

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

Rezoning, Conditional Use Permits, Variances and Site Plan Review

BZZ-2286

Preliminary Plat

PL-169

Date: May 23, 2005

Applicant: The Ackerberg Group, Stuart Ackerberg, 3033 Excelsior Blvd., Suite 10,
Minneapolis, MN 55416 (612)924-6400

Addresses of Property: 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904
Fremont Avenue and 2908 Fremont Avenue

Project Name: Lagoon Mixed-Use Development

Contact Person and Phone: Gretchen Camp, BKV Group, 222 N. 2nd Street,
Minneapolis, MN 55401, (612)373-9122

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

Date Application Deemed Complete: April 8, 2005

End of 60-Day Decision Period: The 60-day clock started on April 8, 2005 and was
suspended due to the citizen petition for an EAW on April 27, 2005. The 60-day clock
resumed on May 21, 2005. The end of the 60-day decision period is June 29, 2005.

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

Ward: 10 **Neighborhood Organization:** Lowry Hill East Neighborhood Assn.

Existing Zoning: C2 (Neighborhood Corridor Commercial District), C3A (Community
Activity Center District), PO (Pedestrian Oriented) Overlay District

Proposed Zoning: C3A (Community Activity Center District)

Zoning Plate Number: 24

Lot area: 110,692 square feet or 2.54 acres

Legal Description: See attachment.

Proposed Use: A mixed-use, Planned Commercial Development. The project would
include a 6-story office building, 112-unit 13-story residential building, restaurant, art
gallery, retail spaces and expanded theatre. Parking would be provided in an

underground ramp and structured ramp located on the first floor and mezzanine level in the proposed office building.

Concurrent Review:

- Petition to rezone a portion of the subject property from the C2 district to the C3A district.
- Conditional Use Permit for a Planned Unit Development.
- Conditional Use Permit for the expansion of the Lagoon Theatre.
- Variance of the required rear and interior side yard setbacks for the proposed residential structure.
- Variances of the Pedestrian Overlay Standards.
- Site Plan Review.
- Preliminary plat.

Applicable zoning code provisions: Chapter 525, Article VI Zoning Amendments, Chapter 525, Article VII, Conditional Use Permits, Chapter 525, Article IX, Variances & Chapter 530 Site Plan Review and Chapter 598, Land Subdivision.

Background: The applicant proposes to construct a mixed-use Planned Commercial Development. The property is currently zoned both C2 and C3A. The applicant is proposing to rezone the entire parcel to C3A. The 322,822 square foot project would include a 6-story office building, 112-unit 13-story residential building, restaurant, art gallery, retail spaces and expanded theatre. The project would replace an existing 262 stall surface parking lot. The project includes a large plaza with an underground parking garage, and an above grade, two-level parking garage located in the office building. The project site is bounded by the Midtown Greenway to the North, Lagoon Avenue to the South, Fremont Avenue to the East and Hennepin Avenue to the West.

The project was originally continued from the April 25, 2005, Planning Commission public hearing until the May 9, 2005, Planning Commission public hearing to work out issues centralized around the Travel Demand Management (TDM) Plan and site plan. A continuance was necessary in order for the applicant to work with Public Works and Planning Staff to resolve those issues.

The project was continued again until the May 23, 2005, Planning Commission public hearing as a citizen petition was filed with the Environmental Quality Board requesting that an EAW be prepared. The City Council, which is the designated Regulating Governmental Unit (RGU), has determined that a discretionary EAW is not needed for the proposed development.

The project as proposed would provide an approximately 19,000 square foot public plaza. The applicant proposes to provide a connection to the lower level of the Midtown Greenway via a new pedestrian bridge, accessible ramp and stairway. The connection would provide a link to the Midtown Greenway from Fremont Avenue to Hennepin Avenue.

The office building as proposed would be approximately 103,128 square feet in size and 6 stories or 76 feet tall. The building is designed to step back from the Greenway in an attempt to minimize the shadowing of the Greenway. The building has been designed to incorporate roof gardens on various floor levels along the north and south facing facades.

The residential building as proposed would be approximately 145,019 square feet in size and 13 stories or 148 feet tall. The building is proposed to have 112 condominium, loft-style units with outdoor terraces. The first level of the building would include a restaurant and two retail spaces. The building would incorporate roof gardens on various floor levels as well.

As mentioned above, the applicant proposes to install both intensive and extensive green roofs on both the office and residential buildings. The intensive green roofs would be more of a site amenity with traditional garden spaces composed of large trees, shrubs and smaller groundcover intended to be accessible by the building tenants. The extensive green roofs would be for environmental purposes and only accessible for maintenance purposes. The green roofs as proposed would provide 23,793 square feet of green space.

The parking for the proposed development would be provided for in both an underground parking ramp as well as an enclosed, above-ground 2-story parking ramp located in the first two levels of the proposed office building. Overall, 760 spaces are proposed. The three levels of underground parking will provide 676 spaces and the above-ground, enclosed parking will provide 84 stalls. Public access to the underground parking will be primarily off of Lagoon Avenue with secondary access off of Hennepin Avenue. Exiting from the parking ramp will primarily be on to Fremont Avenue and also on to Hennepin Avenue. The proposal includes parking for 30 bicycles as well.

The restaurant is proposed to be 7,586 square feet in size and is proposed to have a large outdoor dining area. The proposed gallery space located across the public plaza from the proposed restaurant would be 2,960 square feet in size.

The existing Lagoon Theatre provides 5 screens with approximately 800 seats. The applicant proposes to remove a portion of the current theatre along Lagoon Avenue and expand the theatre to include a total of 8 screens and 1,550 seats. Each theatre will vary in size and some will incorporate stadium-style seating. The expansion of the theatre requires a conditional use permit.

The applicant has met with the official neighborhood group, Lowry Hill East Neighborhood Association (LHENA), as well as other neighborhood groups in the vicinity including Calhoun Area Residents Action Group (CARAG) and East Isles Residents Association. Further, the applicant has worked with the Midtown Greenway Coalition, Uptown Business Association, Metro Transit (MT) and the Hennepin County Regional Rail Authority (HCRRA). The applicant has provided a summary of those meetings which has been attached for reference. Additionally, the resolution from the CARAG neighborhood has been attached as has the resolution from the Midtown

Greenway Coalition and correspondence from LHENA. Additionally, all neighborhood letters that have been received are attached for reference as well.

REZONING

Findings as Required by the Minneapolis Zoning Code:

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

According to the *Minneapolis Plan*, the subject parcels are located adjacent to an Activity Center and at the intersection of two Commercial Corridors. According to the Principles and Policies outlined in the *Minneapolis Plan*, the following apply to this proposal:

4.1 Minneapolis will encourage reinvestment along major urban corridors as a way of promoting growth in all neighborhoods.

As designated Commercial Corridors, Minneapolis has identified Hennepin Avenue and Lagoon Avenue as corridors that can accommodate additional housing growth due to the existing transit and commercial amenities.

