Kris Nelson Community-Based Research Program

...a program of the Center for Urban and Regional Affairs (CURA)

The Cupcake Study:
Parking on Five Saint Paul Commercial Corridors—
From Strains to Solutions

Prepared in partnership with
East Side Neighborhood Development Company

Prepared by
Claire Finn
Madeline Wildeson
Research Assistants
University of Minnesota

2013

KNCBR Report # 1362

This report is available on the CURA website:
http://www.cura.umn.edu/publications/search
The Kris Nelson Community-Based Research Program is coordinated by the Center for Urban and Regional Affairs (CURA) at the University of Minnesota, and is supported by funding from the McKnight Foundation.

This is a publication of the Center for Urban and Regional Affairs (CURA), which connects the resources of the University of Minnesota with the interests and needs of urban communities and the region for the benefit of all. CURA pursues its urban and regional mission by facilitating and supporting connections between state and local governments, neighborhoods, and nonprofit organizations, and relevant resources at the University, including faculty and students from appropriate campuses, colleges, centers or departments. The content of this report is the responsibility of the author and is not necessarily endorsed by the Kris Nelson Community-Based Research Program, CURA or the University of Minnesota

© 2013 by The Regents of the University of Minnesota.

This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 Unported License. To view a copy of this license, visit http://creativecommons.org/licenses/by-nc-sa/3.0/ or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA. Any reproduction, distribution, or derivative use of this work under this license must be accompanied by the following attribution: “© The Regents of the University of Minnesota. Reproduced with permission of the University of Minnesota’s Center for Urban and Regional Affairs (CURA).” Any derivative use must also be licensed under the same terms. For permissions beyond the scope of this license, contact the CURA editor.

This publication may be available in alternate formats upon request.

Center for Urban and Regional Affairs (CURA)
University of Minnesota 330 HHH Center
301—19th Avenue South
Minneapolis, Minnesota 55455
Phone: (612) 625-1551
E-mail: cura@umn.edu
Web site: http://www.cura.umn.edu

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.
The Cupcake Study

Parking on Five Saint Paul Commercial Corridors: From Strains to Solutions

Claire Finn & Madeline Wildeson
5/20/2013
Special Thanks to:

Center for Urban and Regional Affairs (CURA), Hubert Humphrey Institute for Public Affairs, University of Minnesota

The East Side Neighborhood Development Company (ESNDC)

Macalester College

Al Oertwig, Chair of Commercial Development Advisory Committee, ESNDC
Anne DeJoy, ESNDC
Bill Spiess, Pickle’s Bar
Chad Skally, Grand Avenue commercial/residential property owner
Craig Blakely, City of Saint Paul
Ed Bertges, Schwietz Saloon
Fred Frias, Boca Chica Restaurant
Greg Sandlund, City of Sacramento
Jeff Corn, CURA
Jim Fritz, The Wedding Shoppe
John Vaughn, ESNDC
Kendall Crosby, Kendall’s Ace Hardware
Kevin Van Deraa, Cupcake
Luis Gutiérrez, La Palma Market
Mary Catherine Snyder, City of Seattle
Mike Wagner, Payne Avenue property owner
Neeraj Mehta, CURA
Sarah Paul, Pizza Lucé
Tomas Silva, El Burrito Mercado
**Executive Summary**

The Cupcake Study was inspired by Cupcake, a business that ultimately chose not to open a second location on Grand Avenue due to difficulties related to parking.

This study examined parking issues surrounding Saint Paul’s parking regulations as they relate to small businesses on four commercial corridors.

**Methodology:**

The study looked at four comparable corridors. These were Grand Avenue, Selby Avenue, Payne Avenue, Rice Street, and Cesar Chavez Street.

The first phase of the study used contacts who work on each corridor to name any private owners/developers they thought had experienced difficulties meeting parking ordinances after opening new or changing the use of their businesses. Interviews included identifying the primary inhibiting factors for acquiring the necessary parking and discussion solutions to these issues.

In the second phase of the study, other comparable cities were examined to see how they have dealt with parking issues.

**Findings:**

- In general, most Saint Paul small business owners interviewed reported satisfaction with the City; particularly in reference to the updated zoning code as it relates to parking.
- Most of the complaints mentioned were caused by perceived inconsistencies or lack of cooperation by the City.
- When neighborhood associations respond to individual resident complaints and concerns about anticipated changes, they often actively intervene in ways that slow the process and cause apprehension for businesses (Note: this study does not relate individual business experiences to perceptions of St. Paul’s general small business climate.).
- Residents, as viewed through the District Council process, tend to be resistant at first to commercial change and development, but are almost always satisfied with the results if they are engaged and a part of the negotiation.
- Two types of corridors emerged: those that are already thriving and experiencing resident vs. business tension over parking, and those that are trying to develop and are relatively sanguine over parking issues.
- Even with the new code, Saint Paul’s parking requirements are quite strict compared to other cities that are abolishing or vastly reducing parking requirements while also subsidizing parking requirements with transit access, bike parking or shared parking.
**Recommendations:**

