

**Excerpt from the  
CITY PLANNING COMMISSION  
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**MEMORANDUM**

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DATE: June 14, 2006

TO: Steve Poor, Manager, Community Planning & Economic Development -  
Planning Division

FROM: Jason Wittenberg, Supervisor, Community Planning & Economic Development -  
Planning Division, Development Services

CC: Barbara Sporlein, Director, Community Planning & Economic Development  
Planning Division

SUBJECT: Planning Commission decisions of June 12, 2006

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The following actions were taken by the Planning Commission on June 12, 2006. 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 Martin, El-Hindi, Henry-Blythe, Krause, Krueger, LaShomb, Motzenbecker, Nordyke, Schiff and Tucker – 10

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**19. Adoption of the Industrial Land Use Study & Employment Plan and amendment to incorporate the land use policy and maps into The Minneapolis Plan (Ward: Citywide) (Jen Jordan).**

**A. Land Use Study:** Consideration of adoption of the Industrial Land Use Study & Employment Plan and amendment to incorporate the land use policy and maps into The Minneapolis Plan.

**Action:** The City Planning Commission recommended that the City Council **approve** the Industrial Land Use Study & Employment Policy Plan, amend the City's comprehensive plan

to incorporate policy direction and land use maps, and adopt the specific policy recommendations with revisions.

Staff Jordan presented staff report.

President Martin: A couple things Jen, as the person who actually put in the condition that we review the land use policies when we did the Upper River Plan, it's nice to see it finally done, but my question is really about the upper river and the degree to which what's being recommended here might be in conflict with the Upper River Master Plan.

Staff Jordan: What would be in conflict or departing from the plan, per se, is the extension of an employment district along the freeway. Currently, it would be proposed for park and housing, primarily housing. This is an aggressive policy proposal. It doesn't have to occur. In terms of the site and what Maxfield found, was there is very good access along the freeway. There are several major truck routes that make it attractive to industrial users so it's something to consider, but it would be a departure from the Upper River Master Plan.

President Martin: Ok. Thank you.

Commissioner Schiff: On the buffering question, in the past we learned the hard way that when residential properties are being built next to industrial properties that, under Minnesota law the noise burden gets increased on the industrial property owner. How have the buffering recommendations take that into account? We're about to see a new development in north Longfellow on 28<sup>th</sup> Street, I believe at the next Planning Commission meeting, new great condo development across the street from an industrial noise polluter. So when are we going to get to the point where we start requiring a different kind of quality windows and other sound buffering?

Staff Jordan: As part of the implementation of this plan, that's a component that we can definitely look at in the code; to write that into possibly the site plan review chapter for these industrial employment districts to help address that.

Commissioner Schiff: I assume we're going to pass this today, I am wondering if we can make a staff directive to spotlight that. Look at that development in advance before it reaches us. It's on 28<sup>th</sup> and 27<sup>th</sup> Avenue South.

President Martin: Commissioner Schiff, you're thinking about improved buffering that's provided by the industrial activity rather than the residential activity that's coming in?

Commissioner Schiff: No. We can't.

President Martin: Really what we did was Stone Arch, requiring super thick windows and super insulation.

Commissioner Schiff: We can't go back and put the burden... Minnesota law puts the burden on the industrial...

President Martin: Yeah. Right. I just want to be clear.

Commissioner Nordyke: Being on the Park Board, the Upper River Plan is one of the bible's of the Park Board. We're actively working to continue to acquire land and I haven't heard anything from the staff or the board that would indicate that they're aware that... there's something else that's maybe in the city's priorities that's different from that. Have you talked with anyone at the Park Board?

Staff Jordan: As part of the Upper River Technical Advisory Committee (TAC), I am a participant on that and it had interaction with Rachel Ramanyani, Park Board Planner who is no longer there, but we did brief the Upper River TAC on this on April of this year on the recommendations and noted it was a departure.

Commissioner Nordyke: I'm sorry, you said that Victor had left, but was there someone who was there?

Staff Jordan: Yes, Rachel was there as part of the Upper River TAC. That was something that I tried to keep them abreast of the process and that was at a point where we were actually had some recommendations where we knew where the boundaries were going. That's where we took the opportunity to do that.

President Martin opened the public hearing.

Staff Jordan: I should note that in your packets I received two items today. Two written comments, one from Gayle Bonneville from the Shoreham Area Advisory Committee and one from Hubbard who has representatives here.