4.3 Minneapolis will support development in Commercial Corridors where it enhances the street's character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.

Implementation Steps:

- Support a mix of uses on Commercial Corridors – such as retail sales, office, institutional, higher density residential, and clean low-impact light industrial – where compatible with the existing and desired character of the street.
- Ensure that commercial uses do not negatively impact nearby residential areas.
- Develop parking facilities and management strategies that balance the following goals: improved customer access, protection of sidewalk traffic, reduced visual impacts and shared use of parking facilities.

The developer is proposing a variety of uses that include office, retail, public space, and housing at this intersection of two commercial corridors. The site is unique in the respect that it is located within the interior of a retail block and adjacent to the Midtown Greenway; there are no residential properties in the immediate vicinity. The site is currently a surface parking lot. The developer proposes to build underground and structured parking for the existing and proposed uses.

4.4 Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

Implementation Steps:

- Provide for a range of commercial districts that provide the services required by the residents and businesses.
- Encourage the economic vitality of the city’s commercial districts while maintaining compatibility with the surrounding areas.

By adding more daytime office users it would allow for more balanced activity throughout the daytime and evening, which is a defining characteristic of a designated Activity Center.

4.7 Minneapolis will identify and support Activity Centers by preserving the mix and intensity of land uses and enhancing the design features of each area that give it a unique and urban character.

Implementation Steps:

- Ensure that land use regulations support diverse commercial and residential development types which generate activity all day long and into the evening.
- Promote the incorporation of residential uses within the same structure as other commercial uses.
- Develop parking facilities and management strategies that accommodate high customer demand, promote shared facilities and minimize visual impact and adverse effects on pedestrian and sidewalk traffic.
- Ensure that regulations balance the transition between high traffic land uses and adjoining residential areas.
- Require that buildings in Activity Center districts incorporate a pedestrian orientation at the street edge.

Activity centers are defined as districts with a diversity of uses that draw traffic citywide and from regional destinations; compliment medium and high density residential uses; have a significant pedestrian and transit orientation; have daytime and evening uses; and are unique because of their urban character with a mix of complementary types of uses as well as the traffic the area generates.

The development site is located directly adjacent to the Midtown Greenway, which the Hennepin County Regional Rail Authority identifies as a location for future Light Rail Transit (LRT). Additionally, HCRRA identifies Hennepin Avenue as a potential transit stop. If that plan becomes reality, this site would be appropriate for transit-oriented development (the defining features are similar to that of an Activity Center). The proposed development supports this because it is mixed-use, pedestrian-oriented to the public plaza, and medium to high density residential.

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

Implementation Step:

- Focus transit services and development growth along transit corridors.

The development site is directly adjacent to the Midtown Greenway, which the Hennepin County Regional Rail Authority identifies as a location for future Light

Rail Transit (LRT). Additionally, HCRRA identifies Hennepin Avenue as a potential transit stop.

9.24 *Minneapolis will support continued growth in designated commercial areas, while allowing for market conditions to significantly influence the viability of a commercial presence in undesignated areas of the city.*

The proposal to rezone a portion of the parcel from C2 to C3A is in conformance with the above noted principles, policies and implementation steps of the comprehensive plan.

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

The amendment would allow the property to be categorized and developed under one zone district classification. One of the requirements of a PUD is that the land be platted or re-platted into one or more lots that comply with all of the requirements in the Land Subdivision Regulations. Those regulations state that a subdivision shall not result in more than one zoning classification on a single lot. Additionally, buildings are not permitted to straddle different zoning classifications and the development as proposed would do just that. The C3A district is in the public interest insofar as it would allow a level of density and mix of uses that support the activity center designation.

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 site is currently zoned C2 and C3A. The site is bordered by I1 zoning to the east, C3A and C2 zoning to the south and west and C3A and I1 zoning to the north. Adjacent uses include a mixture of commercial and industrial uses. Given the mixture of surrounding zoning classifications and uses in the area staff believes that the C3A zoning district would be compatible in this location.

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.

There are reasonable uses of the property permitted under the C2 zoning district. The C2 zoning district is a Neighborhood Corridor Commercial district. Permitted uses in the C2 district include, but are not limited to, the following:

- Multi-family dwellings of three and four units
- General retail sales and service uses
- Restaurants
- Medical clinics
- Schools, K-12

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.

Under the 1963 Zoning Code, the subject property and the surrounding area were zoned B3S-3 (Community Service District). The property has been a surface parking lot for a considerable amount of time. Due to the mixture of zoning classifications and the proximity to C3A zoning, Staff believes that the rezoning request is reasonable and appropriate and is consistent with the trend of additional high density, mixed use development in the area.

CONDITIONAL USE PERMIT - for a Planned Commercial Development

Exceptions to Zoning Ordinance Standards: Chapter 527, Planned Unit Development authorizes the City Planning Commission to approve exceptions to the zoning regulations that are applicable to the zoning district in which the development is located. This may be done only upon finding that the Planned Unit Development includes adequate site amenities to address any adverse effects of the exception.

Exceptions requested:

(1) Building Height: The height requirement in the C3A zoning district is four stories or 56 feet, whichever is less. In a Planned Unit Development the height of structures may be increased for the purposes of promoting an integrated project that provides additional site amenities. The proposed height of the residential building is 13 stories or 148 feet tall and the proposed office building is 6 stories or 76 feet tall.

(2) Number of parking spaces (Off-street parking): The required number of parking spaces for the proposed development is 1014 parking spaces. Utilizing the shared parking computations for the proposed development 674 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD for 674 spaces. The applicant proposes to provide a total of 760 parking spaces for the proposed development which includes 680 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue.

(3) Number of loading spaces (Off-street loading): The applicant is required to provide the following: 1 small loading space for the theatre, 2 large for the office, 1 small for the restaurant and commercial spaces and the residential component is required as approved by the conditional use permit. The applicant is looking for an exception as they propose to provide 2 small and 2 large. This would be the number of spaces generally required for the theatre, office and commercial uses. The residential use is subject to a loading space requirement as approved by the conditional use permit. The loading spaces are proposed to be located internally in the first level of the office

structured parking (2 large and 1 small) and 1 small loading space is proposed to be located adjacent to the west property line on the opposite side of the site.

Findings as Required by the Minneapolis Zoning Code:

The Community Planning and Economic Development Department – Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.

The Planning Division does not generally believe that a planned commercial development will be detrimental to or endanger the public health, safety or general welfare. The property is currently a surface parking lot and development in general is a more desirable use of the subject properties.

Building height: Staff would not expect that the proposed increase in height would endanger the public health, safety or general welfare; however it could impact the general comfort of the public.

Number of parking spaces (Off-street parking): Staff would not expect that the proposed reduction in off-street parking would endanger the public health, safety, comfort or general welfare.

Number of loading spaces (Off-street loading): Staff would not expect that allowing an exception to allow a reduction in the number of loading spaces required as a part of the development would endanger the public health, safety, comfort or general welfare.

2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.

