

**Excerpt from the
CITY PLANNING COMMISSION MINUTES
Minneapolis Community Planning & Economic Development (CPED)**

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MEMORANDUM

DATE: July 25, 2013

TO: Zoning and Planning Committee

FROM: Jason Wittenberg, Manager, Community Planning & Economic Development – Land Use, Design and Preservation

SUBJECT: Planning Commission decisions of June 24, 2013

The following actions were taken by the Planning Commission on June 24, 2013. As you know, the Planning Commission's decisions on items other than rezonings, text amendments, vacations, 40 Acre studies and comprehensive plan amendments are final subject to a ten calendar day appeal period before permits can be issued.

Commissioners present: President Tucker, Brown, Cohen, Gagnon, Huynh, Luepke-Pier, Schiff, Slack and Wielinski – 9

Not present: Kronzer (excused)

Committee Clerk: Lisa Baldwin (612) 673-3710

5. 5th Street SE Mixed Use (BZZ-6044, Ward: 3), 1300-1322 5th St SE and 425 14th Ave SE ([Kimberly Holien](#)). This item was continued from the May 20, 2013 and June 10, 2013 meetings.

A. Rezoning: Application by Carol Lansing, on behalf of Opus Development Company, for a rezoning from C1, Neighborhood Commercial district to the C3A, Community Activity Center district (retaining the PO and UA Overlay districts) for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission recommended that the City Council adopt the findings and **approve** the application for rezoning from C1, Neighborhood Commercial district to C3A, Community Activity Center district for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack

Absent: Cohen, Kronzer and Wielinski

B. Conditional Use Permit: Application by Carol Lansing, on behalf of Opus Development Company, for a conditional use permit to increase height in the C3A district from 4 stories, 56 feet to 6 stories, 73'4" for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission adopted the findings and **approved** the application for a conditional use permit to allow an increase in height from 4 stories, 56 feet to 6 stories, 73'4" feet for the properties located at 1300-1322 5th St SE and 425 14th Ave SE, subject to the following condition:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within two years of approval.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack
Absent: Cohen, Kronzer and Wielinski

C. Variance: Application by Carol Lansing, on behalf of Opus Development Company, for a variance to increase the maximum front yard setback in the PO, Pedestrian Oriented Overlay district from 8 feet to 10.5 feet for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission adopted the findings and **approved** the application for a variance to the Pedestrian Oriented Overlay District standards to increase the front yard setback for the residential entry from eight feet to 10.5 feet for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack
Absent: Cohen, Kronzer and Wielinski

D. Variance: Application by Carol Lansing, on behalf of Opus Development Company, for a variance to reduce the interior side yard setbacks for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission adopted the findings and **approved** the application for a variance to reduce the required interior side yard setbacks for the properties located at 1300-1322 5th St E and 425 14th Ave SE.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack
Absent: Cohen, Kronzer and Wielinski

E. Variance: Application by Carol Lansing, on behalf of Opus Development Company, for a variance to reduce the minimum parking requirement from 140 spaces to 62 spaces (a total of 138 spaces will be provided but 76 are intended to be used for general commercial parking) for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission adopted the findings and **approved** the application for a variance to reduce the minimum vehicle parking requirement from 140 spaces to 62 spaces for the properties located at 1300-1322 5th St SE and 425 14th Ave SE, subject to the following condition:

1. A minimum of 138 parking stalls shall be provided on site. The balance of the non-residential parking may be made available for general public parking.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack
Absent: Cohen, Kronzer and Wielinski

F. Variance: Application by Carol Lansing, on behalf of Opus Development Company, for a variance to reduce the minimum loading requirement from one small space to 0 for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission adopted the findings and **approved** the application for a variance to reduce the minimum loading requirement from one space to zero for the properties located at 1300-1322 5th St SE and 425 14th Ave E.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack
Absent: Cohen, Kronzer and Wielinski

G. Site Plan Review: Application by Carol Lansing, on behalf of Opus Development Company, for a site plan review for a new mixed use building with 140 dwelling units and approximately 9,500 square feet of ground floor commercial space for the properties located at 1300-1322 5th St SE and 425 14th Ave SE.

Action: The City Planning Commission **approved** the site plan review application for a mixed-use development with 140 residential dwelling units on the properties 1300-1322 5th St SE and 425 14th Ave SE, subject to the following conditions:

1. All site improvements shall be completed by August 2, 2015, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.
1. CPED Staff review and approval of the final site, elevation, landscaping and lighting plans before building permits may be issued.
2. No shelving, signage, merchandise, newspaper racks or other similar fixtures shall be placed in front of the required ground level transparent windows.
3. Primary exterior material changes at a later date shall require review by the Planning Commission and an amendment to the site plan review.
4. The rock mulch on the south side of the building shall be replaced with wood mulch or an alternate material.
5. A minimum of 24 short-term bicycle parking spaces shall be provided on site or within the right-of-way adjacent to the site, in compliance with Section 541.180 of the zoning code.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack

Absent: Cohen, Kronzer and Wielinski

Staff Holien presented the staff report.

