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

Date: July 26, 2007

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

Referral to: Zoning and Planning Committee

Subject: Appeal of the decision of the City Planning Commission filed by Walter Rockenstein with Faegre & Benson LLP, on behalf of Pacific Flats, LLC

Recommendation: At the June 25, 2007, City Planning Commission meeting nine of the Planning Commission members were present. All of the Planning Commissioners voted to approve the site plan review application with the condition of approval that green boulevards be installed along 2nd Street North, 3rd Avenue North and 2nd Avenue North instead of tree grates a this application was approved on the consent agenda.

Ward: 7

Previous Directives: Not applicable

Prepared by: Hilary Dvorak, Senior Planner Approved by: Jason Wittenberg, Planning Supervisor Presenters in Committee: Hilary Dvorak, Senior Planner

Community Impact

- Neighborhood Notification: Notice of the Planning Commission hearing was mailed on 8, 2007, and notice of the appeal was mailed on July 16, 2007.
- Comprehensive Plan: See staff report
- Zoning Code: See staff report
- End of 60/120-day decision period: A 60-day extension letter was mailed on July 12, 2007, extending the 120-day decision period to September 27, 2007.

Supporting Information

Pacific Flats, LLC has filed an appeal of the decision of the City Planning Commission in regard to the development of an 11-story mixed-use building including 80 dwelling units and four levels of commercial uses located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North. The appeal is associated with

the decision of the City Planning Commission to approve the following condition of approval in association with the approval of the site plan review:

- Green boulevards shall be installed along 2nd St N, 3rd Ave N and 2nd Ave N instead of tree grates. Along all three streets the sidewalks shall be 10 feet in width and the remaining area shall be dedicated to the green boulevard.

The original staff report and the minutes from the June 25, 2007, City Planning Commission meeting are attached.

The appellant has stated that the reason for the appeal of the condition of approval is that "incorporating green boulevards on the Pacific Block is impractical and will not provide the environmental or aesthetic impacts that the condition is intended to obtain. In addition, requiring green boulevards is inconsistent with the streetscape plan that was approved by the Heritage Preservation Commission (HPC) for the Pacific Development project, most of which is located in the City of Minneapolis North Loop warehouse District ("Warehouse District").

Excerpt from the
CITY PLANNING COMMISSION
MINUTES
Minneapolis Community Planning & Economic Development (CPED) Planning Division

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MEMORANDUM

DATE: June 27, 2007

TO: Steve Poor, Planning Supervisor – Zoning Administrator, Community Planning & Economic Development - Planning Division

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

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

SUBJECT: Planning Commission decisions of June 25, 2007

The following actions were taken by the Planning Commission on June 25, 2007. As you know, the Planning Commission's decisions on items other than rezonings, text amendments, vacations, 40 Acre studies and comprehensive plan amendments are final subject to a ten calendar day appeal period before permits can be issued:

Commissioners Present: President Motzenbecker, El-Hindi, Huynh, LaShomb, Mains, Norkus-Crampton, Schiff, Tucker and Williams – 9

Commissioners Not Present: Nordyke

Committee Clerk: Lisa Baldwin (612) 673-3710

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6. Pacific Flats, LLC (BZZ-3584, Vac-1506 and PL-204, Ward: 7), 215 and 223 2nd St N (Hilary Dvorak).

A. Variance: Application by Pacific Flats, LLC for a variance to reduce the loading space requirement from the required three large spaces to two large spaces located at 215 and 223 2nd St N.

Action: The City Planning Commission adopted the findings and **approved** the variance application to reduce the loading space requirement from the required three large spaces to two large spaces located at 215 and 223 2nd St N.

B. Variance: Application by Pacific Flats, LLC for a variance to reduce the east interior side yard setback from the required 15 feet to zero feet for the building located at 215 and 223 2nd St N.

Action: The City Planning Commission adopted the findings and **approved** the variance application to reduce the east interior side yard setback from the required 15 feet to zero feet for the building located at 215 and 223 2nd St N subject to the following condition:

1. A no-build easement of at least 15 feet in width shall be placed along the west property line of proposed Lot 4. The no-build easement shall be for that portion of the building above the first floor. Proof of filing the no-build easement shall be provided to Planning Staff.

C. Site Plan Review: Application by Pacific Flats, LLC for a site plan review for property located at 215 and 223 2nd St N.

Action: The City Planning Commission adopted the findings and **approved** the site plan review for a hotel located at 215 and 223 2nd St N subject to the following conditions:

1. Green boulevards shall be installed along 2nd St N, 3rd Ave N and 2nd Ave N instead of tree grates. Along all three streets the sidewalks shall be 10 feet in width and the remaining area shall be dedicated to the green boulevard.

2. The streetscape plan for this development (trees, lighting, etc) shall extend along all four sides of the block.

3. If it is determined that there can only be one curb cut along 3rd Ave N it shall be though the “alley” curb cut. The applicant shall continue to work with staff on reducing the overall number of curb cuts, particularly along 2nd Ave N.

4. Access easement agreements which will allow access between all of the lots on the block shall be filed with Hennepin County. Such easements are subject to review and approval by the City Attorney’s office.

5. Approval of the final site, elevation, landscaping and lighting plans by the Department of Community Planning and Economic Development – Planning Division.

6. All site improvements shall be completed by June 25, 2008, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.

D. Vacation: Application by Pacific Flats, LLC for all of the platted alley in Block 34.

Action: The City Planning Commission recommended that the City Council adopt the findings and **deny** the alley vacation application for all of the platted alley in Block 34, Town of Minneapolis Addition, as of record at the Hennepin County Recorder’s Office, Minneapolis, Minnesota.

E. Preliminary Plat: Application by Pacific Flats, LLC for a preliminary plat for property located at 215 and 223 2nd St N.

Action: The City Planning Commission **approved** the preliminary plat application for The Pacific Addition located at located at 200, 206, 214, 214 ½ and 218 Washington Ave N, 212 and 216 2nd Ave N, 219 and 223 2nd St N and 217 3rd Ave N.

Staff Dvorak presented the staff report.

Commissioner Mains: Why grass in the warehouse district on the boulevards?

Staff Dvorak: I'm sorry.

Commissioner Mains: I may be misinterpreting, but on the boulevards you are saying green boulevards are installed along 2nd St N, 3rd Ave N and 2nd Ave, what do you mean by green boulevard?

Staff Dvorak: Grass instead of tree grates. Having continuous green boulevards.

Commissioner Mains: It seems to me that that will be then the only block there that will have grass along the boulevards and it seems totally inconsistent with a warehouse district and have you run that past HPC?

Staff Dvorak: The landscaping plan for the corner of the hotel site was discussed at HPC, but outside of the property boundaries, the landscaping was not discussed. I did consult with HPC staff about that and that was not an item that was brought up at HPC.

Commissioner Schiff: Why would we want to change the treatment for boulevards for this block only in the warehouse district? Is this something new for every block in the city of Minneapolis and all applications?

Staff Dvorak: I can't speak to all applications. In this case it is a full block development. Both the Park Board and Streets and Sidewalks felt that it would be best for the trees and for their growth to have the green boulevards versus the tree grates. Because it is a full block development, Planning felt that that was acceptable.

Commissioner Schiff: So what about all the other applications on the docket today? Are we to instruct all developers in the city to no longer use tree grates? Is this the new standard from the Park Board?

Staff Dvorak: Well, the Park Board typically encourages green boulevards versus tree grates.

Commissioner Schiff: No. That would be brand new as of right now if we were to start making this requirement. They have always been fine with tree grates up until now. They've consulted that with the city of Minneapolis whenever we engage in a road reconstruction project as they were consulted with the Lake Street reconstruction and all the others and they've always been fine with tree grates.

Staff Dvorak: I guess they're fine with tree grates, but they prefer to have the green boulevards versus the tree grates.

President Motzenbecker: Is there a concern with what…or is it just…

Commissioner Schiff: I just want to know if the rules are changing. Are the rules changing from here on out? Are we to apply this to every application that comes before us in the city of Minneapolis and we should notify Public Works or is this just something special for this developer? I just want the rules explained.

Staff Dvorak: I can't speak to every development in the future.

Commissioner Schiff: Ok, that's fine. Who came up with this idea, Hilary?

Staff Dvorak: Well, it was brought up by Park Board. It's in the PDR report that's included and we concurred.

Commissioner Schiff: Ok. Is there anybody else on the docket today who is having the same condition applied to them?

President Motzenbecker: I can't answer that…

Director Sporlein: Are they full block developments? I think one of the issues that come up in PDR and elsewhere is it's a full block development, but again, that was a recommendation that we concurred with.

President Motzenbecker: When it comes to trees, I would, in my professional opinion, concur with that that actually that should be something that the city should move towards as they start planting trees in the future because that will allow the trees to grow a lot better, to last a lot longer in the urban condition to have that ability to grow under the sidewalk and in a lot more facile soil than they do when they're stuck in a tree grate. It's very difficult for them to flourish. That comes to the whole question of trees in the warehouse district, which I think is a whole other question. If you go back far enough there were trees there. As far as whether one is better or not, I would think we should move towards the green boulevards eventually.

Staff Dvorak: To clarify, the applicant's proposing trees in tree grates along all four sides of the street. So, the only difference between what the developer is proposing…I mean, the developer is proposing trees. The Park Board and also Street Design and Sidewalks indicated that green boulevards would be the preference versus tree grates for the life of the tree.

Commissioner Huynh: I know that the North Loop neighborhood has been struggling with a lot of greening in terms of trying to promote that in the neighborhood. As part of their Washington Boulevard rollout event just earlier this June, David Frank, who is the chair of the North Loop neighborhood, had come and expressed a lot of the concerns with a lot of the development not providing green. From my perspective, I think that this would only enhance the warehouse district and move the neighborhood towards their agenda with providing a lot more green with planters and trees in their neighborhood so I'd be in support of keeping this condition in as part of the proposal.

Commissioner Schiff: Ms. Dvorak, on 3rd Ave N, if you collapse the turnaround for the…I'm sorry, the drop off for the hotel users into one curb cut, how do you anticipate the vehicle circulation taking place?

