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

Date: August 6, 2009
To: Council Member Gary Schiff, Chair, Zoning & Planning Committee and Members of the Committee
Referral to: Zoning & Planning Committee

Subject: Appeal of the decision of the City Planning Commission approving a conditional use permit to increase the height of a building located in the C1 and SH (Shoreland) Overlay Districts from the permitted 2.5 stories/35 feet to 4 stories/45.5 feet, a variance to reduce the front yard setback along the south and west property lines, a variance to increase the maximum floor area ratio from 1.7 (2.38 with bonuses) to 2.75 and site plan review for a new mixed use building located at 1728 Lake St W in the C1 Neighborhood Commercial District and SH Shoreland Overlay District.

Recommendation: The following action was taken by the Planning Commission on July 13, 2009 (BZZ-4443):

8. Lake and Knox Office-Retail (BZZ-4443, Ward: 10), 1728 Lake St W.

A. Conditional Use Permit: Application by CPM Development for a conditional use permit to increase the height in the C1 and Shoreland Overlay districts from 2.5 stories or 35 feet to 4 stories and 45.5 feet for property located at 1728 Lake St W.

Action: The City Planning Commission adopted the findings and **approved** the conditional use permit to increase the height of the building located in the C1 and SH (Shoreland) Overlay Districts from the permitted 2.5 stories/35 feet to 4 stories/45.5 feet for the property located at 1728 Lake St W, subject to the following condition:

1. 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 CPM Development for a variance to reduce the front yard setbacks for property located at 1728 Lake St W.

Action: The City Planning Commission adopted the findings and **approved** the variance application to reduce the front yard setbacks along Knox Ave S and Lake St W from the required 15 feet to 2 feet along the Knox Ave frontage and 2.5 feet along the Lake St frontage, for the property located at 1728 Lake St W.

C. Variance: Application by CPM Development for a variance to reduce the side yard setbacks for property located at 1728 Lake St W.

Action: The City Planning Commission adopted the findings and **approved** the variance application to reduce the interior side yard setbacks from 11 feet to 0 feet for property located at 1728 Lake St W.

D. Variance: Application by CPM Development for a variance to increase the maximum floor area ratio for property located at 1728 Lake St W.

Action: Notwithstanding staff recommendation, the City Planning Commission **approved** the variance to increase the maximum FAR from 1.7 (2.38 with bonuses) to 2.75, for property located at 1728 Lake St W, based on the following findings:

1. The variance to increase the maximum FAR will not alter the character of the existing neighborhood but will improve the characteristics of the existing neighborhood by providing a mixed-use building and the floor area to support it.
2. A 15% increase in FAR will have minimal increase in traffic congestion in the public streets.

E. Site Plan Review: Application by CPM Development for a site plan review for property located at 1728 Lake St W.

Action: The City Planning Commission adopted the findings and **approved** the site plan review for a new mixed use building for property located at 1728 Lake St W, subject to the following conditions:

1. CPED planning staff review and approval of the final site plan, lighting plan, landscaping plan, and elevations before permits may be issued.
2. All site improvements shall be completed by July 13, 2010 (unless extended by the Zoning Administrator) or permits may be revoked for noncompliance.
3. Vertical elements or other architectural details shall be added to break up the blank wall on the east elevation during the winter months.
4. The site plan shall be revised to provide a minimum landscaped area equivalent to 20 percent of the site not occupied by buildings, as required by Section 530.160 of the Zoning Code.

5. The planter boxes on the west side of the site require an encroachment permit from Public Works.
6. The applicant shall be required to submit a lease agreement to ensure that the off-site vehicle parking will be available on the adjacent properties long-term.
7. All lighting shall be required to comply with Chapters 535 and 541 of the Zoning Code.
8. No fewer than 5 bicycle parking spaces shall be provided and shall meet the minimum requirements for short term bicycle parking. The bicycle parking may be located in the public right-of-way adjacent to the site with permission of the city engineer.

Ward: 10

Prepared by: Kimberly Holien, City Planner (612-673-2402) Approved by: Jason Wittenberg, Planning Supervisor Presenters in Committee: Kimberly Holien, City Planner

Financial Impact
- No financial impact

Community Impact
- Neighborhood Notification: The East Isles Residents Association (EIRA) and the East Calhoun Community Organization (ECCO) were notified of the applications.
- City Goals: See staff report
- Comprehensive Plan: See staff report
- Zoning Code: See staff report
- End of 60/120-day decision period: On July 27, 2009, staff sent a letter to the applicant extending the 60 day decision period to no later than October 16, 2009.

