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## MEMORANDUM

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DATE: July 23, 2009  
TO: Zoning and Planning Committee Members  
FROM: Jim Voll - CPED Planning Division  
SUBJECT: Stone Arch Phase II appeal

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At its meeting of July 9, 2009, the Zoning and Planning Committee requested additional information regarding approved projects in the vicinity of the Stone Arch Phase II proposed development. Attached is a chart comparing approved projects in the area in chronological order of approval. In addition, there is a map showing the location of the projects.

Also, the committee requested information on which projects obtained variances of the minimum lot area per dwelling unit and the reason for hardship in the findings. Two projects, Stone Arch Phase I and Flour Sack Flats Phase II, received a 30 percent reduction in the minimum lot area per dwelling unit. The reasons for hardship are listed below:

### Stone Arch Phase I

Hardship was based on unique conditions. The report stated “the site is unique for several reasons. There are several large buildings in the area that make a larger residential building less out of character regarding height, bulk, and mass. The parcel has an irregular shape and contains several physical conditions including slopes, rail lines, and power lines that make it more difficult to develop. It has access to amenities, such as the Mississippi River, the Stone Arch Bridge, and Downtown that make it suitable for higher density residential development. These are conditions that are not generally applicable to other properties in the ILOD.” Note that the policy framework has changed since the review of this project. At the time of approval, specific boundaries of the East Hennepin Activity Center had not been determined, but it is out of the current boundaries of the Activity Center. The project pre-dated the Marcy-Holmes Master Plan.

## Flour Sack Phase II

Staff found that the proposal was a reasonable use of the property. The report stated, “if the height and bulk of the building are deemed appropriate, then requiring the applicant to reduce the number of units would only reduce the site density, not the size of the building. The smaller unit size allows the applicant to provide more affordable units. This is a reasonable use of the property.” It also stated, “The site is unique for several reasons. There are several large buildings in the area that make a larger residential building less out of character regarding height, bulk, and mass. It has access to amenities, such as the Mississippi River, the Stone Arch Bridge, and Downtown that make it suitable for higher density residential development. These are conditions that are not generally applicable to other properties in the city.” The site is located within the boundaries of the Activity Center.

Finally, the Committee requested information related to granting the reduction in lot area based on the provision of affordable housing. Generally the intent of the affordable housing density bonus, which awards a 20 percent increase in the maximum floor area and number of units, is intended to recognize the benefits and challenges associated with providing affordable housing in new development.

Staff identified one project, the Van Cleve Court development (901-941 13<sup>th</sup> Avenue Southeast and 932 12<sup>th</sup> Avenue Southeast, zoned ILOD), where the hardship finding referenced the inclusion of affordable housing, as one of the factors in granting the variance. This project was granted a reduction down to 471 square feet per dwelling unit, or a 21 percent variance. It also received a 20 percent bonus for affordable housing.

<b>Project</b>	<b>Zoning District</b>	<b>Number of units</b>	<b>Dwelling units per acre</b>	<b>Minimum lot area per unit (MLA)</b>	<b>Variance of MLA (max 30%)</b>	<b>Bonuses</b>	<b>CUP for height</b>	<b>Proposed density** TMP/TMSG</b>	<b>Within Activity Center</b>	<b>Before or after adoption of Master Plan for the Marcy Holmes Nbhhd</b>
<i>Stone Arch Phase I BZZ-186 (2001)</i>	I2/ILOD	273 units	113 du/ac	380 sq. ft. per du	42% variance	One 20% bonus (Afford. housing)	Yes. To six stories.	High	No	Before
<i>Stone Arch Phase I revised* BZZ-1050 (2003)</i>	I2/ILOD	221 units	78 du/ac	556 sq. ft. per du	30% variance	One 20% bonus (Afford. housing)	Yes. Granted per BZZ-186, but reduced to 5 stories.	High	No	Before
<i>Flour Sack Phase I BZZ-2237 &amp; 2517 (2005)</i>	C3A	59 units	78 du/ac	559 sq. ft. per du	No	No	Yes. 4 to 5 stories.	High	Yes	Before
<i>Phoenix Lofts BZZ-2324 (2005)</i>	C3A	90 units	98 du/ac	442 sq. ft. per du	No	No	Yes. 2.5 to 5 stories in Shoreland to 17 stories outside of Shoreland	High	Yes	After
<i>East Bank Mills BZZ-3137 (2006)</i>	C3A	960 units	122 du/ac	356 sq. ft. per du	No	A 20% PUD bonus	Yes.***	High/Very High	Yes	After
<i>Flour Sack Phase II BZZ-3882 (2007)</i>	C3A	96 units	211 du/ac	206 sq. ft. per du	30% variance	Two 20% bonuses (Aff. Housing & enclosed parking)	Yes. 4 stories to 13 (145 feet)	High/Very High	Yes	After
<i>Stone Arch Phase II BZZ-4319 (2009) Project denied.</i>	C3A denied	98 units	117 du/ac	371 sq. ft. per du	No	One 20% bonus (enclosed parking)	Yes. 2.5 in Shoreland to 6 stories (70 feet).	High	No	After
<i>Stone Arch Phase II BZZ-4405 (2009)</i>	I2/ILOD	79 units	95 du/ac	455 sq. ft. per du	30% variance	Two 20% bonuses (Aff. Hosing & enclosed parking)	Yes. 4 to 6 stories (70 feet)	High	No	After



