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

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MEMORANDUM

DATE: June 12, 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 11, 2007

The following actions were taken by the Planning Commission on June 11, 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: El-Hindi, Huynh, LaShomb, Nordyke, Norkus-Crampton, Schiff, Tucker and Williams – 8

Not Present: President Motzenbecker (excused) and Mains

2. Brakins Homes (Vac-1522, Ward: 5) 908-920 Washburn Ave N (Jim Voll).

A. Vacation: Application by Brakins Homes to vacate the drainage and utility easements as platted between Lots 1 and 2, and Lots 3 and 4, Bassett Creek Woods Addition to Minneapolis in the vicinity of 908-920 Washburn Ave N (Vacation file 1522).

Action: The City Planning Commission recommended that the City Council adopt the findings and **approve** the vacation, subject to retention of easements by Xcel Energy.

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Commissioner Tucker opened the public hearing.

No one was present to speak to the item.

Commissioner Tucker closed the public hearing.

Commissioner LaShomb moved approval of the staff recommendation (El-Hindi seconded).

The motion carried 7-0.

10. 2601 Lyndale Ave Condos (BZZ-3558, Ward: 6) 2601 and 2607 Lyndale Ave S (Tara Beard).

A. Rezoning: Application by Todd Knutson, on behalf of SMJ Investments, LLC, to rezone 2607 Lyndale Ave S from OR1 to C1.

Action: The City Planning Commission recommended that the City Council adopt the findings and **approve** the application for a zoning amendment to change 2607 Lyndale Ave S from an OR1 to a C1 zoning district.

B. Conditional Use Permit: Application by Todd Knutson, on behalf of SMJ Investments, LLC, for a conditional use permit to create 16 new dwelling units located at 2601 & 2607 Lyndale Ave S.

Action: The City Planning Commission adopted the findings and **approved** the application for a conditional use permit to allow 15 new dwelling units at 2601 and 2607 Lyndale Ave S.

C. Conditional Use Permit: Application by Todd Knutson, on behalf of SMJ Investments, LLC, for a conditional use permit to increase maximum height from 3 to 4 stories for property located at 2601 & 2607 Lyndale Ave S.

Action: The City Planning Commission adopted the findings and **approved** the application for a conditional use permit to increase the height at 2601 and 2607 Lyndale Ave S from 3 to 4 stories.

D. Variance: Application by Todd Knutson, on behalf of SMJ Investments, LLC, for a variance to decrease the minimum lot area from 706 to 662 sq ft per dwelling unit, a reduction of 6% for property located at 2601 & 2607 Lyndale Ave S.
Action: The City Planning Commission adopted the findings and **returned** the application for a variance to decrease the minimum lot area at 2601 and 2607 Lyndale Ave S.

E. Site Plan Review: Application by Todd Knutson, on behalf of SMJ Investments, LLC, for a site plan review for property located at 2601 & 2607 Lyndale Ave S.

Action: The City Planning Commission adopted the findings and **approved** the application for a site plan review at 2601 and 2607 Lyndale Ave S subject to the following conditions:

1. The concrete area in the rear of the site that is indicated on the site plan for snow storage will be landscaped up to the garage door, as required by section 530.180 of the code.

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2. Any changes to site plan as a result of Preliminary Development Review may result in another public hearing by the City Planning Commission if the Zoning Administrator deems such changes significant under sections 525.360 and 530.100 of the zoning code.

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Commissioner Tucker opened the public hearing.

No one was present to speak to the item.

Commissioner Tucker closed the public hearing.

Commissioner LaShomb moved approval of the staff recommendation (El-Hindi seconded).

The motion carried 7-0.

13. Salle McDaniel (BZZ-3525, Ward: 9) 3050 18th Ave S (Michael Wee).

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A. Rezoning: Application by Salle McDaniel for a petition to rezone the property located at 3050 18th Ave S from R2B Two-Family District to R4 Multiple-Family.

Action: Notwithstanding staff recommendation, the City Planning Commission recommended that the City Council **approve** the petition to rezone the property of 3050 18th Ave S from the R2B district to R4 district based on the following findings:

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1. The neighborhood has a mix of densities.
2. The application would encourage investment on the block and on the property.
3. Increasing density in an LRT station area is consistent with the Comprehensive Plan.
4. It is in accordance with policy 9.21: Preserving and enhancing the quality of living in residential neighborhoods and regulating structure and encouraging a variety of dwelling types.