Supporting Information
Nancy Ward et al, filed an appeal of the decision of the City Planning Commission approving a conditional use permit to increase the height of a building located in the C1 and SH (Shoreland) Overlay Districts from the permitted 2.5 stories/35 feet to 4 stories/45.5 feet, a variance to reduce the front yard setback along the south and west property lines, a variance to increase the maximum floor area ratio 1.7 (2.38 with bonuses) to 2.75 and for a new mixed use building for property located at 1728 Lake St W in the C1 Neighborhood Commercial District and SH Shoreland Overlay District. At its meeting on July 13, 2009, the City Planning Commission voted to approve all of the aforementioned applications to allow a new 9,023 square foot mixed use building at the northeast corner of the intersection of Lake Street West and Knox Avenue South. The building is proposed to consist of a retail or coffee shop use on the first floor, office uses on the second and third floors and two residential units on the fourth floor. The Planning Commission voted 4-2 to approve the conditional use permit for increased height and the variance to increase the maximum floor area ratio, and 5-1 to approve the front yard setback variance and site plan review applications. The appeal (attached) was filed on July 23, 2009. The City Planning Commission minutes and Planning Division staff report are attached.

In the application, the appellant disputes the findings made by the City Planning Commission for the conditional use permit for increased height. The appellant asserts that the increased height to 4 stories, 45.5 feet will be detrimental to the public welfare and impede the normal and orderly development of surrounding properties.

The appeal documents also state that the proposed height is not compatible with the scale and character of the surrounding area and will lessen views of adjacent parkland. The appellant cites the Uptown Small Area Plan and the Shoreland Overlay District to support these statements.

The appellant has also appealed the variance to reduce the front yard setbacks from the required 15 feet to 2 feet along the Knox Avenue frontage and 2.5 feet along the Lake Street frontage. The appeal documents state that the City Planning Commission findings fail to address whether or not the property can be put to reasonable use under the conditions allowed and strict adherence to the regulations of the zoning ordinance.

The third application addressed in the appeal is the variance to increase the maximum floor area ratio from 1.7 (2.38 with bonuses) to 2.75. The appellant cites the language in the staff report regarding reasonable use of the property and undue hardship, and asserts that the granting of this variance would be detrimental to the public welfare and establish a precedent for large buildings.

The final application appealed is the application for site plan review. Regarding this application, the appellant is contesting the granting of alternative compliance for the requirement prohibiting blank, uninterrupted walls that do not include windows, entries, recesses, or projections, or other architectural elements in excess of 25 feet for the east elevation, which faces an adjacent plaza on the neighboring property. Alternative compliance was granted given that a living wall equivalent to 50 percent of the total wall area is proposed on this elevation. A condition was also added requiring vertical elements or other architectural details to mitigate the effect of the blank wall during winter months. The appellant is requesting that windows also be added to this elevation.

The appellant's complete statement of the actions and reasons for the appeal are attached.

Department of Community Planning and Economic Development - Planning Division
Conditional Use Permit, Variance, Site Plan Review
BZZ-4443

Date: July 13, 2009

Applicant: CPM Development

Address of Property: 1728 Lake Street West

Project Name: Lake and Knox Office-Retail

Contact Person and Phone: Gretchen Camp, BKV (612) 373-9122

Planning Staff and Phone: Kimberly Holien (612) 673-2402

Date Application Deemed Complete: June 18, 2009

End of 60 Day Decision Period: August 17, 2009

Ward: 10 **Neighborhood Organization:** East Isles (EIRA)

Existing Zoning: C1 Neighborhood Commercial District, SH Shoreland Overlay District

Proposed Zoning: Not applicable for this application.

Zoning Plate Number: 24

Legal Description: Not applicable for this application.

Proposed Use: Office/retail, two dwelling units

Concurrent Review:

Conditional Use Permit: To increase the height in the C1 and Shoreland Overlay District from 2.5 stories/35 feet to 4 stories/45.5 feet.
Variance: To increase the maximum floor area ratio.
Variance: To reduce all yard setbacks.
Site Plan Review: For a new 9,023 square foot building.

Applicable zoning code provisions: Chapter 525, Article VII, Conditional Use Permits; Chapter 525, Article IX, Variances and Chapter 530, Site Plan Review.

Background: The applicant, CPM Development, has submitted a series of applications for a new 9,023 square foot mixed use building at the northeast corner of the intersection of Lake Street West and Knox Avenue South. The site is currently occupied by a house that has been converted to an office and two dwelling units. The applicant is proposing to demolish this existing structure as part of the project and

construct a new building with a retail or coffee shop use on the first floor, office uses on the second and third floors and two dwelling units on the fourth floor. The proposed building is planned to directly abut a new residential building to the north and east, which is proposed as a separate project, Lake and Knox Apartments. These two projects will share two levels of primarily below-grade parking accessed off Knox Avenue South. Access to the parking structure is proposed one lot north of the subject site.

