

Community Planning and Economic Development -- Planning Division Report

Zoning Code Map Amendments
Hiawatha LRT Neighborhood Station Area Rezoning Study
Lake Street / Midtown LRT Station Area

Date: August 1st, 2005

Initiator of Amendment: Council Member Schiff

Date of Introduction at City Council: April 2nd, 2004

Wards: 6, 9

Neighborhood Organizations:

- Corcoran Neighborhood Organization (CNO)
- East Phillips Improvement Coalition (EPIC)
- Longfellow Community Council (LCC)
- Powderhorn Park Neighborhood Association (PPNA)

Planning Staff and Phone: Mike Larson, Senior Planner, 612-673-2423

Intent of the Ordinance:

The intent of the ordinance is to implement *Transit Station Area* policies of the Minneapolis Plan as articulated in the adopted station area plans, including the *Hiawatha/Lake Station Area Master Plan*, *Corcoran Midtown Revival Plan*, and *Development Objectives for the Hi-Lake Center*.

Appropriate Section(s) of the Zoning Code:

Chapter 521: Zoning Districts and Maps Generally

Existing Zoning: Various primary district designations, the Pedestrian Oriented Overlay District, and the Industrial Living Overlay District.

Proposed Zoning for Map Amendment: See attached map and parcel listing

Zoning Plate Numbers: 26 and 27

Zoning Code Map Amendments

Study Background:

State statute requires municipalities to develop consistency between zoning and its comprehensive plan. The City has amended its comprehensive plan, the Minneapolis Plan, to designate the areas around each of the six neighborhood stations as *Transit Station Areas*. Further, extensive public involvement has resulted in detailed plans for neighborhood station areas. On April 2nd, 2004, the City Council adopted a formal resolution directing the Planning Division to undertake a rezoning study to implement these plans.

Zoning amendments in the Hiawatha Corridor outside of downtown are occurring in two phases. The first phase established a pedestrian oriented overlay zoning district within neighborhood LRT station areas. This was adopted by the Council on January 6th, 2005. This created additional regulations and incentives for development in these areas (e.g., such as the prohibition of expanding or establishing new automobile service uses). The second phase will result in recommendations for changes to "primary" zoning districts. Lake Street/Midtown is the first station area to be reviewed for changes to primary district zoning.

The City will be strategic about changing zoning, balancing the goals of consistency with plans, limiting the creation of non-conforming uses, and preventing the expansion of uses that hinder implementation of plans. Recommended land uses, urban design objectives and densities in adopted station area plans provide the primary guidance. This strategy can be summarized as follows:

- The City may propose immediate zoning changes when redevelopment is anticipated in the near future as a result of private and/or public activities.
- The City may propose changes that grant greater development rights where higher density or other types of uses may be desired.
- The City may identify zoning changes for future implementation, if changes in land use are neither critical to meet the general goals of the plan or are not expected for some time.
- The City may propose changes to zoning to prevent the expansion or intensification of uses that are not consistent with long-range plans. ("Non-conforming" uses could continue to operate and maintain their facilities.)
- The City will work with neighborhood and business groups, as well as specific property owners, before zoning changes are adopted. Comments, suggestions and concerns will be shared with the Planning Commission and City Council.

Analysis of Lake Street / Midtown Station Area Zoning:

The analysis of zoning and recommended changes reference sub districts within the station area. The numbers correspond with a site key located in a map in the appendix.

1. Hi-Lake Shopping Center – current zoning: C2; no change proposed

The Hiawatha/Lake Street Area Master Plan envisions eventual redevelopment of the Hi-Lake Shopping Center to a higher density, mixed-use district that is better integrated with, and oriented to, the LRT station and Lake Street. The Development Objectives for the Hi-Lake Center envisions a phased development that preserves local businesses and/or allows them to relocate in the neighborhood.

Development objective include 150 to 450 residential units and 50,000 to 150,000 square feet of retail. Buildings heights would range from six-story buildings fronting Lake Street nearer to the LRT station to three stories at the peripheries of the site. Floor area ratio (FAR) is anticipated in the range of 2.5 to 3.0.

Depending upon applicable density bonuses, current C2 zoning supports 385 to 720 housing units and a FAR from 1.7 to 3.2, consistent with plan objectives for the site. Furthermore, the C2 zoning district allows a range and size of retail uses that is consistent with the retail emphasis of this mixed-use site.

2. School District Site – current zoning OR2; proposed zoning C3A

This site is critical in the long-term vision established in the Corcoran Midtown Revival Plan, which articulates detailed use and design objectives. The plan envisions retail and commercial office uses along the Lake Street edge, with multi-family residential buildings arrayed along the perimeter of the site. Building heights range from six stories adjacent to Lake Street and the LRT station, with a step-down in height toward 31st Street. Open space is recommended in the block interior. The plan also envisions a year-round public market, 10,000 square feet of retail, and 170-175 housing units.