B. Conditional Use Permit: Application by Salle McDaniel for a conditional use permit for the property located at 3050 18th Ave.

Action: Notwithstanding staff recommendation, the City Planning Commission **approved** the conditional use permit application for a property located at 3050 18th Ave S based on the following findings:

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1. The neighborhood has a mix of densities.
2. The application would encourage investment on the block and on the property.
3. Increasing density in an LRT station area is consistent with the Comprehensive Plan.
4. It is in accordance with policy 9.21: Preserving and enhancing the quality of living in residential neighborhoods and regulating structure and encouraging a variety of dwelling types.

Subject to the following conditions:

1. Landscaping shall be enhanced along 31st St and the fence along 31st must be extended for safety.

2. The tree must be preserved.

Commissioner Tucker opened the public hearing.

Commissioner Schiff: I was surprised to hear your interpretation of policy 9.21 in the Comprehensive Plan as that is quoted in the report, it states "Minneapolis will preserve and enhance the quality of living in residential neighborhoods and will encourage a variety of dwelling types." A building like this, that was built in 1912, certainly a condominium conversion is going to preserve this building a lot more than keeping it as a nonconforming multiple rental dwelling. As we can see through much of the city of Minneapolis, when buildings are denied a zoning to match the use, we see disinvestment, we see buildings falling down in quality when there's no encouragement for somebody to own the structure they live in and it's just a rental unit. Why would a condominium conversion project like this not enhance the quality of living in this neighborhood? Why would it not preserve this building? It seems to me as it goes through the rehab is going to be the greatest source of investment this property has seen perhaps since it was first built.

Staff Wee: As we know, the property is in an R2B district and it's surrounded in a low density neighborhood with one or two units in the surrounding areas. In keeping with the neighborhood character, if we approve the application to increase the density it will not be in keeping with the neighborhood character and it will not be compatible with the properties adjacent.

Commissioner Schiff: You've been to the Powderhorn Park neighborhood, you know it's not all single family homes and duplexes, right?

Staff Wee: Not all, yes.

Commissioner Schiff: So it's not a low density neighborhood. It's actually a neighborhood with quite a character of mixes throughout it.

Staff Wee: Within one or two blocks from the subject property it's zoned R2B and staff is presuming that this property in the R2B district would be low density.

Commissioner Schiff: But that's wrong because there are four unit buildings within a one block radius of this.

Staff Wee: If they are, they are legally nonconforming.

Commissioner Schiff: But they exist. You also said it would violate the Comprehensive Plan because it's not where the city wants density, but you also state it's between two community corridors, Cedar Ave, Bloomington Ave, it's on the same block as the Lake Street corridor. In fact, we have a Pedestrian Overlay District because of its closeness to Light Rail. Why is this not where we'd want to add one more unit? It seems like this is exactly the kind of place we want

transit oriented development where people can live, own a home and be able to walk to use transit.

Staff Wee: Our policy 9.5 specifically says that…the Plan generally promotes higher density or medium density if the property or that location is within or adjacent to features like community corridors, growth centers or commercial nodes, activity centers. This particular property, the subject property, is not in any way adjacent to or within these land features.

Commissioner Schiff: Your application of a corridor means it has to be a property touching the street that has been designated as a corridor. The only properties on Cedar are adjacent to the Cedar Ave corridor. Only properties on Lake Street are in the Lake Street corridor. Something on the same block as Lake Street doesn't count; it has to be a property touching Lake Street in your applications of a corridor, right?

Staff Wee: It says within or adjacent.

Commissioner Schiff: It's within in my definition. I'm trying to understand the definition that you're applying here.

Staff Wee: Ok. Yeah. I don't know.

Commissioner Schiff: It's on the same block as the Lake Street commercial corridor. It's the 3000 block of Lake Street on the address here so I'm just trying to understand why that's not in the Lake Street commercial corridor.

Staff Wee: Ok.

Commissioner Schiff: Alright. I guess we can disagree later.

Commissioner Tucker opened the public hearing.

Salle McDaniel (1521 W 26th St): I bought this building because I perceived it to be in a very high…I thought it was a great location for a condominium development in the Powderhorn neighborhood. It's a beautiful building. I have put two years of time, energy and money into it. I really think that it's best use could include a sixth unit. When I bought the building there were two vacant units of the five and I think there were 50 people in the building. Right now I only have two units occupied because I've been renovating. My vision is that there will probably be 15 to 20 people living in the building so it has actually lowered its density.