The site is bordered by residential uses to the north and east, the Edgewater condominiums across Lake Street to the south, and park land to the west. The existing residential structures to the north and west are proposed to be demolished to allow for the construction of a 65-unit residential building. This residential project is proposed by the same property owner, but is part of a separate application.

The property is located in the C1 zoning district and is located within 1,000 feet of the high-water mark of Lake Calhoun. Therefore, the project is also subject to the requirements of the SH Shoreland Overlay District. The C1 and Shoreland Overlay districts limit height to 2.5 stories or 35 feet, whichever is less. The applicant is requesting a conditional use permit to increase the height of the structure to 4 stories, 45.5 feet, with the stairwells extending an additional nine feet above the fourth floor.

The maximum FAR allowed in the C1 District is 1.7. The development qualifies for two density bonuses to increase the FAR by 20 percent each by providing all required parking in the building and providing residential uses above the ground floor where 50 percent of the ground floor area is devoted to commercial uses. This increases the allowed FAR to 2.38. The proposed development would have a total of 9,023 square feet on a lot that is 3,286 square feet in area, resulting in an FAR of 2.75. A variance is required to increase the maximum FAR.

The front lot lines are adjacent to Lake Street W and Knox Avenue S. A front yard is only required in the C1 district where an adjacent property is either zoned residential or office residential or contains a residential use. Along Lake Street, the adjacent property is zoned R6 and currently contains a residential structure. Along Knox Avenue S, the adjacent property contains an existing residential structure. Both structures are proposed to be removed as part of a separate application and replaced with a 65-unit residential building. The minimum front yard requirement is equal to the lesser of the front yard required by such residence district or the established front yard of such residential structure for the first 40 feet from such residential property or residence district boundary. The established front yard setback of the property to the north is 8 feet. The established front yard setback of the building to the east is 13.6 feet. However, due to the fact that these buildings are proposed to be removed, the minimum front yard requirement in the R6 district of 15 feet would prevail for the first 40 feet. The building would be set back a minimum of 5 feet from the front lot line along Knox Avenue S and 5.5 feet from the front lot line along Lake Street. The commercial entrance canopy on the first floor extends 8 feet into the required yard on both frontages.

An interior side yard is required where a side lot line abuts a side lot line in a residence or office residence district. The site is adjacent to R6 zoning. A yard equal to the minimum side yard that would be required for a conditional use on the abutting residential lot is required. The minimum interior side yard requirement is equal to 5+2x, where x is equal to the number of stories above the first floor. A 4-story building is proposed; therefore the minimum requirement is 11 feet. The applicant is proposing a design that utilizes a shared party wall between the subject mixed-use building and the proposed 65-unit residential building. The side yard setbacks to the north and east are proposed at 0 feet accordingly.

The East Isles Residents Association (EIRA) met on June 2, 2009 and reconsidered a vote taken at its May 5, 2009 meeting, which opposed the residential on the neighboring property project. The board voted again on June 2, 2009 to oppose the residential project. The EIRA did not specifically comment on the subject mixed use project. The East Calhoun Community Organization (ECCO) reviewed the development at its June 4, 2009 meeting and passed a resolution opposing the project.

CONDITIONAL USE PERMIT (to increase the height of the building located in the C1 and SH Shoreland Overlay Districts from 2.5 stories/35 feet to 4 stories/45.5 feet)

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 below concludes that the establishment, maintenance, or operation of the proposed conditional use:

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

The Planning Division does not believe that increasing the height of the building from two-and-a-half stories/35 feet to four stories/45.5 feet would be detrimental to or endanger the public health, safety, comfort or general welfare. The applicant is proposing a building that is three stories, 37 feet at the corner of Lake Street W and Knox Avenue S. The building is then setback five feet before stepping up to the fourth floor, reaching a height of 45.5 feet. Two stairwells extend an additional nine feet above the fourth floor.

The context studies prepared by the applicant illustrate several buildings in the immediate area that are at least four stories in height. The fact that the building steps down to three stories at the corner will reduce the impact on neighboring uses, including access to light and air. The proposed building is not expected to be detrimental to public health, safety, comfort or general welfare provided the development complies with all applicable building codes and life safety ordinances as well as Public Works Department standards.

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

The Planning Division does not believe that increasing the height of the building to four stories/45.5 feet would be injurious to the use and enjoyment of surrounding property nor will it impede the normal development of the surrounding area. The context studies prepared by the applicant illustrate several buildings in the immediate area that are at least four stories in height. Specifically, the Edgewater building directly south of the site across Lake Street is 6 stories, 82 feet in height. One block to the north, along Knox Avenue S, is another 6-story residential building and an 8-story residential building.

