

ZONING COMMITTEE STAFF REPORT

FILE NAME: 2103 Wabash

FILE # 18-024-155

APPLICANT: Superior LLC

HEARING DATE: February 15, 2018

TYPE OF APPLICATION: Conditional Use Permit

LOCATION: 2103 Wabash Avenue, NE corner at Montgomery Street

PIN & LEGAL DESCRIPTION: 32.29.23.14.0002; Hewitt's Out Lots, Lots 118 - 119, and vacated adjacent 7 feet of Wabash Avenue, and vacated adjacent 10 feet of Montgomery Street

PLANNING DISTRICT: 12

PRESENT ZONING: I2

ZONING CODE REFERENCE: § 61.501, § 61.502, § 65.143(b)

STAFF REPORT DATE: February 8, 2018

BY: Bill Dermody

DATE RECEIVED: January 25, 2018

60-DAY DEADLINE FOR ACTION: March 26, 2018

- A. **PURPOSE:** Conditional use permit for a mixed residential/commercial use with more than six (6) dwelling units (64 proposed), with modification of a special condition for this use to allow dwelling units on the first floor (39 dwelling units proposed, no first floor dwelling units permitted), and modification of the condition for this use that at least 80% of the first floor shall be devoted to non-residential principal uses (10% proposed).
- B. **PARCEL SIZE:** 1.6 acres
- C. **EXISTING LAND USE:** Commercial/vacant building
- D. **SURROUNDING LAND USE:**
North: Commercial (I1, IT) (truck sales, cleaning services)
East: Parking lot and service station (I2)
South: Industrial (I2) (warehouse)
West: Industrial (I2) (self-storage, brewery, multi-tenant industrial)
- E. **ZONING CODE CITATION:** § 61.501 lists general conditions that must be met by all conditional uses. § 61.502 authorizes the planning commission to modify any or all special conditions after making specified findings. § 65.143(b) requires, for mixed residential and commercial use in an I2 general industrial zoning district, that dwelling units shall not be located on the first floor, that at least 80% of the first floor shall be devoted to non-residential principal uses, and that a conditional use permit is required for more than six (6) dwelling units.
- F. **PARKING:** Zoning Code § 63.207 requires a minimum of 1 parking space per studio or 1-bedroom apartment unit and 1.5 spaces per 2- or 3-bedroom dwelling unit. Retail uses would require 1 parking space per 400 square feet. No variance of parking requirements is requested.
- G. **HISTORY/DISCUSSION:** Prior to 1975 the site and the larger surrounding area between I-94 and the BNSF railway to the north was zoned heavy industrial with a strip of light industrial along University Avenue. When the City adopted a new zoning code in 1975 this area was zoned I2 general industrial with a strip of I1 light industrial along University Avenue. In 2011, as part of the Central Corridor (Green Line) zoning study, parcels north of the subject site along University Avenue were rezoned to IT transitional industrial.
- H. **DISTRICT COUNCIL RECOMMENDATION:** As of this writing, the District 12 Council has not provided a recommendation.

I. **FINDINGS:**

1. The site contains a mostly vacant former industrial building (fully vacant 2nd and 3rd floors, partially vacant 1st floor) that has reportedly not been fully used since 1979. Several retail/service businesses have partially occupied the 1st floor in recent years, including pet boarding, industrial tires sales and service, and guitar repair. The building was constructed in several stages of additions, resulting in multiple floor levels and roof levels.
2. The site is surrounded by industrial zoning and mainly industrial uses. It abuts Myrtle Avenue, Montgomery Street, and Wabash Avenue. The surrounding streets accommodate much truck traffic and do not have sidewalks.
3. Zoning Code § 65.143(b) includes the following special conditions that apply to mixed residential and commercial use in an I2 general industrial zoning district. *In I1-I2 industrial districts, dwelling units shall not be located in the basement or first floor and at least eighty (80) percent of the first floor shall be devoted to principal uses permitted in the district, other than residential uses. In the I2 district, a conditional use permit is required for a mixed residential and commercial use with more than six (6) dwelling units.* The application for a conditional use permit proposes 64 dwelling units in the building, including 39 first-floor units comprising up to 90 percent of the first floor area. Therefore, the conditions that there be no dwelling units on the first floor and that at least 80% of the first floor shall be devoted to non-residential principal uses are not met. The application requests that these conditions be modified as discussed below.
4. Zoning Code § 61.501 lists five standards that all conditional uses must satisfy:
 - (a) *The extent, location and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council.* This condition is not met. The site is designated in Comprehensive Plan Figure LU-B as Industrial, which calls for "(p)rimary manufacturing and/or the processing of products; could include light or heavy industrial land uses, large warehouse facilities, and/or utilities." The 2007 Central Corridor Development Strategy identifies the site as being outside the Areas of Change adjacent to the Green Line LRT. The West Midway Industrial Area Plan (WMIAP) says in Strategy PI-1 that we should, "(r)etain and protect current industrial land from conversions to non-industrial uses." The WMIAP also places great importance on improving buffering between existing "vulnerable land use edges" between residential and industrial uses so as to reduce conflicts and preserve industrial viability. The proposed introduction of apartments at this location is contrary to the Comprehensive Plan's Industrial designation and creates a new vulnerable land use edge in the heart of an industrial area that will put surrounding industrial uses at risk.
 - (b) *The use will provide adequate ingress and egress to minimize traffic congestion in the public streets.* This condition is met. The site has direct access to three streets.
 - (c) *The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.* This condition is not met. Adjacent streets do not have sidewalks and convey large amounts of truck traffic. To place apartments in the middle of an industrial area without sidewalks and with heavy truck traffic would endanger public safety.
 - (d) *The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.* This condition is not met. The introduction of apartments in the heart of an industrial area will impede the development and improvement of surrounding property for industrial uses permitted in the I2 general industrial zoning district.

