

**Department of Community Planning and Economic Development - Planning Division**  
Waiver From Moratorium Application  
BZZ - 4224

**Date:** October 16, 2008

**Applicant:** Mark Freund: 651-238-4052

**Address Of Property:** 1019 University Ave SE

**Contact Person And Phone:** Claire Crowe: 651-203-1166

**Planning Staff And Phone:** Jessica Thesing 612-673-5887

**Date Application Deemed Complete:** October 1, 2008

**End of 60 Day Decision Period:** November 23, 2008

**Ward:** 3      **Neighborhood Organization:** Marcy Holmes Neighborhood Association

**Existing Zoning:** R5-Multiple-Family Residential District

**Reason For Waiver:**

To allow for the demolition of a rooming house located at 1019 University Ave SE for the purpose of proposing a new 4 story, 23 unit multiple-family residential development with both underground and surface parking on two adjoining lots at 1013 and 1019 University Ave SE. The development project as proposed is not required to apply for a waiver because the number of units being proposed exceeds the number of units captured by the moratorium. Because the University District Moratorium includes demolitions, the applicant is required to apply for a waiver from the moratorium to demo the building prior to moving forward with any development proposal for the site.

**Background:**

The City Council has approved a moratorium on the demolition, new construction, or establishment of single and two-family residential dwellings including rooming units and multiple-family residential dwellings having three or four dwelling units including rooming units in the R1, R1A, R2, R2B, R3, R4, R5, R6, OR1, OR2, and OR3 zoning districts in the "University District" area, including the neighborhoods of Cedar Riverside, Marcy Holmes, Prospect Park, Como, and University. The study area includes in entirety the above referenced neighborhoods and is bounded by the City of Minneapolis border to the east; Hennepin Avenue E, BN & Santa Fe Railroad, Winter St NE, Interstate 35 W, and Hennepin Ave E to the north; Harrison St NE, Central Ave NE, the Mississippi River, and Interstate 35 W to the west; and Interstate 94 and the Mississippi River to the south. The interim ordinance (Chapter 585) was introduced at the August 22, 2008 City Council Meeting, referred to the September 18, 2008 Z & P Committee Meeting, discussed and approved at the October 2, 2008 Z & P Committee Public Hearing, and forwarded to the October 10, 2008 City Council Meeting for final approval.

**Property Information:**

Records indicate that the building located at 1019 University Ave SE (PID 2402924310056) was originally constructed in 1915 as a sorority house and in 1973; the sorority house was converted to a rooming house. The current lot area is approximately 6,720 square feet with approximately 42 feet of frontage along University Ave SE. This property has a current lodging house license (H147) for 17 rooming units and is currently occupied.

In addition, 1019 University Avenue SE is within the University of Minnesota Greek Letter Chapter House historic district. It was original built for a sorority and is listed as a contributing property to the district. This district is made up of a number of properties around the University area that were originally built or used as fraternity or sorority houses. Demolitions for properties in historic districts are required to go through a public hearing review with the Heritage Preservation Commission with an application called a Certificate of Appropriateness.

**Proposal:**

The applicant proposes to demolish a rooming house for the purpose of proposing a new development project on two adjoining properties located at 1013 and 1019 University Ave SE. The proposed project consists of a 4-story 56 foot tall multiple-family building with 23, two and three bedroom dwelling units. The lot area of the two lots combined according to City records is approximately 16,125 square feet however in the R5-Multiple Family District, a 23 unit building requires at least 20,700 square feet of lot area per section 546.580 of the Minneapolis Zoning Code. A lot area variance of approximately 28% will likely be required for this project as proposed. The applicant has indicated that they have been working with the Marcy Holmes Neighborhood Association and have proposed more units with fewer bedrooms at their request.

Approval of the waiver does not guarantee that the variance or any other required applications will be approved.

**Neighborhood Review:**

The Marcy Holmes Neighborhood Organization (MHNA) was notified by City staff of the application by mail dated October 6, 2008. The Applicant notified the Marcy Holmes Neighborhood Association (MHNA) on September 12, 2008. Correspondence from MHNA is included in the packet.

The applicant attended the Marcy Holmes Neighborhood Meeting (MHNA) with preliminary plans on 8/06/2008. They also sent a letter dated September 12, 2008 outlining their project to both the Marcy Holmes Neighborhood Association (MHNA) and Ward 3 Council Member Diane Hofstede. The applicant included in this application the letter of support that was received from Melissa Bean, the executive director of MHNA dated September 18, 2008. The letter indicates the MHNA passed a motion on September 16, 2008 in support of the Land Use Committee's motion to support the waiver application for the demolition of two buildings for the purpose of constructing a new building provided that the developer builds the design as proposed with 11 three bedroom units and 12 two bedroom units for a total of 23 units and 29 parking spaces. The MHNA also indicated in this letter that they would be in support of the lot area variance required to support a 23 unit multiple-family residential building on the combined lots if designed as proposed.

**Findings:**

Section 529.50 of the Minneapolis Code states that, “a waiver may be granted where the City Council finds substantial hardship caused by the restrictions and finds that the waiver will not unduly affect the integrity of the planning process or the purpose for which the interim ordinance is enacted.” Based on the information that has been provided to date, staff believes that allowing the applicant to proceed with an application to demolish the structure will not negatively affect the purpose or integrity of the planning process underway. In addition, the applicant has demonstrated substantial hardship caused by the restrictions of this moratorium.