The Planning Division does not generally believe that a planned commercial development will be injurious to the use and enjoyment of surrounding property nor will it impede the normal development of the surrounding area. However, the overall design and proposed scale of the development could be deemed to have an injurious effect on the use and enjoyment and could also impact the improvement of surrounding properties.

Building height: Staff believes that developing the property as a planned unit development is appropriate. However, the overall height of the project is a concern to Staff as the proposed residential structure would clearly be the tallest building in this part of Uptown. The underlying zone district requires that the height of buildings not be any greater than 4 stories or 56 feet, whichever is less. The applicant is requesting an exception under the planned commercial development that two buildings be permitted to exceed this requirement.

The proposed office building would be constructed to a height of 6 stories or 76 feet tall. There are other buildings located in the vicinity that are constructed to that general height. A six-story building could be considered to fit into the scale and character of the area even though the majority of buildings located in this part of Uptown are not that tall. Additionally, the location of the office structure adjacent to the Midtown Greenway on the northeast portion of the parcel and the lack of impact on any adjacent residential structures factored into Staff's decision on appropriateness. Staff believes that the proposed height of the office building is appropriate for the area even though it exceeds the underlying district requirement.

The proposed height of the residential structure is 13 stories or 148 feet tall. The residential structure would be located on the northwest side of the property adjacent to the Midtown Greenway. Much like the proposed office building, the residential structure will not likely have an impact on any adjacent residential structures due to the location. Shadowing will likely impact the Midtown Greenway and the industrial parcels located to the north of the site. While Staff believes that this may be the most appropriate location in this part of Uptown for increased height due to the size of the lot, proximity to the Midtown Greenway, etc., the building height as proposed is excessive and out of scale related to surrounding buildings. Regardless of the proposed design of the structure, the building as proposed will clearly be the tallest building in the area. While Staff strongly believes that the proposed height is inappropriate, it is difficult for Staff to make a recommendation as to ultimately at what height the proposed residential structure could be constructed which would be deemed appropriate. Generally, Staff believes that 6-8 stories could be accommodated on site without negatively affecting future development of nearby parcels. Should the Planning Commission approve the planned commercial development, Staff would recommend that the Planning Commission approve a residential structure that is within those parameters.

Number of parking spaces: Staff does not believe that allowing a reduction in the number of off-street parking spaces for the proposed development will be injurious to the use and enjoyment of surrounding property nor will it impede the normal development of the surrounding area. While Staff is aware that this is an extremely busy area of Uptown, the applicant has worked with Public Works to compile a TDM which addresses the impacts of the development on traffic, circulation, numbers of parking, etc. The number of parking spaces proposed for the development, 674, appear to be satisfactory according to the shared parking computations which are located within the zoning code.

Number of loading spaces: Staff does not believe that allowing a reduction in the number of loading spaces for the proposed development will be injurious to the use and enjoyment of surrounding property nor will it impede the normal development of the surrounding area.

3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.

The applicant will be working closely with the Public Works Department and with the Plan Review Section of the Inspections Department and the various utility companies during the duration of the development to ensure that all procedures are followed in order to comply with city and other applicable requirements.

The applicant has submitted a TDM (Travel Demand Management) Plan which is currently under review by the Public Works Department. The applicant has met with Public Works and Planning Staff and is aware that the plan is expected to incorporate any applicable comments or modifications required by the Public Works Department.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

The required number of parking spaces for the proposed development is 1014. Utilizing the shared parking computations for the proposed development 674 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD. The applicant proposes to provide a total of 760 parking spaces for the proposed development which includes 680 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. The proposal includes parking for 30 bicycles as well.

5. Is consistent with the applicable policies of the comprehensive plan.

According to the *Minneapolis Plan*, the subject parcels are located adjacent to an Activity Center and at the intersection of two Commercial Corridors. According to the Principles and Polices outlined in the *Minneapolis Plan*, the following apply to this proposal:

1.2 Minneapolis will encourage both private and public development that provides gathering spaces in city neighborhoods.

Implementation Step:

- Encourage private developers to include gathering spaces in new developments.

The proposed development would include a 19,000 square foot public plaza.

2.1 Minneapolis will increase its share of economic prosperity in the region.

The developer is proposing to add 103,128 square feet of office space and has the potential to create 200 new jobs in the city. The proposal would result in daytime office users which would support the existing businesses located in this area of Uptown and provide for more balanced activity throughout the daytime and evening.

2.6 Minneapolis will focus resources and efforts on connecting residents to living wage jobs.

Implementation Step:

- Promote efforts at coordinating development for new business sites and housing construction within the city.

4.1 Minneapolis will support development in Commercial Corridors where it enhances the street's character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.

Implementation Steps:

- Support a mix of uses on Commercial Corridors – such as retail sales, office, institutional, higher density residential, and clean low-impact light industrial – where compatible with the existing and desired character of the street.
- Ensure that commercial uses do not negatively impact nearby residential areas.
- Develop parking facilities and management strategies that balance the following goals: improved customer access, protection of sidewalk traffic, reduced visual impacts and shared use of parking facilities.

The developer is proposing a variety of uses that include office, retail, public space, and housing at this intersection of two commercial corridors. The site is unique in the respect that it is located within the interior of a retail block and adjacent to the Midtown Greenway; there are no residential properties in the immediate vicinity. The site is currently a surface parking lot. The developer proposes to build underground and structured parking for the existing and proposed uses.

4.3 Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

Implementation Steps:

- Provide for a range of commercial districts that provide the services required by the residents and businesses.
- Encourage the economic vitality of the city's commercial districts while maintaining compatibility with the surrounding areas.

By adding more daytime office users it would allow for more balanced activity throughout the daytime and evening, which is a defining characteristic of a designated Activity Center.

4.9 Minneapolis will grow by increasing its supply of housing.

Implementation Steps:

- Support the development of new medium- and high-density housing in appropriate locations throughout the City.
- Support the development of infill housing on vacant lots.

4.11 Minneapolis will improve the availability of housing options for its residents.

Implementation Steps:

- Provide and maintain moderate and high-density residential areas.

The development proposal is in conformance with the above noted principles, policies and implementation steps of the comprehensive plan.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located.

With the approval of the rezoning, conditional use permits, variances, site plan review and Preliminary Plat this development will meet the requirements of the C3A zoning district.

Additional Findings Required for a Planned Unit Development

(1) That the planned unit development complies with all of the requirements and the intent and purpose of this chapter. In making such determination, the following shall be given primary consideration:

a. The character of the uses in the proposed planned unit development, including in the case of a planned residential development the variety of housing types and their relationship to other site elements and to surrounding development.

The character of the uses in the proposed planned commercial development would be compatible with the surrounding area. The development would include a mix of office, retail/commercial and residential uses. The proposed uses are similar to others that exist in the area and the proposed site elements are accessible to both potential residents of the development as well as non-residents.

b. The traffic generation characteristics of the proposed planned unit development in relation to street capacity, provision of vehicle access, parking and loading areas, pedestrian access and availability of transit alternatives.