The provided shadow studies do not illustrate a significant increase in shading of neighboring properties. The proposed building will be three stories, 37 feet at the corner, stepping up to four stories after a five foot setback. As stated above, the decreased height at the corner of Lake Street and Knox Avenue S further limits any potential for the height increase to be injurious to other property in the vicinity.

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

Increasing the height of the building will have no impact on utilities, access roads or drainage.

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

Increasing the height of the building will have no impact on traffic congestion in the public streets. The impact on traffic congestion has been evaluated in the TDMP.

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

The *Minneapolis Plan for Sustainable Growth* designates the site as mixed use on the future land use plan. The mixed use designation allows for mixed use development, including mixed use with residential. Mixed use may include either a mix of retail, office or residential uses within a building or within a district. The site fronts on Lake Street, which is identified as a commercial corridor. The following specific policies of the Comprehensive Plan apply to the project:

Policy 1.10: Support development along Commercial Corridors that enhances the street's character, fosters pedestrian movement, expands the range of goods and services available, and improves the ability to accommodate automobile traffic.

1.10.1 Support a mix of uses – such as retail sales, office, institutional, high-density residential and clean low impact light industrial – where compatible with the existing and desired character.

1.10.2 Encourage commercial development, including active uses on the ground floor, where Commercial Corridors intersect with other designated corridors.

1.10.4 Encourage a height of at least two stories for new buildings along Commercial Corridors, in keeping with neighborhood character.

Policy 1.4: Develop and maintain strong and successful commercial and mixed use areas with a wide range of character and functions to serve the needs of current and future users.

1.4.1 Support a variety of commercial districts and corridors of varying size, intensity of development, mix of uses, and market served.

The proposed project is consistent with the above policies of the comprehensive plan.

The project also falls within the boundaries of the *Uptown Small Area Plan*. Specifically, the site is located within the West Lake Street Live/Work area. The plan calls for heights of 2-5 stories in this area. The following additional policies of the Uptown Small Area plan that specifically relate to height apply:

- The scale and pattern of development at the Lake edge should respect local scale and pattern; more intense uses are appropriate between Lake Street and Lagoon Avenue.

Staff comment: The site is located between Lake Street and Lagoon Avenue. Thus, increase height may be appropriate in this location.

- Locate tallest buildings along corridors.

Staff comment: The site is located along Lake Street, which is a commercial corridor.

- Step back upper floors of buildings to limit shadowing of streets and the Midtown Greenway.

Staff comment: The fourth floor of the building steps back five feet from the third floor, before rising to a height of 45.5 feet.

- This plan encourages future development to be in keeping with the existing scale and respect the intent of the Shoreland Overlay District (a zoning overlay district that adds additional requirements for development within 1000 feet of water bodies throughout the state). On occasion, variances and conditional use permits within the Shoreland Overlay District may be appropriate, but this Plan attempts to avoid conflicting guidance, and suggests that more intense growth is more appropriate in the Activity Center and Urban Village.

Staff comment: While the subject site is within the Shoreland Overlay District, the proposed height is fairly consistent with the existing scale of buildings in the area.

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

With the approval of the requested variances the proposed project will comply with all applicable district regulations.

<u>ADDITIONAL STANDARDS TO INCREASE MAXIMUM HEIGHT</u>

In addition to the conditional use standards, the city planning commission shall consider, but not be limited to, the following factors when determining the maximum height:

1. Access to light and air of surrounding properties.

Increasing the height of the proposed building should have minimal impact on the amount of light and air that the surrounding properties. The existing residential buildings to the north and east will be demolished and a 65-unit residential building is proposed on these lots, sharing a party wall with the

proposed mixed use building. The proposed residential building will be four and five stories in height, therefore not impacted by the three and four story height of the mixed use building at the corner. The property to the south, across Lake Street, should not be impacted, as it is 6 stories, 82 feet in height and separated from the proposed building by a public street. The property to the west is park land/open space, also separated from the proposed building by a public street.

2. Shadowing of residential properties or significant public spaces.

The shadow study that was submitted as part of this application shows the shadowing effects of the proposed four-story building at various times of the day during the four different seasons throughout the year. The shadow studies also take the proposed residential building into account. The proposed building will produce some shadows on surrounding residential properties and significant public spaces, particularly during the winter months. However, the greatest impact on neighboring properties appears to be from the residential building, not the mixed-use building.

3. The scale and character of surrounding uses.

The height of buildings found throughout the neighborhood range from two-and-a-half stories to six stories. The buildings directly north and east of the site are proposed to be removed to allow for the construction of a five-story, 65-unit residential building. The building directly south of the site is 6-stories, 82 feet in height. One block to the north is a 6-story building and an 8-story building. The architectural style of the buildings in the neighborhood varies.