Eric Galatz (150 S 5<sup>th</sup> St): I represent JPI Development Services. I am here with Hubbard Broadcasting, but not representing them. JPI is a housing developer from Irving Texas and JPI owns an option to purchase the land that is designated in the Industrial Land Use Study as the Hubbard Site. The Hubbard Site is shown in gray. The fuzzy line is my art work just to highlight the fact that the Hubbard Site is a 6.75 acre site that lies south of the University of MN Transitway. It's a very hard boundary between the rest of the SEMI District and the Hubbard Site. What we're here to ask for today is just the exclusion of this property from the SEMI Employment District. I want to make it very clear that JPI doesn't take a specific position with respect to the Industrial Land Use Study itself; it commends the city for its foresight in the planning. We think it's an appropriate use for the district in general. For reasons I will discuss this evening, we think it's unnecessary to include the Hubbard Site in that district. Hubbard, as I said, is party to a contract with JPI Development Services for the sale of the Hubbard Site. At this point it's premature for us to discuss specific plans for the JPI development. What we're mostly asking for tonight is to preserve flexibility with respect to the designation

use of that site. That Transitway provides a boundary through the SEMI District. The SEMI Employment is a sub-district within the SEMI project area. The SEMI project area comes all the way down to University Avenue and designates the area between University Avenue and the Transitway as the south development area. Everything in the south development area except the Hubbard Site is designated for mixed use development and residential development is specifically a permitted use within that district. We think it's appropriate for the Hubbard Site to be included and treated in the same way as the rest of the south development area as potentially a mixed use site. I guess I'd like to start with the general planning considerations that brought JPI to this site in the first place. The site is actually one of two parcels Hubbard and its affiliates, St. Croix Partners, own and cleans up behind the Hubbard Broadcasting facility on University Avenue. They performed a cleanup in 1997. The site was occupied by a few different industrial uses, primarily Schnitzer Metal in St. Paul and Watkins Trucking in Minneapolis. Both cities contributed tax increment financing and resources to clean up the site to residential standards. Hubbard has, through the payment of taxes, paid off the TIF notes so there's no money owing there and this is a site that if it generates significant tax revenues, those revenues are collectible as part of the general fund. The site sits pretty much on the border with St. Paul. One of the key things I'd like you to take from the picture in front of you right now is the green areas around there. There are three basic conditions to this site that recommend keeping the site out of the SEMI-Employment District. One, the adjacent uses. Two, the Transitway separation of this site from the rest of the SEMI Employment District. Three, is the lack of infrastructure for truck traffic. This drawing illustrates the fact that the site is surrounded by residential development. The site is right behind 4<sup>th</sup> Street. There's a small piece of the residential area of Prospect Park that is north of University Avenue that's on both sides of 4<sup>th</sup> Street. Fourth Street is right along here. Fourth Street is primarily single family homes. There are some duplexes and a couple of walk-up apartment buildings. Recently, the city has subsidized clean up of the former tire site for development of several new townhomes. The city has already invested some amount of time, effort and money in protecting this little enclave as a residential area. One thing they've done is closed off 4<sup>th</sup> Street at Malcolm. The effect of that is to protect this little enclave from truck traffic that would otherwise be flowing out through 4<sup>th</sup> to University. At one point there was a path through to Territorial in St. Paul that would have brought you to 280. Hubbard vacated that connection in 1998 when they were still planning on proceeding with USS and B campus that would have been behind the Hubbard Broadcasting facility. On the St. Paul side, a recent development is JPI has acquired the St. Paul side of the Hubbard Site shown in green here and has obtained development approvals for both rezoning and conditional use permit site plan approval for development of a student housing project on that site. The effect of that is that this site is now sandwiched between residential development and we think that it makes it that much more appropriate to guide the Hubbard Site for residential development, further residential development. The guidance is consistent with what the city has already done with everything else south of the Transitway in the SEMI plan. It's consistent with what the city is recommending doing in the southeast employment district for every site south of the Transitway except the Hubbard Site. There's really no basis for treating this site differently from the other sites that are south of the Transitway. The Transitway is a