Commissioner Slack: Is there a parking study for the neighborhood?

Staff Holien: There hasn't been an official parking study for the entire neighborhood, but there was a Travel Demand Management Plan that was conducted as part of this application. That did inventory availability of surface, availability of parking in other developments and other strategies for reducing dependency on vehicles like with biking and buses, hour cars and zip cars.

Commissioner Slack: In the case of this development and the development across the street and future developments in and around Dinkytown, at what point does it constitute or initiate a larger parking study? It seems like parking is either the number one or number two issue when reading over the comments.

Staff Holien: That is something that has been flagged by the business association, by the neighborhood, by interested parties as you've seen in the correspondence that was received. Staff has been meeting regularly with Council Member Hofstede about parking strategies in the area. That's more specifically related to this development and the development across the street, but also Dinkytown-wide. We also have Public Works involved in those conversations looking at some strategies if there is anything that can be changed with the existing metered parking or any other areas where we could recommend more district-wide parking. There's nothing official in place, but it's something being looked at.

Commissioner Wielinski: You had a map earlier that had a little red block in it with four square blocks that were red and you said it was some sort of commercial something...as a non-planner, can you explain what that means exactly?

Staff Holien: This maroon outline, this is the boundary of the activity center. This is the activity center and this red here is the future land use designation for these parcels, which is commercial. As you go beyond the site, the blocks are shaded to represent the future land use designation for those parcels. The green here is a growth center. Those are land use features that are adopted as part of the comprehensive plan. There are several policies that are called out in the staff report that apply to activity centers. It's an area of the city where we want to see a lot of density, mixed use housing, uses that are active from the morning into the evening that are a draw. The rezoning here is for the commercial activity center district, which is one of our broadest commercial districts in terms of uses that are allowed, that are more pedestrian friendly and appropriate in these mixed use type of areas.

Commissioner Wielinski: This is from the City's master plan?

Staff Holien: That's correct.

President Tucker opened the public hearing.

David Graham (500 Washington Ave) [not on sign-in sheet]: We've been working on this project for several months. The design that you see here is really the product from many meetings. I'm going to go through this very quickly. The existing site is surface parking and we see it as a gap in the neighborhood fabric. The design vision is really to extend the fabric and fill the gap and do it within the guidelines of the Minneapolis Plan and other things that have been pointed out. The concept architecturally needs to do one, two and three story street front architecture featuring individual small storefronts that emulate the character of Dinkytown. I want to also point out that we see this as infill architecture. We're trying to be as sensitive to context as we can. We want to recall the Dinkytown massing texture and individual storefronts. We've looked at the University District Overlay and the urban design guidelines. We're committed to the highest quality materials at this lower level architecture of brick, stone, glass, lots of transparency...it's very important that the texture and scale have individual storefronts to keep that texture and scale going. The other thing that's unique about Dinkytown is a lot of the old facades were actually two story buildings but the individual commercial tenants were able to personalize those with awnings and signage so this serves as kind of a tablature for that to happen. We think best practices in urban design is to step the building back up above. It's 29 feet back from 14th, it's 12 feet back from 5th and 19 feet back from 13th so stepping back the upper part, we feel, is the most appropriate urban design solution and really focus on the streetscape and wrapping the fabric on 14th down 5th and down 13th. Creating vibrant landscaped streetscape along 5th St, taking advantage of the fact that U-Tech across the street is going to be doing a boulevard of street trees. We want to compliment that and make a very green streetscape along 5th. Wider sidewalks add storefront character; though that requires a variance, we think it's important along 5th St to actually step the architecture back to create an opportunity for seating and just a wider public realm. Coming up to 5th and 13th, the concept is to do a three story end cap with lots of transparency at the base, these are the communal spaces within the residential building. As you know, it's an empty parking lot right now and a fair amount of sort of broken up fabric even down to 4th St. Pocket park has been mentioned. We think it's important to create these outdoor places for communal spaces. This would be publicly accessible and also provide some relief and communal space for the public and residents. The 4th St corridor is really the core and if you go up 14th about two-thirds of the way, our proposal is to continue that fabric and keep the eye at the street level and then pull the upper residential building back 29 feet to really reduce its impact. As has been pointed out, the concept here is to really replace the parking that's there, but do it in a secure environment for the public. We're also proposing additional parking on the lower level and the developer is willing to put in an elevator to bring public parking up on to 5th St to go to the various destinations within Dinkytown. The blue that you see at 14th and 5th is broken up in three to five small boutique retail spaces. The yellow that you see at 5th and 13th is the communal spaces for the residential. The key principal that we really believe in, is rather than a four story mass, to step the building back in layers and