Staff Dvorak: Between the property line and the edge of the landscaped area it is 37 feet. If you arrange the green space differently, you could continue it along 3rd Ave, along the property line and remove a portion of this and then have it circulate around. That's what came to mind when Public Works said one curb cut. I didn't draw it out for turning, but that's what we envisioned.

Commissioner Schiff: I get it. Great. Ok.

President Motzenbecker: It could work. I did draw it out, Commissioner Schiff. Right now it's about a 20 foot wide shown in there and if you took it down to one you would do just a one way circulation.

Commissioner Schiff: Thanks. She answered my question.

Commissioner Mains: How wide would the grass be with a 10 foot sidewalk?

Staff Dvorak: Along 2nd St it's a 14 foot wide sidewalk so it would be a four foot green space area. Along 3rd Ave it's a 16 foot wide sidewalk so it would be 10 feet of sidewalk, six feet of green. I believe along 2nd Ave it's 15 feet if I remember correctly so that would be a five foot green space area.

Commissioner Mains: Thank you.

Commissioner LaShomb: I'm having a little trouble getting my hands around this concept of a historical alley. What makes this a historical alley? We've had a lot of vacations of alleys in the city of Minneapolis and this is the first time I've ever heard someone say we shouldn't vacate it when Public Works and the Department of Transportation and everybody else says it's ok because it's historical. Other than saying it's historical, what's the basis for concluding that this alley ought to be preserved?
Staff Dvorak: When we look at vacations, we look at if there is a reason or necessity to vacate. We look at what it provides. In this case, the development can continue without vacating the alley. Because the district has alleys in it and it was such a large part of the discussion at HPC back in November, once Planning learned that the development can continue without it, regardless of the positive outcome from Public Works we felt that it was important to keep the grid of the alley on this block and that building under and above through an easement was the appropriate route to take.

Commissioner LaShomb: I've always had this kind of notion in my head that sometimes getting rid of public space that isn't useful is good public policy and not bad public policy. Is there a traffic flow through this alley? Would there be more of a traffic flow through this alley if this project was completed?

Staff Dvorak: The traffic flow through the ally currently would be this parking area. Given the grades along the street you can only get to this parking area through the alley now. This parking lot, you can access the spaces that line up along the southern edge of the alley through the alley. There is no barrier between the alley and this large parking lot that sits here on this site. The parking lot that's located here on the corner currently is accessed from the street. I would say that the alley is used currently for access purposes. As far as loading for the different users on the block, I'm not sure where trucks load and unload and if they use the alley like they do on other blocks throughout the city or if they use the streets.

Commissioner LaShomb: Would it be fair to say that if this alley were vacated that that would eliminate any burden to the city for maintenance of the alley?

Staff Dvorak: There was a discussion at PDR but it never ended up in an actual recommendation. The discussion was something like this. When you build above and below through an easement, the developer also takes on the responsibility of maintaining the alley and plowing the alley.

Commissioner LaShomb: Ok, so just to wrap up my perspective on this to make sure I understand this, this alley is historical because it's in a historic district and that fundamentally it's the Planning staff's position that they could achieve the objective they want to achieve without having to acquire the alley.

Staff Dvorak: That is correct.

Commissioner LaShomb: Thank you.

Staff Voll: I just wanted to add, Commissioner LaShomb, that whether one agrees that this is a historic alley or not, we typically look, as Planning staff, at a public purpose. It's not just if it's a transportation corridor or whether the city maintains it. While we try to work with Public Works and usually agree with them, sometimes we will look at that public purpose a little bit differently then they do. They're not charged with looking at those items so they don't always do that. There's nothing wrong with that. They're charged with what they're supposed to look at. Sometimes we look at the broader issues. We've done that on other ones. We've done that on other ones where we've had paper streets that go to lakes or the river for trail uses or whatever. You can still have the debate on whether it's a historic alley or not, but I think historically we've always looked at broader things than just whether it's needed for transportation.

President Motzenbecker opened the public hearing.

Jack Borman (222 n 2nd St) [not on sign-in sheet]: I'm the project partner in charge for this submittal. We primarily wanted to talk about two basic things. One is to talk about the site plan review in relationship to the curb cuts and the hotel turnaround. Craig Vaughn from SRF is here to talk about the geometrics and our concerns about reducing the curb cuts. We'd also like to talk about the alley and how the alley fits into the overall design and our support for the vacation. What I'd like to do first off is talk about our pending completion of our TDMP. Craig, do you want to come up and talk a little bit about the actual curb cut? Just to explain why we have designed it the way we have, if you walk through Minneapolis downtown I think you'll see that about half of the hotels have drop-offs that have curb cuts and they pull off underneath the building or under a porte cochere. There are some that don't and I think that the issues like at the Marquette where you do not have a pull off and you have curbside and the amount of activity and the amount of issues going on there that are totally safety related and are one major issue about why we wanted to pull off the site to drop off guests at the hotel. The other issue is to have the development of this plaza space in front of the hotel to be a major contributor to the quality of, not only our development, but the overall neighborhood. There's a tremendous amount of discussion about this plaza. What we're trying to do is reduce the amount of asphalt and the amount of hard surface in front of the building by designing the drop off and the porte cochere driving under the building the way we are. In studying the traffic, our goal was to have the traffic going northbound would come in, in a one-way loop, drop off and then turn and drive down the alley to parking. Vehicles would come in that were going directly to parking, come through the alley curb cut and go directly to parking. The concept of being able to quickly get limos, small buses and auto vehicles off the street and into the property and then off to parking without going back on the street was clearly our goal. Not only the aesthetics of creating the plaza as a much more developed green space and also the safety was primarily why we designed it the way we did. Craig, you want to talk about the geometry of not having our second curb cut?

Craig Vaughn [not on sign-in sheet]: I'm with SRF Consulting Group. I'm working on the project team for this particular project. We handled all of the traffic and transportation components for the project, particularly the TDMP for the project. Right now I just want to address the curb cuts specifically as it pertains to the hotel drop off area. As Jack pointed out, our charge was to review the site plan for any issues that may pop up pertaining to safety or otherwise or traffic flow, internal circulation, etc. The first thing we tend to look at is site access locations. Focusing on the 3rd Ave portion of the block, we did notice the two access locations here, however, the intended intent there is for a drop off. We kind of looked at whether or not they would be bi-directional or the flow would be going both ways. We liked that it was one-way. That helps to improve safety along that roadway and reduce the pedestrian conflicts with peds or bicyclists crossing the roadway that may be along the sidewalk area. The one-way nature helps that a bit and increases the walkability of the roadway. We had the same concern, actually. We tend to first look at how we can minimize curb cuts or access along roadways. It helps to improve the mobility of the roadway itself. Knowing that 3rd Ave is a major artery to 394 both incoming and outgoing, that was one of the things that concerned us as well. What we did was we attempted to, based on once we heard staff's comments as well that they'd like to see the one access point versus two, we wanted to see as to whether or not we could use the one access point through the alley and run some type of internal circulation. As Ms. Dvorak pointed out, the two options would be to make the right hand turn or a southbound left hand turn into the site, circulate through this point here or through the existing point that's currently shown on the graphic. Not to be entirely contrary to Ms. Dvorak's point, but this first location here would be a little more difficult than the other second point internal to the site. You'd have some obstruction by the curb radius there. You'd need to design that a little bit more shallow in order to make that initial curve. What we did was we ran this through a program called Auto Turns which simply does a little bit more of a scientific of looking at various design vehicles and turning radius to get inside here. The long and the short of it is that we looked at two types. We ran a large vehicle, a large SUV, a 19 foot vehicle could turn in off of the roadway, come in and make one fluid motion through this turn and recirculate down the one-way alley way back to the parking areas. That was our first go at it

to say "could this accommodate the typical vehicle that most people tend to use?" However, knowing that it is a hotel drop off and knowing the type of patron that may be serviced by this, we wanted to also look at small buses or limousines as well. Our next charge then was to look at how a limousine would traverse this type of circulation pattern. As you can see here we used a 28 ½ foot design vehicle, which is the somewhat typical limousine pulling in off of 3rd Ave would have an obstruction on the curb radius through this area here on the south part of the alley. You could get inside through the roadway. There's a couple of structures located along here, pillars, for the hotel overhang. It obstructs and runs into the first pillar on the southern portion there you can see. It has a bit of difficulty making one fluid rotation or movement through here. They'd want to turn in, drop off their patron or customer and then continue on out of here. We also then… I don't have a graphic of this. I wanted to do the due diligence to look at whether or not there could be some backing up, back and forth, etc. to get out of here. That's rather difficult as well. That kind of brought us back to the one access not being the most desirable alternative and not being able to service all types of vehicles.

Jack Borman: I'd just like to comment on the first one. The design as we have it now has the ability for cabs and whatnot to wait on one side of the 24 foot access drive so that the other vehicle could pull through. The only concern I have about this is that it would function on the basis that there's no other vehicles in the drop-off spot. I think that's probably not exactly how it might function.

Craig Vaughn: Correct. There'd be no room…

Commissioner Tucker: I have a question about your existing design. Did you run your program for the proposed design?

Craig Vaughn: Yes sir. I have that graphic which addresses that. I simply have the 28 foot limousine which is our largest vehicle we need. You can see that you can make it inside of the two curb radiuses at this point. You can come around through this area. The one point to note is that after dropping off the vehicle, there is that backing up that would be necessary for this type of vehicle to get out of here as well. A large limousine or a 28 ½ foot limousine, which I suppose technically is not a large limousine, there are the Hummer style limousines, it would have to pull in here, drop off its patron, move forward, slightly reverse, and then slide on out from that point. That type of movement could occur with a limousine whereas the other alternative it's just not quite as feasible to do that ticky-tack, going forward, backing up and kind of maneuvering around.

President Motzenbecker: Did you guys run the scenarios going in the counterclockwise direction? I know that it the typical way that a drop-off is used because the passenger would end up getting out on the curb side. I just wonder if you had maybe looked at that using the two curb cuts and just reversing that flow.

Craig Vaughn: Coming in through this area and turning around? That there you would have to have an entrance and an exit back on to the roadway.