(e) *The use shall, in all other respects, conform to the applicable regulations of the district in which it is located.* This condition is not met. The applicant has requested modification of regulations that apply to the proposed use in the I2 general industrial zoning district. The requirements for approval of the requested modification are discussed in Finding 5 below.

5. Zoning Code § 61.502 provides that *“the planning commission ... may modify any or all special conditions when strict application of such special conditions would unreasonably limit or prevent otherwise lawful use of a piece of property or an existing structure and would result in exceptional undue hardship to the owner of such property or structure; provided, that such modification will not impair the intent and purpose of such special condition and is consistent with health, morals and general welfare of the community and is consistent with reasonable enjoyment of adjacent property.”* These requirements for modification of special conditions are not met. The application requests modification of conditions that prohibit dwelling units on the first floor and require that 80% of the first floor be devoted to principal uses permitted in the district, other than residential uses. Though the strict application of these conditions would likely prevent otherwise lawful use of this long-underutilized building due to its condition and the investment that would be required to make it functional for industrial uses, the requested modification to allow 39 dwelling units on the first floor and decrease the required amount of non-residential use on the first floor from 80% to 10% would impair the intent and purpose of these conditions to retain and protect industrial land in the I2 general industrial district from conversion to residential uses, to reduce conflicts between residential and industrial uses, and to preserve industrial viability. Also, the modification would be detrimental to public safety and reasonable enjoyment of adjacent property by locating a large number of residential units in the middle of an industrial area, as discussed in Findings 4(a), 4(c), and 4(d).

J. **STAFF RECOMMENDATION:** Based on the above findings, staff recommends denial of the application for a conditional use permit for a mixed residential/commercial use with more than six (6) dwelling units (64 proposed), with modification of a special condition for this use to allow dwelling units on the first floor (39 dwelling units proposed, no first floor dwelling units permitted), and modification of the condition for this use that at least 80% of the first floor shall be devoted to non-residential principal uses (10% proposed), at 2103 Wabash Avenue.

Attachments:

1. Application materials
2. Correspondence received
3. Staff photos
4. Sidewalks map
5. Aerial/land use/zoning maps



CONDITIONAL USE PERMIT APPLICATION

Department of Planning and Economic Development
Zoning Section
1400 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102-1634
(651) 266-6589

PD 12

Zoning	18-024155
File #	315
Fee	
Permit Hearing Date	2-15-18

APPLICANT

Name The Superior LLC
 Address 275 E. 4th St # 720
 City St. Paul St. MN Zip 55101 Daytime Phone 612 805 2306
 Name of Owner (if different) _____
 Contact Person (if different) Allison Gray Phone 612 805 2306

PROPERTY LOCATION

Address / Location 8103 Washington Avenue, St. Paul, MN 55101
 Legal Description PED 32.291.23.14.0002
See attached Current Zoning T2
 (attach additional sheet if necessary)

TYPE OF PERMIT: Application is hereby made for a Conditional Use Permit under provisions of Chapter 65, Section 143, Paragraph b of the Zoning Code.

SUPPORTING INFORMATION: Explain how the use will meet all of the applicable standards and conditions. If you are requesting modification of any special conditions or standards for a conditional use, explain why the modification is needed and how it meets the requirements for modification of special conditions in Section 61.502 of the Zoning Code. Attach additional sheets if necessary.

Requesting a Conditional Use Permit for a mixed commercial / residential use as allowed in 65.143b. Requesting modifications to the requirements of 65.143b from 80% commercial / 20% residential on the first floor to 10% commercial / 90% residential on the first floor. Commercial space will be located on the west side of the building adjacent to Montgomery St. accessible from the building entrance and lobby.

See Attached Exhibit B dated 1/25/18

Required site plan is attached

eK1013
315⁰⁰

Applicant's Signature [Signature] Date 1/23/18 City Agent [Signature]
 1-25-18

CAP

EXHIBIT "A"

**Lot 118, Hewitt's Out Lots 1st & 2nd Division
Lot 119, Hewitt's Out Lots 1st & 2nd Division**

and

That part of the Southeasterly 10 feet of Montgomery Street, formerly Havana Street, vacated, lying between the Northwesterly extension across said street of the Northeasterly and Southwesterly lines of Lot 118, Hewitt Out Lots First & Second Division, according to the recorded plat thereof, Ramsey County, Minnesota.

Being Registered land as is evidenced by Certificate of Title No. 364874.