really create a strong streetscape. If you look at some of the great urban design case studies, this is a technique that's been used. As was pointed out, we look at these various diagrams. The diagram you see on the upper right is our proposal. The lower right is a four story mass, 56 feet high. We're proposing a mass that's 17 ½ feet taller and with the setbacks, use the streetscape as the main element. As far as Dinkytown, we see this building as an end cap to sort of hold the 4th St corridor. On 13th and University, there's a six story mixed use building and this would be on the other end. It steps up to U-tech and forms a transition which we think is appropriate. That's an overview of the design. I'm available for specific questions.

Carol Lansing (90 S 7th St) [not on sign-in sheet]: I'm representing Opus Development. The point I want to make is that the rezoning from C1 to C3A will not be a radical departure from a uniform zoning plan for the Dinkytown area or the surroundings. It's not spot zoning as that term has legally been defined through case law as Kimberly pointed out...spot zoning is not just because there is a parcel of property that is zoned differently than its surroundings, it also has to be zoning that is detrimental to property values and has no rational basis. As Kimberly explained in her staff report, there is a lot of great policy basis for supporting the C3A here. This highlighted yellow area is the four blocks that is considered to be Dinkytown proper. You can see that there is already this area that is zoned OR3, which allows greater density and six stories of height than the C3A. There are already two parcels of C2 in it. Adjacent to it there is OR3, C2 and this C3A was rezoned for the Sydney Hall project. Higher density zoning and residential uses and rezoning is not something that would be new with this project. As I mentioned, the Sydney Hall project was rezoned to C3A a few years ago for a mixed use housing project and this rectangle is where this 1301 University Ave project is located. That was rezoned from C2 to OR3 in 2004 for a mixed use student housing project. As you can see, Dinkytown is not currently uniformly C1. It would not be a precedent for rezoning to allow higher density and residential in this area. There are no plans that call for maintaining a uniform or existing C1 zoning, it needs to be looked at in context of all of the City's policies and as the staff report indicates, this is consistent with the policies in the Minneapolis Plan for Sustainable Growth and the Marcy Holmes Master Plan. What this project would be precedent for is removing three non-historic buildings, two dilapidated residential buildings and a 1973 commercial building and a sea of surface parking and replacing it with a high quality architectural structure with great design and that will replace existing commercial and bring density and customers to support the vitality of the Dinkytown commercial area.

Commissioner Wielinski: I noticed that you pointed out that Sydney Hall is the only C3A there, is that the Dinkydome?

Carol Lansing: Yes.

Commissioner Wielinski: In other words, that zoning was given to restore a historic building?

Carol Lansing: It wasn't my project and it went through several iterations. I think the rezoning was not a negotiation, in my perception, in exchange for the historic renovation, but perhaps the original height was because the original height for the building was going to be 12 stories or more.

Matt Rauenhorst (10350 Bren Road West, Minnetonka): I'm with the Opus Development Company. I've seen many of you before at the two Committee of the Whole meetings we were at. We've been through a lengthy process on this project with a lot of community input. We've been to four land use committee meetings for the neighborhood group and ultimately received a recommendation letter from the neighborhood group. That letter came with five conditions, all of which we've either addressed or are currently in the process of addressing. They are ongoing type of things that we are working with. We are excited to bring this project forward and to the city of Minneapolis.

Gordon Kepner (1225 7th St SE): I can address part of that. Thank you for the opportunity to present the views of the Save Dinkytown Movement. Each of our six designated speakers intends to deal with different aspects of the issue. We also speak for thousands of people who signed our petition opposing the Opus project. This shows that the issue today is much larger than just an isolated development project. I was the cochair of the 2003 Marcy Holmes Master Plan. We anticipated development pressure for more student rental housing in the neighborhood. We supported the higher density and taller structures required to do this, if confined to the periphery – University Ave, 4th St SE and 15th Ave SE. We explicitly excluded such development in the Dinkytown commercial core. We described our vision for Dinkytown throughout the master plan. We stressed the overwhelming need to preserve and protect its unique character, which in our view is incompatible with the proposed development. The staff report totally ignores this vision. In the Marcy Holmes Master Plan, the term “activity center” describes a pedestrian oriented commercial center for university students, faculty, employees, visitors to the university and neighborhood residents. It supports diverse, small businesses catering to their various needs. Are there alternative reasonable uses within the existing C1 zoning? Clearly, there are such possibilities that could both respect the unique characteristics of Dinkytown and limit the height to what C1 allows. The developer and land owner claim that only be rezoning to C3A can development occur. This is clearly and simply for their financial gain. The C1 zoning is there to protect the long term, good faith investments by the locally owned small businesses from being upzoned out of existence. This is clearly spot rezoning and is not in the public interest of those businesses and their large diverse customer base. Why this rush to judgment when there is a Dinkytown small area plan on a fast track to completion. Please do not set a precedent for a development process that will spot rezone Dinkytown out of existence on a piecemeal basis. The future of Dinkytown is at stake here.