\* The original Phase I of the Stone Arch Apartments was approved for 273 units, but as a part of a lawsuit brought by Metal-Matic, the Hennepin County District Court issued an Order and Memorandum on September 24, 2002, determining in part that the variances granted by the City exceeded the minimum lot density limitations in the Minneapolis Zoning Code and required the project to reapply for a density variance, “up to 20 percent off the statutory minimum for and ILOD as per 525.520.” At this time the City revised the zoning code to increase the maximum allowable variance to 30 percent. The City Planning Commission approved a 30 percent variance to allow 221 units for Stone Arch Phase I on March 17, 2003 (BZZ-1050).

\*\* *The Minneapolis Plan* defines density as follows: Low 0-10 du/ac; medium 10-30 du/ac; high 30+ du/ac. *The Minneapolis Plan for Sustainable Growth* defines density as follows: Low 0-20 du/ac; medium 20-50 du/ac; high 50-120 du/ac; very high 120+du/ac.

### \*\*\***East Bank Mills Heights**

Pillsbury A Mill: The A Mill is 13 stories or 112 feet (7 floors) and will have a small elevator penthouse addition that will be at a height of 14 stories or 116 feet. It is in the Shoreland Overlay District and is already nonconforming as to height. The exception is from 2.5 stories, or 35 feet, whichever is less to 14 stories or 116 feet only for the new addition. The existing part of the building is deemed to have a CUP for height per Section 520.140(b).

South Mill: The South Mill is at heights of 17 and 18 stories or 159 feet (9 floors) at its maximum. It will have stair and elevator penthouse additions that will increase the portion of the building at 18 stories or 159 feet. It is in the Shoreland Overlay District and is already nonconforming as to height. The exception is from 2.5 stories, or 35 feet, whichever is less to 18 stories and approximately 159 feet only for the new addition. The existing part of the building is deemed to have a CUP for height per Section 520.140(b).

Building B: Building B is proposed at a height of 17 stories or 148 feet (12 floors). It is not in the Shoreland Overlay. The exception is from the C3A District requirement of 4 stories, or 56 feet, whichever is less to the proposed height.

Building C: Building C is proposed as at a height of 12 stories or 119.5 feet (10 floors). It is not in the Shoreland Overlay. The exception is from the C3A District requirement of 4 stories, or 56 feet, whichever is less to the proposed height.

Building D: Building D is proposed at a height of 17 stories or 191 feet (15 floors). It is in the Shoreland Overlay District. The exception is from 2.5 stories, or 35 feet, whichever is less to the proposed height.

Building E: Building E is proposed at a height of 29 stories or 324 feet (27 floors). It is partially in the Shoreland Overlay District. The exception is from 2.5 stories, or 35 feet, whichever is less to the proposed height.

Building F: Building F is proposed at a height of 26 stories or 290 feet (24 floors). It is not in the Shoreland Overlay. The exception is from the C3A District requirement of 4 stories, or 56 feet, whichever is less to the proposed height.

Building G: Building G is proposed at a height of 22 stories or 243.5 feet (20 floors). It is not in the Shoreland Overlay. The exception is from the C3A District requirement of 4 stories, or 56 feet, whichever is less to the proposed height.

