

# Capitol Area Architectural and Planning Board



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https://mn.gov/caapb/

Date: May 23, 2025

To: Capitol Area Architectural and Planning Board members From: Opticos Design; Erik Cedarleaf Dahl, Executive Secretary;

Peter Musty, Principal Planner & Zoning Administrator.

RE: AGENDA ITEM #3 - Zoning and Design Rulemaking

### **Summary**

With this memo, the Capitol Area Architectural and Planning Board (CAAPB) staff is presenting to the Board a proposed update to the Zoning and Design Rules, Chapter 2400 (Rules), which establishes zoning and design regulations for the Capitol Area in Saint Paul, Minnesota. This update will align the Rules with the 2040 Comprehensive Plan for the Minnesota State Capitol Area, the Capital Rice Development Framework, and the City of Saint Paul's current ordinances. It also refines existing standards and procedures to more effectively regulate and manage the Capitol Area's physical environment, including avoiding ongoing inefficiencies, delays, and uncertainty for various stakeholders within the Capitol Area. The update aims to make the Rules more current, use plain language, and be comprehensive, flexible, and responsive to current needs.

This memo includes an update on the timeline for this project and key changes in the proposed draft Rules since the previous Board meeting.

## **Project Context**

The Capitol Area Zoning and Design Rules, Chapter 2400 (Rules), is a regulatory document adopted by the CAAPB that is focused on preservation and growth. The previous Board memo (March 24, 2025) provides detailed information on the Rules' history.

**Purpose and Authority**: Statutory authority for this rulemaking is derived from Minnesota Statutes, Section 15B.03, Subd. 6, which provides general rulemaking authority to fulfill the

purposes of the chapter and <u>Minnesota Statutes</u>, <u>Section 15B.06</u>, which grants the Board authority to adopt the Rules.

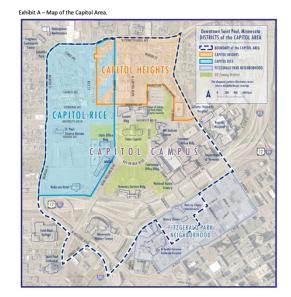
The Rules set specific rules and standards for all development in the Capitol Area. They are to be reviewed and updated following any update to the Comprehensive Plan. The 2040 Comprehensive Plan for the Minnesota State Capitol Area was updated in 2020 and approved by the CAAPB in 2021. The proposed rules are necessary to align the rules with the latest Comprehensive Plan and the current City of Saint Paul zoning ordinances while refining the zoning and design rules for clarity, conciseness, and ease of use.

The Minnesota Legislature provided the CAAPB funds to update the Rules by June 30, 2025. The development of the Rules will require formal approval by CAAPB. It will go through the formal Administrative Rulemaking process per the permanent Rulemaking process (Minn. Stat. 12.05 to 14.28), following the Office of Administrative Hearings (OAH), Minnesota Administrative Rule, Minnesota Rules, Chapter 1400 process (see the rulemaking manual hosted by the Minnesota Department of Health).

**Project Area:** The project area aligns with the boundary of the Capitol Area (Exhibit A), which encompasses approximately 60 blocks of the City of Saint Paul surrounding the Capitol building.

**Relevant Documents:** The project will consider existing policy direction and rules related to the future development of the Capitol Area in the following documents.

- Zoning & Design Rules for the Minnesota State Capitol Area (2010)
- 2040 Comprehensive Plan for the Minnesota State Capitol Area (2021)
- City of Saint Paul Code of Ordinances (2024)



**Project Team:** The consultant team selected through an RFP process comprises the following.

- Opticos Design will lead the project in the review and drafting of the Rule update
- Cardo will support Opticos in the Rules update and serve as the local liaison.
- SRF Consulting will support Opticos in the review and vetting of documentation related to the Rules update

## **Scope and Timeline**

The project team kicked off this effort in December 2024 with a target completion date of June 2025. Due to the Board's request to CAAPB staff to coordinate further on several key topics in the proposed draft Rules, the project timeline has been extended by three-to-six months.

- Regulatory Review & Documentation Trip (Dec Jan). The project team reviewed
  relevant documents and toured the Capitol Area with CAAPB staff to document and
  analyze the physical characteristics of local development to aid in the discussion and
  understanding of expectations for future development. This review did not include the
  Rules version of the Capitol Rice Development Framework, attached to the
  Comprehensive Plan via Chapter 7A, which outlines a process for approval that calls for
  MX Master Plan to be submitted.
- Code Testing & Drafts of Rules (Feb Jul). The project team tested existing conditions and typical sites in the project area to understand what development outcomes the existing Rules encourage. The tests include visualizations of desired outcomes to illustrate potential refinements to the Rules update. Based on findings from previous tasks, the project team drafted updated rules and delivered Draft of Rules to CAAPB. The Draft Rules do not include edits to the Rules version of the Capitol Rice Development Framework. The public comment period of the Draft Rules is anticipated for August 2025.
- **Final Rulemaking Documentation (Jul Sep).** The project team will incorporate public comment responses, ALJ input, CAAP Board and staff input into the final proposed version of the Rules update and support CAAPB staff in submitting the proposed rule revisions for adoption.