pretty absolute barrier and there's no current plan for bridging that barrier. Here's an illustration of transit planning from another developer and another project, but he gave us his consent to use this drawing. The dark brown is the Transitway; the light brown is the proposed Granary Parkway. I think one of the key elements of the SEMI development and one of the key elements of the SEMI Employment District within the SEMI project area is a cohesive industrial development that's got its own transit or transportation infrastructure that allows trucks to come and go from the site, allows businesses within the SEMI District to transact with each other without intersecting with residential uses. Commissioner Schiff mentioned noise issues with respect to abutting industrial uses to residential uses. The uses established on the south side of the Transitway are abutting this site and are residential uses north of the Transitway are separated by a fair amount by open space and parking areas for a relatively new industrial development that is not likely to change in the near future. The Granary Parkway provides a truck route that would allow service to the new and existing industry in the SEMI District without intersecting with the primarily residential traffic on University Avenue and the projected Light Rail traffic along University Avenue. The only access to the site currently is up Bedford Street. Bedford Street, on the Minneapolis side, comes up from University into the site. Fourth Street is closed off at Malcolm so there is no opportunity for truck traffic east/west along Fourth Street over to Malcolm which would have been a route up into the SEMI District. The Granary Parkway runs completely north of the Transitway with no crossings other than at Malcolm Avenue. There's no connection between the site and Malcolm Avenue. In the current draft of the Industrial Land Use Study, they note that the site immediately west of the Hubbard Site between the Hubbard Site and Malcolm is land that was for sale at the time that the study was being drafted. That site has been acquired by an advertising agency and I don't think they have plans to be abandoning that site anytime soon. There's no vehicular access through that site to the Hubbard Site. There are opportunities for development of the site in a matter that's consistent with and complimentary to the SEMI Employment Area. There are strong pedestrian connections between the site and the SEMI District. You can still walk through the intersection of 4<sup>th</sup> Street and Malcolm. You can still walk east into St. Paul and up Westgate Avenue. There's a pedestrian crossing there for the Transitway. There's just no convenient truck or car access. A truck or car going from the Hubbard Site to SEMI would have to go south down Bedford and then either east or west...

President Martin: Mr. Galatz, you're beating a dead horse here. I think you made your point.

Eric Galatz: Ok. I think I'll let Mr. Jones beat that horse for a little bit, but let me just conclude by saying that we think that by excluding this site from the SEMI Employment District, you're not excluding it from the SEMI District itself. You're not changing anything with respect to the zoning. You're not opening the door for anything happening on the site that this body isn't going to see again or the rest of the city isn't going to see again with respect to the rezoning process or conditional use permit.

President Martin: Commissioner Schiff do you have a question?

Commissioner Schiff: No. I'd like to close the public hearing.

President Martin: All these guys have been waiting. Ok. Is there a second for that?

Commissioner LaShomb seconded the motion.

Commissioner Schiff: The rest of the materials on this [tape unclear] be handed in writing to us.

President Martin: Ok. Discussion? All those in favor? Opposed? Ok. Public hearing is closed. Are we going to make a recommendation?

Commissioner LaShomb: The work that's been done on this document has really been very good and I think there are going to be situations like Hubbard Properties where there is going to be some argument about what ought to be "protected" for industrial use or non-industrial use. I don't have a clue what those sites ought to be. I'm going to move that we approve this and send it forward with some reluctance. I think it's a good report and I think it's a document that the City Council needs to take very seriously. I think the options are clear. My reluctance comes from the fact that I have this nagging feeling in the back of my neck that we're going to be removing more industrial land uses from Minneapolis and we're going to pay for that up the road. We want density in Minneapolis, we want to have transit use, we want to do a lot of things that are really good things to do, but my fear is that we're going to get into situations where our industrial uses in the seven county metropolitan area are basically going to be in suburban communities because we are wiping them out and they are adding them in legions. I had a little bit of this discussion with one of the county commissioners, not from the City of Minneapolis, but one of the suburban county commissioners. The commissioner said to me "well, you know, if you want to give up all of your industrial uses, go ahead because we just love them where I'm from. We're adding it acre by acre and it's easy to do because it's such wide open spaces." It's a good plan and it's a good starting point, but I think we really need to try to make some determination as to what kind of jobs we really want people to have in this city. If we pull too much of the plug on industrial uses, and maybe that won't happen, but if we do that our investments and infrastructure for transportation and housing and other things may be wasted revenue or may be wasted uses. It's a good place to be. I think the staff work is exceptional on this. It's one of the few documents I've seen around here that I read with a lot of interest. It's a little bit concerning that even if we did option three that we would be removing industrial uses from the city that we can't afford to remove.

Martin: Ok. Is there a second?

Commissioner Tucker seconded.