Exhibit C

2103 Wabash

Date 1/25/18

Revised 2/1/18

Response to Sec. 61.501. - Conditional use permit, general standards. (Para a through e)

Requirement:

- (a)** The extent, location and intensity of the use will be in substantial compliance with the Saint Paul Comprehensive Plan and any applicable subarea plans which were approved by the city council.

Response: The extent of the proposed redevelopment is consistent with the character of the existing building. The proposed uses will not increase the intensity of use beyond what is typical of the surrounding area. The commercial / "marker" spaces will also support the retention of jobs in the neighborhood which is consistent with the Comprehensive Plan.

- (b)** The use will provide adequate ingress and egress to minimize traffic congestion in the public streets.

Response: Site circulation will allow for proper ingress and egress to the surrounding streets. Parking will be clearly marked and allow efficient ingress and egress. The property will not generate traffic rates beyond the capacity of the existing streets.

- (c)** The use will not be detrimental to the existing character of the development in the immediate neighborhood or endanger the public health, safety and general welfare.

Response: The proposed uses will maintain the existing structure to the greatest extent possible preserving its place in the fabric of the neighborhood. The exterior of the building will be appropriately renovated in a manner consistent with the buildings existing character. The nature and character of the redevelopment will not endanger the public health, safety, and general welfare.

- (d)** The use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

Response: The proposed project will not prevent orderly development of the adjacent properties or neighborhood. The development will not change the current character of the neighborhood. The mix of commercial and residential spaces will allow the building to remain an important part of the fabric in the neighborhood and support the goals of the Enterprise Zone.

- (e)** The use shall, in all other respects, conform to the applicable regulations of the district in which it is located.

Response: The use will conform to the applicable regulations of the district as revised by the CUP.

Attachments: Exhibit E – Lower and First Level Plan

Exhibit F – Creative Enterprise Zone Map – w/ project location

Exhibit D

2103 Wabash

Date 2/1/18

Response to Sec. 61.502. – Modify Special Conditions.

Requirement:

The planning commission, after public hearing, may modify any or all special conditions, when strict application of such special conditions would unreasonably limit or prevent otherwise lawful use of a piece of property or an existing structure and would result in exceptional undue hardship to the owner of such property or structure; provided, that such modification will not impair the intent and purpose of such special condition and is consistent with health, morals and general welfare of the community and is consistent with reasonable enjoyment of adjacent property.

Response:

The strict application of the mixed use 50% commercial / 50% residential ratio for the first floor as currently defined in Section 65.143(a) will adversely affect the financial viability of the project. The commercial spaces generate significantly lower income per square foot than residential. This reduction of income will not allow the project to work economically.

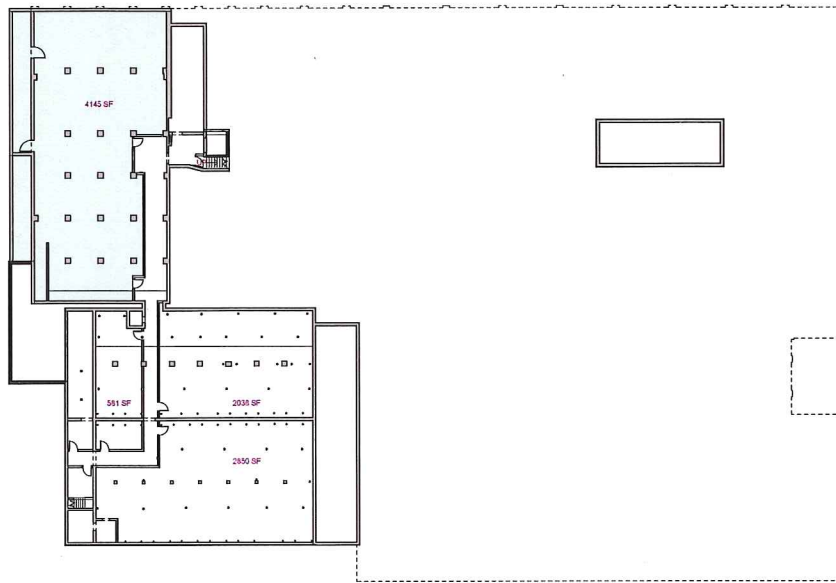
Reducing the 50% commercial / 50% residential ratio for the first floor to 10% commercial / 90% residential will minimize the balance the economic impact on the project pro forma. Creating 10% commercial space using “maker” spaces will help balance the projects revenue generation between the two uses and retain jobs in the area.

The “maker” spaces will be consistent with the industrial nature of the neighborhood. These spaces will hold jobs within the neighborhood. They will be places that work still happens. The flexible nature of the spaces will accommodate a wide array of commercial / “maker” activities. These activities will be consistent with the nature of the neighborhood and appropriate for an Industrial Zone. The activities will not adversely affect the neighboring properties. The creative nature of the commercial / “maker” spaces will support the Enterprise Zone.