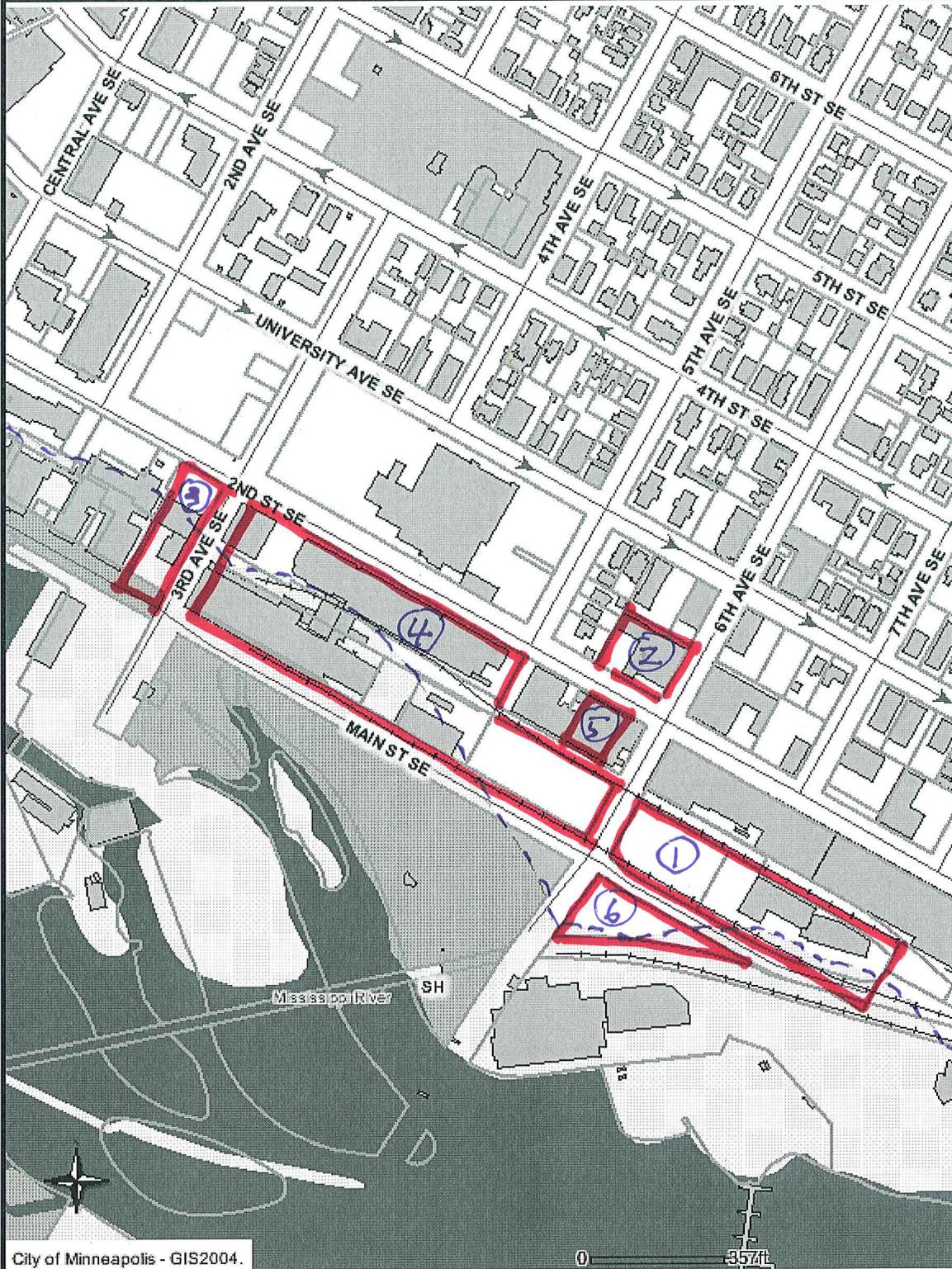
# Projects Map

Key:

- 1) Stone Arch Phase 2
- 2) Flour Sack I
- 3) Phoenix
- 4) East Bank Mills
- 5) Flour Sack II
- 6) 600 Main / Stone Arch II

### Legend

- Railroads
- Street Oneway
- Light Rail Stations
- Light Rail Line
- Streets
- Parcels
- Buildings
- Water
- Parks
- Shoreland Overlay



SH Boundary

City of Minneapolis - GIS2004.