4. Preservation of views of landmark buildings, significant open spaces or water bodies.

The existing conditions on Lake Street provide a limited view of Lake Calhoun through the subject site. Existing trees and buildings currently block views of Lake Calhoun in this specific area. Constructing a building that is four stories in height would therefore not have a significant impact on views of Lake Calhoun and the open space around it from the properties to the east, given the existing conditions.

The Planning Commission shall also consider the following Shoreland Overlay District factors:

1. **The prevention of soil erosion or other possible pollution of public water, both during and after construction.**

The applicant will obtain approval for all necessary erosion control and stormwater plans prior to construction to mitigate any impact on the public water.

2. **Limiting visibility of structures and other development from protected waters.**

The applicant has provided context photos illustrating the view of the building from across the lake. The structure will be visible from Lake Calhoun, as are the existing buildings on the site. The proposed height of the building will increase its visibility from the lake.

3. **The suitability of the protected water to safely accommodate the types, uses and numbers of watercraft that the development may generate.**

While the site is within the Shoreland Overlay District, it does not have direct frontage on Lake Calhoun. As such, the project will not impact watercraft usage on the lake.

VARIANCE (to reduce all yard setbacks)

Findings Required by the Minneapolis Zoning Code:

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

Due to the fact that the building will contain two residential units, setbacks are required. Additionally, the subject site is adjacent to residentially zoned properties to the north and east. Therefore, the use is subject to a front yard setback equal to the lesser of the front yard setback required by the residential district or the established front yard of the neighboring residential structures for the first 40 feet. In this case, the site has front yards on both Knox Avenue South and Lake Street West and the district setback of 15 feet applies.

Front Yards: The required front yard for the Lake Street frontage is 15 feet. The applicant is proposing to reduce that setback to 10.5 feet on the first floor, with balconies on the upper floors setback 5.5 feet. The entrance canopy extends 8 feet into the required yard. Along Knox Avenue South, the required front yard setback is 15 feet. The applicant is proposing to reduce this front yard setback to 10 feet on the first floor. The second and third floor balconies protrude an additional 5 feet into the required yard and the entrance canopy on this elevation will also encroach 8 feet into the required yard. A bench, a seatwall, and a bike rack are proposed within the required yard along Lake Street W. A bike rack and stairs four feet in width are proposed within the required yard along Knox Avenue S. The stairs, bike racks, and wall seating are all permitted encroachments. The bench is also a permitted encroachment as it will be incorporated into a retaining wall.

The proposed building placement is intended to maximize the interaction with the public streets and sidewalks. The *Uptown Small Area Plan* calls for buildings on the north side of Lake Street to be setback in a manner that activates the street with forecourts, patios and galleries. The proposed setback allows enough room for public seating between the proposed use and the public street. The *Uptown Small Area Plan* also calls for buildings on Lake Street to have balconies. The balconies on the 2nd and 3rd floors on the west side of the building protrude further into the required yard than the remainder of the structure. Thus, the decreased setbacks may be appropriate to allow reasonable use of the property while keeping with the intent of the small area plan.

A variance was approved for the property in 2003 to reduce the front yard setback from the required 15 feet to 0 feet to allow for an 11-foot by 13-foot ground-level patio in the front yard.

Side Yards: The required north and east side yard setbacks are each 11 feet due to the proposed height of the structure. The applicant is proposing to reduce these setbacks to zero to allow for a shared party wall with the new residential project. The shared party wall is proposed to maintain the urban characteristics of the area. The reduced side yard setbacks to allow a shared party wall will allow the

structure to be constructed in a traditional urban form, similar to other buildings on Lake Street to the east.

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.

The subject site is an isolated commercially zoned parcel adjacent to high density residential zoning. The property was rezoned from R6 to C1 by a previous property owner in 2003. The property is in a highly visible location at an intersection along a commercial corridor.

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.

Front Yard: The existing residential structure to the north is setback 8 feet from Knox Avenue South. The proposed first floor setback along this frontage will increase over that of the existing neighboring structure. The upper floor balconies will protrude further into the required yard, but will have less of an impact due to their elevation. The reduced setback along Lake Street will allow for active first floor uses to engage with the public street and sidewalk. Upon construction of the residential project to the east, the commercial uses will be separated from the residential by a large plaza area.

Side Yard: Reducing the side yard setbacks to zero will result in a shared party wall with the proposed residential project. This type of urban design is consistent with the character of the Uptown area.

The setback variances are in keeping with the intent of the ordinance in terms of the C1 District, as this district does not require a setback except for residential uses. The first through third floors will be occupied by commercial uses. The requested variances will not be injurious to the use of enjoyment of other property in the vicinity.

4. The proposed variance may 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.

The proposed variance should not increase the danger of fire or endanger public safety. The variances are not expected to increase the congestion of the public streets, per the TDMP prepared for the project. All vehicle traffic to the site will enter the underground parking facility from Knox Avenue S.

