of questions we will attempt to address. The depth and extent of research to be conducted is subject to data limitations.

Area and Uses

 - o How much land is dedicated to industrial uses and how has it changed since 2000?
 - There has been a ___% change in industrial land area
 - There has been a ___% change in non-industrial land uses that compete for industrial land

- Consider three categories: Industrial uses on industrial land, land rezoned from industrial to allow non-industrial uses, and non-industrial uses on industrially-zoned land. Under what conditions does the City find the latter two meet City policy? (e.g. When is it OK to rezone from industrial? When is it OK to allow non-industrial uses on industrial land? Should new zoning standards or planning policies be introduced/adapted to make sure this happens? Implications of a Port Authority-proposed no-net-loss policy?)
- What are the current industrial and institutional uses in Saint Paul and what zoning districts are they in? (“What do we have today?”)
 - Map schools that have been built, closed, expanded, etc. (SPPS, Private and Public Charter – anything else?)
 - Map other “less traditional” uses allowed in industrial zoning districts that have been built, closed, expanded, etc.
 - Self-storage, breweries, etc.
 - Is there any research that shows a difference between uses in terms of attracting employees and employers? Which non-industrial uses might attract or complement job-rich industrial and/or other employers to an industrial employment district?

Employees

- How many people are employed in industrial areas? Has that changed over time?
 - There has been a ___% change in # of employees in industrially-zoned land since 2000
 - Estimate number of employees by parcel based on employees by SF and SF of buildings. (Data limitations? Hoover’s/ D&B? What is finest grain geography? UMN Wilson Library Business Research)
 - What are current ranges based on the land uses Ramsey County defines?
- Has job density on industrially-zoned land changed?
 - There has been a ___% change in employees/acre on industrial parcels since 2000
 - Break down into categories (education, storage, mfg, warehouse) and rank to show uses least/most job density
 - Metrics of comparison: employment density, tax-paying, range of accessible jobs, ?
- What are the characteristics of jobs that exist on industrial land (wages, hiring requirements, education, benefits, etc.) compared to competing institutional and less job-dense uses.

Tax Capacity

- There has been a ___% change in tax revenue/acre on industrial parcels
 - Pie chart – total contributions to industrial parcel tax revenue by industry or industry cluster (possible with available data?)
- Changes related to tax-exempt properties vs. not exempt and impact on City’s tax base
- Should the ideas of preserved, net-positive, grown, and/or maximized tax base influence study recommendations, as called for in the Comprehensive Plan (e.g. Land Use policies LU-6, LU-26, LU-45, LU-47)?

Trends

- How is the industrial universe changing?
 - What are current trends for industrial and institutional uses? (local, national, tech, etc.)
 - Talk to Saint Paul Port Authority (SPPA), Economic Development Team, experts in industrial and institutional use sectors to determine market demand from each;
 - How has COVID influenced these trends? (Data available? RC work 2020-2021?)
 - Review new Twin Cities metropolitan area Comprehensive Economic Development Strategy-equivalent document(s) for policy priorities and trends if any that this should respond to
 - How have sectors changed over time?
 - Precedents for code updates in other cities that respond to past/anticipated changes
- What are minimum physical requirements for each general use category such as education, mfg, warehouse, R&D? (lot dimensions, context, rail + highway, utilities, parking, street dimensions, transit service, etc.)
 - Map where each is allowed per zoning *and/or* meets the above minimum requirements. Heat map. For example, these areas of the city are best for education and/or other institutional uses (e.g. health care) with more peaky occupancy because there are large lots, they are close to parks, there is good transit service, etc.
 - Impacts of non-industrial uses on industrially-zoned areas. For example, is there a reduction of usability or value? Are there certain categories of non-industrial use that have a public policy purpose/value that the city should retain in industrial zoning districts?

Synthesis

- Summarize Findings
 - Are the perceived problems actually problems and how significant are they?
 - Is the mix of land area and allowed uses aligned with policy and code intent? (Can less job-intense uses persist or expand while not competing with those that are? Is there a minimum or “correct” amount of industrial use/zoning that we should have in the city? Under what conditions is it alright to allow other non-industrial uses if they meet the requirements of accessible, job-dense, and tax-paying?)
 - Land Use Profile Table estimating Demand, Capacity, with Options to Address (See very rough table at end of document)
 - How are City policies and practices related to industrial uses driving City goals of equity, resilience, innovation?
 - What is the feasible and legal range of options that the City has to affect change?
 - Change Permitted Land Use Table – including prohibitions of certain non-industrial uses outright
 - CUP process
 - Add standards for uses that are not generally consistent with intent of Industrial Zoning districts but still have public policy purpose
 - Permitting certain uses as an accessory use to industrial uses (with standards)
 - License buffer exemptions to address breweries/distilleries near schools
 - Conduit Bond applications.
- Report back to CNPC with results

2) Phase II (12 weeks) – Propose Solutions & Vet with Staff and Stakeholders

3) Phase III (16-18 weeks) – PC and CC Adoption Process

Draft land-use profile table to organize information from Synthesis Summary

LAND USE	DEMAND		CAPACITY		Options to address
	City-wide	Industrial Zoning District	City-wide	Industrial Zoning District	
Manufacturing	Metric?		Metric?		
Warehousing					
Transportation and Logistics (river and rail access)					
(other industrial land uses or land use sub-categories)					
... ..					
Schools					
Religious orgs.					
(other institutional land uses or land use sub-categories)					
... ..					

**DRAFT Industrial Zoning Study Resolution for Consideration by the
Comprehensive and Neighborhood Planning Committee, 7/21/21**

WHEREAS, the Saint Paul Zoning Code, found in chapters 60 through 69 of the Saint Paul Legislative Code, is established to promote and to protect the public health, safety, morals, aesthetics, economic viability and general welfare of the community; and

WHEREAS, Section 61.801(a) of the Zoning Code calls for periodic review of said code to reflect current city policies, to address current technology and market conditions, and to bring the zoning code up-to-date; and

WHEREAS, the Planning Commission considered the of an industrial zoning study in March of 2018, prior to the adoption of the 2040 Comprehensive Plan; and

WHEREAS, on March 10 and March 24, 2021, the Saint Paul City Council considered Resolutions 20-1263 and 21-68 that addressed concerns regarding charter schools in industrial districts and potential options to limit them through zoning tools; and

WHEREAS, the 2040 Saint Paul Comprehensive Plan, in Policies LU-46 and LU-47, call for protecting current industrial land from conversion to residential or institutional uses and evaluating the impact of tax-generating industrial land and compatibility with adjacent land uses and infrastructure; and

WHEREAS, the Comprehensive and Neighborhood Planning Committee of the Saint Paul Planning Commission, having reviewed the proposed scope and timeline for an industrial zoning study, provided a recommendation for consideration by the Saint Paul Planning Commission.

NOW, THEREFORE, BE IT RESOLVED, that the Saint Paul Planning Commission, under the authority of the City's Legislative Code, initiates an industrial zoning study to evaluate compatibility of allowed uses in industrial districts with their intent and 2040 Comprehensive Plan policy, and recommend related amendments to the Legislative Code and Policy as appropriate.