



Request for City Council Committee Action from the Department of Community Planning and Economic Development – Planning Division

Date: January 18, 2007

To: Council Member Gary Schiff, Chair, Zoning & Planning Committee and Members of the Committee

Referral to: Zoning and Planning Committee

Subject: Moratorium Waiver - Waiver request from the Uptown moratorium, which restricts construction that exceeds the maximum height permitted as of right by the zoning code, in order to file necessary land use applications for a 6-story hotel use on the site.

Recommendation: Please see attached staff report.

Ward: 10

Prepared by: Becca Farrar, Senior Planner, 612-673-3594

Approved by: Jason Wittenberg, Development Services Supervisor

Presenters in Committee: Becca Farrar, Senior Planner

Community Impact

- Neighborhood Notification: The applicant notified the East Calhoun Community Organization (ECCO) as required on December 22, 2006 informing them of the waiver application request. Staff has not received official correspondence from ECCO stating a position prior to the printing of this report.
- City Goals: See staff report
- Comprehensive Plan: See staff report
- Zoning Code: See staff report
- End of 60/120-day decision period: February 19, 2007
- Other: Not applicable

Supporting Information: Please see attached staff report.

**Department of Community Planning and Economic Development –
Planning Division**

Moratorium Waiver Application

BZZ-3385

Date: January 18, 2007

Applicant: Michael Karch, Nob Hill Investments, LLC, 9036 Grand Avenue South, Bloomington, MN 55420, (612)554-0220

Address of Property: 3017, 3021 and 3027 Holmes Avenue South

Project Name: Hotel Uptown

Contact Person and Phone: Curt Gunsbury, 2711 West 47th Street, Minneapolis, MN 55410, (612) 598-9416

Planning Staff and Phone: Becca Farrar, (612) 673-3594

Date Application Deemed Complete: December 22, 2006

End of 60-Day Decision Period: February 19, 2007

End of 120-Day Decision Period: Not applicable for this application

Ward: 10 **Neighborhood Organization:** East Calhoun Community Organization
(ECCO)

Existing Zoning: C3A (Community Activity Center) District, PO (Pedestrian Oriented Overlay) District

Proposed Zoning: Not applicable for this application

Zoning Plate Number: 24

Lot area: 16,146 square feet or .37 acres

Legal Description: Not applicable for this application

Reason For Waiver: To allow the applicant to proceed with submission of land use applications for construction of a 6-story hotel use on the subject site. The site is located in the moratorium area of the Uptown Small Area Plan.

Background: The City Council has approved a moratorium on building construction that exceeds the maximum height permitted as of right by the zoning code in the area of the Uptown Small Area Plan that is defined as all parcels with frontage on both Hennepin Ave and Franklin Ave W; parcels with frontage on Hennepin Ave south of Franklin Ave W and north of 28th St W; parcels within the area bounded by 28th St W, the Midtown Greenway/Hennepin County Regional Railroad Authority (HCRRA) right of way, Humboldt Ave S, and Bryant Ave S; parcels within the area bounded by the Midtown Greenway/HCRRA right of way, 31st St W, Calhoun Parkway E, and Bryant Ave S; parcels within the area bounded by 31st St W, 32nd St W, Holmes Ave S, and Fremont Ave S; and parcels which lie partially or completely within an area 150 feet east and west of the centerline of Hennepin Avenue between 32nd St W and 36th St W. The six-month interim ordinance (Chapter 581) was approved by the City Council on October 20, 2006.

The applicant proposes to build a 6-story hotel on the properties located at 3017, 3021 and 3027 Holmes Avenue South. Hotels are permitted uses in the C3A District, however the maximum permitted height is 4 stories or 56 feet. The applicant proposes to construct a 6-story, 63.5 foot tall structure which triggers the need for a waiver request from the moratorium.

Neighborhood Review: The East Calhoun Community Organization (ECCO) was notified of the application on December 22, 2006. As of the writing of this report, Staff has not received any comments. Staff will forward comments, if any are received, to the Committee.

Findings:

Section 529.50 of the Minneapolis Code states that, "a waiver may be granted where the City Council finds substantial hardship caused by the restrictions and finds that the waiver will not unduly affect the integrity of the planning process or the purpose for which the interim ordinance is enacted."

Hardship:

The applicant proposes to construct a 6-story hotel on the subject properties located at 3017, 3021 and 3027 Holmes Avenue South. A delay at this point would likely constitute a financial hardship as Mr. Gunsbury has been in the planning stages of this project for nearly a year. Based on the Planning Commission schedule, a potential appeal, Committee and City Council schedules, as well as the timeframe needed for plan review, further delays would result in a substantial hardship.

Interference with the purposes of the moratorium:

The City Council is concerned about the scale of development projects in the area of the Uptown Small Area Plan and has enacted an interim ordinance in order to allow for the completion of a study to inform future development in this area. The Uptown Small Area Plan, along with appropriate revisions to the city's official controls, can ensure that the height of new development in the area will not undermine the future orderly development of the area. This interim ordinance was adopted to protect the planning process and the health, safety, and welfare of the citizens.

As a result of the issues cited above, the city, through its Planning Division of the Community Planning and Economic Development Department (CPED), was directed to authorize and oversee the development of a study, in cooperation with the neighborhood organization, to inform the future development of the area and to propose such amendments to the city's comprehensive plan, official zoning controls, and other regulatory devices that the planning division deems advisable. The Uptown Small Area Plan is underway and still in the early stages.

The proposed development is being captured as a result of the proposed height of the structure. As previously mentioned the hotel height is proposed at 6 stories or 63.5 feet and the C3A district guidelines permit a structure no taller than 4 stories or 56 feet. The proposal is 2 stories or 7.5 feet taller than what is permitted.

Despite the fact that the small area planning process is still in the early stages, given the project's location near the core of the Activity Center and within the C3A District, it seems unlikely that the small area planning process would call for substantial changes to the way in which height is regulated on this site. Further, the requested height is a relatively minor increase above the 56-foot maximum height allowed in the district.

The applicant has engaged the ECCO neighborhood throughout the planning process and is now looking to move ahead with the submission of formal land use applications. It is Staff's position that the applicant has demonstrated that there will be a financial hardship should there be further time delays. Additionally, the applicant will be required to submit a conditional use permit, among other land use applications, to increase the maximum permitted height. It is Staff's position after evaluating this project specifically, that the findings and criteria for the basis of the conditional use permit would be ample to make a Staff recommendation and won't result

in an interference with the purposes of the moratorium. The staff recommendation for the waiver does not guarantee a particular recommendation for the land use applications that will be heard by the City Planning Commission. Should the waiver be granted, staff and the City Planning Commission will analyze the proposal using conditional use permit criteria, including the following:

546.110. Increasing maximum height. The height limitations of principal structures located in the residence districts, except single and two-family dwellings, may be increased by conditional use permit, as provided in Chapter 525, Administration and Enforcement. In addition to the conditional use standards, the city planning commission shall consider, but not be limited to, the following factors when determining the maximum height:

- (1) Access to light and air of surrounding properties.
- (2) Shadowing of residential properties or significant public spaces.
- (3) The scale and character of surrounding uses.
- (4) Preservation of views of landmark buildings, significant open spaces or water bodies.

Recommendation of the Community Planning and Economic Development Department - Planning Division:

The Community Planning and Economic Development Department - Planning Division recommends that the City Council adopt the above findings and **approve** the waiver application for 3017, 3021 and 3027 Holmes Avenue South.

Attachments:

1. Description of project
2. Statement of Hardship
2. Correspondence – ECCO and CM Remington
3. Zoning map
5. Plans –site plan and elevations
6. Photos