

Xylite St. Industrial Property Rezoning Discussion



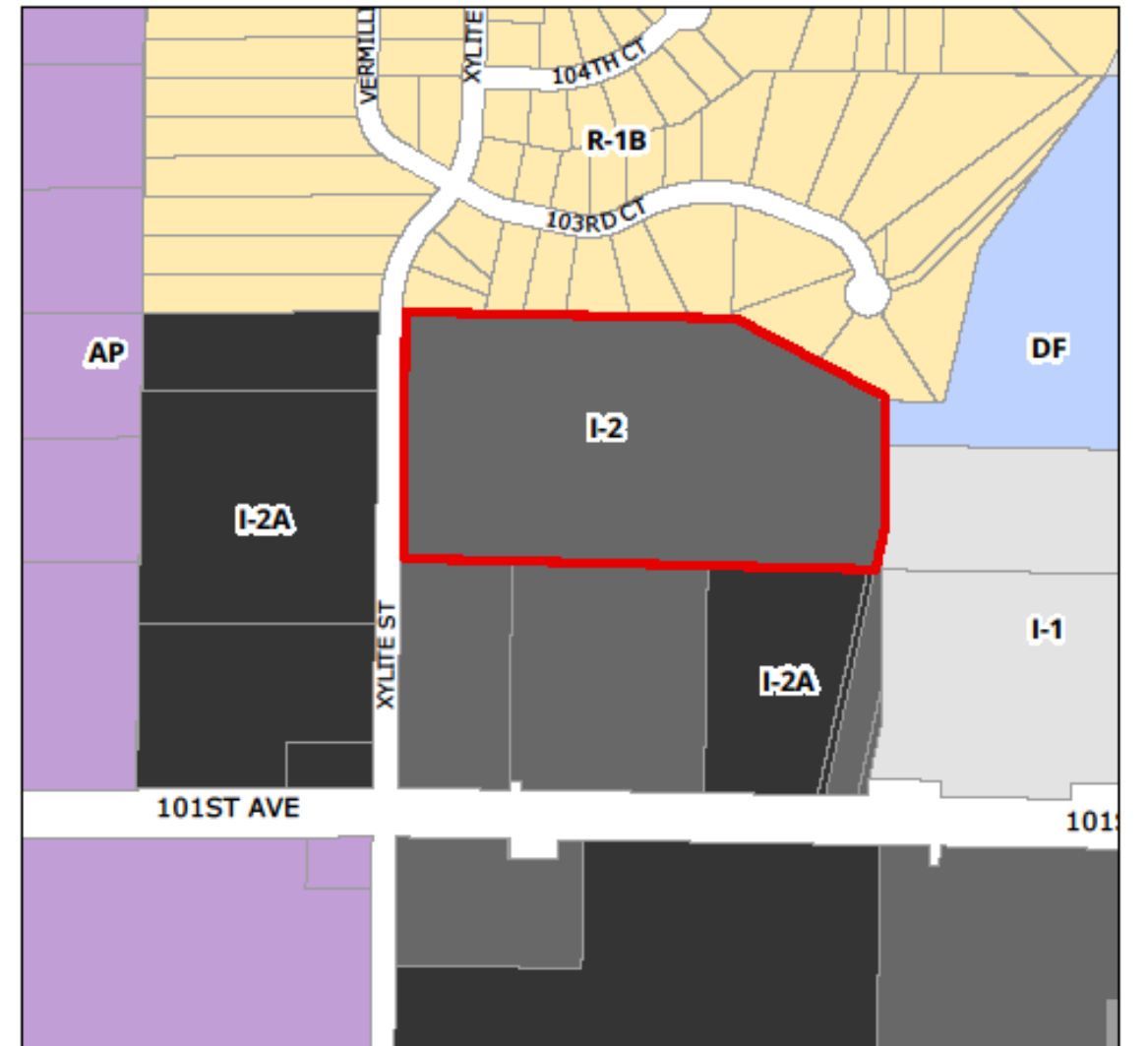
Objectives:

- **Discuss potential rezoning of Subject Property**
- **Discuss potential purchase by the EDA of the Subject Property**

Property Information

- ▶ Currently owned by Premier Banks (via foreclosure in 2019)
- ▶ 18.50 acre parcel with approximately 12 acres of upland.
- ▶ Zoned I-2, Heavy Industrial
- ▶ 2040 Comprehensive Plan Land use designation of Heavy Industrial
- ▶ Property has been appraised at \$1.9mil

Xylite St NE Zoning



Property/Area History

- ▶ Subject property has been zoned I-2 since at least 1979.
- ▶ Property was owned by the original Sanctuary landowner.
- ▶ Sanctuary Neighborhood was rezoned in the early 2000s when residential development was proposed.
- ▶ Other adjacent properties have historically been zoned industrial.



Park Construction Proposal (2017)

- ▶ Development proposal in 2017 by Park Construction.
- ▶ Required a CUP for outside storage.
- ▶ Project was denied by the City Council.
- ▶ Concerns by adjacent neighborhood related to aesthetics, noise, property values and I-2 Zoning next to residential.



Light Industrial vs. Heavy Industrial

▶ I-2 Heavy Industrial

- ▶ Allows manufacturing, warehousing and office uses.
- ▶ Allows more intensive uses and outside storage via CUP.
- ▶ Located next to light industrial and airport districts.