Attachments: Exhibit E – Lower and First Level Plan

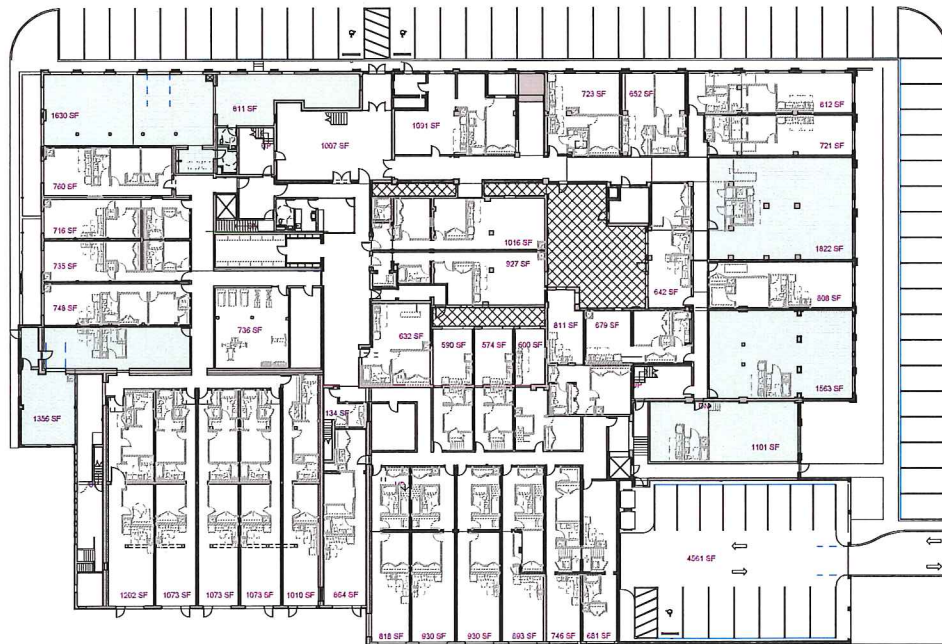
Exhibit F – Creative Enterprise Zone Map – w/ project location