- District Councils should change their approach to addressing commercial growth by being less reactionary and becoming more visionary.
- Individual businesses and business associations should be automatically and fully included in the commercial development review and planning process at the District Council level.
- Consider eliminating or drastically reducing parking requirements in targeted areas of Saint Paul; thereby letting the market control parking supply while simultaneously encouraging alternative transit use.
- The City and community organizations should collaborate to educate residents about the benefits of a sustainable balance between paid parking, market-driven parking, and transit, per *The High Cost of Free Parking* by Donald Shoup.
- Implement reductions in parking requirements for businesses that have bike parking, shared parking, or proximity to public transit.
The Cupcake Study
By Claire Finn, Macalester College and Madeline Wildeson, University of Minnesota
May, 2013

Introduction:

The Cupcake Study was inspired by a 2012 case that received a lot of media attention. It involved Cupcake, a wine bar/pastry shop with a history of success. After prolonged and very public negotiation with the City, Cupcake chose not to open a second location on Grand Avenue due to parking regulation issues. They opened one, instead, at the Mall of America.

Cupcake sparked the interest of the East Side Neighborhood Development Company (ESNDC), because ESNDC was already grappling with parking issues on Payne Avenue. ESNDC successfully applied for research assistance from the U of M Humphrey Institute’s Nelson program.

The loss of potential economic development on Saint Paul commercial corridors due to parking requirements is not uncommon. Parking requirements are often cited as a source of tension among small businesses, the City, residents and neighborhood associations.

This study examined parking issues surrounding Saint Paul’s parking regulations as they relate to small businesses on four commercial corridors.

Methodology:

The research process started with decisions about which specific corridors to look at. Grand Avenue was chosen along with Selby Avenue, Payne Avenue, Rice Street, and Cesar Chavez Street. University Avenue was not chosen because it is on a much larger scale than the smaller neighborhood corridors.

The next step was to obtain contact points for each of the corridors that would be knowledgeable on the current parking climate and familiar enough with the corridor to be able to name three to five small business owners that have had or are currently having trouble with parking due to opening a new business, changing use within their existing business, or expanding their existing business. The businesses had to be private and locally owned (other establishments present on the corridors, such as nonprofits, were excluded). These contacts ranged from business associations, local business contacts, to local neighborhood development companies.
After the corridor contacts made referrals to businesses that they believed had problems related to parking requirements, interviews were set up; usually on site. Rice Street did not produce any useful contacts, but Kendall’s Hardware at Front and Dale was interviewed. The owner also has a store on Payne Avenue.

Each business owner was asked the following questions:

- Do you own or lease, and how long have you been in this location?
- What are the parking related barriers if you wanted to open a new store, change uses, or expand on a current site. Have you already explored or executed one of these options?
- What recommendations would you make to city officials for making issues related to parking easier for you?
- Do you know any other businesses on your corridor that are having similar problems to you?

A city official knowledgeable about parking, Craig Blakely, was interviewed in order to verify information and to gain perspective.

The next step was to investigate parking requirements for small businesses in other cities across the country. The goal was to find parking policies and solutions other cities have implemented or enacted.

These cities were chosen mainly based on their similarities to St. Paul. Other cities where problem solving and innovation were taking place were discovered in this process and added. For all cities parking zoning was researched. In addition, economic development and planning staff in two cities – Seattle and Sacramento - were interviewed over the phone.

Regarding Saint Paul’s Updated Zoning:

Like many other cities within the last five years, St. Paul recently updated its parking requirements mid-2012 with Ordinance: Ord 12-26.

The highlights are:
- While most requirements were reduced, those for establishments serving alcohol (bar) remain strict at 1 space per 150 SF
- Conditional use permits are required for bars larger than 5000 SF and coffee shops larger than 800 SF
- The requirement for restaurants is 1 space for 400 SF
Business Interviews

César Chávez:

El Burrito Mercado
- Overall pleased with the involvement of the City, had some difficulty obtaining permit when they bought their own land to expand parking lot, the issues they face now are not enough spaces, other businesses/individuals using the lots and too many hours/not enough enforcement for on-street parking

Boca Chica Restaurant
- Overall pleased with the involvement of the City, only complaint was with plowing methods that make street parking difficult.

Grand Avenue:

Cupcake
- Owner had positive and negative comments about the City’s role in his case - helpful in fighting for his case with the neighborhood association, not helpful because of the restrictive zoning policy where there is not enough parking to begin with - real problem is inconsistent growth

Chad Skally, commercial property owner
- City’s requirement of unanimity on petitions a problem, neighborhood association not receptive to change, sees parking planning/zoning as out of date and impractical, sees situation close to “tipping point” for businesses leaving St. Paul
The Wedding Shoppe
- City’s tendency for micro-solutions on Grand problematic - red tape included water runoff requirements, green space, additional requirements for +20 spaces – close to not worth it, City doesn’t provide enough parking.

InVision Optical
- No issues with the City, parking has decreased on side streets, stated city parking regs inhibited one business and the neighborhood association shut down a car related business that had lots of support in the neighborhood.