President Motzenbecker: That's what I'm saying. With your proposed design, did you run it…could they go the other way without any difficulty?

Craig Vaughn: I did not particularly run that. I wouldn't recommend that to the applicant. Having that vehicle coming in and that vehicle exiting, now that pedestrian that's walking across the roadway now has to both look this direction to identify the vehicle, proceed on forward if I'm moving northbound along the roadway as a ped and then look back to their right. That two-way action along the roadway kind of degrades the overall safety and walkability of the pedestrian area.

Commissioner Norkus-Crampton: I understand what you're saying about having to look both ways from a pedestrian perspective, but I guess going counterclockwise what I would see is that the cars or buses or limos

leaving would be at a stop. They would be in a position to be able to slowly gauge who is on the sidewalk versus two entrances right next to each other where people are coming off a road and maybe not paying total attention to who is on the sidewalk, mostly just trying to get around the corner. I understand what you're saying about having to look both ways, but I do think that there could be an argument made that if you had a vehicle parked there who would have time to actually look both ways in the sidewalk to see who's around before easing out, that might still actually provide a more safe pedestrian.

Craig Vaughn: Sure. Actually, at one point, and this is something that somewhat struck me, we didn't look at that reverse type maneuver, however, now based on just going back to what I had previously saw and presented to you a moment ago…looking at a 28 ½ foot limousine, a limousine trying to enter in through that alley access and circulate in a counterclockwise motion would appear to cross the curb radius on the south side of the alley and run into an obstruction by the pillar at that point there.

Jack Borman: Also, turning in, it doesn't seem feasible to turn in and make that turn quickly to come around. It would really get severely tight then so I don't think that would work.

Commissioner Norkus-Crampton: So is the turn any easier coming out on to the alley then? It seems like you're dealing with the same radius.

Jack Borman: There are two areas in the other drawing that I want to point out that we have control over in the design. In other words, the design of this corner where the stair's at, can be eased like this and then this corner here can be eased so that we potentially could make one continuous sweep. Obviously, we have much less ability to adjust out here at the street. I think our proposal of having this as one way in and this as one way in…clearly, as a pedestrian moves along the sidewalk here, the turning movements are the same in both cases. We're approximately 50 feet apart which is a standard city divider distance. We clearly feel that the larger vehicles could come in, turn and keep on going after they've dropped someone off or in the process of getting to parking.

Commissioner Tucker: I would just note that the condition says "if it is determined" and that is by Public Works, that we would prefer one location rather than the other. I don't think that there's a big debate worth talking about because Public Works will do what Public Works does and we're not traffic engineers.

President Motzenbecker: If we could maybe talk then about our alley issue.

Jack Borman: Using this exhibit here…I'd just like to talk a little about the design and why the project is looking to vacate the alley. It is a whole block development. It has gone through a series of redesigns based on input from HPC and city Planning staff. We fully recognize and have fully agreed to the fact that the alley will remain as a view corridor that establishes the grid work of mid-block view corridors that is fairly consistent in the historic district. I think, clearly, that's a design driver that city Planning and HPC has felt is very important. We do not propose, and we are restricted from ever building any major structure that would close off that alley view corridor from grade all the way up that would, in effect, close off the fact that the block is divided into two parts by the alley. I think that that is clearly a fix, but given that that has been embodied by the HPC approval and we're here today saying that that's how we've submitted it and that's how we plan to develop the block, the concept of what the alley really means to the design is really where the vacation becomes crucial. There was a lot of discussion about why alleys need to be kept open. I think some of the things that we resonated well with is the alleys really become a secondary pedestrian corridor and they provide not only service access, they provide pedestrian access to and from parking areas, to and from secondary entrances to buildings. They provide that and we intend in our overall design to construct the alley. You see it started here with brick pavers to reconstruct the alley to maintain it in the same historic design that it was originally built in. As the developer and owner of the entire block, we'll be maintaining it. There's no purpose with regards to utilities, as Public Works said, there's no purpose in regards to maintaining through-block development, it dead-ends at 3rd Ave. What we want to do by controlling the alley

through the vacation is to be able to totally control it as a pedestrian corridor, as a service corridor, to service this entire block and to maintain it, to light it and to secure it so that we have control over it as if it were private property, but with the HPC restriction it will always maintain the physical appearance of being an alley. As far as building underneath it for parking purposes, that's very crucial. As far as being able to have a skyway link over the top of it connect the hotel to the Washington development, that's also crucial and has been approved by the HPC. I think the other issues have to do with ownership and the overall property development. I would turn those issues over to Carol.

Carol Lansing (90 S 7th St): I'm an attorney with Faegre & Benson. I'd like to address the legal basis for the city's decision on a decision to vacate a public right-of-way. The question is whether the public right-of-way, be it a street or alley, continues to be needed for the purpose for which it was dedicated. In response to Mr. Voll's comments, Planning may have a broader view of the transportation or trail purposes of some existing right-of-ways, but that purpose cannot be broadened beyond those purposes to include something, any conceivable interest, including historic preservation. Alleys, as we've talked about, were dedicated to provide access to the rear of properties, to provide service accesses and utility connections. They were not dedicated alleys for the general travel of the public. In fact, in Minneapolis it's illegal to drive your car through an alley unless you're an invitee. In this case, the Pacific block will no longer, there will no public purpose in having this alley. It has been discussed that it will be privately controlled and needs to be privately controlled. The city, as has also been pointed out, will experience a public benefit for no longer having maintenance reliability responsibilities. Public Works is charged with looking at those issues and they have said there is no public purpose from their perspective for transportation. Preservation of the alley is not necessary to maintain the right-of-way, to preserve it as Mr. Borman stated. The HPC has regulated our ability to put buildings across the alley and I'm sure that they would agree that even if it were vacated they could continue to exercise that authority. There are problems with the proposal of having an encroachment permit. We're talking, one, that encroachment permits can be terminated so there isn't the kind of certainty, although I know the city doesn't do that arbitrarily, but there is some lack of certainty in your ability to continue to have the underground parking we're talking about. In this case, there will probably be some condominium parking stalls under what would be public right-of-way underground and we're concerned that would pose financing and other title insurance problems for us. Just wanted to say, as your legal question, is whether the public purpose is necessary. Just two quick comments on a couple of other issues. We'd like to clarify, and I've mentioned this with Ms. Dvorak, that for the hotel, the no-build easement on the property line with Lot 4 would just be from above the first level so there are no windows in the hotel above the first level and it could be advantageous to future development to be able to connect at the first level there. Also, with respect to the streetscape along being a whole block streetscape, there is no development application here for Lot 4. The Gehl-Dolphin building, we'd like you to consider that. It does not seem reasonable to impose a condition on site plan for either Lot 3, the hotel, or Lot 5, the 10-story condo, that we do streetscaping on a lot that's not part of a development application. Just practically, we're concerned about putting in streetscaping now that would have to be taken out when Lot 4 redevelopment comes through. We totally expect to do a full block streetscape at the time that Lot 4 comes in.

Commissioner Tucker: I have a question about the pedestrian access to this alley. I think Mr. Borman said that it's intended in this proposal that there would be access through the block on this alley, is that correct?

Carol Lansing: Privately managed.

Commissioner Tucker: The public is welcome to cross, not necessarily going from part of the project to another part of the project, but from one side of the block to the other?

Carol Lansing: I would say it's for the users of the hotel or the condo and invitees.

Commissioner Tucker: So you would not be treating this as a public access.

Carol Lansing: No. It's conceivable that there might be circumstances where it would need to be controlled.

Jack Borman: As soon as this 16 foot corridor extends from 3rd to 2nd, it's going to be accessed and we just want, with it being under private control, that the access can be managed privately.

Commissioner Tucker: What do you mean by 'managed'?

President Motzenbecker: Gated off?

Carol Lansing: It's sort of like the Mall of America, yes, almost anyone from the public can walk in, but depending on behavior they can be trespassed out which you can't do on a public alley. You can't manage your private property in the same way as you would if the alley is vacated than you can if it's a public street. You'd have to call the police.

Commissioner Tucker: Do you have an objection to letting it be operated as a public way? We have other examples from other developments where private streets are to be treated as though they were public to be perceived as such by the public.

Carol Lansing: Again, this case that is inconsistent with the ability to truly manage traffic flow into the parking ramp and into the Gehl-Dolphin lot which will still be private property.

Commissioner Tucker: So you're really not seeing it as a public way. You might have a view corridor, but not a public access. I'm just trying to clarify, I'm hearing two different things.

Jack Borman: Let me clarify the word 'public'. When you are on the sidewalk and you enter any of this parking area, you would most likely enter it either as a pedestrian or in a car through the existing alleyway and then you would park and then you would go, hopefully, to one of the establishments here or you could pay the parking and go back out to the street and by sidewalk go to another block. I think it inherently, because it's been legislated to be open…the HPC said it needs to be an open view corridor. The view part, we totally agree with. Having it be totally open from the standpoint that only the city manages who uses it, is where the difficulty comes into play.

Commissioner Tucker: Does 'totally open' mean it has no gates?

Jack Borman: I don't think we've discussed having gates.

Commissioner Tucker: Maybe we'll think about that as a condition later on.

Carol Lansing: We did mention to staff in our application letter that we could also enter a conservation easement if preservation of the view is the concern or other aspects. We can work with staff on that, but we thought the HPC had quite a bit of discretion already.

President Motzenbecker closed the public hearing.

Commissioner Tucker: I will move staff recommendation on item A to approve the variance on the loading dock and item B the variance on the setback interior sideyard (El-Hindi seconded).

The motion carried 8-0.

Commissioner Tucker: I wonder if we can go to item D, the vacation of the alley, because that might affect how we handle the site plan. I will move the staff recommendation to deny the application for the vacation (Schiff seconded).

The motion carried 7-1.

Commissioner Tucker: I will move the staff recommendation for item C, the site plan review, with the six conditions (Huynh seconded).

Commissioner Mains: I am convinced on the grass…we did a little research on this end and it's been done by Mill City Museum. Is item four needed since we're not vacating the alley?