EXHIBIT E



□ COMMERCIAL SPACE

SUBLEVEL

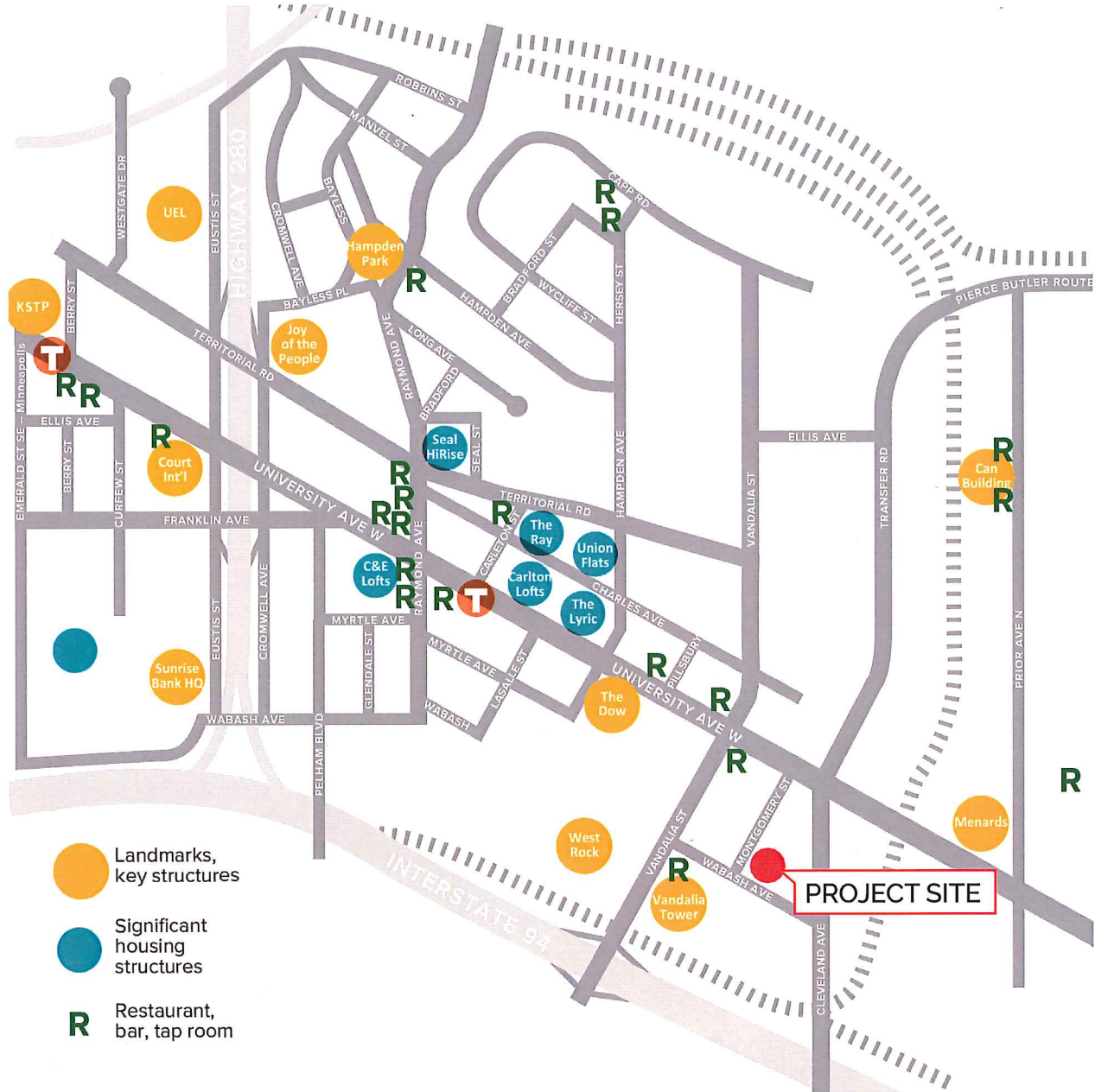





□ COMMERCIAL SPACE

LEVEL 1

EXHIBIT F

CREATIVE ENTERPRISE ZONE



-  Landmarks, key structures
-  Significant housing structures
-  Restaurant, bar, tap room



January 19, 2018

Rich Pakonen
Clint Blaiser
PAK Properties / HBG Group
275 4th Street East, Suite 720
St Paul, MN 55101

Dear Rich and Clint,

Thank you for your time to share information about your Wabash Avenue redevelopment project with our organization. It is exciting to see new ideas, energy, and investment happening in the Midway. We believe your work to redevelop the closed meat packing plant at 2103 Wabash Avenue will bring the site back to life, connect with the community, and support other future development projects.

On behalf of the Midway Chamber of Commerce, we are pleased to inform you that our Board of Directors has passed a resolution supporting your project and your efforts to secure a change in the property's zoning from I2 – General Industrial District to IT Industrial Transitional. We also support your effort to seek a Conditional Use Permit to accommodate the residential uses that are part of the plan.

We believe your proposed plan would actively contribute to the momentum from Vandalia Tower, Lake Monster Brewing, and the new facilities for American Engineering and Testing. Your work on other recent St. Paul developments that include the Osborn 370 and Pioneer Endicott buildings demonstrate your team's ability to create successful projects and impact.

The Midway Chamber has been an important voice to bring the community together in our area and we believe your project will help build on the momentum we are seeing throughout the area. We wish you luck as your project moves forward and are proud to be able to add our support.

Sincerely,

Midway Chamber of Commerce Board of Directors



Saint Paul
PORT AUTHORITY

January 16, 2018

Rich Pakonen
Clint Blaiser
PAK Properties / HBG Group
275 4th Street East, Suite 720
St Paul, MN 55101

RE: Zoning Change and Conditional Use Permit for 2103 Wabash Avenue

Dear Rich and Clint,

Thank you for the recent opportunity to learn more about your proposed redevelopment of the closed meat packing facility that is located at 2103 Wabash Avenue. We appreciate your work on this project and are excited to see new ideas, energy, and investment happening in St. Paul. We believe your plans to redevelop the building will bring the site back to life and connect it with other surrounding properties.

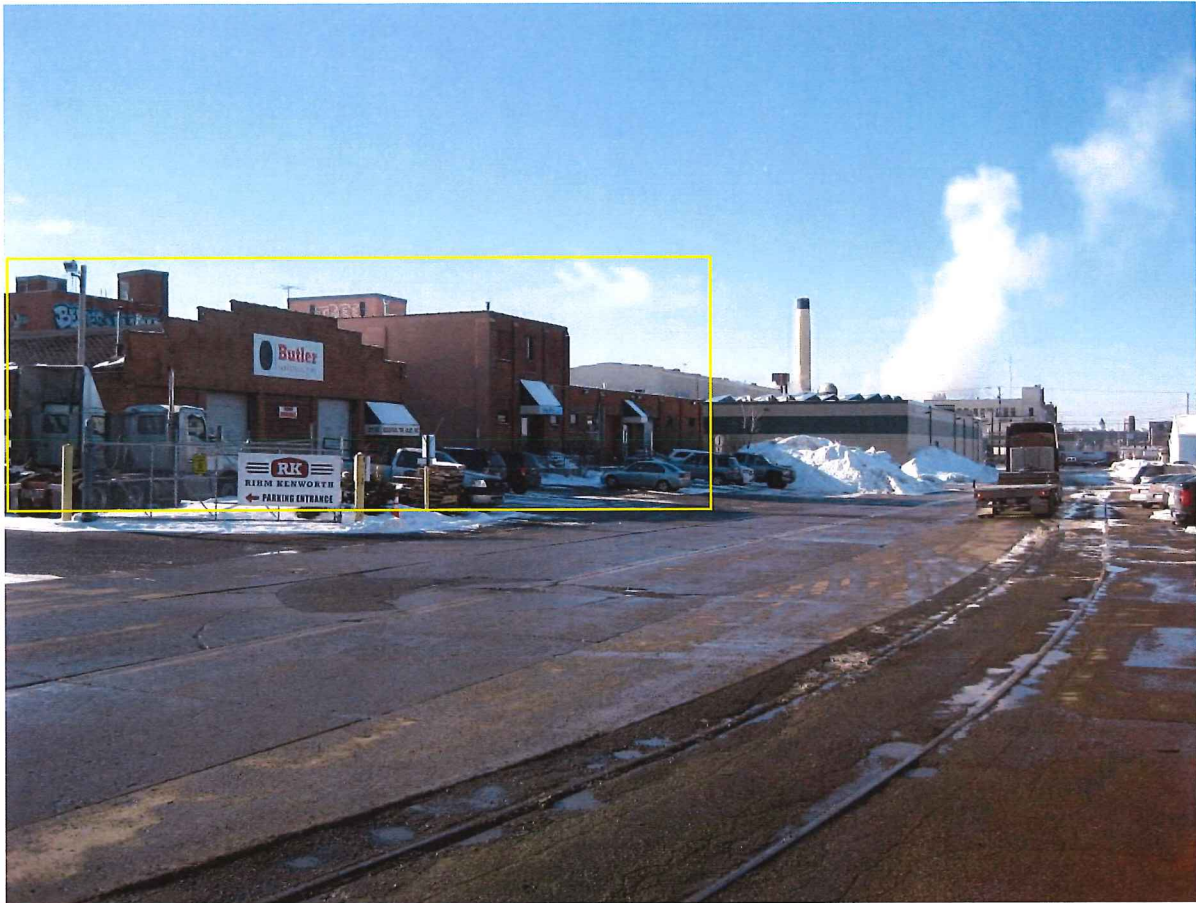
As you know, one of the Port Authority's strategic goals is to preserve industrially zoned land. We are excited that this project will return to the site to an active use and protect its industrial zoning. Please consider this letter as our organization's formal support for your project and your efforts to secure a change in the property's zoning from I2 – General Industrial District to IT Industrial Transitional. We also support your effort to seek a Conditional Use Permit to accommodate some of the uses that are part of the plan.