**Payne/Arcade:**

Schweitz Saloon
- Sees inconsistency on the part of the City and is currently working through shared parking issues.

Pickles Bar
- Sees inconsistency on the part of the City in changing the requirement plus there is so much other red tape with City and the neighborhood that he is reaching “tipping point.” close.

La Palma Mercado
- Sees inconsistency on the part of the City in offering parking support and variances, does not enough parking and individuals using his lot to visit other businesses.

Mike Wagner, Commercial property owner.
- City is inconsistent in offering variances/assistance, not enough parking, but improved last 5 years.
Rice Street:

Kendall’s Ace Hardware

- No problems with City or neighborhood association, pleased with shared parking, observed more friendly growth environment on Payne than Grand.

Selby Avenue:

Pizza Lucé

- Unanimity of signatures problematic, difficulties with neighborhood association, no comment on the City

Commonalities that emerged from the business Interviews:

- A perception of disproportionate control by neighborhood associations, while businesses have very little power.
- Perceived inconsistency on the part of the City “rewarding” some business with variances or parking assistance.
- A perception of not enough consideration or legitimacy given by City to alternatives to automobile parking; e.g., shared parking, public transportation, bike parking, etc...
- Cited improved involvement by the City after Cupcake case.
- Many of the businesses that have had problems after the code update are bars. This is because the zoning overhaul kept the restrictive parking requirements for this specific type of business.
- Current zoning of busiest corridors terribly out of date - policy restructuring, not revision, is required to deal with growth.
What Are Other Cities Doing?

Nine cities’ parking policies were analyzed. They were: Seattle, Buffalo, Sacramento, Madison, San Francisco, Minneapolis, Chicago, Portland, and Philadelphia.

The common problems found on commercial corridors in these cities included:
- lack of parking,
- financial difficulties for small businesses providing required parking, and
- tension between small businesses and residents over parking issues.

All the cities have changed their parking zoning requirements within the past decade (most in the last five years).

Some ordinances elsewhere are worth highlighting:

- **Seattle** eliminated minimum requirements for new businesses or change of uses in 2009, leaving the amount of parking to be determined by the market. Seattle collects detailed data on parking every year which is available to the public.

- **Buffalo** is in the process of approving a progressive and widely lauded new zoning plan called, “Greencode,” which will eliminate parking requirements by the end of 2013. The city will then favor a market demand approach. They will also be increasing the amount of bicycle parking.

- **Sacramento** eliminated minimums in the central business district and reduced minimums by 75% in “Urban Areas,” which include commercial corridors similar to those in this study. A City planner there also suggested that getting bike and walk advocates to attend community meetings to engage residents in discussing reduced parking requirements might increase understanding and acceptance among residents.

- **Madison** eliminated minimums with exceptions. One exception is restaurants within 300 feet of each other. For these businesses, the requirement is 1 space per 400 square feet. Proximity to transit, shared parking, and bicycle parking can lower parking minimums.

- **San Francisco** is looking to eliminate minimums entirely and to impose stricter maximums.

- **Chicago** has reduced requirements for historic buildings, landmark buildings, and buildings within 600 ft. of transit.

- **Philadelphia** has minimums, but they are very low at .33 - 1.66 (depending on the zoning) per 1000 square feet, and therefore easy to meet.

- **Portland** allows bicycle parking to replace up to 25% of required auto parking.
• **Minneapolis** allows 10% reduction in parking requirements if a transit stop is in development or if bicycle parking is provided.

**Findings:**

• In general, most Saint Paul small business owners interviewed reported satisfaction with the City; particularly in reference to the updated zoning code as it relates to parking.
• Most of the complaints mentioned were caused by perceived inconsistencies or lack of cooperation by the City.
• When neighborhood associations respond to individual resident complaints and concerns about anticipated changes, they often actively intervene in ways that slow the process and cause apprehension for businesses (Note: this study does not relate individual business experiences to perceptions of St. Paul’s general small business climate.).
• Residents, as viewed through the District Council process, tend to be resistant at first to commercial change and development, but are almost always satisfied with the results if they are engaged and a part of the negotiation.
• Two types of corridors emerged: those that are already thriving and experiencing resident vs. business tension over parking, and those that are trying to develop and are relatively sanguine over parking issues.
• Even with the new code, Saint Paul's parking requirements are quite strict compared to other cities that are abolishing or vastly reducing parking requirements while also subsidizing parking requirements with transit access, bike parking, or shared parking.

**Recommendations:**

• District Councils should change their approach to addressing commercial growth by being less reactionary and becoming more visionary.
• Individual businesses and business associations should be automatically and fully included in the commercial development review and planning process at the District Council level.
• Consider eliminating or drastically reducing parking requirements in targeted areas of Saint Paul; thereby letting the market control parking supply while simultaneously encouraging alternative transit use.
• The City and community organizations should collaborate to educate residents about the benefits of a sustainable balance between paid parking, market-driven parking, and transit, per *The High Cost of Free Parking* by Donald Shoup.
• Implement reductions in parking requirements for businesses that have bike parking, shared parking, or proximity to public transit.