Kristen Eide-Tollefson (429 SE 14th Ave SE): I’m a 37 year business owner in Dinkytown. I represent the Dinkytown Business Association, I’m a planning commissioner in my own township and I’m a member of the Dinkytown small area planning group. I would like to address the staff report’s reliance on a very limited interpretation of the Minneapolis Plan for Sustainable Growth that is focusing on a residential density at the expense of other comprehensive plan values and goals and justifying the encouragement of high density housing into the longstanding C1 neighborhood commercial node by citing Dinkytown as an activity center and its location adjacent to a growth area. There are several problems with this interpretation. Dinkytown is consistently designated as a C1 commercial focus area in all planning documents. I handed out the same map that was shown earlier. In the future land use plan, Dinkytown is designated as commercial. The Marcy Holmes and the 15th area study for residential redevelopment all designate Dinkytown as a commercial zone. The high density residential development is targeted for areas to the east and north in the city’s own planning documents. The staff report ignores this distinction and instead uses the surrounding residential redevelopment to justify a zoning change for Dinkytown. An activity center is not a growth center. Dinkytown has a unique role as a commercial and entertainment district for the university area and university district neighborhoods. It’s part of the city’s great streets program that supports the unique features of each of the commercial districts. Dinkytown has been recommended by Marcy Holmes for conversation business district status. It is currently under a small area planning process which the staff report also doesn’t acknowledge. An activity center is not an overlay district, it’s a policy direction. It does not trump zoning. In the 1.16 of the Minneapolis Plan, it anticipates that there will be developed small area plans for the designated activity centers in consultation with neighborhood associations and residents to further clarify what that character might be. The Dinkytown Business Association issued a statement requesting that no rezoning of the C1 commercial district take place until the small area plan in process was in place. I’d like to quote from that small area planning process RFP study, which is going to undertake the issues mentioned here on transportation and parking and economic development. The Dinkytown business district is currently facing a major wave of development. This has put the historic scale and character of the area at risk for inappropriate changes and possible demolition. Much concern has been expressed regarding the unique value of this area and how it can be maintained. A recent historic survey has recommended that this area be evaluated as a potential historic district based on the

traditional commercial character of small scale, one to two story, buildings typical of street car development. This study will take that evaluation further to determine the character of the area and what the best mechanism is for preserving it. It should be noted that the area is also being discussed as a conservation district, a new concept for Minneapolis. The geographic scope of the project will focus on the potential history district. A rezoning now would be premature and threaten these future uses and the future of Dinkytown. While the proposal claims to be responding to university and city policy goals, this project is not about Dinkytown. Opus has been very clear it's an economically driven proposal. Dinkytown is a unique, built, cultural environment and it is not in the public interest to allow this proposal to set a new tone and trend of high density housing.

President Tucker: I might add that the conservation district you referred to is not established yet. It's a work in progress.

Matt Howbaker (2621 Bloomington Ave S): I'm an employee of the Book House, one of the businesses affected by this proposal. I'm a U of M alumni, a former Marcy Holmes resident and I also just spent about 15 years playing music in the clubs around Dinkytown and enjoying the street life. Dinkytown is in many ways an entry point to life in Minneapolis. As a high school student, it was an easy way to navigate a slice of neighborhood level urban life. As a college student, it expanded my idea of campus life by giving me an opportunity to interact and exchange ideas with people from all walks of life in between my classes. Currently, Dinkytown provides me with not only a job but with a sense of belonging to a small village community that is inclusive of a diverse group of people drawn to Dinkytown from all over the metro area and beyond. Although it's upsetting to me personally that this proposed project has made my job difficult and at times over the last six months uncertain, my opposition to this project stems from my appreciation for the diverse eclectic community and culture fostered by this unique and historic part of Minneapolis' oldest neighborhood. After helping start Save Dinkytown Coalition, I discovered I was not alone. We've collected roughly 3000 signatures opposing granting the developer the spot zoning they requested. We collected signatures in two Dinkytown businesses as well as various DFL ward conventions and the citywide DFL convention. We also had a platform resolution adopted to protect small neighborhood commercial areas. Our primary source for petition signatures is online. When a commentary piece I authored appeared in the StarTribune on June 2, our petition signatures jumped nearly six fold from 350 to about 1800 in two days. We've been collected more and are up to about 3000. I have the written ones with me. The signatures collected online are particularly instructive because the signers have opportunity to comment. I provided a sheet with a sampling of some of the comments that folks have made. It's clear that people do not want this. It's only the speed at which it's been it has been pushed through the approval process that has kept public opposition at a relatively low level. It's hard for me to see how a small area plan will meet its goals of defining and enhancing the character of Dinkytown if buildings are falling as the plan is being written. Common sense tells us that once the spot zoning request is granted, there will be little we can do to stop further development of this scale and height that is out of step with the character and history of the neighborhood. What we will be left with will be essentially a gated community for students who are willing to spend an exorbitant of either their family's money or their own student loans on rent. A StarTribune article from June 15 quoted a student who pays \$650 per month to share a bedroom in one of the nearby developments similar to what has been proposed. Is granting students a cushy life in proximity to the university worth the destruction of our heritage and a community that the local business atmosphere of Dinkytown has created? Of course it's not. Just as this project will drastically affect the demographics of Dinkytown so will it completely alter the small local business atmosphere. It is acknowledged by most invisible in the mixed use projects that have already gone up near Dinkytown's commercial core that rents will be exclusive in the commercial spaces. The rents will favor national chains over local independent businesses. By targeting the only available public parking lot in Dinkytown and adding to the already overwhelming amount of ongoing and planned construction in the immediate area, approving this project would seal the fate of many of the businesses whose customers don't necessarily draw all their support...excuse me, the fate of many of the businesses who don't