▶ I-1 Light Industrial

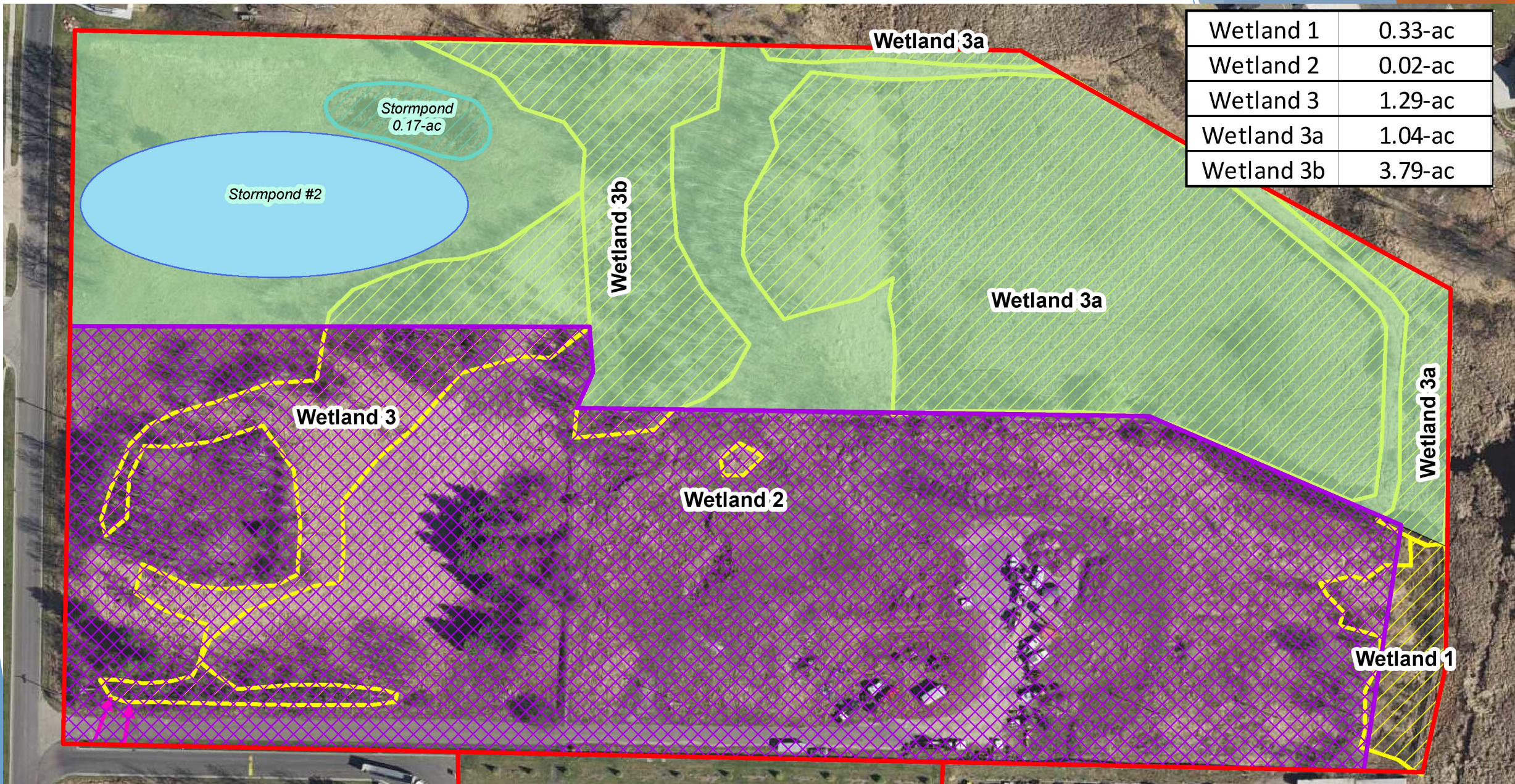
- ▶ Allows manufacturing, warehousing and office uses.
- ▶ Does not allow any outside storage.
 - ▶ I-1A zoning allows minimal outside storage.
- ▶ Located next to heavy industrial, commercial, residential and airport districts.



Recent Private Buyer Interest

- ▶ City staff has been contacted by three brokers/businesses interested in the site within the last two months.
- ▶ Two users would be permitted with I-1 zoning (manufacturing/warehousing users).
- ▶ One use is an existing Blaine business that would require I-2 zoning.
 - ▶ Business owner indicated desire to use the south portion of the site and create a buffer either through dedicating land and/or creating a berm with screening





EDA Purchase Interest



- ▶ EDA typically purchases property when:
 - 1) The property is within a redevelopment area.
 - 2) The property is blighted.
 - 3) To control future use.
 - 4) If the private market isn't showing interest.
- ▶ Rezoning the property allows for significant industrial uses and not be as objectionable to the neighborhood as use with outdoor storage.
- ▶ EDA could consider financial assistance to encourage a land buffer regardless of the zoning. (less financial risk to the EDA)
- ▶ Staff does not recommend pursuing purchase at this time.

Direction Needed

- ▶ Provide staff clear direction whether there is interest to bring forward a formal rezoning application to I-1 or I-1A.
 - ▶ Legal opinion was provided by the city attorney.
 - ▶ Property owner's position is to keep the existing zoning or have the EDA purchase the property.
- ▶ Provide staff clear direction whether there is interest by the EDA to pursue purchase.
- ▶ Provide staff general direction regarding potential financial assistance with perspective developers to create a land buffer.