**Hardship:**

The applicant proposes to demolish a rooming house in order to propose a new multiple-family development project on two adjacent sites at 1013 University SE and 1019 University SE. As previously mentioned, in respects to this project, the University District Moratorium is capturing the demolition of the buildings at 1013 and 1019 University Ave SE but because the applicant is proposing a multiple-family residential project with more than 4 units, the proposal itself is not captured. The applicant has demonstrated continuous dedication to this project from purchasing to working with the Marcy Holmes Neighborhood Association and City staff according to the timeline below and denying this waiver will cause substantial hardship.

**The following is a timeline of events provided by the applicant for this property:****December, 2007**

- 1013 University Ave SE property offered to applicant by owner. The house had no heat and was unlivable.
- Applicant 1<sup>st</sup> contacts City of Minneapolis Planning Department to inquire as to the feasibility of the project; the initial project plan was to be a 4-unit building w/all 5 bedroom apartments.

**January, 2008**

- Applicant purchased the property.
- Applicant contacts builder to discuss concepts and proposals.

**February, 2008**

- Applicant was informed that the project couldn't be built unless an easement was in place to guarantee access to parking.
- Applicant contacted Survey Company
- Survey accomplished w/proposed easement in place
- Applicant conducted meetings with 5 adjacent property owners to negotiate and coordinate easement.

**March, 2008**

- Easement drafted by attorney
- Applicant conducted meetings with 5 adjacent property owners to negotiate and coordinate the easement.

**April, 2008**

- Applicant conducted meetings with 5 adjacent property owners to negotiate and coordinate the easement.
- Easement signed by all parties and recorded
- Project planning w/builder and architect begins to move forward.

**May, 2008**

- Scope of project changes as 1019 University Ave SE is added to the project. Two buildings are to be replaced with one new project.

**June, 2008**

- ALTA Survey done for project with both properties taken into account.

**July, 2008**

- On July 17, 2008, the applicant contacted Melissa Bean with the MHNA via phone.
- Applicant indicates that first official meeting with City of Minneapolis Planning Department to go over the preliminary project with Michael Wee took place on July 21<sup>st</sup>, 2008.
- Applicant initiates first contact with traffic regarding project proposal.
- On July 22, 2008, applicant receives email from Melissa Bean from MHNA verifying place on August 6, 2008 meeting agenda.
- Applicant initiates correspondence with the Minneapolis Public Works Departments Traffic Division to work out underground parking specifications.

**August, 2008**

- On August 6, 2008, the applicant reviewed the project proposal with the MHNA Land Use Committee and asked for feedback and comments. Suggestions were made and the committee decided to hold a special meeting for the proposal if the committee suggestions and comments would be incorporated into the project.
- Applicant initiated first contact with Ward 3 Council Member Diane Hofstede.
- August 13, 2008, Special MHNA Land Use Committee Meeting was held, Committee was impressed with project proposal changes and additional suggestions were made.

**September, 2008**

- August 13, 2008, MHNA Land Use Committee Meeting was held and the newest version of the project including the committee recommendations was presented. The members of the committee unanimously voted to support the project and also indicated their support for the waiver request to demolish the buildings at 1013 and 1019 University Ave SE.

**Interference with the purposes of the moratorium:**

The city council is concerned that rapid changes in the residential areas surrounding the University of Minnesota may affect community livability. The city council is concerned that continued residential demolition and construction of single and two-family residential dwellings and multiple-family residential dwellings having three or four dwelling units could substantially

alter the character and livability of the study area. The city council is interested in protecting the livability of the study area by examining issues such as parking, density, and whether the existing pattern of zoning districts within the study area is consistent with the policies of the comprehensive plan. As a result of the important land use and zoning issues cited above, the city, through its planning division, will conduct studies to consider possible amendments to the official zoning controls. The city council finds that the interim ordinance should be adopted to protect the planning process and the public health, safety, aesthetics, economic viability, and general welfare of the city.

The applicant proposes to demolish a rooming house for the purpose of proposing a 23 unit residential development project in an R5-Multiple Family District that exceeds the 1 - 4 dwelling unit structures being captured by the moratorium. The properties sharing this block face along University Ave SE from 10<sup>th</sup> Ave SE to 11<sup>th</sup> Ave SE in addition to the subject property include two rooming houses, a triplex, and a single family dwelling which is also proposed to be demolished as part of this proposal (separate application). The opposite block face across University Ave SE is zoned in entirety R5 multiple-family residential; most of the block is owned by one individual who is working on a development proposal for the site and the corner is owned and occupied by Amoco Oil Company as a nonconforming service station.

The 23 unit residential development being proposed on the combined 1013 and 1019 University Ave SE sites will require at a minimum, site plan review, a conditional use permit, and a variance to be reviewed before the City of Minneapolis Planning Commission. Other applications may also be required based on the final proposal. If for some reason, the waiver is approved for the project to move forward and the project is stalled, any other proposal will be required to apply for a waiver prior to moving forward in the process. For these reasons, staff believes that this proposal will not circumvent the purpose of the moratorium and that hardship on behalf of the applicant has been demonstrated. In addition, the Marcy Holmes Neighborhood Association has written a letter dated September 18, 2008 in support of the project as proposed.

### **Recommendation of the Community Planning and Economic Development Department - Planning Division:**

The Community Planning and Economic Development Department - Planning Division recommends that the City Council adopt the above findings and **approve** the waiver application to demolish the existing rooming house and propose a new multiple-family residential development project of more than 5 units at 1019 University Ave SE.

### **Attachments:**

1. Statement of proposed use and findings
2. Copy of two letters sent September 12, 2008, to Ward 3 CM Diane Hofstede and a
3. Copy of a letter sent September 12, 2008, to the Marcy Holmes Neighborhood Association
4. Correspondence
5. Site Plan
6. Zoning map
7. Photos
8. Preliminary project proposal