necessarily draw all their customers and business from students. Building owners in Dinkytown report that they have offers on their properties almost daily. It will be harder and harder to preserve this neighborhood's integrity if every block of Dinkytown's commercial core is lined with shops that have been shuttered either because their building was sold from under them to cash in quickly on this housing bubble or because their customers simply couldn't get to them. Dinkytown already has the diverse and vibrant street life that mixed use development usually seeks to create. Its C1 zoning enables its continuity into the future. I'm asking you to decide in favor of protecting Dinkytown from irresponsible development by recommending that this project be denied by the City Council. Thanks.

Rebecca Orrison (1721 University Ave SE): To me, Dinkytown has long been a magnetic place. As it evolves through the years, this area maintains an organic quality. The density of local and interesting businesses is much higher in Dinkytown than many other parts of the city. This business mix creates a unique character that people recall years later. Over the last few months working with the Save Dinkytown Coalition, I have heard from countless individuals across the country and even internationally that have stories from their years in Dinkytown. There is something inspiring about this place that makes it attractive to people. This is a gem that's part of the richness that makes up our great city of Minneapolis. I'm a junior at the U of MN and Dinkytown is my neighborhood. Dinkytown is a beautiful square in the colorful quilt of Minneapolis. This unique place provides a diversity of options for entertainment, culture, food and allows people the opportunity to be in community with others. In other words, what Dinkytown offers is a meaningful life. I can't walk through Dinkytown without seeing a friend. I go to the Loring Pasta Bar on Sunday evenings to dance tango and study during the week at various coffee shops. I meet with friends and go out to eat. I see shows in Dinkytown and have friends that play shows at the Kitty Cat Club. My mind is open to the world beyond university. Some of my favorite books that I have I bought at the Book House. These activities contribute to my quality of life because of Dinkytown the way it is today. In this place, I have a sense of belonging and ownership and I know many others feel the same. Rezoning Dinkytown by approving this development and all it entails will spell the end of the neighborhood center that is Dinkytown. The reactive conversation that we are having right now will not be the last as more development conversations are already underway with business owners. Looking at this development in context means looking at all of the implications rezoning will have for the area. Today's low density C1 Dinkytown has the capacity to support the higher density that brings the outside of this area and tremendous growth there that we've seen the last two years, whereas rezoning would homogenize the area and eliminate these attractive qualities that make this a special neighborhood encouraging people to make Dinkytown their home. Let's keep those qualities alive. Thank you.

Richard White (2751 Hennepin Ave S): My relationship with Dinkytown goes way back. There is way too much to say. This is spot zoning. About the Comprehensive Plan, there are certain phrases I hear over and over; density called for by adopted policy. If that statement is true, that means there is a belief that every neighborhood is the same, every activity center is the same, every commercial district is the same. That is not the case. There have been some very wild stretches of abstraction to make the plan fit or for you to make the findings and also some very selective omissions. You can find findings if you want to, the question is why you want to do that. The developer will tell you that this is the way things need to be done and that the financial implications require a conditional use permit. I don't think you've seen a complete financial statement like uses of funds and a construction budget and proformas because those don't get asked for. Beyond that, I'm sure that there's indication that this is a market driven development. I have not seen any sort of market plan based on empirical data that's this is a hypothesis that's testable with standard acceptable statistical principles. Student housing around the country right now is a phenomenon that's being driven by the fact that it's a darling of the mortgage securidizers. I spent a number of years in the commercial mortgage business financing the local to big operators there to find out that student housing...