Staff Dvorak: Yes. Even with the denial of the alley, those who park underneath the hotel have to access the ramp that goes underneath the Washington portion of the development. The loading area for the hotel, you have to cross over what will be the expanded Gehl-Dolphin site. Right now, this lot is just this building and they're expanding it which gets me to condition number two. That's why we feel that we do have the authority or the liberty to extend the streetscape. This lot is being expanded in size. You do need the access easements to for the loading underground parking.

Commissioner Schiff: Staff had a clarification with additional language that Ms. Dvorak wanted to make regarding the first floor where there will be no windows. You want to give us that language now so we can incorporate that?

Staff Dvorak: That would have been under item B.

Commissioner Schiff: Oh, and we did not amend that to include that so can we tuck it in here or will we have to reconsider B?

Staff Dvorak: I think we should reconsider B and have it specific with that condition. It can be as simple as a no-build easement at least 15…above the first floor, we can add that language in.

Commissioner Schiff: Ok. After we're done voting on this then I will move to reconsider B to include that.

Commissioner El-Hindi: I would like to go back to condition number one on the site plan review which talks about the green boulevards. I think we all agree that a boulevard would be better for the trees. I don't think anybody would say that that would not be the case, but I think there is an urban pattern that I think maybe should be considered. I'm talking about the sidewalk pattern. When you see a boulevard, you usually see that in a community whether it's a residential community or more of…it's a different environment that we're talking about and I think that inserting that in an urban environment like that sort of makes it out of place. I'm concerned about this and that's why I bring that up. I'm talking more about the urban pattern. They usually see sidewalks and the sidewalks are of certain width. You want the width to extend all the way to the street and you usually do see the grates versus the green boulevard in an urban environment like this. I would recommend that we probably remove condition number one.

President Motzenbecker: I would have to say that I understand Commissioner El-Hindi's point very well. I do know that historically I think that would be the case. I think as this part of town seems to be evolving into a much more residential area as well as the additions down by the Mill City Museum, Julie Snow's lofts there do have some really beautiful green boulevard planter spaces that are very well planted and I think really enhance that urban environment quite well. I think it's just a question of evolution or historic pattern. I think HPC seems to think that it would be ok. While I respect those comments, I think that the ability to have more green space in a

district right now that is brutal…if anyone has ever walked down Washington from this development maybe going north, it's just harsh and stark and some green could really help it out and soften it and bring the pedestrian scale back to the new evolution of use. For what it's worth, that's my two cents.

Commissioner Norkus-Crampton: Speaking to item number one, I certainly agree that the green boulevards might be setting sort of a different standard for this historic area, but I think it's a good one. I was in this area going to dinner in the late afternoon and with all the brick facing west soaking up all that heat, a little green relief would go a long way. The buildings down there are beautiful. What's being proposed here is going to be a very nice development. I think it would really add to the pedestrian experience and make it more of a strolling area which I think would be very nice. I do support condition one. I would like to add one condition. This goes along with the curb cuts. As far as the alley goes, I think the idea of utilizing the alley as much as possible to avoid additional curb cuts is exactly a traditional use for alleys. If people are amenable, I would like to suggest that maybe as an additional item or maybe tacked on to condition three that if it's determined that the parking ramp can accommodate an alley entrance we would eliminate the 2nd Ave N curb cut. That would be one condition I would suggest asking in the spirit to try to eliminate some of these extra curb cuts. The other condition I would like to add is on those entrances. We're going to have a lot of car traffic with limos and taxes. It's not hard to anticipate what kind of a pedestrian experience that will be and two entrances fairly close to each other… there's already some cobblestone sort of thing, maybe a little bit [tape ended]…sidewalk level or different color brick, but something more to indicate or slow that traffic coming in because I'm very worried that between the service alley and then the limos and buses and everything else coming off on there and both in fairly close proximity to each other that is going to be dodge-em at the pedestrian level. I'm open to any kind of wording on that, but that is one concern I have and one condition I'd like to add.

President Motzenbecker: Can you clarify your first condition again?

Commissioner Schiff: Is there a motion on the floor?

Commissioner Tucker: There is.

Commissioner Schiff: Can you just discuss the motion on the floor before we start talking about new motions?

Commissioner Norkus-Crampton: We're talking about this portion so I'm adding a condition as part of approving this section.

Commissioner Schiff: I thought Commissioner Walid had made a substitute motion on condition one.

President Motzenbecker: No.

Commissioner Tucker: He just spoke against it.

Commissioner Schiff: He just spoke against it? He didn't make a motion? Alright. Thank you for that clarification.

Commissioner Norkus-Crampton: So I'm proposing an additional condition in the spirit of trying to eliminate unnecessary extra curb cuts. If it's determined that the parking ramp can be accommodated through the alley entrance to eliminate the 2nd Ave N curb cut, which is that extra entrance to the alley as Planning staff suggested.

President Motzenbecker: So the alley would become a dead-end alley?

Commissioner Norkus-Crampton: Oh, that's true. That's a good point.

President Motzenbecker: You want to just see what happens with the TDM?

Commissioner Norkus-Crampton: Well we could see what's feasible based on the TDM. How's that?

President Motzenbecker: And let staff determine with…

Commissioner Norkus-Crampton: Yes, that's exactly right.

Commissioner Tucker: As the maker of the motion I would accept a condition to have staff continue to work with the applicant on that possibility, but I don't think we need to be traffic engineers here.

Commissioner Norkus-Crampton: Great. Thank you.

President Motzenbecker: So we'll add to number three "staff continue to work with applicant on curb cuts".

Commissioner Norkus-Crampton: The other condition about some sort of pedestrian queuing at the cross area where the entrances are to the hotel, would you be amenable to that Commissioner Tucker?

Commissioner Tucker: I don't quite follow, I'm sorry.

Commissioner Norkus-Crampton: Well the idea that since we're going to have two entrances coming off the road going into the turnaround into the hotel entrance, some kind of visual cue that you're crossing a pedestrian area, that you're crossing a sidewalk because there's going to be a lot of additional traffic going through there.

President Motzenbecker: I think that might be actually well done by the change in paving because it will go from sidewalk to this brick proposed so that will actually call it out quite nicely.

Commissioner Norkus-Crampton: Would there be some sort of signage of people leaving or some kind of indicator that…again, we're trying to enhance the pedestrian area at the same time that we're doing what would be a high traffic turnaround here so I'm just trying to figure out how that should be interacting.

Staff Dvorak: Specifically, this landscape plan was one of the reasons that it went back to HPC for a second time. Not that this group can't have their own thoughts on it, but it may have implications to just at least have HPC review it again. I guess before it was more weighty or curvy and now it's very linear and so I think that was the main purpose. I don't know if they would mind changes in materials necessarily. To speak to the issue of slowing traffic down, this is a 30 inch high wall that is located along the edge of the property so before cars are going to speed over the property line, personally as a driver I would stop to make sure that there's not something on the other side of that wall and then you have that wall down here as well. Plus you're going to have the trees and the cars as well. I think that there is enough going on here that is going to visually stop cars.

President Motzenbecker: I think it would work. There's a similar condition at the Grave's Hotel on 1st Ave. It works quite well and there are a lot more pedestrians there for sure.

Commissioner Mains: I was just going to say that I've used the Grave's turnaround and there's a lot more car and pedestrian traffic there and it works quite well.

Commissioner Schiff: Regarding recommendation number one, I was able to speak briefly with Commissioner Koski who serves as chair of the Heritage Preservation Commission and I'm going to urge caution and suggest that we defer and allow the HPC to make this kind of determination. We should be very sensitive as to historic landscapes and recognize that the expertise for deciding this matter sits at the HPC, respectfully not here. I don't

know the impact it's going to have. I don't know how many whole block developments we're going to see in Warehouse District. Are we just creating something that's going to be a shrine to the decision we make today? Is this something that's going to be picked up and replicated and continued as the new standard throughout the Warehouse District? I think we need to be very cautious. It's clearly not the character today in this district, it's a change of that character. If that change gets made, it should be made by the HPC. I'm going to suggest a change in language for number one and suggest the language "the developer shall defer to the HPC for placement of tree grates or green boulevards along 2nd St N, 3rd Ave N and 2nd Ave N". That's a substitute for condition one (Mains seconded).

Commissioner Tucker: I just wonder if you could add our preference for giving trees every chance to thrive.

Commissioner Schiff: And every child a chance to be happy. The structured soil is more important than whether there are grates or not. Whether or not you water it is also pretty important. It just doesn't come down to a simple grate versus no grate.

President Motzenbecker: It also comes down to impervious surface and run off and stormwater issues and a lot of things like that. We could go back and forth for hours on it. I'm happy with deferring to the HPC, but I also think that it should be put out there that moving towards a better and greener space in the Warehouse District is not an awful thing. If this is just one block, so be it, then there's a lot more green on one block. From what has been done with a lot of the Washington Ave work and with the Twins stadium and all these pieces going on, there may be very well a lot more green going up the avenue.

Commissioner Schiff: There will be. I've just note that I've got one of those images up from the Mayor's design team on Washington Ave and there are tree grates in these images.

Commissioner Williams: I think I can accept that, but we should not be afraid of doing something a little different. I happen to like the idea of the green. I have spent a lot of time moving down Washington Ave, sometimes on my way home. The more we can do so sort of lift that up and put a little bit more life in it, I think we should. We can do a little precedent setting from time to time I would think.

Commissioner Huynh: I would be in support of number one in terms of moving it to the HPC. Are there any provisions with us recommending that we keep the trees and also greening from the Planning Commission or what is our protocol? Some of the perspective that we have, I was part of the Washington Boulevard design team and the concept of greening came from a group of neighborhoods and private developers along Washington and the concept is to provide a lot more green not only along the Washington Boulevard but through areas throughout the city. The existing conditions, as you can see, along North Loop and the Mill City district is very harsh. What we want to do as part of this design team is create a more pedestrian environment that's more safe for everyone that's walking throughout the city and create more of a livable, walkable community. As part of us moving forward what we want to do is promote greening of other areas. Is there something we can do with moving a motion ahead that says if they are to decide to know what our recommendation is?