<u>VARIANCE (to increase the maximum floor area ration from 1.7 (2.38 after consideration of bonuses) to 2.75)</u>

Findings Required by the Minneapolis Zoning Code:

1. The property may not be put to a reasonable use under the conditions allowed and strict

adherence to the regulations of this zoning ordinance would cause undue hardship.

The lot area is 3,286 square feet. The maximum FAR allowed in the C1 District is 1.7. The development qualifies for two density bonuses to increase the FAR by 20 percent each by providing all required residential parking in the building and providing residential uses above the ground floor where 50 percent of the ground floor area is devoted to commercial uses. This increases the allowed FAR to 2.38. The proposed development would have a total of 9,023 square feet, which is an FAR of 2.75.

The applicant has stated that a hardship lies in the fact that the subject site is a major gateway within the City. The project has qualified for two density bonuses, which allows 7,821 square feet of floor area, compared to the 5,586 square feet of floor area that is allowed under the base requirement. The applicant is requesting a variance of 15.4% to allow 9,023 square feet of floor area. Staff believes that the floor area allowed with both bonuses allows reasonable use of the property and requiring a building that falls within these parameters does not cause undue hardship.

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

The circumstances upon which the maximum gross floor area variance is requested are not unique to the parcel of property and have been created by the applicant. The applicant is proposing to demolish an existing building and develop a new building on the property. The property is 3,286 square feet. While this is a small lot, there are no circumstances on the parcel of land that would prevent designing a building in compliance with the ordinance.

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.

The floor area ratio requirement was put in place to keep properties from being used more intensely than what is considered appropriate. A building size that exceeds the allowable FAR with two bonuses taken into account is not in keeping with the intent of the C1 District, which is to provide a convenient shopping environment of small scale retail sales and commercial services that are compatible with adjacent residential uses.

4. The proposed variance may 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.

The requested variance is not expected to have a significant impact on congestion of the public streets, per the Travel Demand Management Plan (TDMP) submitted for the site. Granting of the variance is not expected to be detrimental to the public welfare or safety.

SITE PLAN REVIEW

Findings as required by the Minneapolis Zoning Code for the site plan review:

A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)

B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with applicable policies of the comprehensive plan and applicable small area plans adopted by the city council. (See Section B Below for Evaluation.)

Section A: Conformance with Chapter 530 of Zoning Code

BUILDING PLACEMENT AND 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.

f. Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.

Minimum window area shall be measured as indicated in section 530.20 of the zoning code.

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

Conformance with above requirements:

The building is located at the corner of the site, fronting Lake Street W and Knox Avenue S. The primary entrances to the building face Lake Street W and Knox Avenue S, at the corner. These entrances are emphasized with canopies and significant glass coverage. Secondary entrances are located further to the north, adjacent to Knox Avenue S, and to the east, along Lake Street. The applicant is requesting variances to all yard setbacks to allow the building to be setback 5.5 feet from the front lot line along Lake Street and 5 feet from the front lot line along Knox Avenue S. The first floor of the building will be setback 10.5 feet along Lake Street, with the second and third floor balconies setback 5.5 feet. The first floor of the building will be set back 10 feet along the Knox Avenue frontage, with the second and third floor balconies protruding an additional five feet into the required yard. The entrance canopy will be setback 2 and 2.5 feet from each property line respectively.

The primary exterior materials include metal siding, glass and fiber cement siding. These are all durable materials. A cast stone terrace wall will be located along the Knox Avenue frontage with steps up to the building entrances. The building is articulated with multiple recesses and projections, including balconies, a fourth floor terrace and a large entrance canopy.

The applicant is requesting alternative compliance for the requirement prohibiting blank, uninterrupted walls that do not include windows, entries, recesses, or projections, or other architectural elements in excess of 25 feet. Specifically, alternative compliance is requested for the east elevation. This elevation will be facing a plaza on the neighboring property. The applicant is proposing to install four green screen columns, each four feet in width, resulting in 675 square feet of living wall on this elevation. However, given the fact that it is difficult to provide greenery year round in this climate, staff

recommends that the applicant also incorporate vertical elements or other architectural details to mitigate the impact of the blank wall in this location.

The applicant is exceeding the window requirements of the site plan chapter; 30 percent on the first floors facing the street and 10 percent on the upper floors facing the street, on the south and west elevations. The north elevation, which is not visible, and the east elevation, which faces the interior side lot line, both fall short of this standard.

For the south elevation, facing Lake Street, 53.7 percent window coverage is proposed for the first floor. This does not include the commercial entry door, which is almost entirely glass. The second and third floors of the south elevation are proposed to contain 58 percent glass coverage each. The fourth floor contains windows on nearly 100 percent of the south elevation.