President Tucker: I think you're getting a bit beyond what this commission deals with in financing.

Richard White: When nothing else was getting done, I was hearing proposals coming in when student housing was being done, nothing else could be financed. If developers have to develop they can't develop if there's no money if they're going to pay for it themselves, it's got to be marketable. Right now, one of the easiest ways to find money is for student housing. It doesn't necessarily mean there's no market for it.

Jane Prince (111 Kellogg Blvd E, St Paul): I'm an attorney with Weinblatt and Gaylord in St Paul. I handed you an executive summary of my memo. I am representing the neighbors of Save Dinkytown. This is spot zoning and it is illegal spot zoning that is being done solely for the benefit of a single developer. CPED identifies the public interest as the City's need to develop density and multifamily housing in activity zones. This is not family housing. This is dormitory style housing for wealthy students. There are nearly 4000 of these luxury dormitory style units that have been built, under construction or are planned for development in the Marcy Holmes neighborhood and the University District Alliance neighborhoods. These luxury units are for a narrow demographic of well to do students, members of the community with a temporary and transient investment. Under the state law known as the University Neighborhood Development Statute, the city is required in the university district to work toward diverse housing that will serve university workers, faculty, alumni, retired faculty and alumni and others who want to live in the university area. Reasonable uses are not only permitted in Dinkytown, but it has been selected by CPED as one of the great streets, targeted for façade improvements and investment to the existing small independent locally owned businesses that CPED says are essential to a great city. On that note, another great city, Austin TX, has figured out that businesses like the Book House and the Podium where Bob Dylan was convinced to buy his first acoustic guitar, which are being displaced by this development, are the very businesses that make Austin, Austin. Why is Minneapolis so different? The land use applications before you, the conditional use permit, is inconsistent with the Comprehensive Plan's call for context sensitive regulation that is compatible with neighborhood character. It fails to conform to the Marcy Holmes Master Plan with the guideline of four stories [tape ended]...in trying to meet the Marcy Holmes guidance on that issue. The height is injurious to adjacent business owners. Regarding the four variances, CPED has failed to identify circumstances that have not been created by the developer or by the developer's refusal to negotiate on several points with the community. In particular, reducing parking by half for luxury units is going to exacerbate the severe parking problems that exist in Dinkytown. Why has CPED not considered this project in coordination as Commissioner Slack has suggested with the U-Tech property across the street could there not be shared parking and other shared efficiencies. Eliminating the one space one loading zone which will further confound traffic on moving days when a large percentage of the 247 units need to load and unload, thereby blocking traffic. Further, the chapter 530 site plan should be denied based on the basis of the multiple ways in which it conflicts with the requirements of the Marcy Holmes Master Plan. I request that you deny these applications not only for the myriad of legal reasons that exist for you to do so, but in the interest of common sense. With nearly 4000 high density dormitory style units constructed or planned for Marcy Holmes and surrounding areas, no public purpose exists to spot rezoning Dinkytown to accommodate even more of them. Take this opportunity to preserve Dinkytown as one of the oldest commercial districts of this city's great streets for investment in the locally owned independent businesses that make Minneapolis Minneapolis. Thank you.

James Sander (421 14th Ave SE) [not on sign-in sheet]: I'm appearing on behalf of Café 421. I was struck by one of the comments made earlier about choosing winners or losers. I think you should take that seriously in this instance because we are talking about something that is being developed for the profit of the developer. My wife has been spending the last ten years of her life building a destination business out of Café 421 and if this project goes ahead, you're putting my café in the bottom of six story light well. You're going to cut off the light to the back of my building. There are three large windows in the back that we went through the extra trouble to make sure were reopened after the prior business had closed them. You're going to create a dark

alley in the back of my building. You're also allowing a project that's only going to be ten feet less than a distance from me to you between me and a wall in the back. That's my emergency exit. That's how I've got to be able to get in and out of the building safely. We need to be able to have a larger distance than that to be able to safely exit and enter the building in the back, especially if we have an emergency situation. I would ask you to deny the C3A zoning because I think if you do this in this instance that you've lost control of Dinkytown. The next developer will be here doing the same thing. The density will be extreme and you are picking winners and losers and the losers are going to be the businesses which work to be the heart of the activity center. They will not be able to survive under those circumstances.

Mike Mulrooney (412 14th Ave): I'm in support of this project. I think that based on all the conditions that were put in place and the variances, I think they've answered all of those. The biggest concern to our area is as the previous person spoke to it is that it's a destination area and we need to get people to come into the area. I believe that the development will do that. The biggest concern originally was the parking in the area and I think that they have previously convinced you that that parking is going to be available and there is public parking available to us. It's private land, it's undeveloped land right now. I believe the proposal they put up on the screen shows you that aesthetically it's going to improve the area and that's only going to help the destination customers coming into the area.