The Public Works Department has reviewed a Traffic Demand Management (TDM) Plan which analyzed the traffic generation characteristics of the proposed development in relation to street capacity, vehicular access, parking and loading areas, pedestrian access as well as the availability of transit alternatives. The final plan has been submitted for Public Works review.

c. The site amenities of the proposed planned unit development, including the location and functions of open space and the preservation or restoration of the natural environment and historic features.

There are several proposed amenities which have been included in the proposal. A large public plaza is proposed at the interior of the site. The applicant has also proposed green roof technology on various floor levels on both the residential and office buildings. As a part of the proposed development, the applicant proposes

to provide a connection to the lower level of the Greenway via a new pedestrian bridge, accessible ramp and stairway.

d. The appearance and compatibility of individual buildings and parking areas in the proposed planned unit development to other site elements and to surrounding development, including but not limited to building scale and massing, microclimate effects of the development and protection of views and corridors.

The appearance and compatibility of individual buildings and parking areas within the proposed planned commercial development to other site elements is apparent. The proposal in relation to surrounding development is not as apparent. The proposed building scale and massing is not compatible with what exists in the area. The proposed residential building is not at all compatible with the scale of surrounding land uses. While Staff believes that this may be the most appropriate location in this part of Uptown for additional height above four stories, the building height as proposed is incompatible. The building as proposed, even though designed to have minimal impacts on the views and corridors that exist in the area, will clearly be the tallest building in the area. While Staff strongly believes that the proposed height is inappropriate, it is difficult for Staff to make a recommendation as to ultimately at what height the proposed residential structure could be constructed which would be deemed appropriate. Generally, Staff believes that 6-8 stories could be accommodated on site in a way that is compatible with surrounding development. Should the Planning Commission approve the planned commercial development, Staff would recommend that the Planning Commission approve a residential structure that is within those parameters.

The overall design creates a very inward looking development that is lacking street-facing entrances and activity. Staff is concerned with the large suburban like plaza centered in the development. By creating an inward development, the emphasis of creating a street presence is lost. The proposed elevations along Fremont Avenue and Lagoon Avenue, while improved from the original drawings are not pedestrian oriented. The façade has been modified to incorporate window area to meet the Pedestrian Overlay District requirement of 40%, however, there are no active liner uses along Fremont Avenue as the active uses have been placed at the interior of the site.

e. The relation of the proposed planned unit development to existing and proposed public facilities, including but not limited to provision for stormwater runoff and storage, and temporary and permanent erosion control.

Public Works will be reviewing the relation of the proposed planned unit development to existing and proposed public facilities. The development would need to comply with all applicable city regulations.

- (2) **That the planned unit development complies with all of the applicable requirements contained in Chapter 598, Land Subdivision Regulations.**

With the approval of the proposed plat, the proposed planned commercial development complies with all of the applicable requirements contained in Chapter 598, Land Subdivision Regulations.

CONDITIONAL USE PERMIT - for the expansion of the Lagoon Theatre

Findings as Required by the Minneapolis Zoning Code:

The Department of Community Planning and Economic Development – Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

- 1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.**

Staff does not believe that the expansion of the existing theatre will be detrimental to or endanger the public health, safety or general welfare. The existing Lagoon Theatre provides 5 screens with approximately 800 seats. The applicant proposes to remove a portion of the current theatre along Lagoon Avenue and expand the theatre to include a total of 8 screens and 1,550 seats. Each theatre will vary in size and some will incorporate stadium-style seating. Staff is concerned with the lack of an entrance along Lagoon Avenue and will recommend that an entrance be located along the frontage as a condition of approval.

- 2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.**

Staff does not believe that the theatre expansion will be injurious to the use and enjoyment of surrounding property nor will it impede the normal development of the surrounding area. Renovating the building and adding more theatre space would likely be beneficial to this area of Uptown.

- 3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.**

The applicant will be working closely with the Public Works Department, the Plan Review Section of the Inspections Department and the various utility companies during the duration of the development to ensure that all procedures are followed in order to comply with city and other applicable requirements.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

The required number of parking spaces for the proposed development is 1014 parking spaces. Utilizing the shared parking computations for the proposed development 674 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD. The applicant proposes to provide a total of 760 parking spaces for the proposed development which includes 680 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. The proposal includes parking for 30 bicycles as well.

5. Is consistent with the applicable policies of the comprehensive plan.

According to the *Minneapolis Plan*, the subject parcels are located adjacent to an Activity Center and at the intersection of two Commercial Corridors. According to the Principles and Policies outlined in the *Minneapolis Plan*, the following apply to this proposal:

4.4 Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

Implementation Steps:

- Provide for a range of commercial districts that provide the services required by the residents and businesses.
- Encourage the economic vitality of the city's commercial districts while maintaining compatibility with the surrounding areas.

4.7 Minneapolis will identify and support Activity Centers by preserving the mix and intensity of land uses and enhancing the design features of each area that give it a unique and urban character.

Implementation Steps:

- Ensure that land use regulations support diverse commercial and residential development types which generate activity all day long and into the evening.
- Develop parking facilities and management strategies that accommodate high customer demand, promote shared facilities and minimize visual impact and adverse effects on pedestrian and sidewalk traffic.
- Ensure that regulations balance the transition between high traffic land uses and adjoining residential areas.
- Require that buildings in Activity Center districts incorporate a pedestrian orientation at the street edge.

Activity centers are defined as districts with a diversity of uses that draw traffic citywide and from regional destinations; compliment medium and high density residential uses; have a significant pedestrian and transit orientation; have daytime and evening uses; and are unique because of their urban character with a mix of complementary types of uses as well as the traffic the area generates.

The development site is located directly adjacent to the Midtown Greenway, which the Hennepin County Regional Rail Authority identifies as a location for future Light Rail Transit (LRT). Additionally, HCRRA identifies Hennepin Avenue as a potential transit stop. If that plan becomes reality, this site would be appropriate for transit-oriented development (the defining features are similar to that of an Activity Center). The proposed development supports this because it is mixed-use, pedestrian-oriented to the public plaza, and medium to high density residential.

The proposal to expand the existing Lagoon Theatre is in conformance with the above noted principles, policies and implementation steps of the comprehensive plan.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located.

With the approval of the rezoning, conditional use permits, variances, site plan review and preliminary plat this development will meet the requirements of the C3A zoning district.

VARIANCES –

- (1) to reduce the interior side yard setbacks from 27 feet to 4 feet 3 inches along the north property line for the residential structure
- (2) and from 27 feet to 24 feet, 7 inches along the south property line for the residential structure
- (3) to reduce the rear yard setback (west property line) requirement from 27 feet to 12 feet, 6 inches for the residential structure.

Findings as Required by the Minneapolis Zoning Code for the Variance:

- 1. The property cannot be put to a reasonable use under the conditions allowed and strict adherence to the regulations of this zoning ordinance would cause undue hardship.**

Interior side yard setback (north): The setback requirement is directly related to the height of the proposed residential structure and the design of the development. The property could likely be put to a reasonable use under the conditions allowed and strict adherence to the regulations of the zoning ordinance would not cause undue hardship.