Depending upon applicable density bonuses, current OR2 zoning supports a range of 400-630 housing units, but places restrictive limitations on the number, kind and size of retail uses. The required FAR minimum of 1.0 for the site means that there would be at least 282,160 square feet of gross floor area on the site, likely resulting in meeting the housing goal. C3A would significantly increase the development potential of the site, including allowing a broader range and size of retail uses than current zoning and increasing the permitted residential density. Given the importance of the site, the objectives of commercial activity and concentration on Lake Street, and the site’s financial encumbrances, staff deem that such a rezoning is appropriate.

3. Lake Street west of Hiawatha–current zoning: C1, C2, C4, R2B, R5, and R6

The Hiawatha/Lake Street Area Master Plan expects existing marginal commercial properties to be redeveloped into mixed-use development facing Lake Street with ground-floor retail and apartments above. One implementation challenge is the parcel depth required for the scale of buildings envisioned. Any major redevelopment would require the acquisition of property behind the Lake Street-facing properties. This adjacent residential area is currently zoned R2B, with one parcel of R6. In order to ensure orderly development and use of property, rezoning of these should occur only when parcels are acquired for larger contiguous sites facing Lake Street.

The Corcoran Midtown Revival Plan anticipates roughly 210 housing units and 60,000 square feet of retail along Lake Street and around the Cedar Avenue and Lake Street intersection. The plan calls for retail uses at ground level and two to three stories of housing above. Between Cedar and 19th Avenue (a two-block area), illustrative elevations from the plan show four stories, while the illustrative plan view caption text states that development at Cedar and Lake be “four stories at a minimum.” Three-quarters of the frontage of these blocks is zoned C2, with one parcel zoned C1. The building height and residential density objectives would be best accomplished by changing all of the Lake-facing parcels to C2. Parcels at the northwest and southwest corners of the Lake and Cedar are recommended for rezoning to C2 for consistency with the northeast and southeast corners addressed by the Corcoran Midtown Revival Plan.

Between 19th & 21st Avenues (two blocks), the illustrative elevations indicate a three-story building height between 19th and 21st Avenue, though the text caption only suggests this level of intensity between 19th and 20th Avenues. Planning staff believe the latter to be a typographical error. Three quarters of the Lake-facing frontage is zoned C1, with one parcel zoned C4. The building height and residential density objectives can be met by creating a consistent frontage of C1 zoning.

4. Corcoran Infill (Mn/DOT Right of Way parcel) – current zoning R1A; proposed zoning R5

This site consists of excess Mn/DOT right-of-way adjacent to the Hiawatha line. Both the Hiawatha/Lake Street Area Master Plan and the Corcoran Midtown Revival Plan envision town homes or rowhouses as the major component of the infill opportunity adjacent to an existing residential area. Illustrative drawings of the site indicate forty-six new townhomes. Current R1A zoning would not permit the uses and densities envisioned in the plans. R5 and R6 Districts would both prevent single- or two-family housing from being developed, but R5 is more consistent with the density of uses envisioned by the Corcoran Midtown Revival Plan.

5. South Phillips Industrial – current zoning: I1, I3; no change proposed

The Hiawatha/Lake Plan calls for this to remain industrial in order to promote local employment opportunities.

6. Bituminous Roadways Site – current zoning I1, I3; no change proposed

The Hiawatha/Lake Plan recognizes the potential of this site to be developed into greenway-oriented residential. However, this suggestion is predicated on the relocation of these industrial uses. Therefore, no change to zoning is recommended at this time.

7. North Phillips Industrial – current zoning: I1, I2, I3; recommended zoning: I1, I2

The Hiawatha/Lake Plan anticipates land use change including: reconstruction/expansion of the existing Public Works yard, new light industrial and office commercial uses north of 28th Street, environmental remediation of vacant industrial lands, and new open space adjacent to Hiawatha Avenue. The triangle of land at 2016-25th Street East, currently zoned I3, is being developed into office/production/warehouse space, better corresponding to the “neighborhood-friendly” industrial uses envisioned in the plan.

8. Seward Industrial – current zoning: I1 and I2; no change proposed

The Hiawatha/Lake Plan supports continued industrial uses and the possible expansion into land adjacent to the Hiawatha corridor.

9. East Lake Street Regional Commercial – current zoning C3S; no change proposed

The Hiawatha/Lake Plan envisions that the current shopping center and large scale retail uses be supplemented with smaller commercial retail and/or mixed use buildings fronting Lake Street and/or 26th Avenue. This can be accomplished with current zoning, as can alternative visions that would redevelop the shopping center, but re-incorporate large-scale retailers such as Target.