Steve Scallen (720 Washington Ave SE): I'm one of the property owners selling to Opus. When I put these property owners together, Opus is the kind of developer I wanted to find. I've known Jerry Rauenhurst for over 40 years and what Matt has done is stunning to me as a developer. I think it's a marvelous design. It's going to improve the tax revenue of the city, it's going to help Dinkytown businesses by putting in more customers. I support it strongly.

Susan Duffy (657 Fairview Ave S, St Paul): I have been heavily invested in Dinkytown for almost 20 years as both a property owner and both a business owner. We have been involved and active to this day in Dinkytown with two residential properties and two businesses. We are excited about this Opus development on 5th St that will replace our buildings and our underutilized parking lot. Currently, we have plans to stay invested in Dinkytown. My family and I are looking forward to reopening our small local business in the new development when it is complete.

Pat Duffy (657 Fairview Ave S, St Paul): I own a restaurant in Dinkytown called Duffy's Dinkytown Pizza. I've been there for 10 years and I've seen a lot of changes over the years. The last five years in particular have been a struggle due in part to the bad economy, but also due to the competition that has been allowed to move in to the area largely due to the pedestrian overlay. We just don't have enough pedestrian foot traffic to support all of the businesses in the area. I believe putting 500-600 permanent residents right on the back doorstep of Dinkytown would be good for the businesses and help make Dinkytown a vibrant, alive and vital business community like it once was.

Laurel Bauer (433 14th Ave SE): I own the House of Hanson and Dinkytown parking facility. I come with a unique perspective because I'm both a property owner and a business owner. My family has been in Dinkytown for over 80 years. I have spent all of my life in Dinkytown, which is 56 years. It has been an important part of our life and our family. This is why we looked for a quality developer who would cater to the unique character of Dinkytown. I have watched a continuous evolution of this area and feel this is the time for change. I personally lived the constant change beginning with my grandmother's house which used to be located in the current parking lot. My other grandmother's house is in the middle of parking ramp C at the U of M. My parent's house is in the middle of Bierman Field. My grade school is a park. My patrol corner is in the middle of 35W. My high school is one big hole. I have seen change, I have lived change. I believe that this project is good. I feel that we have addressed so many things. We told the developer when they came, "you must have parking, parking is very expensive" and for someone to come in and say "yes, we're going to

include parking in this project” is huge. If this project doesn’t go through and we have to go with someone else, I’m not so sure we could provide with a different type of anything else. Today we have an opportunity to welcome more customers, create an environment for added businesses lost, such as a bakery, floral shop, gift shop. A mixed use retail residential and parking is economically practical application for our property. The community embraces a new larger grocery store across the street from our convenience store which will be opening soon. It’s time for us to bow out gracefully and allow others to succeed. The success of Dinkytown depends on people. The captive audience of more customers will allow the businesses to do just that. We feel after 80 years of history, this is a great move for Dinkytown and reflects the best interest of the surrounding community. Dinkytown is not a museum. The things that were there in the 70s have gone. Things change and evolve and we have to give room for that to happen. Many businesses have come and gone just because there wasn’t a customer base to keep them going. I believe that putting this in will continue to make new businesses that are coming in to both our project and the businesses that are there will be benefitted by this. I have signatures as well of business owners and businesses who welcome the captive audience of more customers.

Perry Bauer (1320 5th St SE): I represent 1320 5th St SE, Dinkytown Parking. The Hanson family has been involved with Dinkytown for over 80 years. Most recently, Laurie and I have taken over the Dinkytown parking facility. It started with her father, went to her brother and now is in our hands. This parking lot has often been referred to as a public parking lot, which it’s really not. It’s a private facility which we have chosen to keep open on an hourly basis for the convenience of the local businesses. In 2011, we made many changes to become more efficient and invested over \$140,000 in improvements including state of the art equipment and new landscaping. We also hired a professional parking management firm. This was done because we continue to see declining revenues and it was becoming increasingly more difficult to be profitable. I continue to hear that we have a parking problem in Dinkytown. I find that rather confusing since we are rarely full. Yes, on weekend nights we are full, but that does not pay the bills. We provide a validation parking discount system with local businesses so their patrons can park and hour for free. We used to have nearly 40 businesses that participated in this program and now we have fewer than ten. For many years that fee was as fifty cents an hour. It has gradually increased to \$1.50. Many of the businesses that are complaining the loudest today about this development were the first to discontinue the validation program with us. To me this was a clear message that “we do not care about your business, but boy are glad you’re stupid enough to stay open.” I’ve asked many people what the definition is of the character of Dinkytown. Everyone has a different answer and it’s because it is changing. It’s constantly changing. It’s time for our family to move on and for Dinkytown as a whole to move forward. Land lots are simply not economically feasible any longer.