Interior side yard setback (south): The setback requirement is directly related to the height of the proposed residential structure and the design of the development. The property could likely be put to a reasonable use under the conditions allowed and strict adherence to the regulations of the zoning ordinance would not cause undue hardship.

Rear yard setback (west): The setback requirement is directly related to the height of the proposed residential structure and the design of the development. The property could

likely be put to a reasonable use under the conditions allowed and strict adherence to the regulations of the zoning ordinance would not cause undue hardship.

2. The circumstances are unique to the parcel of land for which the variance is sought and have not been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.

Interior side yard setback (north): As the setback requirement is directly related to the height of the proposed residential structure, the circumstances are not unique to the parcel of land for which the variance is being sought. The variance of the setback requirement is necessary due to the height and design of the proposed development.

Interior side yard setback (south): As the setback requirement is directly related to the height of the proposed residential structure, the circumstances are not unique to the parcel of land for which the variance is being sought. The variance of the setback requirement is necessary due to the height and design of the proposed development.

Rear yard setback (west): As the setback requirement is directly related to the height of the proposed residential structure, the circumstances are not unique to the parcel of land for which the variance is being sought. The variance of the setback requirement is necessary due to the height and design of the proposed development.

3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.

Interior side yard setback (north): Granting the setback variance would likely not be in keeping with the spirit and the intent of the ordinance unless the proposed height of the building at 13 stories is deemed appropriate. However, granting a setback variance in general for the proposed development would likely not be injurious to the use or enjoyment of other property in the vicinity.

Interior side yard setback (south): Granting the setback variance would likely not be in keeping with the spirit and the intent of the ordinance unless the proposed height of the building at 13 stories is deemed appropriate. However, granting a setback variance in general for the proposed development would likely not be injurious to the use or enjoyment of other property in the vicinity.

Rear yard setback (west): Granting the setback variance would likely not be in keeping with the spirit and the intent of the ordinance unless the proposed height of the building at 13 stories is deemed appropriate. However, granting a setback variance in general for the proposed development would likely not be injurious to the use or enjoyment of other property in the vicinity.

4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.

Interior side yard setback (north): Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed setback be detrimental to welfare or public safety.

Interior side yard setback (south): Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed setback be detrimental to welfare or public safety.

Rear yard setback (west): Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed setback be detrimental to welfare or public safety.

VARIANCES – of the Pedestrian Overlay (PO) District Standards regarding:

- (1) building placement for the residential building as it is not located within 8 feet of Lagoon Avenue or Fremont Avenue,
- (2) driveway widths as they are restricted to 20 feet in a PO – the applicant is requesting variances for 2 driveway widths on site. The drive-way width off of Lagoon is proposed to be 23 feet, 10 inches and the drive-way width off of Fremont is proposed to be 24 feet wide, and
- (3) building façade window area for the Lagoon Avenue frontage – lack of distribution of windows in a more or less even manner

Findings as Required by the Minneapolis Zoning Code for the Variance:

1. The property cannot be put to a reasonable use under the conditions allowed and strict adherence to the regulations of this zoning ordinance would cause undue hardship.

Building placement: It is unlikely based on the configuration of the parcel, although somewhat due to the specific design and layout of the proposed residential building, that the property could be put to a reasonable use under the conditions allowed and with strict adherence to the regulations of the zoning ordinance. The proposed residential building is located greater than 8 feet from both Lagoon Avenue and Fremont Avenue.

Driveway width: The applicant is requesting variances of two drive-way widths from the maximum allowed in a PO district of 20 feet. The property could likely not be put to a reasonable use under the conditions allowed and with strict adherence to the regulations of the zoning ordinance.

Building façade window area: The property could likely not be put to a reasonable use under the conditions allowed and with strict adherence to the regulations of the zoning

code. The majority of the existing theatre along Lagoon Avenue has no windows. After reconstruction of the theatre which includes removing a portion of the theatre with windows which ultimately makes the building more non-conforming, to require the applicant to insert windows or doors that are evenly distributed in an existing façade doesn't seem reasonable. The theatre as proposed would meet the 40% window requirement, but due to the solid brick portion of the façade the windows would not be evenly distributed.

2. The circumstances are unique to the parcel of land for which the variance is sought and have not been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.

Building placement: The circumstances could be considered somewhat unique to the parcel of land for which the variance is being sought. Although the building could be redesigned to be located within 8 feet of the property line, there isn't a lot of street frontage available for development along Lagoon Avenue. Ultimately, the variance is required due to the proposed design and layout of the overall development.

Driveway width: The circumstances could be considered unique to the parcel of land for which the variance is being sought. In order to consolidate the number of curb cuts on site, provide underground and structured parking and provide access to the main loading area located within the structured parking garage a variance would seem reasonable.

Building façade window area: The circumstance could be considered somewhat unique to the parcel of land for which the variance is being sought. The majority of the theatre façade along Lagoon Avenue is existing. A portion of the theatre that contains windows is being removed. The majority of the theatre expansion would be located to the north of the existing theatre or away from Lagoon Avenue. The applicant is proposing to construct a portion of the addition along Lagoon Avenue which would provide windows that meets the 40% requirement. However, the distribution of those windows would not be in an even manner. It would seem reasonable to grant the variance for distribution of windows.

3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.

Building placement: The granting of the variance would likely be in keeping with the spirit and intent of the ordinance and would likely not alter the essential character of the locality or be injurious to the use and enjoyment of other property in the vicinity.

Driveway width: The granting of the variance would likely be in keeping with the spirit and intent of the ordinance and would likely not alter the essential character of the locality or be injurious to the use and enjoyment of other property in the vicinity. The proposed drive-way width variances allow for the consolidated of curb cuts on site.

Building façade window area: The granting of the variance would likely be in keeping with the spirit and intent of the ordinance and would likely not alter the essential character of the locality or be injurious to the use and enjoyment of other property in the vicinity if the applicant provides 40% window area that happens to not be evenly distributed.

4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.

Building placement: Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed building location be detrimental to welfare or public safety.

Driveway width: Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed variance be detrimental to welfare or public safety.

Building façade window area: Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety. nor would the proposed setback be detrimental to welfare or public safety.

SITE PLAN REVIEW:

Required Findings for Site Plan Review

- A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)**
- B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with applicable policies of the comprehensive plan and applicable small area plans adopted by the city council. (See Section B Below for Evaluation.)**

Section A: Conformance with Chapter 530 of Zoning Code

BUILDING PLACEMENT AND FAÇADE:

- Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
- First floor of the building shall be located not more than eight (8) feet from the front lot line (except in C3S District or where a greater yard is required by the zoning ordinance). If located on corner lot, the building wall abutting each street shall be subject to this requirement.
- The area between the building and the lot line shall include amenities.