The Port Authority has supported projects that redevelop and re-invest in complex sites in St. Paul that will create new tax base that is important to the broader community. Your proposed mixed-use project will accomplish this by finding a way to bring back to this valuable piece of historic property back to life after decades of limited or little use.

This is a time of positive change in the Midway area and we believe your project will help St. Paul and this part of the community build on the momentum we are seeing throughout the area. We wish you luck as your project moves forward and are proud to be able to add our support.

Sincerely,

Lee Krueger
President, CEO
Saint Paul Port Authority



Looking west along Myrtle, subject site in yellow outline



Looking north/northeast along Montgomery, subject site is the entire building and parking on right



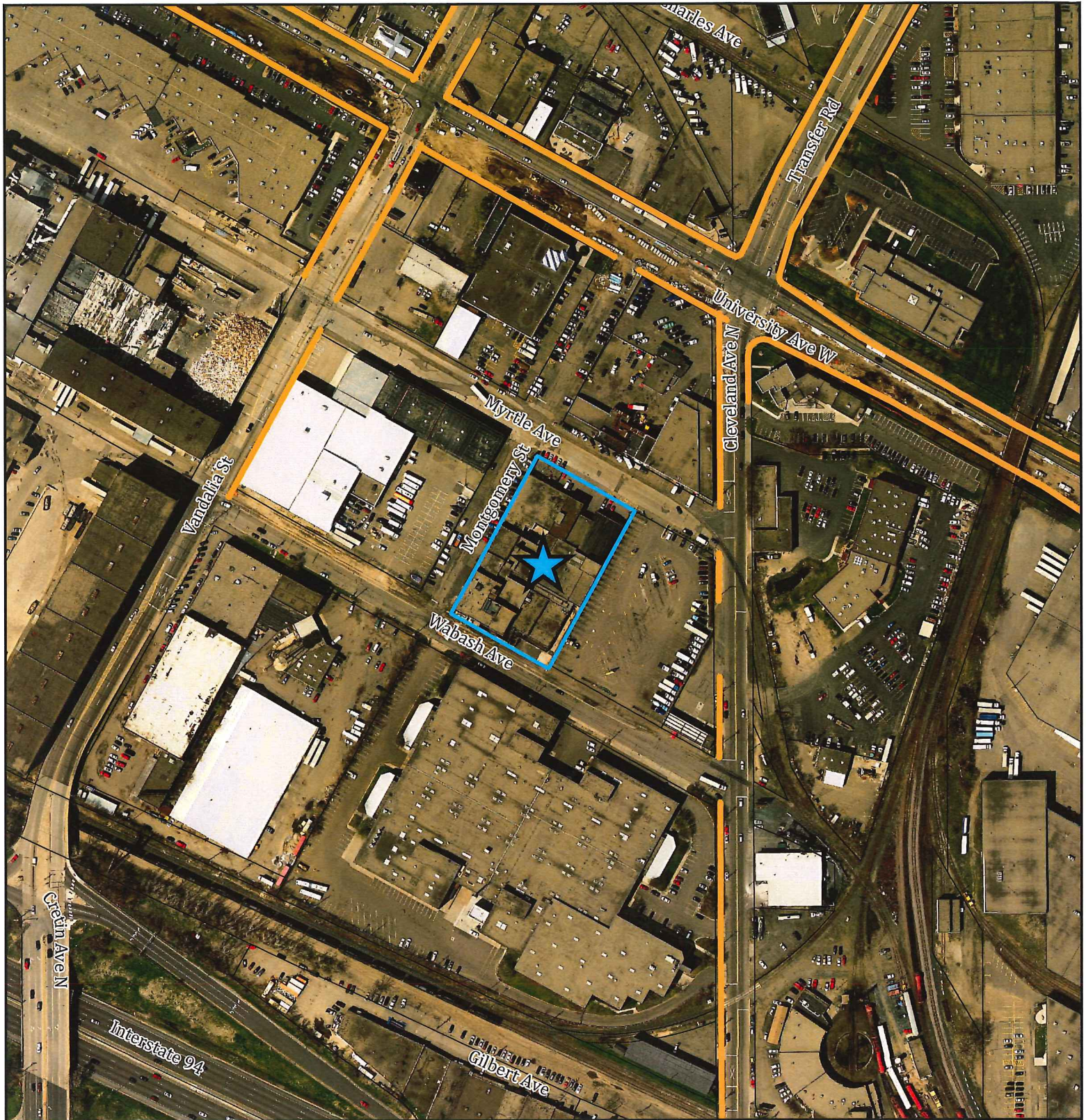
Looking east along Wabash, subject site on the left