Chris Iverson (2524 Cole Ave SE): I’m a senior at the U of M. I love Dinkytown. It is a home to myself and 50,000 of my closest friends. When Stadium Village started developing, it really needed an uplift. There were a lot of downtrodden businesses and these developers that have come in have improved the streetscape of Washington Ave. When the light rail opens next year, it will become one of the greatest pedestrian streets in the entire city. Dinkytown is a crucial transportation thoroughfare on 4th St. We probably will not be able to have that sort of light rail/pedestrian feel that Stadium Village will have, however, with the U-Tech development and this development coming in, 5th St will be a new block in Dinkytown where students and visitors will be able to walk without having the heavy burden of vehicles going to and from. I believe this is a great project and it’s one of the best six story developments that I’ve seen in the city in the last two years. I’m in support of the project.

Barbara Camm (423 7th St SE): Yes, Dinkytown has changed. It is historic and should be maintained. The people who have spoken for this project are benefitting financially from it, except for the student. It is really important to think about the plans that have been made recently about making Dinkytown a destination for people who live in other areas of the city so that they can partake in the wonderful restaurants, the Varsity Theater, using various modes of transportation. Not everyone will be using bicycles in the winter, there does

have to be parking. The idea that these students who are going to be living in the new facility are going to be providing business for all of the various services within Dinkytown that exist is not really a valid assumption. They're going to be having their own apartment and cooking for themselves, they're not all going to be eating at the 421 or Loring Café. I think there is a big concern about parking. I think there should be study made of what the effect of all this is going to be. I am very concerned about that. We use Dinkytown. We come there for coffee, for entertainment. It is a wonderful place for students. It should be for students primarily and for the residents and the rest of the city. Thank you.

Peter (last name unclear) (1901 Minnehaha Ave) [not on sign-in sheet]: I graduated from and am now employed by the U of M. I use Dinkytown on a daily basis. I go there for lunch every day. My first date with my now wife was at Loring Pasta bar and we held our rehearsal dinner there. I think that the amazing parts of Dinkytown are worth coming to. Nobody goes to Manhattan because it's easy to park there, they go there because it's a good place to go to. Dinkytown is great. I believe this development will add more to Dinkytown. I think the only thing that can make Dinkytown better is more Dinkytown. Thank you.

Kristin Dooley (1088 12th Ave SE) [not on sign-in sheet]: I want to strongly urge people to recognize that a community isn't something static and a community isn't something that doesn't change. You don't have to be able to define it to notice it. If I walk out of Target Field I don't think "oh, I'm in Camden" and if I walk out of Uptown I don't think "I must be in Dinkytown". I don't have that confusion and most of us don't. We can recognize our community, we can love our community and just because you don't have a static definition of it doesn't mean it doesn't exist. I hope you recognize that about Dinkytown. It's been changing but I love the fact that it's so big that we can't define it with one phrase. Thank you.

President Tucker closed the public hearing.

Commissioner Huynh: I will move staff recommendation for item A (Brown seconded). The development is within a community activity center district and it allows for higher density development. If it was meant to be C1, it wouldn't have been in a community activity center district. I believe that this type of quality development would enhance and allow for a little bit more add to the context and eclectic character of Dinkytown.

Commissioner Schiff: It's clear there's a huge community divide on this project. I think the community correctly identifies that if this project moves forward that other parking lots that are predominate in the surrounding neighborhood will be targeted for future development. I think this is not spot zoning because I believe the redevelopment of those other surface parking lots are inevitable. I think higher use of the land is good urban planning. The U of M is a massive draw for the state of Minnesota. It's best for people to live close to the campus where they study to minimize carbon footprints. There has been no discussion in the last ten years about a historic designation of Dinkytown. If that conversation had been happening for the last several decades, we probably would be in a different place today, but of all the prospective historic districts in the city of Minneapolis that the Planning Department has been asked to look at, Dinkytown is not one of them. I've been grappling with whether or not this should be a historic district and if it should be preserved just the way it is today and I see the small scale development that has happened when Loring Pasta Bar came in. I remember when that was a drugstore. That's where I shopped when I was an undergrad at the U of M. Dinkytown today is already dramatically different than what I recognize from an undergrad there 20 years ago. I think this proposed development just shows that Dinkytown is going to continue to evolve. Surface parking lots will be put to better use. I think our historic preservation conversations are going to continue with neighborhoods and other areas of the city in focus but not Dinkytown.

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack

Absent: Cohen, Kronzer and Wielinski

Commissioner Huynh: I will move staff recommendation for B, C, D, E, F and G (Gagnon seconded).

Aye: Brown, Gagnon, Huynh, Luepke-Pier, Schiff and Slack

Absent: Cohen, Kronzer and Wielinski