## **Approach & Summary of Proposed Changes**

Opticos' review and revisions focused on three key aspects of using and implementing the Rules. These included proposed changes for

- 1) general clarity,
- 2) clarity about intended form, and
- 3) flexibility in standards.

The previous <u>Board memo (March 24, 2025)</u> provides detailed information on the approach and summary of proposed changes to the Rules.

Below is an update on key changes in the proposed draft Rules since the previous Board meeting.

Capitol Area Map. A new graphic is added under Part 2400.2040, subpart 21. Capitol
Area that illustrates the boundaries and parcels of the Capitol building, Capitol campus,
Capitol complex, Capitol grounds, and Capitol mall within the Capitol Area to clarify
these distinct areas, which are referenced numerous times throughout the Rules as well

as the 2040 Comprehensive Plan. This graphic is necessary because it makes the applicability of the Rules easier to understand.

- Block Standards in the CRD Overlay. Standards for new blocks in part 2400.2135, subpart 5. Blocks are modified to better reflect the historic block patterns in the Capitol Area and surrounding neighborhoods. Standards for blocks promote walkability and reinforce the development pattern of surrounding neighborhoods and are consistent with the Capitol Rice Development Framework. This is necessary to align with Chapter 4 of the 2040 Comprehensive Plan to provide an integrated, high-quality, human scale public realm experience. In addition, the entire overlay area falls within the High Priority Area for Walking Investments, as identified in the Saint Paul Pedestrian Plan (adopted June 2019).
- Congregate Living. Categories for congregate living and their respective terms are modified to align with the City of Saint Paul's code and update the categories of community residential facilities to reflect 2025 definitions at the municipal and state levels. These proposed modifications include removing terms from part 2400.2040 Definitions that may potentially conflict with the City of Saint Paul and State agencies' definitions. The Board staff will refer to and rely on the expertise of the City and State agencies for this term.

These proposed modifications are also reflected in Part 2400.2205 Table of Permitted and Conditional Uses by District with reference to standards in Part 2400.2715 Standards for Congregate Living.

Proposed modifications in Part 2400.2715 Standards for Congregate Living also reflect this change to replace terminology and consolidate categories to align with the City of Saint Paul's updated zoning code and to reflect 2025 definitions at the municipal and state levels. There is no change to the proposed removal of standards that prevent certain demographics from residing in the Capitol Area to promote inclusivity and to align with the City of Saint Paul's updated zoning code and comply with the 2040 Comprehensive Plan. The 2040 Comprehensive Plan and the Rules utilize alternative policies and standards for expanding the diversity of living choices at several scales in the Capitol Area and the promotion of housing diversity is a central organizing principle in the Comprehensive Plan. This removal is reasonable as this requirement is not easily measurable as it is not tracked in census data nor within any other zoning mechanism. The City has also noted several drawbacks due to this requirement, including its overall ineffectiveness in avoiding "institutional environments" and promoting integration into the community. The City of Saint Paul only requires spacing standards for facilities larger than 16 persons, a size of facility which is not allowed in the Capitol Area.