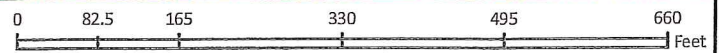
Looking west along Wabash, subject site on the right



Looking west/northwest along Wabash, subject site is the brick building in yellow outline



— Sidewalks



Aerial

 Subject Parcels

FILE NAME: 2103

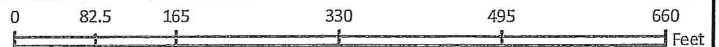
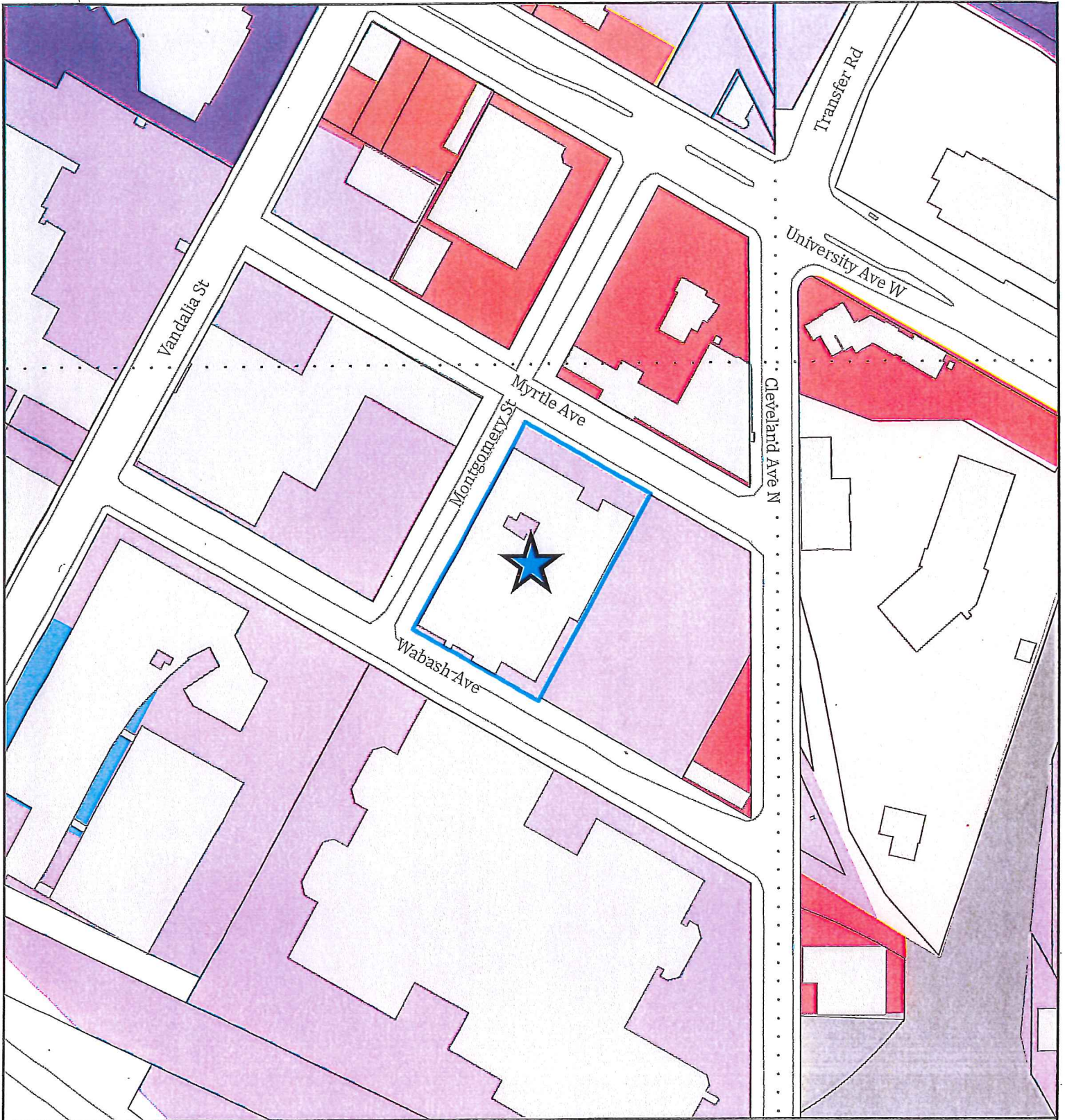
APPLICATION TYPE: CUP w/mod