- **The building shall be oriented so that at least one (1) principal entrance faces the public street. In the case of a corner lot, the principal entrance shall face the front lot line.**
- **Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.**
- **For new construction, the building walls shall provide architectural detail and shall contain windows as required by Chapter 530 in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility.**
- **In larger buildings, architectural elements, including recesses or projections, windows and entries, shall be emphasized to divide the building into smaller identifiable sections.**
- **Blank, uninterrupted walls that do not include windows, entries, recesses or projections, or other architectural elements, shall not exceed twenty five (25) feet in length.**
- **Exterior materials shall be durable, including but not limited to masonry, brick, stone, stucco, wood, metal, and glass.**
- **The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.**
- **The use of plain face concrete block as an exterior material shall be prohibited fronting along a public street, public sidewalk, public pathway, or adjacent to a residence or office residence district.**
- **Entrances and windows:**
- **Residential uses:**
 - **Principal entrances shall be clearly defined and emphasized through the use of architectural features such as porches and roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Twenty (20) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:**
 - a. **Windows shall be vertical in proportion.**
 - b. **Windows shall be distributed in a more or less even manner.**
 - **Nonresidential uses:**

Principal entrances shall be clearly defined and emphasized through the use of architectural features such as roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Thirty (30) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

 - a. **Windows shall be vertical in proportion.**
 - b. **Windows shall be distributed in a more or less even manner.**
 - c. **The bottom of any window used to satisfy the ground floor window requirement may not be more than four (4) feet above the adjacent grade.**
 - d. **First floor or ground floor windows shall have clear or lightly tinted glass with a visible light transmittance ratio of 0.6 or higher.**
 - e. **First floor or ground floor windows shall allow views into and out of the building at eye level. Shelving, mechanical equipment or other similar fixtures shall not block views into and out of the building in the area between four (4) and seven (7) feet above the adjacent grade. However, window area in excess of the minimum required area shall not be required to allow views into and out of the building.**
 - f. **Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.**

Minimum window area shall be measured as indicated in section 531.20 of the zoning code.

- **The form and pitch of roof lines shall be similar to surrounding buildings.**

- **Parking Garages:** The exterior design shall ensure that sloped floors do not dominate the appearance of the walls and that vehicles are screened from view. At least thirty (30) percent of the first floor building wall that faces a public street, public sidewalk or public pathway shall be occupied by active uses, or shall be designed with architectural detail or windows, including display windows, that create visual interest.

All proposed structures other than the residential building are located within 8 feet of the property line. Three principal structures would be located on the lot including the expanded theatre, office building and residential/commercial building. All buildings are oriented towards the interior of the lot where the public plaza is proposed. Staff is concerned with the extensive use of bollards along the drop off lane adjacent to the plaza. Staff will recommend that more attractive, permanent type structures, such as planters be used to define the space. The use of progressive design and street-oriented building alignments is not reinforced with the proposed development. As previously mentioned the design of the development is very inward looking and does not reinforce the street edge.

Staff is concerned that the proposed development does not incorporate a principal entry to the theatre along Lagoon Avenue. The façade has been improved to include windows but no entrance has been provided to the theatre along the street. Staff considers an entry along Lagoon Avenue into the theatre essential and will require one as a condition of approval.

There are no principal entrances that face the public street. The buildings, although predominantly located within 8 feet of the property line, do not reinforce the street wall, maximizes natural surveillance or facilitate pedestrian access. The area between the buildings and the public streets will have new and existing tree plantings along Fremont Avenue and Lagoon Avenue frontages. Based on the lack of active uses and blank walls, Staff does not consider this to be a pedestrian oriented development along the streets.

The façade of the office building located along Fremont Avenue incorporates windows that meet the Pedestrian Overlay District Standards. However, the windows look into a parking garage. Staff believes that this more or less circumvents the intent of the 40% window requirement. Windows between 2 and 10 feet are required in order to provide natural surveillance and visibility by having active uses located along public streets. Merely meeting the requirement without putting active uses on the street seems inappropriate given the area the development is located in. The proposed design of the development creates this issue as parking is proposed to be located on the first floor and mezzanine level of the office building. Views from the other side of the Greenway will be able to see the parking located within the building despite the developer's attempts to mask the visibility by inserting metal grating in the facade. The proposed development appears to meet the 10% window requirement on each floor above the first floor that face the public street and public sidewalk.

The exterior materials and appearance of the rear and side walls of the proposed buildings as well as the proposed theatre expansion are proposed to be similar to and compatible with the front of the building. The proposed materials will be natural stone, glass, steel and wood. The proposed buildings appear to incorporate architectural elements including recesses and projections, windows and entries. Along the north and west ground floor elevations of the proposed residential building there appear to be blank uninterrupted walls that exceed 25 feet in width. Staff will require as a condition of approval that windows, entries, recesses or projections or other architectural elements be incorporated into the façade to meet this requirement.

There are two parking ramps associated with the proposed development. One is entirely underground and the other is located in the office building on the first floor and mezzanine level. The parking ramp has been designed so that sloped floors do not dominate the appearance of the façade. The applicant has not designed the parking ramp to include commercial uses at the ground floor but has included windows which look into the garage. The windows located in the parking garage do not allow views into active uses along Fremont Avenue.

ACCESS AND CIRCULATION:

- **Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.**
- **Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.**
- **Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.**
- **Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.150 (b) related to alley access.**
- **Site plans shall minimize the use of impervious surfaces.**

There is a public plaza that connects the principal entrances of the proposed and existing buildings and the parking ramps to the public sidewalks. The majority of pedestrian traffic would need to utilize the public plaza as all principal entrances for the proposed and existing uses in the development are located off of the public plaza.

There are two parking ramps associated with the proposed development. One is entirely underground and the other is located in the office building on the first floor and mezzanine level. The underground ramp will have two access points, one off of Lagoon Avenue which will split into two lanes as it ramps down to the parking and the other is a single lane access off of Hennepin Avenue. The exit points from the underground ramp will be out to Hennepin Avenue and Fremont Avenue. The entrance and exit from the office ramp will be from Fremont Avenue. The proposed development has been designed to minimize conflicts with pedestrian traffic.

There will likely be some impacts on the residential neighborhood to the north as a result of the proposed development, however, the project has been designed to minimize those impacts by attempting to direct traffic away from the neighborhood.

The structured parking located within the office building will provide overflow public parking. The ramps are not interconnected however, there will be signage and directionals to alert drivers to the overflow parking facility.

The site has been designed to minimize the use of impervious surfaces through a combination of green roof gardens and landscaping throughout the plaza area.