Staff Voll: I don't think I can answer that question. I'm not sure that we have precedent on this, from my perspective, on the Planning Commission it seems to me that we've had lots of instances where we required people to do extra greening – green walls, green boulevards, etc. Commissioner Schiff brought up the issue of this is a historic district so that's a different situation. I know from my experience with working on these historic areas on Washington developments, the HPC Has not wanted any landscaping – no trees, no boulevard. That's been my case with the Franklin Bank and Stone Arch Lofts in the warehouse district. They have historically felt in the historic district that there weren't trees there and there shouldn't be any there. I don't know if there's an answer. You can make the recommendation that you want to make and then if you send it to the HPC, you're putting yourself in the position where they get the final say on it. If you're ok with it then that's fine.

Commissioner Tucker: I will speak against the substitute motion. I think it's great that we add some greenery to downtown and this area that's becoming increasingly residential. In fact, one of the parts of this project that I liked was that little park, dining area that they have in front of the hotel which does offer a little relief and a little more green and this just expands that. In a way it's part of the alternative compliance for the setbacks to offer this urban relief. I would ask that we keep condition number one as recommended by staff.

Commissioner El-Hindi: I just want to clarify. I think, and correct me if I'm wrong, that the substitute motion does not speak against green boulevards. It basically says that we don't understand this from a little broader perspective and that we should pass it along to the Historic Preservation because they probably have that broader perspective. Every person probably likes more greening, but that's not the issue. The issue is that we need to understand this from a much broader patterning to an urban environment like this and that's what this substitute motion is really about. I don't think we have studied this to be able to make an informed decision whether we'd like to have green or not. That's not really the issue. It's does this really fit with the historical pattern for this area or not.

Staff Dvorak: If I could, I just wanted to clarify that the substitute motion speaks to grass in the linear fashion versus a tree grate. The trees were always in the HPC. It's not "trees or no trees", we're getting trees. It's what they sit in. I just wanted to be clear on that.

President Motzenbecker: I have two more requests to speak. We've gone an hour and half now on a vacation and a turnaround so let's wrap it up.

Commissioner LaShomb: I'm going to support the Schiff motion. I've lived downtown for 17 years. I think down by Loring Park most of the trees were in grates. When I moved to south Minneapolis…one of the reasons was because I wanted more green. What I discovered was that green grass along streets is not always a good deal. We have this little problem in Minnesota called winter. When it snows what people do is they plow the sidewalk and they throw the snow between the street and the curb and their sidewalk and then what happens is the city comes and plows so you get this mountain of snow between the street and the sidewalk. When it melts a little bit it starts running water all over the sidewalk and then you have a little situation I call "skating rink walking" which I do a lot of walking in south Minneapolis and it always frustrates me. I think there's a reason why you should have pavement that goes to the curb and I think the reason is because that encourages whoever does street cleaning or ought to encourage them to shovel them all the way to the street and not to allow these mountains of snow. They're very difficult for people with disabilities. When in doubt, kick it somewhere else. One should come out of there completely, but I'm willing to support the Schiff amendment because I think it is a historical district and we've given HPC a great deal of latitude already we might as well close the loop and let them have it all.

Commissioner Norkus-Crampton: Ms. Dvorak, I just have one question. The HPC just did not acknowledge the greening of the sidewalk?

Staff Dvorak: They had no comments on the greening and the right-of-way. They only had comments on the greening within the property boundaries.

Commissioner Norkus-Crampton: I'm going to speak against the amendment. I understand that there are good reasons to go either way. If we can green a site, let's green it up. The other issue is that the sidewalk is 10 feet across so it's not like we're going to be impeding a lot on the pedestrian flow. If we are setting a precedent I think it's a good one. I think we should just try to move forward with this.

President Motzenbecker: Ok, we have a substitute motion to vote on here first. Adding the language to number one that we shall defer to the HPC for a decision related to grates versus green boulevards. All those in favor? Opposed?

The motion failed 5-4.

President Motzenbecker: That brings us back to the full site plan review conditions, adding to item number three that staff continue to work with applicant relating curb cuts, particularly on 2nd Ave N. All those in favor of the site plan review as stated at this point? Opposed?

The motion carried 7-1.

Commissioner Tucker: I will move staff recommendation to approve the plat (Huynh seconded).

President Motzenbecker: All those in favor? Opposed?

The motion carried 8-0.

Commissioner Schiff: I'll just note to the applicant, and they probably know this to, that our ability to control site plan conditions in the public right-of-way are tenuous at best since that is public space. Just consult your options with Public Works regarding the treatment on the boulevards.

Staff Dvorak: President Motzenbecker, were you going to reconsider item B on the easement?
Director Sporlein: You need to formally reconsider.

President Motzenbecker: My apologies. If we can reconsider, Commissioners, item B on number 6 for the interior and side yard.

Commissioner Mains: I move that we reconsider this item (Huynh seconded).

The motion carried 8-0.

Commissioner Mains: I move item B, with the modification that the no-build requirement be above the first floor (Tucker seconded).

President Motzenbecker: All those in favor? Opposed?

The motion carried 8-0.

7. Pacific Flats, LLC (BZZ-3585, Ward: 7), 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N (Hilary Dvorak).

A. Conditional Use Permit: Application by Pacific Flats, LLC for a conditional use permit for an accessory surface parking lot located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

Action: The City Planning Commission adopted the findings and **approved** the conditional use permit application for an accessory surface parking lot located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N subject to the following conditions:

1. A seven-foot wide landscaped area shall be installed between the parking lot and the property line along 2nd Avenue North.

2. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.

B. Variance: Application by Pacific Flats, LLC for a variance to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

Action: The City Planning Commission adopted the findings and **approved** the variance application to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

C. Variance: Application by Pacific Flats, LLC for a variance to reduce the east, north and west interior side yard setbacks from the required 15 feet to zero feet for the building located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

Action: The City Planning Commission adopted the findings and **approved** the variance application to reduce the to east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building from the required 15 feet to zero feet for the building located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N subject to the following condition:

1. No-build easements of at least 15 feet in width shall be placed over the adjacent buildings to the east, west and north. Proof of filing the no-build easement shall be provided to Planning Staff.

D. Variance: Application by Pacific Flats, LLC for a variance to reduce the loading space requirement from the required four small spaces to three small spaces for the property located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

Action: The City Planning Commission adopted the findings and **approved** the variance to reduce the loading space requirement from the required four small spaces to three small spaces located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

E. Site Plan Review: Application by Pacific Flats, LLC for a site plan review for property located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N.

Action: The City Planning Commission adopted the findings and **approved** the site plan review for a mixed-use building including 80 dwelling units and four levels of commercial uses located at 206, 214, 214 ½ and 218 Washington Ave N and 216 2nd Ave N subject to the following conditions:

1. Green boulevards shall be installed along 2nd Street North, 3rd Avenue North and 2nd Ave N instead of tree grates. Along all three streets the sidewalks shall be 10 feet in width and the remaining area shall be dedicated to the green boulevard.

2. The streetscape plan for this development (trees, lighting, etc) shall extend along all four sides of the block.

3. Access easement agreements which will allow access between all of the lots on the block shall be filed with Hennepin County. Such easements are subject to review and approval by the City Attorney's office.
4. A total of 30 percent windows shall be provided along the first floor of the building facing the surface parking lot as required by Section 530.120.

5. A seven-foot wide landscaped area shall be installed between the parking lot and the property line along 2nd Ave N as required by section 530.170 of the zoning code.

6. Screening shall be installed between the property line along 2nd Ave N and the surface parking lot as required by section 530.170 of the zoning code.

7. Approval of the final site, elevation, landscaping and lighting plans by the Department of Community Planning and Economic Development – Planning Division.

8. All site improvements shall be completed by June 25, 2008, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.

Staff Dvorak presented the staff report.

President Motzenbecker opened the public hearing.

No one was present to speak to the item.

President Motzenbecker closed the public hearing.

Commissioner Huynh moved approval of staff recommendations (Tucker seconded).

The motion carried 7-0 (Williams not present for the vote).

Department of Community Planning and Economic Development – Planning Division
Conditional Use Permit, Variances and Site Plan Review
BZZ-3585

Date: June 25, 2007

Applicant: Pacific Flats, LLC

Address of Property: 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North

Project Name: The Pacific Development – 10-Story Condominium

Contact Person and Phone: Walter Rockenstein II with Faegre & Benson LLP, (612) 766-7208

Planning Staff and Phone: Hilary Dvorak, (612) 673-2639

Date Application Deemed Complete: May 30, 2007

End of 60-Day Decision Period: July 29, 2007

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

Ward: 7 **Neighborhood Organization:** North Loop Neighborhood Association

Existing Zoning: B4C-1, Downtown Commercial District and DP Downtown Parking Overlay District

Proposed Zoning: Not applicable for this development

Zoning Plate Number: 19

Legal Description (properties to be rezoned): Not applicable for this development

Proposed Use: Mixed-use building including 80 dwelling units and four levels of commercial uses

Concurrent Review:
Conditional use permit: for an accessory surface parking lot located in the DP Downtown Parking Overlay District
Variance: to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District
Variance: to reduce the east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building
Variance: to reduce the loading space requirement from the required four small spaces to three small spaces
Site plan review
Applicable zoning code provisions: Chapter 525, Article VII, Conditional Use Permits, Chapter 525, Article IX, Variances, specifically Section 525.520(20) "to vary the standards of any overlay district,

other than the SH Shoreland Overlay District or the FP Floodplain Overlay District", Section 525.520(1) "to vary the yard requirements, including permitting obstructions into required yards not allowed by the applicable regulations" and Section 525.520(6) "to reduce the applicable off-street parking, stacking or loading requirements by up to twenty (20) percent of the applicable regulations or one (1) space, whichever is less," and Chapter 530, Site Plan Review.

Background: The Pacific Development encompasses the entire block bounded by Washington Avenue North, Third Avenue North, North Second Street and Second Avenue North which is located in the North Loop neighborhood. Currently on the block there are a total of six buildings; the Pacific Flats building, the Monte Carlo Club, the Northwestern building, the Gehl-Dolphin building, the Lowry-Morrison building and an auto repair building (see the building location map that is attached to this report). Of these six buildings the Pacific Flats building, the Monte Carlo Club, the Northwestern building and the Lowry-Morrison building will remain. At this time the Gehl-Dolphin building will also remain on the block as there are no redevelopment plans for this site. However, the applicant anticipates redeveloping this site in the future. The auto repair building will be demolished in order to make room for the proposed mixed-use building.