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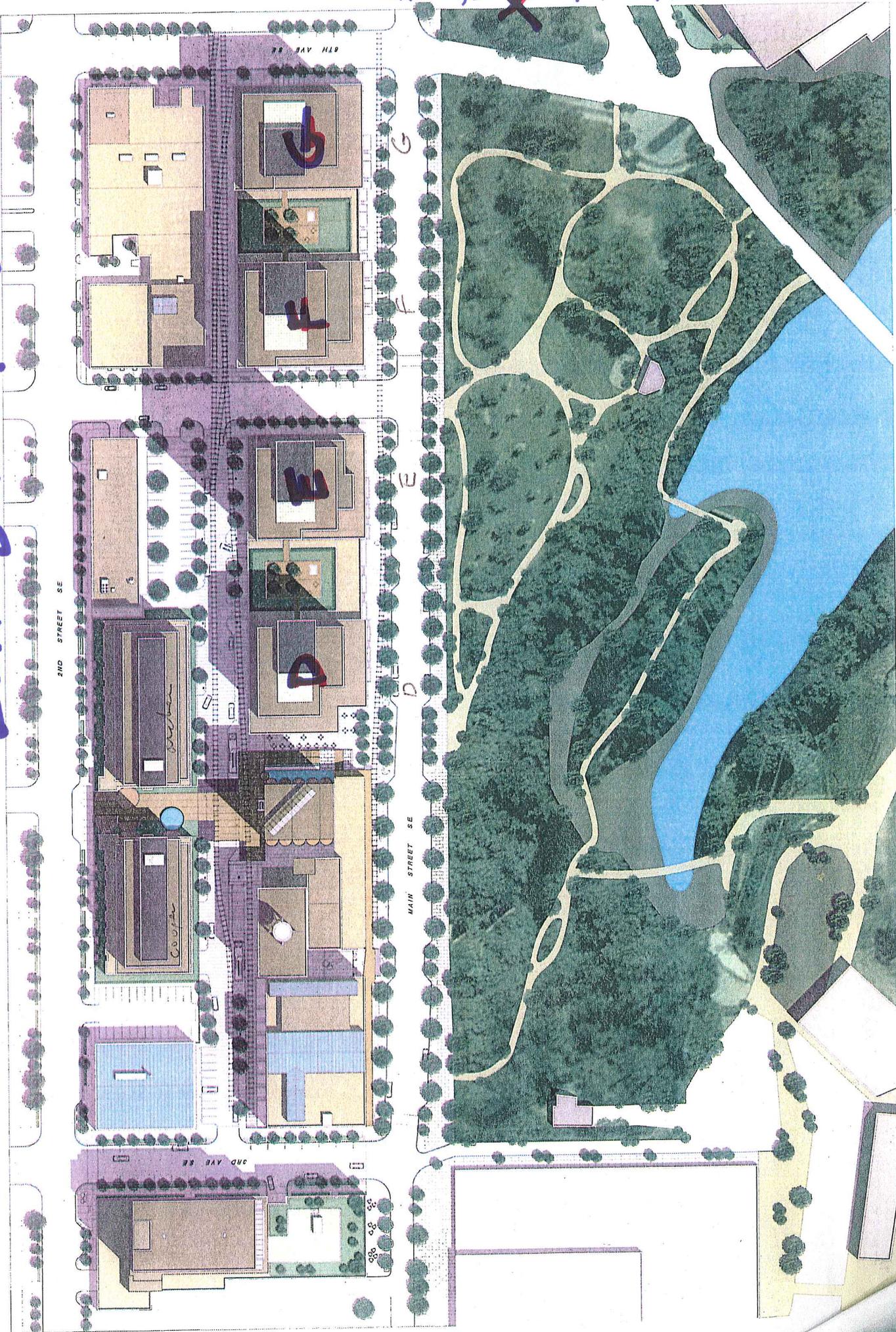
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# East Bank M.Us



Stone Arch  
Phase II

22 ft  
20 ft  
23 ft

26 ft  
24 ft  
290'

29 ft  
27 ft  
324'

17 ft  
15 ft  
191'