Commissioner Norkus-Crampton: What kind of price to you anticipate these condominiums going for?

Salle McDaniel: I've had some advice from people and I don't think anything would exceed $150k. I've been told that the units further above the ground are worth $130-$140k and then dropping from there, the garden level unit, one would be, if I did get zoning approval, the one would be an efficiency and it would probably sell in the $70-$80k. The other unit on the garden level I think would be right around $100k. They're all one bedrooms with a den. They are very charming. I put new kitchens and new bathrooms and new heat systems in and will probably do a new roof before I'm done. I'm just getting ready to redo the garages.

Commissioner Norkus-Crampton: There was a letter that we received about some parking of some larger trucks that there was some complaints about. Can you respond to that?

Salle McDaniel: I do have one garage tenant right now that does not live in the building. I have sort of experimented with renting the garages and that's over. I am getting ready to list these units, they're basically done and ready to go. The five that exist are all renovated. That garage tenant will be moving out anytime. He's been great and I haven't had any problem with him, but obviously somebody had a complaint. He does have a large truck that's been parked in my lot. It's been off the street as far as I know.

Commissioner Norkus-Crampton: So the garage units would go with the units?

Salle McDaniel: Absolutely, yes.

Commissioner El-Hindi: The studio that's in question right now, what is it used for currently?

Salle McDaniel: Half the basement was just there. It had a boiler room, which is a separate room which will have an outdoor access. It's basically the same footprint that's available. I did carve out and put in a new laundry room. It was just sort of a big room with a washer and dryer in it before.

Commissioner El-Hindi: Right now it's just unutilized space.

Salle McDaniel: Yes, it's unutilized.

Commissioner El-Hindi: Would you actually build a fifth car garage if…?

Salle McDaniel: I would not, no. I would not because I basically couldn't afford to. I don't think that it would work.

Commissioner Tucker closed the public hearing.

Commissioner Schiff: I had an opportunity to look at this property and toured it with the applicant a couple months ago and I can honestly say that this is the best economic development project going on right now in the Powderhorn Park neighborhood. For someone like me who represents a district that high concentrations of low income people, and this block in particular which has a set of Jersey barriers at the end of the block as a successful tool to stop the drug dealing on this block… we had drug dealers start to buy units and move into the apartment buildings and were successfully engaging in drug deals in the middle of the street when I first came into office back in 2001. Through the support of the block club, and with Transportation and Public Works was able to get Jersey barriers up to literally stop drug traffic on the block. We had a little experiment where those Jersey barriers were removed when Lake Street reconstruction was going through and low and behold, drug dealing and prostitution reemerged in the middle of the block almost instantaneously. That gives you a little bit of a picture of what kind of block we're talking about. The fact that somebody is willing to invest and convert a building like this to homeownership is consistent with at least a half a dozen points of the Minneapolis Comprehensive Plan where we want stated goals to encourage homeownership, particularly where we want a mixture of rental and home ownership in the city of Minneapolis. This is a block with very few homesteaded properties. This kind of stability is exactly what the

Minneapolis Plan speaks to when envisioning how we guide and encourage development in the city of Minneapolis. This building was built in 1912. It's a gorgeous, handsome building. It was built legally and I'm wondering where we are in 2007 if we're to say a building like this shouldn't be built and couldn't be built again here in the same place. It made sense then because we were a streetcar city. We're trying to get back to transit oriented development. It makes sense today. The change of five to six legal units is so minor in the total density and I think Ms. McDaniel spoke so eloquently to the actual density number of people living in a building that the fact of the matter is rental units can be much more dense than homeownership units because you'll have larger family sizes so the total number of people living in this building will actually be down once it gets converted to homeownership versus what it was when it was rental. It's so close to Lake Street and the Light Rail area. This is exactly the kind of projects that neighborhoods are going to be stimulated through the public investment in transportation, in rail transportation. I don't understand why the city downzoned it. I don't understand what happened. This has had five units legally since 1940 and somewhere along the lines, I don't know if the 1963 craze where we decided we had to downzone and make these buildings nonconforming, but it has a real impact on investment in neighborhoods when somebody is going to go through the listing of real estate and buy something that's nonconforming versus something that's conforming. You're sending a huge message out there about how secure people should feel in their investments and what happens with real estate markets and what happens with the banks who are giving mortgages. All of that matters when you get that little letter that says the building is nonconforming versus building is conforming as to zoning. Yes, this is legally nonconforming, but it's not the same in a real estate market when you're buying this kind of unit. I'm going to move this enthusiastically, approval of the rezoning. I also think we need to look at… we had hoped to go through neighborhood by neighborhood a couple years ago and look at the number of multi-family buildings that have been downzoned through time that are now legally nonconforming and to question whether or not we should give them their established originally zoning rights back. I think it's definitely in the city's interest to have buildings, particularly of this vintage, to have the use match the zoning. There are multi-family buildings in the area. Powderhorn is a mixture of apartment buildings, single-family homes, duplexes and triplexes. Anybody who has walked down the streets knows that that's the character; it's a mix. It's not a low density neighborhood by any means. It is certainly in the city's interest to have our buildings match the zoning that they were built for and that they're used for and just get beyond this downzoning craze that we embraced in the 1960's when we tried to deny who we were as a city, how we were built and why these buildings were originally built. This is a handsome building and this is a great project so I am going to move approval of the rezoning (Norkus-Crampton seconded).