This application is for the construction of a new 11-story (10 floors), mixed-use building including 80 dwelling units and four levels of commercial. The first floor of the building is proposed to be retail, the second office space, the third a medical clinic and the fourth a spa facility. The applicant is proposing to connect the spa facility to the hotel via a skyway over the existing alley, which the applicant has applied to vacate. The main entrance to the building will be located along Washington Avenue North. This entrance will provide access to the residential lobby and elevators and the elevators serving the commercial uses on the second, third and fourth floors of the building. The retail uses on the first floor of the building will have their own entrances facing the street.

All of the parking for the building will be provided in either an underground parking garage or a surface parking lot located on the back side of the building. The entrance to the parking garage is proposed to be located along 2nd Avenue North and the surface parking is accessible from the "alley". In the B4C-1 zoning district the parking requirement for all non-residential uses is one space for every 1,400 square feet of gross floor area and the parking requirement for residential uses is .9 spaces per dwelling. With 59,885 square feet of commercial space and 80 dwelling units the parking requirement is 115 spaces. The applicant is providing a total of 196 spaces in the underground parking garage (not including those parking spaces underneath the hotel) and 38 in the surface parking lot.

Floor Area Ratio Premiums: There are no height limits in the B4C-1 zoning district. Heights of buildings are limited by the maximum floor area ratio (FAR). To calculate FAR, one would divide the total square footage of the building (excluding that portion of the building devoted to accessory off-street parking or loading facilities, including aisles, ramps and maneuvering space) by the total square footage of the site. The lot size is 29,887 square feet. The gross floor area of the proposed building is 146,287 square feet. The resulting FAR is 4.89.

In this particular case, the maximum FAR allowed in the B4C-1 zoning district is 4.0. In order to construct a building of the size proposed, the applicant has applied for one of the floor area ratio premiums that are allowed in the downtown districts of the zoning code. The premium that the

applicant has applied for is mixed-use residential. FAR premiums are reviewed administratively by staff and are subject to appeal to the planning commission.

The following are the standards that the development needs to meet in order to qualify for the floor area ratio premium:

- **Mixed-use residential, subject to the following standards:**
  - At least ten (10) percent of the gross floor area of the principal structure shall be occupied by dwelling units.
  - The dwelling units shall be located above the first floor.
  - The dwelling units shall be maintained in good order for the life of the principal structure.

- **COMMUNITY PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT – PLANNING DIVISION RESPONSE**
  - The applicant is proposing to construct 80 dwelling units in the building starting on floor five and continuing all the way to the top of the building. Approximately 59 percent of the building will be residential. The remaining 41 percent of the building will be commercial. The Planning Division has determined that this project qualifies for a floor area ratio premium of two.

  - **Value awarded = 2**

In conclusion, the Planning Division finds that this project qualifies for a total floor area ratio premium of two. This along with the base floor area ratio (4.0) of the district, the applicant could build a building with a floor area ratio of up to 6.0.

Travel Demand Management Plan (TDMP): Public Works has requested that a discretionary TDMP be completed for this development. A draft copy of the TDMP was submitted to Public Works in April of 2006. Since the TDMP was submitted the project scope has changed so the document is being revised. A revised draft copy is expected to be submitted soon. Given that the TDMP is not required by the zoning code it does not have to be approved before the Planning Commission takes action on the project but it will have to be approved before any building permits are issued.

Preliminary Development Review Comments: The project was reviewed at a Preliminary Development Review (PDR) meeting on June 6, 2007. Several comments were made about this project at the meeting (see the PDR report that is attached to this report for further information). For purposes of this report only those comments that impact the layout of the development will be discussed.

- Parks – Forestry discouraged the use of tree grates along the four sides of the block and instead recommended installing green boulevards. Parks – Forestry also indicated that the use of Red Oaks will not be allowed and instead the applicant will need to use Swamp White Oaks.

- Related to this topic, both Street Design and Sidewalks indicated that green boulevards should be installed along 2nd Street North and 3rd Avenue North instead of tree grates. Along both streets the sidewalks should be 10 feet in width with the remaining area dedicated to the green boulevard. In

addition to this recommendation, the Planning Division believes that a green boulevard should also be installed along 2nd Avenue North in order to complete the look of the block.

The streetscape plan for this development (trees, lighting, etc) includes all four sides of the block but stops short of what will be the new Gehl-Dolphin site. The Planning Division is recommending that the streetscape plan be continued along the length of both 2nd Street North and 2nd Avenue North. Even though this building is not being modified as part of this development the footprint of the lot is being enlarged through the plat application.

- Right-of-Way indicated that Public Works is recommending approval of the alley vacation. However, if the alley vacation were not approved, constructing above (the skyway) and below (the parking garage) the alley could be addressed through an encroachment permit. This item will be discussed in more detail in the alley vacation section of this report.

- Traffic and Parking indicated that there should be only one curb cut along 3rd Avenue North. As the site is designed now there are two curb cuts along 3rd Avenue North; one for the hotel drop off area and the other for the "alley". Both the hotel drop off area and the "alley" entrance have been designed to flow in a one-way direction eastbound to minimize conflicts between vehicles entering the site and pedestrians on the public sidewalk. This is an item that will be addressed in more detail in the TDMP. If the result is that there can only be one curb cut along 3rd Avenue North the Planning Division would recommend that the "alley" curb cut be kept. The Planning Division believes that a hotel drop off could still be accommodated with only one curb cut by rearranging the landscaped area that is in between the property line and the hotel drop off area.

  The other comment that Traffic and Parking made was that the underground parking garage should be accessed from the "alley" not 2nd Avenue North. Again, this is an item that will be addressed in more detail in the TDMP. The Planning Division does not have an opinion on this specific comment.

Heritage Preservation Commission: The entire block, except for the lot that is occupied by the Gehl-Dolphin building, is located in the locally designated North Loop Warehouse Historic District (see the map that is attached to this report). The entire block is located in the nationally designated Minneapolis Warehouse Historic District (see the map that is attached to this report). In November of 2006 the Minneapolis Heritage Preservation Commission (HPC) approved applications for the creation of a pocket park between the Pacific Flats building and the Monte Carlo Club, a rehabilitation plan for the Lowry-Morrison building and a demolition permit for the auto repair building. Also at this time, the HPC and subsequently the City Council denied applications for the constriction of a 28-story condominium building on the Gehl-Dolphin building site, construction of a parking structure over the existing alley, construction of an 18-story condominium building on the auto repair building site and construction of a 10-story hotel on the Northwestern building site.

After the denials from the City Council the applicant revised the plans and submitted new applications in March of this year for the rehabilitation and addition to the Northwestern building for a hotel and the constriction of a 10-story mixed-use building on the site of the existing auto repair building. In April and then again in June of this year the Pacific Development was reviewed and approved by the HPC. At the April meeting the HPC requested that the landscaping plan for the hotel and the Washington Avenue

North elevation for the mixed-use building be redesigned and brought back to them for review. In June both of these plans were approved by the HPC (see the HPC reports that are attached to this report).

Neighborhood Review and Comments: The North Loop Neighborhood Association reviewed the proposed development plans in February of this year. The Planning and Zoning Committee of the neighborhood and subsequently the North Loop Neighborhood Association Board voted to approve the development stating that it provides overall benefits to the neighborhood including addition retail and restaurant amenities and increases neighborhood sustainability by promoting safety and livability through its parking accommodations and green space (see the letter from the neighborhood that is attached to this report).

CONDITIONAL USE PERMIT - for an accessory surface parking lot located in the DP Downtown Parking Overlay District

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:

1. The establishment, maintenance, or operation of the conditional use will not be detrimental to or endanger the public health, safety, comfort or general welfare.

The Planning Division does not believe that a 38-space surface parking lot, properly landscaped and screened, will be detrimental to the surrounding area given that an 84-space surface parking lot currently occupies the site.

2. The conditional use 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 believe that a 38-space surface parking lot would be injurious to the use and enjoyment of other property in the area as the site is currently used as a surface parking lot. The proposed configuration of the parking lot is much enhanced in comparison to the existing parking lot. It will no longer be visible from either Washington Avenue North or 3rd Avenue North and approximately half of the surface parking lot will be located underneath the building.

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.

As for vehicular access, there are currently two access points leading into the surface parking are; one is along Washington Avenue North and the other is along 2nd Avenue North. The applicant is proposing to eliminate both of these vehicle access points and only provide access to the parking lot via the "alley".

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

The parking requirement for all of the uses on the block is 255 spaces. On the block there are a total of 299 parking spaces provided. The spaces are located in the underground parking garage or in one of two surface parking areas on the block.

5. The conditional use is consistent with the applicable policies of the comprehensive plan.

The *Downtown 2010 Plan* is the adopted comprehensive plan for the downtown area. According to the Principles and Polices outlined in the *Downtown 2010 Plan* and *The Minneapolis Plan*, the following apply to this proposal:

- Improve the appearance of downtown parking lots by providing landscaping and other visual enhancements (Downtown's Physical Setting Policy 5).
- Ensure a sufficient supply of short-term parking (Downtown Movement Policy number 9).
- Promote design solutions for automobile parking facilities that reflect principles of traditional urban form (City Form Policy number 9.12).

The proposed configuration of the parking lot is much enhanced in comparison to the existing parking lot. It will no longer be visible from either Washington Avenue North or 3rd Avenue North and approximately half of the surface parking lot will be located underneath the building. However, no landscaping is proposed to be located between the parking area and the public sidewalk along 2nd Avenue North. To bring the parking lot into compliance with the above policies of the *Downtown 2010 Plan* and *The Minneapolis Plan* the Planning Division is recommending that a seven-foot wide landscaped area be installed between the parking lot and the property line along 2nd Avenue North.

6. The conditional use shall, in all other respects, conform to the applicable regulations of the district in which it is located.