10. East Lake Street Mixed-Use – current zoning C1, C2, C3S, C4; proposed zoning: C2, C3A, C4

As on the west side of Hiawatha Avenue, the Hiawatha/Lake Plan envisions that existing commercial properties are redeveloped into mixed-use buildings facing Lake Street. This is either done through infill or the renovation of selected existing commercial structures. Parcels adjacent to 27th & Lake are

rezoned from C3S to C3A to reflect the planned intensity and scale of the focal point of Lake/Minnehaha/27th.

11. East Lake Entertainment Zone (Lake/Minnehaha/27th)

The analysis of zoning includes a broader area than specifically guided by the Hiawatha/Lake Plan, recognizing supplemental visioning done by the neighborhood as well as an analysis of existing zoning and land use patterns by staff.

27th / Lake / Minnehaha - current zoning C1, C2, C3S, and C4; proposed zoning: C3A

The Hiawatha/Lake Plan envision a neighborhood cinema and related entertainment venues for the south side of Lake Street in the vicinity of 27th, Lake Street, and Minnehaha Avenue. A variety of cultural, entertainment, and dining venues have been established in the vicinity of 27th & Lake, where the neighborhood envisions an emerging mixed-use district. Current C1 zoning does not support the range of uses appropriate for such a district, such as cinemas and “general entertainment”. Neither does C1 support the density appropriate for such a mixed-use district. The C2 and C3S districts provide greater density, but they do not establish appropriate limits on the size of individual retail uses than the C3A district does (8,000 square feet in a mixed-use building).

Aspen Clinic – current zoning: C2; proposed zoning: OR2

This large site is not adjacent to Lake Street, but could be a transitional zone between the commercial activity on Lake / Minnehaha and the industrial uses to the south. The plan suggests that the Aspen Clinic remain. However, to achieve overall plan goals that would limit retail uses to Lake Street frontage, the site would be more appropriately zoned OR2. This would allow the current use to remain, but limit re-use or redevelopment to office or residential uses with small-scale neighborhood serving retail as part of a mixed-use building.

3033-3043 Snelling Avenue – current zoning: I2; proposed zoning: OR2

These sites are located across from Aspen Clinic, and are currently underutilized industrial parcels. As with the Aspen Clinic parcel, these sites could be part of a transitional zone between the commercial activity on Lake / Minnehaha and the industrial uses to the south, supporting additional residential and office uses.

12. Longfellow Residential Infill

The Hiawatha/Lake Plan identifies two locations as potential townhouse or live-work housing sites: at 32nd Street at Snelling Avenue and along 26th Avenue across from Cub Foods. The plan suggests that these locations are appropriate to diversify the land use as they are along what is envisioned as a “pedestrian circuit”. The plan notes that current land uses are industrial and expected to remain as such for the near future, meaning any change to residential would be long-term.

Block bounded by 28th and 29th Streets / 26th and 27th Avenues

West side - current zoning: I1; no change proposed

East side - current zoning: I1; proposed zoning: I1/R4 and removal of the Industrial Living Overlay District

The plan envisions townhomes on the west side of the block, but this change is expected to be long-term. The City has supported improvements to 7-Sigma, a valued industrial employer on

this side of the block. Furthermore, 7-Sigma has worked with community to rearrange properties on the block so that that the west side of the block becomes primarily industrial while the east side becomes primarily residential. 7-Sigma will continue using the parcels fronting 26th Avenue for operations and parking, while the parcels fronting 27th Avenue S. will be converted to residential uses. The industrially-zoned residential uses on the east side of the block would become conforming with a change to R4 (coinciding with the removal of the existing Industrial Living Overlay District).

32nd Street & Snelling Avenue– current zoning: I2 and I3; no change proposed

The plan envisions some type of live-work housing at this location that would be compatible with industrial uses. The envisioned use may be some type of small-scale workshop spaces in which users would also reside. Such a concept would be appropriate for the Industrial Living Overlay District (ILOD), but there are no readily available buildings or appropriate parcels to realize such a vision. Should there be demand for such a use, or an initiative toward that end, a future rezoning could be made by application.

Additional Zoning Analysis on Minnehaha

The analysis of zoning considered uses and locations outside of the area with more specific plan recommendations. Staff considered comprehensive plan designations and policies related to *Transit Station Areas* and *Community Corridors*.