- Stormwater Management. There is no substantive change to the proposed Part 2400.2635 Standards for Stormwater Management. Exceptions for State buildings and facilities are proposed to be removed to be consistent and compatible with the City of Saint Paul's stormwater management standards and to actively and successfully engage with the Capitol Region Watershed District to meet stormwater requirements. As climate change continues to bring more extreme and unpredictable weather events, it is essential that all developments in the Capitol Area follow the most modern stormwater management standards to protect against erosion, sedimentation, and pollution. This is a reasonable and necessary measure for long-term resilience. This is also necessary to ensure that the burden of stormwater management does not unduly fall on projects adjacent to others that do not meet these standards. CAAPB staff is continuing to coordinate with the Department of Administration on this topic.
- Projects on Public Lands. There is no substantive change to the proposed Part 2400.3120 Projects on Public Lands. The Board's statutory mandate (Minn. Stat. §§ 15B.05, 15B.10, 15B.11, and 15B.17) ensures transparent expectations for all entities operating within the Capitol Area. This rule is necessary to reflect and reinforce the statutory obligations already in place. It is reasonable because this clarification does not introduce new law. CAAPB staff is continuing to coordinate with the Department of Administration on this topic.
- **Historic Preservation.** There is no substantive change to the proposed Part 2400.3125 Historic Preservation. This part reflects and reinforces the statutory obligations already in place, including Minn. Stat. § 471.193, to ensure transparent expectations for all entities operating within the Capitol Area, especially with regard to the Board's jurisdiction over the Capitol Area related to historic properties. As such, CAAPB staff holds that the addition of this part is appropriately situated within the administrative rules framework and is reasonable because it does not introduce new law. CAAPB staff is continuing to coordinate with the Department of Administration on this topic.
- Parking Maximums for Surface Parking Lots. A new part on maximum parking requirements is added to further reinforce the policies of the 2040 Comprehensive Plan that encourage alternative transportation and development patterns that support transit and align with the City of Saint Paul's updated parking standards. These standards only apply to surface parking facilities and include a threshold for applying the maximum limit on off-street surface parking. This threshold aligns with the City of Saint Paul's updated parking standards and is reasonable as it provides flexibility for uses with lesser amount of parking. The standard also includes flexibility to exceed the maximum through a CUP. Furthermore, the parking maximums apply to use categories that are the

same as the categories in Part 2400.2205 Table of Permitted and Conditional Uses by District for consistency and clarity in applying the standards.

The parking maximums for residential uses are established to align with the City of Saint Paul's maximum surface parking requirements. This is reasonable given that maximums are a multiplier of previous minimum parking requirements for residential uses.

The parking maximums for non-residential uses are established following the previous Central Corridor Overlay maximum requirement of 85% of the minimum parking requirement or the City of Saint Paul's maximum surface parking requirements within a quarter mile of transit. This is reasonable as the maximum was established to reduce parking in areas near transit, which is now generally the entirety of the Capitol Area.

• **Typical Frontages.** Minimum dimensional standards are added to the frontages Porch, Gallery, and Arcade. The minimum dimensions are necessary to create spaces associated with the frontage that are deep enough so that they will be used by the building occupants.

## **Rulemaking Process**

As defined in the Administrative Procedures Act, "'Rule' means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by that agency or to govern its organization or procedure." 1

This definition means that rule language must be enforceable and must implement the statute, make the statute specific, or govern the agency's organization or procedure.<sup>2</sup>

The rulemaking process will adhere to the Administrative Procedures Act (APA) and Minnesota Rules Chapter 1400. CAAPB engaged stakeholders through public meetings, requests for comments, and other outreach efforts to ensure an inclusive and well-informed rule development process. A Preliminary Request for Comments was issued from January 13 to February 13, 2025, providing an opportunity for early public input.

<sup>&</sup>lt;sup>1</sup> Minn. Stat. § 14.02, subd. 4.

<sup>&</sup>lt;sup>2</sup> Minn. Stat. § 14.03, subd. 3(a)(1).



#### **Draft Rules**

The proposed draft rules (updated May 23,2025) are linked here bit.ly/4kDYArT.

#### **Draft SONAR**

The proposed draft Statement of Need and Reasonableness (updated May 23,2025) is linked here <a href="https://bit.ly/4mt8Fte">https://bit.ly/4mt8Fte</a>. A SONAR refers to a Statement of Need and Reasonableness, a document that explains the proposed rules and provides justification for their necessity and appropriateness. A SONAR explains the Board's reasoning for proposing the rules, outlining the problem the rules aim to address and why the proposed rules are a reasonable approach. In the SONAR, we delineate the evidence and arguments supporting the need for the proposed rules. It also includes an explanation of how the rules might affect certain costs and other regulations and any potential impacts or consequences of the proposed rules. Staff will walk through the SONAR during the Board meeting.

## **Draft Notice of Intent to Adopt**

The draft Notice of Intent to Adopt the proposed rules is not being drafted at this time, as the Board is not being asked to approve the proposed Rules at this meeting.

## Suggested Board Action: None.

## Next Steps - CAAPB Zoning and Design Rulemaking

- 1. **Board Member Engagement:** Meet with CAAPB Board members to review key proposed rules and receive guidance on the overall approach moving forward.
- 2. **Community Input:** Hold meetings with the surrounding neighborhood to share proposed rule changes and gather community feedback (first meeting already held on May 29, 2025).
- 3. **Stakeholder Outreach:** Continue engaging with stakeholders to discuss key rule proposals, understand stakeholder concerns and perspectives, and explore opportunities for alignment where possible.
- 4. **Board Reviews Updated Draft, Considers Advancement into APA Process:** Present updated materials and feedback at the next CAAPB Board meeting to request approval for entering the official rulemaking comment period and advancing in the Administrative Procedures Act process.