With the approval of the conditional use permit, variances and site plan review this development will be in conformance with the applicable regulations of the B4C-1 zoning district.

VARIANCE: to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District

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 by the official controls and strict adherence to the regulations of this zoning ordinance would cause undue hardship.

Number of surface parking stalls in DP Overlay: The applicant is seeking a variance to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District. This application is needed because of the significant reconfiguration of the parking lot. The applicant has indicated that there are currently 84-spaces on the site. Providing only 38 spaces in the future is a 45 percent reduction from what is currently on the site.

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.

Number of surface parking stalls in DP Overlay: The fact that the applicant will be reducing the number of parking spaces within the parking lot by 46 spaces is a unique condition that warrants the granting of the variance.

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.

Number of surface parking stalls in DP Overlay: The granting of the variance will be in keeping with the spirit and intent of the ordinance. Reducing the number of parking spaces from 84 to 38 will bring the site into greater compliance with the standards of the zoning code.

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.

Number of surface parking stalls in DP Overlay: The Planning Division believes that the granting of the variance would have little impact on congestion of area streets or fire safety, nor would the proposed variance be detrimental to welfare or public safety.

VARIANCE - to reduce the east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building

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 by the official controls and strict adherence to the regulations of this zoning ordinance would cause undue hardship.

East, north and west interior side yard setback: In the B4C-1 zoning district setback requirements do not typically apply. But when the use is either residential or a hotel and there are windows facing an interior side or rear property line a setback of 5+2x, where x equals the number of stories above the first floor, is required. However, the resulting setback shall not be greater than 15 feet. An 11 story building

results in a setback of 15 feet.

The applicant is seeking a variance to reduce the east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building. The residential floors of the building do not start until the fifth floor. Along the east and west sides of the building are historic structures that are going to remain on the block. Both of the adjacent structures are three stories tall. Along the north side of the building is a 16-foot wide "alley" which runs the entire length of the block. The applicant has indicated that because all of the surrounding properties are under the same ownership that no-build easements can be placed on them to ensure adequate fire separation and access to light and air.

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.

East, north and west interior side yard setback: The fact that the buildings to the east and west of the site are historic and that an "alley" runs along the north side of the property are unique circumstances of this parcel of land.

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.

East, north and west interior side yard setback: The intent of having yard controls is to provide for the orderly development and use of land and to minimize conflicts between adjacent land uses by regulating the dimension and use of yards in order to provide adequate light, air, open space and separation of uses. The Planning Division believes that if the developer places no-build easements over the adjacent properties that the intent of the zoning code will be met.

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.

East, north and west interior side yard setback: The Planning Division believes that the granting of the variance would likely have little impact on congestion of area streets or increase the danger of fire, nor would the proposed variance be detrimental to welfare or public safety as long as no-build easements are placed over a portion of the adjacent properties to the east, west and north.

VARIANCE - to reduce the loading space requirement from the required four small spaces to three small spaces

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 by the official controls and strict adherence to the regulations of this zoning ordinance would cause undue

hardship.

Loading space reduction: The applicant is seeking a variance to reduce the loading space requirement from the required four small spaces to three small spaces. Loading requirements are based on the use of the property and the size of the use itself. Each of the uses within the building has its own loading requirement. The loading requirement for residential uses is as determined by the conditional use permit. However, residential uses do not require a conditional use permit in the downtown zoning districts. There is 9,817 square feet of retail space which requires one small loading space. There is 17,955 square feet of office space which requires one small loading space. There is 17,955 square feet of clinic space which requires one small loading space. And the sports and health facility is 14,158 square feet in size which requires one small loading space. In total the loading space requirement is four small loading spaces. Small loading spaces are required to be 10 feet in width and 25 feet in length. The applicant is providing a total of three small loading spaces on the site.

The applicant has indicated that because the different uses within the building will be able to share the loading spaces that are being provided that it would not be necessary to provide a fourth loading space on the site.

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.

Loading space reduction: The fact that all of the uses within the building will have access to any of the three loading space on the site is a unique condition that warrants the granting of the variance.

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.

Loading space reduction: The Planning Division believes that because all of the loading spaces will be accessible to everyone within the building that the granting of this variance would be in keeping with the spirit and intent of the ordinance.

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.

Loading space reduction: The Planning Division believes that the granting of the variance would likely have little impact on congestion of area streets or increase the danger of fire, nor would the proposed variance be detrimental to welfare or public safety. All of the maneuvering associated with the loading spaces will occur on the block so as to not block traffic on the surrounding streets (see the Auto Turn Exhibit that is attached to this report).

SITE PLAN REVIEW

Findings as Required by the Minneapolis Zoning Code:

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 DESIGN:

- **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.
  - **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 530.120 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.**

PLANNING DEPARTMENT RESPONSE:

- The building reinforces the street wall, facilitates pedestrian access and maximizes natural surveillance. The building is set close to the front property line, all of the ground floor uses have their own entrance oriented towards the street and there are windows located along all four sides of the building where people can see in and out.
- The first floor of the building is located at the front property line along Washington Avenue North.
- The main entrance to the building will be located along Washington Avenue North. This entrance will provide access to the residential lobby and elevators and the elevators serving the commercial uses on the second, third and fourth floors of the building. The retail uses on the first floor of the building will have their own entrances facing the street.

- All of the on-site parking associated with this development is located underground or in a surface parking lot located on the back side of the building.
- The primary exterior materials of the building will include concrete, stone, brick, metal and glass. All four sides of the building are similar to and compatible with one another.
- There are no areas of the building that are over 25 feet in length and void of windows, entries, recesses or projections, or other architectural elements.
- At least 30 percent of the first floor of the building is required to be windows and at least 10 percent of the upper floors of the building are required to be windows on the sides of the building facing Washington Avenue North and the surface parking lot. The analysis of the project's compliance with these requirements follows:
  - Washington Avenue North: the percentage of windows on the first floor of the building is approximately 52 percent and each of the upper floors of the building has more than 10 percent glass
  - Parking lot, north elevation: the surface parking lot is located towards the back of the building and extends along the back side of the adjacent Lowry-Morrison building and a portion of the adjacent Pacific Flats building. The majority of the building that is located towards the back of the proposed building is located underneath the building. The percentage of windows on the first floor of the building is approximately 15 percent and each of the upper floors of the building has more than 10 percent glass. The majority of the wall that abuts the surface parking lot on the first floor is an internal corridor. The Planning Division is recommending that there be a total of 30 percent windows provided along the first floor. Increasing the amount of windows facing the surface parking lot will provide better security.
  - Parking lot, east elevation: the surface parking lot is located towards the back of the building and extends along the back side of the adjacent Lowry-Morrison building and a portion of the adjacent Pacific Flats building. The majority of the building that is located towards the back of the proposed building is located underneath the building. Given the design of the building there is no first floor from which to calculate a window percentage. The percentage of windows each of the upper floors of the building has more than 10 percent glass.
- The windows in the building are vertical in nature and are evenly distributed along the building walls.
- The principal roof line of the building will be flat. This is the dominate roof type in the surrounding area.

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.**

PLANNING DEPARTMENT RESPONSE:

- All of the entrances leading into the building open directly to the public sidewalk along Washington Avenue North.
- No transit shelters are proposed as part of this development.
- The access point to the underground parking garage and the curb cut for the "alley" are both located along 2nd Avenue North. The curb cuts are located approximately 50 feet from one another. Spacing them out like this will help minimize conflicts between vehicles entering and exiting the site and pedestrians on the public sidewalk.
- The applicant is proposing to vacate the existing alley that connects 2nd Avenue North to 3rd Avenue North. However, the area where the existing alley is located will remain open and visually will still look like an alley. The alley vacation application is discussed in the BZZ-3584 staff report. The Planning Division is recommending that the alley vacation be denied.
- There is no maximum impervious surface requirement in the B4C-1 zoning district. In addition, this development is not subject to the general landscaping and screening requirements of Chapter 530, Site Plan Review. According to the submitted materials there will be no landscaping at grade level but there will be 3,250 square feet of landscaping on the roof of the building.

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.**

PLANNING DEPARTMENT RESPONSE:

- When a development is over 50,000 square feet in size and located in a downtown zoning district the development is exempt from the general landscaping and screening requirements. However, the parking and loading landscaping and screening requirements shall apply.
- A seven-foot wide landscaped yard is required between the property line along 2nd Avenue North and the surface parking lot in order to screen the parking area from the adjacent uses. The applicant is not proposing to landscape this area. The Planning Division is recommending that a seven-foot wide landscaped area be installed between the parking lot and the property line along 2nd Avenue North.
- Screening consisting of a masonry wall, fence, berm or hedge or combination thereof that forms a screen three feet in height and not less than 60 percent opaque is required between the property line along 2nd Avenue North and the surface parking lot in order to screen the parking area from the adjacent uses. The Planning Division is recommending that the correct screening be installed.
- Not less than one tree is required to be provided for each 25 linear feet or fraction thereof of parking or loading area lot frontage. The parking lot occupies approximately 50 feet of street frontage and therefore requires that two trees be planted in the landscaped area. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require the two trees in this area.
- In parking lots of 10 spaces or more, no parking space shall be located more than 50 feet from an on-site deciduous tree. None of the parking spaces are located within 50 feet of an on-site deciduous tree. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require that all parking spaces be located within 50 feet of an on-site deciduous tree.
- Tree islands in parking lots must have a minimum width of seven feet in any direction. No tree islands are proposed in this parking area.