Commissioner Norkus-Crampton: I appreciate Commissioner Schiff's remarks on this project and I do understand that rezoning is a sensitive issue for a lot of neighborhoods because the fear is that the rezoning happens, the project gets shelved, the property gets torn down, something else gets built that's inappropriate, but in this case we have a property owner who has already invested a lot of time into a nice older property and is actually going to be preserving it and enhancing housing stock to meet…and providing, from what I can tell, affordable housing for a neighborhood that can really use something along those lines. I understand that 31st Street is not a corridor, but it is a very busy street. It's used as almost as a defacto transportation corridor for people avoiding Lake Street. It's close to a lot of things and it seems to me that if it has been nonconforming with five units since basically 1910 or 1950, one more unit, an efficiency, especially since the extra parking is being provided. I love to see preservation of older properties and I really applaud the property owner for reinvesting. The only question that I have as far as a

condition is that, in looking at the site plan, there is a lot of… I understand that we're not anywhere near the impervious coverage, but we do have a lot of blacktop and concrete and then the parking lots. The only condition that I would ask is just that…the tree is not going to have to come down, correct? I guess the only thing that I would ask for is some more enhanced landscaping in that green area, in the grass area by the tree just as a little buffer between that expanse of blacktop and concrete and the sidewalk as sort of enhancing the residential nature of the neighborhood. If you'd be in agreement with that, that'd really go a long way towards…

Salle McDaniel: Are you talking along 31st Street?

Commissioner Norkus-Crampton: Right.

Salle McDaniel: I'm totally interested in doing that. I haven't committed to doing any of that because of economics.

Commissioner Norkus-Crampton: You wouldn't want anything too tall because of public safety and all that stuff, but I think there are some things that could definitely be worked on that to just make it more aesthetic and respect the residential character of the neighborhood. Thank you for investing in some of our wonderful old housing stock and I think it's going to be a great project.

Commissioner Tucker: Any other comments? We have the application A, the rezoning. All those in favor? Opposed?

The motion carried 7-0.

Commissioner Tucker: The staff recommended denial and we just approved so we do need findings. Do you have enough from the comments, Jason?

Staff Wittenberg: Just to summarize what I jotted down; the neighborhood has a mix of densities, the application would encourage investment on the block and on the property and increasing density in an LRT station area is consistent with the Comprehensive Plan. Were there other findings?

Commissioner Schiff: I would quote 9.21 again, that we're preserving and enhancing the quality of living in residential neighborhoods and regulating structure and encouraging a variety of dwelling types. I think policy 9.21 is relevant as a statement in favor of this.

Commissioner Norkus-Crampton: The condition that I talked about with the landscaping, is that included in this?

Commissioner Tucker: That would go under the conditional use permit I would think.

Commissioner Schiff: Yeah, it would be under the conditional use permit later, not as part of the rezoning.

Commissioner Tucker: We have item B, the conditional use permit.

Commissioner Schiff: I move approval of that as well (Norkus-Crampton seconded). I had spoken to Ms. McDaniel about extending the fence along 31st which I think is similar to the

enhanced landscaping, but the fence for safety as well. There's going to be parked cars permanently in that parking lot back there a fence is going to discourage break ins of those cars and just that wrought iron style railing that's going along there. If that was continued along with landscaping, I think that'd be a good addition so I'll move that as a condition. Preservation of the tree, extension of the fence and enhancement of landscaping along 31st St.

Commissioner Tucker: Any other discussion? All those in favor? Opposed? The same findings can continue forward.

The motion carried 7-0.