Commissioner Krause: On recommendation 14, I'm not sure I would want to restrict the coordination of infrastructure investments to those made through Public Works. There are others. For example, utility companies. I would be more comfortable if we left that more general and just struck the specific reference to Public Works. The creation of the district at Lake Street, that it extend from 30th... from Lake to 35<sup>th</sup>, I'm wondering if there aren't some opportunities for an extension of that on the north side of Lake Street on the west side of Hiawatha. There is a sliver there of currently existing industrial land. I have a question about whether there was any restriction on public uses. I don't think we want to tie the public agencies hands in acquiring industrial land for a public purpose, but I don't want to land bank some of this for public purposes either. I'd want the public agencies to look elsewhere first before we use potentially industrial land that had potential for other kinds of job development. The last point is that I don't know that we want to strictly prohibit residential uses in these zones, but I think what we're trying to do is we're trying to dramatically shift the presumption so that someone would have to come in and essentially make the same findings they would make for a rezoning. What is the hardship that doesn't allow this to be developed as industrial land? Set the bar quite a bit higher for someone to take industrial land out of the mix and use it for some other purpose so we would still retain some discretion. When we say "prohibit", we have to be really fine-tuned about those areas where we are going to say we are strictly going to prohibit and not allow ourselves any discretion to create some flexibility that we might want in the future.

President Martin: I think that's a really important point because we've had... when we did the rezoning back in the late 90's, we created the ILOD as a way of encouraging housing in areas that hadn't had it so we'd get the warehouse district and a whole bunch of other things that have been pretty good things for the city, but most of that was reactive rather than proactive and it would be much better to be in a position of being proactive on the front end about where it might make sense and where it might not make sense. I don't think we're ready to do that right now.

Commissioner Nordyke: I think it makes a lot of sense what Commissioner Krause was talking about. Are you saying you feel that it does exist or we need to continue to work on this document to make it exist more than what you're suggesting is there right now?

Commissioner Krause: I think that this document is a huge step forward and some excellent work went into it. The language that says "prohibit residential uses" seems to be a little too strict and I'm looking for something that shifts the presumption around to say that there's a significant burden involved that you would have to make before this commission and to the council and to the staff in order to have a residential use. There may, in fact, be some mixed use types of development where a small amount of residential mixed in with some of the new kinds of industry, which doesn't necessarily have to be noisy or smelly.

Commissioner Nordyke: Is that something you wanted to work on this evening and add to...

Commissioner Krause: No. It's more just some feedback for staff as this moves forward through the next phases. I don't want to fine-tune the language now, it's too late.

Commissioner Nordyke: My issue with that is that what's in front of us now has been in the process for quite some time. There is a group of people who have shown up because of what they think is an issue with their particular piece of land. It makes sense to me that it is an issue. The people who are presenting it are people who have made sense to me in the past so I know that this isn't coming out of the blue. Having said that, I am also at a lack of information so I don't want to just vote for something and send them home empty handed or without the understanding that I'm trying to figure this out.

Commissioner Schiff: Can we clarify; were those a series of amendments made by Commissioner Krause?

President Martin: I don't think it was an amendment, I think it was suggested language for staff as this moves forward.

Commissioner Krause: Direction, maybe feedback to staff and to our representative on the City Council as the process moves forward and we try to fine-tune it. Those would be my suggestions for how to make it even a little bit better.

Commissioner Schiff: Ok. I was just going to point out that the language on the Public Works department should be read as a directive to Public Works rather than making it so all encompassing that it doesn't send direction to any city department. There is value in stating specifically Public Works because I think that recommendation is about them. Another way to address the residential uses in Industrial Living Overlay Districts and Industrial Employment Districts... what you talked about Commissioner Krause was the potential for mixed use, maybe we only want to allow it if it is mixed use because what we've seen with the ILOD so far has not been mixed use. We just see condo developers saying "I gotta do condos because industrial's a thing of the past in this neighborhood". I think we have to be really careful. If we want it as you said it, which you said it very well, as sometimes possible with very good explanations and small minimum amounts then what we're looking at is including it as part of a mixed use development.

President Martin: I think we're probably too tired at this point to come up with specific language, but I think that sending it forward with a concern about recommendation 3.2 and about recommendation 14, those were the two that jumped out here, and that there be some careful attention to those questions of what is the role of Public Works and who is going to manage that and the question of industrial uses where appropriate and of what kind and need they be actually mixed or not. I think those are reasonable questions to raise and send forward with whatever recommendation we make which was to approve with some concern that there's still maybe more needing to be done here. All in favor? Opposed?

Commissioner Nordyke abstained.

President Martin: Jen, I'd like to thank you on behalf of all of us. I think this has been a really great piece of work and it's been a long time coming. I've been waiting for it for six years so it's nice to see it finally moving forward.

The motion carried 8-0 (Commissioner Henry-Blythe not present for vote).