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.**
- **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.**

PLANNING DEPARTMENT RESPONSE:

- The majority of the stormwater runoff will be drained to an underground filtering system. The remainder of the stormwater runoff will be captured by the green roofs.
- There are no height limits in the B4C-1 zoning district because it is in the downtown zoning districts where it is expected that taller buildings will be built. The footprint of the building is relatively small. Therefore, the blocking of views of prominent buildings from various vantage points should be minimized.
- Although this development will most likely cast shadows on surrounding properties, staff belives that the affects will be minimal.
- All four sides of the building has been desinged with small step backs at different levels which will help minimize ground level winds.
- The site plan complies with crime prevention design elements as there are delineted walkways and stairways that direct people through the site and to the building entrances, there are balconies and terraces along all four sides of the building which will maximize opportunities for people to observe adjacent properties, streets and sidewalks, there are windows where people can see in and out along all levels of the building and there will be lights located near all of the pedestrian entrances.
- The entire block, except for the lot that is occupied by the Gehl-Dolphin building, is located in the locally designated North Loop Warehouse Historic District (see the map that is attached to this report). The entire block is located in the nationally designated Minneapolis Warehouse Historic District (see the map that is attached to this report). In November of 2006 the Minneapolis Heritage Preservation Commission (HPC) approved applications for the creation of a pocket park between the Pacific Flats building and the Monte Carlo Club, a rehabilitation plan for the Lowry-Morrison building and a demolition permit for the auto repair building. Also at this time, the HPC and subsequently the City Council denied applications for the constriction of a 28-story condominium building on the Gehl-Dolphin building site, construction of a parking structure over the existing alley, construction of an 18-story condominium building on the auto repair building site and construction of a 10-story hotel on the Northwestern building site. After the denials from the City Council the applicant revised the plans and submitted new applications in March of this year for the rehabilitation and addition to the Northwestern building for a hotel and the constriction of a 10-story mixed-use building on the site of the existing auto repair building. In April and then again in June of this year the Pacific Development was reviewed and approved by the HPC. At the April meeting the HPC requested that the landscaping plan for the hotel and the Washington Avenue North elevation for the mixed-use building be redesigned and brought back to them for review. In June both of these plans were approved by the HPC (see the HPC reports that are attached to this report).

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

- **Use:** Residential uses, general retail sales and service uses, offices, clinics and sports and health facilities are permitted in the B4C-1 zoning district.

- **Off-Street Parking and Loading:** In the B4C-1 zoning district the parking requirement for all non-residential uses is one space for every 1,400 square feet of gross floor area and the parking requirement for residential uses is .9 spaces per dwelling. With 59,885 square feet of commercial space and 80 dwelling units the parking requirement is 115 spaces (43 for the commercial portion and 72 for the residential portion). The applicant is providing a total of 196 spaces in the underground parking garage (not including those parking spaces underneath the hotel) and 38 in the surface parking lot.

  On the block there are a total of 299 parking spaces provided. The spaces are located in the underground parking garage or in one of two surface parking areas on the block. The total parking requirement for the all of the uses on the block is 255 spaces.

  Because parking and loading facilities and access to the parking and loading facilities are being shared by all of the uses on the block access easement agreements will need to be provided. The Planning Division is recommending that the applicant record access easement agreements which will allow access between all of the lots on the block with Hennepin County.

- **Maximum Floor Area:** The maximum FAR in the B4C-1 zoning district is 4.0. The lot in question is 29,887 square feet in area. The applicant proposes a total of 146,287 square feet of gross floor area, an FAR of 4.89. The development qualifies for the mixed-use floor FAR premium which increases the maximum FAR to 6.0.

- **Building Height:** There are no height limits in the B4C-1 zoning district. Heights of buildings are limited by the maximum floor area ratio.

- **Minimum Lot Area:** The minimum lot area requirement for dwellings in the B4C-1 zoning district is 5,000 square feet. The lot area is 29,887.

- **Dwelling Units per Acre:** The site is .54 acres in size. There are 147 dwelling units per acre proposed on the site.

- **Yard Requirements:** In the B4C-1 zoning district setback requirements do not typically apply. But when the use is either residential or a hotel and there are windows facing an interior side or rear property line a setback of 5+2x, where x equals the number of stories above the first floor, is required. However, the resulting setback shall not be greater than 15 feet. An 11 story building results in a setback of 15 feet. In this development, the east, west and north building walls are located at the property line and contain windows. Therefore the setback requirement along these three sides of the building is 15 feet. The applicant has applied for a variance to reduce the building setback to zero.

- **Specific Development Standards:** None of the proposed uses are subject to specific development standards.

- **Hours of Operation:** Residential uses are not subject to hours of operation. The hours of operation for the commercial uses within the building are 6 am to 1 am seven days a week.

- **Signs:** Signs are subject to the requirements of Chapter 543 of the Zoning Code. In the B4C-1 zoning district there can be 2.5 square feet of signage for every one foot of primary building wall. Wall signs are limited to 120 square feet in size. Projecting signs are limited to 48 square feet in size. The maximum height of a wall sign is 16 feet and the maximum height of a projecting sign is 24 feet. Projecting signs are limited to a four-foot projection from the building wall. Freestanding signs are allowed in the B4C-1 zoning district. Freestanding signs are limited to 32 square feet in size and the maximum height of a freestanding sign is eight feet. The zoning code also limits the number of freestanding signs on a zoning lot to one.

  The applicant has not developed a sign plan at this time.

- **Refuse storage:** The refuse storage area is proposed to be located inside the building.

- **Lighting:** A lighting plan showing footcandles was not submitted as part of the application.

MINNEAPOLIS PLAN:

The *Downtown 2010 Plan* is the adopted comprehensive plan for the downtown area. According to the Principles and Polices outlined in the *Downtown 2010 Plan*, the following apply to this proposal:

- Promote street-level design of buildings that contribute to downtown's vitality and security encouraging individual entrances to street-level building tenants, windows and architectural detailing (Downtown's Physical Setting Policy 1).
- Promote retail and other interesting uses at street level in order to reinforce the linking function of streets and to create vitality. These uses should be encouraged at the street level throughout downtown and required where the continuity of retail is important (Downtown's Physical Setting Policy 2).
- Encourage improvements to the public right of way that support pedestrian and transit circulation and that beautify downtown (Downtown's Physical Setting Policy 3).
  - Priority areas for street tree planting, together with selective sidewalk widening, are areas in downtown where there are high concentrations of pedestrian activity, including the core of downtown and downtown residential areas.
- Promote building heights and designs that protect the image and form of the downtown skyline, that provide transition to the edges of downtown and that protect the scale and qualities in areas of distinctive physical or historic character (Downtown's Physical Setting Policy 7).
- Encourage the creation of new parks and plazas that are within easy access to the majority of the downtown workforce (Downtown's Physical Setting Policy 12).
- Encourage new buildings adjacent to historic buildings, sites and districts to be compatible in design (Downtown's Physical Setting Policy 18).

- Encourage restaurants in other areas [besides the retail and entertainment districts] of downtown (Retail Policy 5).
- Expand housing opportunities in downtown for all income levels, with an emphasis on providing additional moderate to high income, owner-occupied units (Downtown Living Policy 1).
- Ensure that new residential development contributes to the sense of neighborhoods through appropriate site planning and architectural design (Downtown Living Policy 5).

The Planning Division believes that this development meets the above policies of the *Downtown 2010 Plan*.

It should be noted that this block is located across Washington Avenue North from the area that is included in the *Downtown East/North Loop Master Plan*.

ALTERNATIVE COMPLIANCE:

- **The Planning Commission or zoning administrator 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.**

PLANNING DEPARTMENT RESPONSE:

Alternative compliance is requested by the applicant to meet the following standards:

- **Not less than one tree is required to be provided for each 25 linear feet or fraction thereof of parking or loading area lot frontage:**
  The parking lot along 2nd Avenue North occupies approximately 50 feet of street frontage and therefore requires that two trees be planted in the landscaped area. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require the two trees in this area. The applicant is proposing to plant three trees in the right-of-way directly in front of this area.

- **In parking lots of 10 space or more, no parking space shall be located more than 50 feet from the center of an one-site deciduous tree:**

None of the parking spaces are located within 50 feet of an on-site deciduous tree. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require that all parking spaces be located within 50 feet of an on-site deciduous tree.

RECOMMENDATIONS

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 conditional use permit application for an accessory surface parking lot located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North subject to the following conditions:

1. A seven-foot wide landscaped area shall be installed between the parking lot and the property line along 2nd Avenue North.

2. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.

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 variance application to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North.

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 variance application to reduce the to east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building from the required 15 feet to zero feet for the building located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North subject to the following conditions:

1. No-build easements of at least 15 feet in width shall be placed over the adjacent buildings to the east, west and north. Proof of filing the no-build easement shall be provided to Planning Staff.

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 variance to reduce the loading space requirement from the required four small spaces to three small spaces located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North.

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 for a mixed-use building including 80 dwelling units and four levels of commercial uses located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2nd Avenue North subject to the following conditions:

1. Green boulevards shall be installed along 2nd Street North, 3rd Avenue North and 2nd Avenue North instead of tree grates. Along all three streets the sidewalks shall be 10 feet in width and the remaining area shall be dedicated to the green boulevard.

2. The streetscape plan for this development (trees, lighting, etc) shall extend along all four sides of the block.

3. Access easement agreements which will allow access between all of the lots on the block shall be filed with Hennepin County. Such easements are subject to review and approval by the City Attorney's office.

4. A total of 30 percent windows shall be provided along the first floor of the building facing the surface parking lot as required by Section 530.120.

5. A seven-foot wide landscaped area shall be installed between the parking lot and the property line along 2nd Avenue North as required by section 530.170 of the zoning code.

6. Screening shall be installed between the property line along 2nd Avenue North and the surface parking lot as required by section 530.170 of the zoning code.

7. Approval of the final site, elevation, landscaping and lighting plans by the Department of Community Planning and Economic Development – Planning Division.

8. All site improvements shall be completed by June 25, 2008, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.

Attachments:

1. Statement of proposed use and description of the project
2. Parking requirement chart
3. Floor area ratio chart
4. Floor area ratio premium application
5. Conditional use permit and variance findings
6. Preliminary Development Review report form meeting held on June 6, 2007
7. Stormwater management plan
8. May 11, 2007, letter to Council Member Goodman
9. May 11, 2007, letter to the Warehouse District –North Loop Neighborhood Association
10. March 8, 2007, letter from the North Loop Neighborhood Association
11. April 17, 2007 Heritage Preservation Commission staff report and minutes
12. June 5, 2007, Heritage Preservation Commission staff report
13. Zoning map
14. Building location map
15. North Loop Warehouse Historic District map
16. Minneapolis Warehouse Historic District map
17. Civil drawings, site plan, floor plans and elevations
18. Photos of the site and surrounding properties