Block Bounded by 31st St. / Minnehaha / 28th Ave.- current zoning: C1, OR2; proposed: OR2

Commercial zoning in the station area is appropriately limited to Lake Street and along Minnehaha to 27th Avenue. This block is outside of that district. Dry-cleaning at the corner of 31st and Minnehaha is currently non-conforming, and the C1 parcels on 28th front neither a designated commercial nor community corridor. OR2 zoning of the entire block could serve as a transition between adjacent residential districts and the focal point of activity toward Lake Street, providing additional development opportunity, but limiting the range and scale of retail uses.

Parcel at 3152 Minnehaha Avenue – current zoning: C1; proposed zoning: OR1

This C1 zoned parcel is a medical office and child learning facility. Since it is not at a designated commercial node, it is more appropriately zoned OR1, which would limit the range of future commercial uses without making the current use non-conforming.

Findings as required by the Minneapolis Zoning Code:

1. Whether the amendment is consistent with the applicable policies of the comprehensive plan.

The purpose of the proposed changes to primary district zoning in the Lake Street / Midtown station area is to implement the adopted plans for the area. They address the following Minneapolis Plan policies and implementation steps relevant to zoning:

Minneapolis Plan Policies and Implementation Steps

4.18 / 9.36 Minneapolis will encourage both a density and mix of land uses in TSAs that both support ridership for transit as well as benefit from its users.

Implementation Steps

Concentrate highest densities and mixed-use development nearest the transit station and/or along Commercial Corridors, Community Corridors and/or streets served by local bus transit.

Ensure that new development density is well integrated with existing neighborhood character through transitions in scale and attention to design.

Support the development of new housing types in the TSA, including townhomes, mansion apartments, garden apartments, granny flats/carriage houses, and multi-family residential buildings.

Support and encourage small-scale, pedestrian-oriented services and retail uses to locate near stations and within mixed-use buildings to serve transit riders and the immediate neighborhood (e.g., day care centers, cafés, dry cleaners, convenience grocery, etc.).

Recruit land uses that value convenient access to downtown Minneapolis or other institutional or employment centers that are well served by transit.

Discourage automobile services and drive-through facilities from locating or expanding in these designated areas.

4.19 / 9.37 Minneapolis will require design standards for TSAs that are oriented to the pedestrian and bicyclist and that enforce traditional urban form.

Implementation Steps

Ensure that TSA building and site design is oriented to the pedestrian (e.g., reinforcing street walls, anchoring street corners, creating semi-public outdoor spaces, creating visual interest, providing adequate fenestration, and ensuring that principal building entrances open onto public sidewalks).

Preserve traditional urban form where it currently exists within TSAs, and encourage new development to relate to this context. (See description of traditional urban form in *Chapter 9, City Form*)

Ensure that new development and renovation of existing structures adhere to the principles of Crime Prevention Through Environmental Design (CPTED) (See description of building form and context in *Chapter 9, City Form*.)

Ensure that TSA development is well integrated into the surrounding neighborhoods through attention to building design, landscaping, and transitions in density and land use.

8.6 Minneapolis will follow a policy of “Transit First” in order to build a more balanced transportation system than the current one.

Implementation Steps

Focus transit services and development growth along transit corridors.

2. Whether the amendment is in the public interest and is not solely for the interest of a single property owner.

The proposed map amendments reflect considerable long-range planning efforts related to light rail transit over the last several years, which have included significant public involvement. They address Minneapolis Plan policies and implementation steps, including those articulated in adopted plans. The proposed new districts would apply to seventy-five parcels of land.

3. Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.

The proposed changes to primary zoning designations are guided primarily by the adopted station area plans (articulated in the Background section above) as well as *Transit Station Area* policies. These plans and policies consider the growth and evolution of the entire area, including integration with and transition between surrounding land uses.

4. Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.

The proposed zoning identifies reasonable changes to fulfill long-term land use objectives of adopted city plans. In some cases, non-conforming uses become conforming to establish consistency with the plans. In some cases, uses become legally non-conforming so that future uses are consistent with the plans. In most cases, zoning changes increase development potential to realize the density and/or use objectives of the plans.

5. Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.

The advent of light rail transit changes the policy context as well as market potential of property in around LRT station areas. The proposed changes address policy and plan objectives as expressed in the *Minneapolis Plan*, the *Hiawatha/Lake Station Area Master Plan*, and the *Corcoran Midtown Revival Plan*.

RECOMMENDATIONS OF THE PLANNING DIVISION OF CPED

The Planning Division of the Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning map amendment for the rezoning of parcels in the attached exhibits.

Attachments:

- List of parcels proposed for rezoning
- Map of parcels proposed for rezoning
- Hiawatha / Lake Station Area Master Plan:
 - Executive Summary
 - Preferred Concept Plan
 - Site Key Map
- Corcoran Midtown Revival: master plan graphic
- Development Objectives for the Hi-Lake Center
 - Site Phasing graphic