LANDSCAPING AND SCREENING:

- **The composition and location of landscaped areas shall complement the scale of the development and its surroundings.**
 - **Not less than twenty (20) percent of the site not occupied by buildings, including all required landscaped yards, shall be landscaped as specified in section 530.160 (a).**
- **Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.**
- **Except as otherwise provided, required screening shall be at least ninety-five (95) percent opaque throughout the year. Screening shall be satisfied by one or a combination of the following:**
 - **A decorative fence.**
 - **A masonry wall.**
 - **A hedge.**
- **Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.170 (b), including providing landscape yards along a public street, public sidewalk or public pathway and abutting or across an alley from a residence or office residence district, or any permitted or conditional residential use.**
- **The corners of parking lots where rows of parking spaces leave areas unavailable for parking or vehicular circulation shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks or bicycle parking.**
- **In parking lots of ten (10) spaces or more, no parking space shall be located more than fifty (50) feet from the center of an on-site deciduous tree. Tree islands located within the interior of a parking lot shall have a minimum width of seven (7) feet in any direction.**
- **All other areas not governed by sections 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.**
- **Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.210.**
- **The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.80, as provided in section 530.220.**

The proposal does not meet the 20% landscape requirement without the inclusion of the proposed green roof vegetation which is considered an alternative compliance measure. There are no true yards proposed for the development. The plaza area is proposed to incorporate trees, shrubbery and plants predominantly within planters. The zoning code requires that there be at least 17 trees and 83 shrubs planted on the site. The applicant is proposing to have 32 trees, 71 shrubs and 1,579 perennials located on site in ground/planter plantings or approximately 16% of the ground level of the site would be landscaped. These numbers do not include the vegetation proposed for the green roofs.

According to the applicant, once the project is complete approximately 28% percent of

the site will be composed of pervious materials. The proposed development would provide 6,871 square feet of pervious materials at ground level and 23,793 square feet of green roof terraces for a total of 30,664 square feet or 28% pervious materials on site. The proposed green roof vegetation will consist of 18 trees, 159 coniferous shrubs and 7,772 sedum perennials. Thus, the applicant is providing 50 trees, 230 shrubs and 9,351 perennials on the entire site. The applicant would meet the quantity requirements by combing the proposed ground level vegetation and the proposed green roof vegetation. However, as previously mentioned this would be an alternative compliance measure.

ADDITIONAL STANDARDS:

- **All parking lots and driveways shall be designed with wheel stops or discontinuous curbing to provide on-site retention and filtration of stormwater. Where on-site retention and filtration is not practical, the parking lot shall be defined by six (6) inch by six (6) inch continuous concrete curb.**
- **Lighting shall comply with the requirements of Chapter 535 and Chapter 541. A lighting diagram may be required.**
- **Parking and loading facilities and all other areas upon which vehicles may be located shall be screened to avoid headlights shining onto residential properties.**
- **To the extent practical, site plans shall minimize the blocking of views of important elements of the city.**
- **To the extent practical, buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.**
- **To the extent practical, buildings shall be located and arranged to minimize the generation of wind currents at ground level.**
- **Site plans shall include crime prevention design elements as specified in section 530.260 related to:**
 - **Natural surveillance and visibility**
 - **Lighting levels**
 - **Territorial reinforcement and space delineation**
 - **Natural access control**
- **To the extent practical, site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.**

The applicant is proposing to install decorative pedestrian-scale light fixtures throughout the site. A photometric plan was not submitted as part of the application. Staff is recommending that a photometric plan showing footcandles be submitted as part of the final review of the plans. All lighting will need to be downcast and shielded to avoid undue glare. All lighting shall comply with Chapters 535 and 541. The City's CPTED officer requested a security plan as outlined at the Preliminary Site Plan Review meeting. A detailed security plan would be required to be submitted for review and approval by the City's CPTED officer prior to permit issuance. Further, the City's CPTED officer has recommended that any additional plantings follow the 3' – 7' rule to allow visibility on site.

The proposed parking facilities are located in an underground ramp and within the first level and mezzanine level of the parking garage located within the office building. With

the exception of one loading space, all loading spaces will be located within the interior of the proposed office building. The other loading space is located on the southwest portion of the site behind the existing buildings located on Lagoon Avenue and Hennepin Avenue. The parking and loading facilities have been designed to avoid headlights from shining on adjacent properties. There are no adjacent residential properties.

Due to the proposed heights of the buildings within the development, some blocking of views would be expected. Shadowing of adjacent properties including the Greenway would be expected. The proposed buildings would also be expected to have some impacts on light, wind and air in relation to the surrounding area.

Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan and Applicable Small Area Plans Adopted by the City Council

ZONING CODE - The proposed use is conditional in the C3A District

With the approval of the conditional use permits, variances, site plan review, preliminary and final plat this development would meet the requirements of the C3A zoning district.

Specific Development Standards for a planned commercial development:

A planned commercial development shall conform to the standards of Chapter 527, Planned Unit Development.

Exceptions to Zoning Ordinance Standards: Chapter 527, Planned Unit Development authorizes the City Planning Commission to approve exceptions to the zoning regulations that are applicable to the zoning district in which the development is located. This may be done only upon finding that the Planned Unit Development includes adequate site amenities to address any adverse effects of the exception.

Placement of Structures: In a Planned Unit Development there may be more than one principal structure located on a lot. There will be one lot in this development with 3 separate buildings located on the lot. The 1300 Lagoon Avenue South property (currently Bar Abilene) is being platted as a separate lot and is not included within the Planned Unit Development.

Bulk Regulations:

Floor Area: The floor area ratio for the C3A zoning district is 2.7. In a Planned Unit Development the floor area ratio may be increased up to 20 percent for the purpose of promoting an integrated project that provides additional site amenities. Staff is recommending approval of the 20 percent increase as the project is clearly providing additional amenities which include: underground and covered parking and loading (no surface parking), mixed-use

commercial and residential development, extensive Midtown Greenway improvements, green roof technology, etc. With the 20 percent increase for an integrated project providing additional site amenities, the FAR would be 3.2. The FAR of the proposed development is 2.9. This proposal is for 112 residential units and a total of 322,822 square feet.

Building Height: The height requirement in the C3A zoning district is four stories or 56 feet, whichever is less. In a Planned Unit Development the height of structures may be increased for the purposes of promoting an integrated project that provides additional site amenities. The proposed height of the residential building is 13 stories or 148 feet tall and the proposed office building is 6 stories or 76 feet tall.

Lot Requirements:

Generally: The minimum lot area for a Planned Unit Development in the C3A zoning district is two acres. This site is 110,692 square feet or 2.54 acres.

Density Bonus: The minimum lot area per dwelling unit in the C3A zoning district is 400 square feet. In a Planned Unit Development the minimum lot area per dwelling unit may be reduced up to twenty percent. This development could provide up to 276 dwelling units without a lot area reduction and 345 dwelling units on this site with a lot area reduction. The applicant is proposing to have 112 dwelling units on this site.

Yards: Given that this site and the adjacent properties are zoned commercial there are no setback requirements for the office building however, the proposed residential building has setback requirements. The applicant has applied to vary the setback requirements along the north, south and west property lines.

On-Premise Signs: The applicant has not submitted a sign plan as part of this application. The applicant has stated that all signage proposed as part of the development will meet the Code. Please note that a sign plan and permits are required before signage may be installed.

Off-Street Parking and Loading: The required number of parking spaces for the proposed development is 1014 parking spaces. Utilizing the shared parking computations for the proposed development 674 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD for 674 spaces. The applicant proposes to provide a total of 760 parking spaces for the proposed development which includes 680 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. Please note that the applicant is working with the Planning Division and the Public Works Department to complete a Travel Demand Management Plan.