The west elevation, facing Knox Avenue South also contains windows on nearly 100 percent of the first and fourth floors. The second and third floors are proposed to contain 53.5 percent windows each. All windows are vertical in proportion and distributed in a more or less even manner.

The north elevation is not visible, with the exception of a 7-foot portion of the wall, as it shares a party wall with the proposed 65-unit residential building. Alternative compliance is not required on this elevation, as it does not face a public street, sidewalk or pathway. Staff finds that the proposed design is appropriate due to the fact that this elevation is actually proposed to be a shared party wall therefore providing windows in this location is not feasible. The east elevation, which faces the proposed plaza on the neighboring property, is not proposed to contain any windows. This wall is located directly on the property line and a portion of the building wall is also a shared party wall with the proposed residential structure. The stairwell for the building is located in this area, so there is little surveillance benefit to providing windows. Also, due to the fact that the building wall is directly on the lot line, providing windows in this location is not feasible.

First floor or ground floor windows shall be required to have clear or lightly tinted glass and 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

The structure has a flat roof similar to other structures in the area.

The underground parking garage is sloped in a manner that allows for nearly all of the first floor to be occupied by active uses. .

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.**

Conformance with above requirements:

The entrances to the building open onto the existing public sidewalks along Lake Street W and Knox Avenue S. The proposed private sidewalk along Lake Street is nearly ten feet in width and separated from the public sidewalk with landscaping, a bench and a concrete seat wall, two feet in height. Direct access from the public sidewalk to the south building entrance is provided. Along the Knox Avenue frontage, an outdoor patio area is proposed between the building and the public sidewalk. No seating is shown in this patio area. Outdoor seating for the first floor commercial use is not permitted within 20 feet of the adjacent residential use. Access to the public street is provided by steps on the north and south ends of the patio to accommodate the grade change. A landscaped area three feet in width is proposed between the patio area and the sidewalk.

There is no vehicle access for the site. Parking for the use will be provided in an underground parking garage. Access to this parking garage is provided through the adjacent residential parcel to the north and an application to rezone this parcel with the TP overlay has been submitted accordingly. No surface parking is proposed as part of the project.

There are no public alleys or transit shelters adjacent to the site.

The site has been designed to minimize impervious surfaces and all areas that are not covered by buildings, pedestrian access, and paved areas necessary for parking, loading, and the associated maneuvering are pervious surfaces used for landscaping.

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.**

Conformance with above requirements:

The lot area is 3,286 square feet and the footprint of the building is approximately 2,110 square feet. Therefore, the net lot area is 1,176 square feet, of which 20 percent (235 square feet) is required to be landscaped. The site requires 1 overstory tree and 3 shrubs to satisfy the minimum planting requirement.

The applicant is proposing a total landscaped area of 195 square feet (16.6 percent of the unoccupied area) with 8 deciduous canopy trees and 17 shrubs on the site. Walkways, stairs and bike parking that are needed for efficient circulation and access are proposed in the areas that would not be landscaped. Five of the proposed overstory trees are located within the right-of-way. Additional perennials and ornamental grasses are proposed along the south and west lot lines, adjacent to the public sidewalk. The planter boxes on the west side of the side require an encroachment permit from Public Works.

Alternative compliance is requested to allow a deviation from the minimum landscape area requirement. Staff does not recommend alternative compliance for the minimum landscaped area requirement. In order to comply with the minimum requirement, the applicant would need to provide an additional 40 square feet of landscaping. Altering the site plan to achieve the additional green space should be possible without having a significant impact on the layout or building design.

The site has no surface parking stalls; therefore no additional screening or landscaped yards are required.

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.**

Conformance with above requirements:

There is no surface parking proposed for the site. No on-site stormwater retention is proposed. Due to the size and existing layout of the site, on-site retention may not be practical.

The building does not significantly shadow public spaces or adjacent properties, as addressed in the findings for the conditional use permit for increased height. The building is not expected to significantly generate wind currents at ground level. The building will block views of Lake Calhoun from properties to the east. However, that view is currently blocked by existing structures and trees and the proposed building is not expected to have a significant impact in that regard.

The plan meets the CPTED guidelines. The site is well lit and designed with opportunities for people to observe adjacent spaces and public sidewalks. Landscaping, sidewalks and building features are designed to clearly direct pedestrian movements.

The existing building on the site is not historic, and the property does not lie within a historic district.

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

ZONING CODE: The proposed uses are permitted uses in the C1 Neighborhood Commercial District.