FILE #: 18-024155 DATE: 1/30/2018

PLANNING DISTRICT: 12

ZONING PANEL: 7





FILE NAME: 2103

APPLICATION TYPE: CUP w/mod

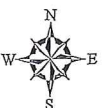
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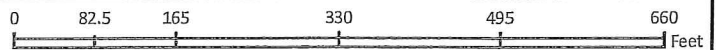
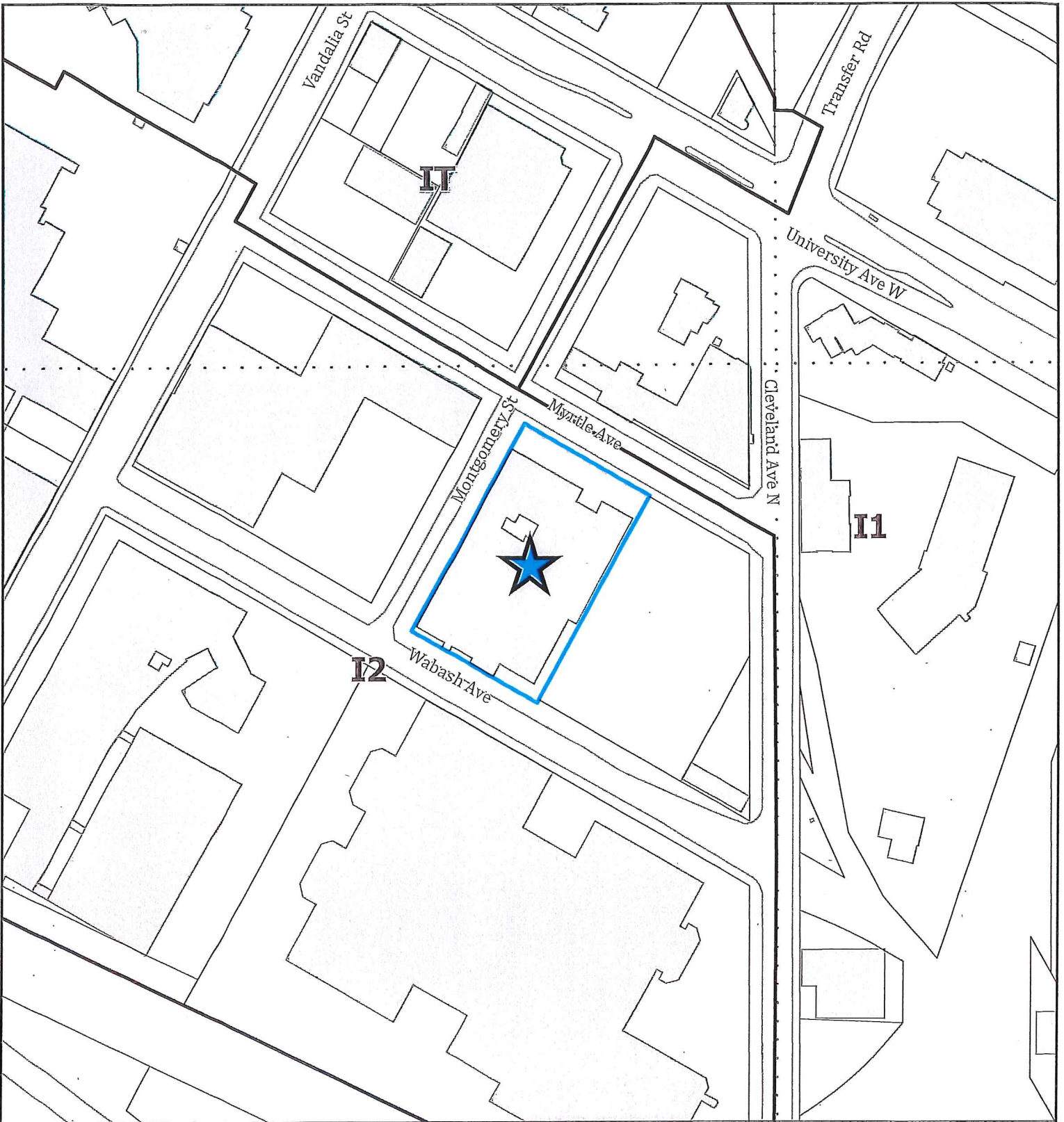
PLANNING DISTRICT: 12

ZONING PANEL: 7

Land Use

- Office
- Retail and Other Commercial
- Mixed Use Industrial
- Industrial and Utility
- Institutional
- Railway
- Subject Parcels
- Section Lines







FILE NAME: 2103

Zoning

APPLICATION TYPE: CUP w/mod

 Subject Parcels

FILE #: 18-024155 DATE: 1/30/2018

 Section Lines

PLANNING DISTRICT: 12

ZONING PANEL: 7