MINNEAPOLIS PLAN

See the above listed response to finding #5 in the conditional use permit application for the planned commercial development.

Section C: Conformance with Applicable Development Plans or Objectives Adopted by the City Council

No small area plans for this area of Minneapolis have been adopted by the City Council.

ALTERNATIVE COMPLIANCE

The Planning Commission may approve alternatives to any site plan review requirement upon finding any of the following:

- **The alternative meets the intent of the site plan chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, green roof, decorative pavers, ornamental metal fencing, architectural enhancements, transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.**
- **Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.**
- **The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.**

Alternative compliance is necessary in order for the applicant to meet the on-site landscaping requirement. The green roof component would need to be included in order for the proposal to meet the required 20%. The condo green roof would be 5,441 square feet in size, the restaurant green roof would be 4,359 square feet in size and the office green roof would include 14,093 square feet of green space. The proposed development would provide 6,871 square feet of pervious materials at ground level and 23,793 square feet of green roof terraces for a total of 30,664 square feet or 28% pervious materials on site. Staff believes that this is an acceptable alternative compliance measure.

PRELIMINARY PLAT –

Required Findings:

1. Subdivision is in conformance with the land subdivision regulations including the requirements of section 598.100 relating to protection of natural resources, applicable regulations of the Zoning Code, and policies of the Comprehensive Plan.

The subdivision is in conformance with the design requirements of the land subdivision regulations except for Section 598.230 (5), which requires utility easements to be 5 feet wide on side lot lines and 10 feet wide on rear lot lines, where no alley is provided. In order to be in conformance with the land subdivision regulations, a variance of Section 598.230 (5) is required to eliminate the drainage and utility easements from both lots. While variances from the zoning code require a separate application, variances from the subdivision standards are done as a part of the subdivision application subject to the standards listed below.

598.310. Variances. Where the planning commission finds that hardships or practical difficulties may result from strict compliance with these regulations, or that the purposes of these regulations may be served to a greater extent by an alternative proposal, it may approve variances to any or all of the provisions of this chapter. In approving variances, the planning commission may require such conditions as it deems reasonable and necessary to secure substantially the objectives of the standards or requirements of these regulations. No variance shall be granted unless the planning commission makes the following findings:

- (1) There are special circumstances or conditions affecting the specific property such that the strict application of the provisions of this chapter would deprive the applicant of the reasonable use of land.
- (2) The granting of the variance will not be detrimental to the public welfare or injurious to other property in the area in which the property is located.

The site would be a fully developed property should the land use applications be approved with some existing and proposed buildings up to the property lines. The existing drainage and utilities would not match the required easement locations and are not necessary, so Staff recommends granting the variance.

2. Subdivision will not be injurious to the use and enjoyment of other property in the immediate vicinity, nor be detrimental to present and potential surrounding land uses, nor add substantially to congestion in the public streets.

The plat will create a single lot for the proposed planned unit development. There are various conditions of approval on the planned unit development site plan that should address any negative impacts of the development.

3. All land intended for building sites can be used safely without endangering the residents or uses of the subdivision and the surrounding area by peril from floods, erosion, high water table, severe soil conditions, improper drainage, steep slopes, utility easements, rock formations, or other hazard.

The site is flat and does not present the above hazards.

4. The lot arrangement is such that there will be no foreseeable difficulties, for reasons of topography or other conditions, in securing building permits and in providing driveway access to buildings on such lots from an approved street. Each lot created through subdivision is suitable in its natural state for the proposed use with minimal alteration.

The lots being created by this plat present no foreseeable difficulties for the proposed development. No significant alterations to the land appear necessary.

5. The subdivision makes adequate provision for storm or surface water runoff, and temporary and permanent erosion control. The stormwater drainage system shall be separate and independent of any sanitary sewer system. All plans shall be designed in accordance with rules, regulations and standards of the city engineer. Facilities intended to be dedicated to the City shall be located in perpetual, unobstructed easements of a width determined to be adequate and necessary by the city engineer. To the extent practicable, the amount of stormwater runoff from the site after development does not exceed the amount occurring prior to development.

Public Works will review and approve drainage and sanitary system plans before issuance of building permits.

RECOMMENDATIONS:

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the rezoning:

The Department of Community Planning and Economic Development - Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the rezoning petition to change the zoning classification of the property located at 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue to the C3A district.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the conditional use permit:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the application for a conditional use permit to allow for a Planned Commercial

Development for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the conditional use permit:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit to allow for a theatre expansion for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue subject to the following conditions:

1. Modification of the façade along Lagoon to incorporate a theatre entry at the southwest corner of the theatre.

Recommendation of the Department of Community Planning and Economic Development– Planning Division for the variance:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the variances of the required interior side yard setbacks for the proposed residential structure for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue.

Recommendation of the Department of Community Planning and Economic Development– Planning Division for the variance:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the variance of the required rear yard setback for the proposed residential structure for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the variance:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for the variances of the Pedestrian Overlay District standards including (1) building placement for the residential building as it is not located within 8 feet of Lagoon Avenue or Fremont Avenue, (2) driveway widths, and (3) building façade window area for the Lagoon Avenue frontage due to an uneven distribution of windows for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue subject to the following conditions:

1. The curb cuts/driveways shall be limited to a maximum of 23 feet, 10 inches off of Lagoon Avenue and to 24 feet off of Fremont Avenue.

2. The proposal shall meet the 40% window requirement along Lagoon Avenue but such window area need not be evenly distributed.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the site plan review:

The Department of Community Planning and Economic Development– Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue subject to the following conditions:

1. Planning Staff review and approval of the final site, elevation and landscaping plans.
2. All site improvements shall be completed by May 23, 2007 unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.
3. The applicant shall submit a lighting plan showing foot candle measurements before final plans are approved.
4. The Travel Demand Management Plan must be approved by the Planning Director prior to submission of plans for final approval and building permit issuance.
5. Review and approval of a security plan as outlined by the City’s CPTED officer.
6. Modification of the theatre to incorporate a principal entrance at the southwest corner of the building.
7. Incorporation of windows, entries, recesses, projections or other architectural elements to the north and west ground floor elevations of the proposed residential building to break up the blank uninterrupted walls that exceed 25 feet in width.
8. Incorporation of active uses along the Fremont Avenue frontage at street level.
9. Proposed bollards in the plaza shall be replaced with landscape planters.
10. Approval of the conditional use permit for a Planned Unit Development.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the preliminary plat:

The Department of Community Planning and Economic Development– Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the preliminary plat application and the drainage/utility easement variance for

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property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue.

Attachments:

1. Summary of revisions
2. Land Use Application packet – including statement of use, description, findings, photos, etc.
3. Correspondence – LHENA, CARAG, MTC, HCRRA, letters/emails
4. Legal description
5. Zoning map
6. Plans – site survey, site plan, floor plans, elevations, landscape plans