Off-Street Parking and Loading:

Minimum automobile parking requirement:
The applicant is proposing a retail or coffee shop use on the first floor, office uses on the second and third floors, and two dwelling units on the fourth floor. The minimum vehicle parking requirement for the uses, assuming a coffee shop, is as follows:

Use	Requirement	Size	Spaces required
Dwelling units	1 space per unit	2 units	2 spaces
Office use	1 space per 500 sq. ft. of GFA in excess of 4,000 sq. ft. (minimum of 4)	4,500 square feet	4 spaces
Coffee Shop	1 space per 500 sq. ft. of GFA up to 2,000 sq. ft. + 1 space per 300 sq. ft. of GFA in excess of 2,000 sq. ft.	2,122 square feet	5 spaces
Total			**11 spaces**

All of the required parking for the building will be provided in an underground parking structure extending from the subject site through the adjacent residential lots where the 65-unit building is proposed. The applicant has submitted an application to apply the TP overlay district to these residential lots to accommodate parking for the commercial uses. A total of 74 parking vehicle parking stalls are proposed.

The subject mixed-use building requires 11 parking stalls. The proposed residential building requires 65 parking stalls. Parking reductions for transit and a shared car are requested for the residential building, decreasing the vehicle parking requirement for that use to 53 stalls. The total vehicle parking

requirement for both uses is 64 spaces. The vehicle parking requirement is satisfied accordingly. The applicant shall be required to submit a lease agreement to ensure that the off-site vehicle parking will be available on the adjacent properties long-term.

Maximum vehicle parking requirement:
The maximum vehicle parking requirement for the proposed uses is as follows:

Use	Requirement	Size	Maximum allowed
Dwelling units	No maximum	2 units	N/A
Office use	1 space per 200 sq. ft. of GFA	4,500 square feet	22 spaces
Coffee Shop	1 space per 75 sq. ft. of GFA	2,122 square feet	28 spaces
Total			**50 spaces**

The maximum parking requirement will not be exceeded, given that the adjacent residential use does not have a maximum requirement.

Minimum bicycle parking requirement:
Minimum bicycle parking requirements are also applicable for the use. The minimum bicycle parking requirement is as follows:

Use	Requirement	Size	Spaces required
Dwelling units	Single- and two-family dwellings and multiple-family dwellings with three or four units: None	2 units	0 spaces
Office use	3 spaces or 1 space per 15,000 sq. ft. of GFA, whichever is greater	4,500 square feet	3 spaces
Coffee Shop	3 spaces	2,122 square feet	3 spaces
Total			**6 spaces**

A minimum of six bicycle parking spaces are required for the building. All of the bicycle parking spaces for the coffee shop are required to be short term. Half of the bicycle parking spaces for the office use are required to be long term. The site plan illustrates six short-term bicycle parking spaces on the site, three within the Lake Street right-of-way and three within the Knox Avenue right-of-way. Additionally, 65 long-term bicycle parking spaces are located within the parking structure, satisfying the minimum requirement.

Loading
One 12’x 25’ loading space is provided on the interior of proposed residential building, accessed from the alley.

Maximum Floor Area: The maximum FAR allowed in the C1 District is 1.7. The development qualifies for two density bonuses to increase the FAR by 20 percent by providing all required parking in the building and providing residential uses above the ground floor where 50 percent of the ground floor

area is devoted to commercial uses. This increases the allowed FAR to 2.38, equal to 7,821 square feet of building area. The proposed development would have a total of 9,023 square feet on a lot that is 3,286 square feet in area, resulting in an FAR of 2.75. A variance has been requested to increase the maximum FAR

Building Height: The C1 and Shoreland Overlay districts both limit height to 2.5 stories or 35 feet, whichever is less. The applicant is requesting a conditional use permit to increase the height of the building to 4 stories, 45.5 feet.

Minimum Lot Area: The C1 district requires 700 square feet of lot area per dwelling unit for mixed use buildings. The applicant is proposing two units on a 3,286 square foot site. The required minimum lot area per dwelling unit is satisfied on the site.

Dwelling Units per Acre: There are two residential units on the .075 acre site. The result is 26.7 dwelling units per acre.

Yard Requirements: The project contains two residential units and is adjacent to residentially zoned property to the north and east. Setbacks are required accordingly. The applicant has applied for variances to all setbacks, as addressed in this report.

Specific Development Standards: Specific development standards for the potential coffee shop use are as follows:

(1) The premises, all adjacent streets, sidewalks and alleys, and all sidewalks and alleys within 100 feet shall be inspected regularly for purposes of removing any litter found thereon.

Hours of Open to the Public: In the C1 District, uses may be open to the public during the following hours: Sunday through Thursday from 6:00 a.m. to 10:00 p.m. and Friday and Saturday from 6:00 a.m. to 11:00 p.m. The proposed use will comply with the required hours open to the public.

Signs: Signs are subject to 531 and 543 of the Zoning Code. All new signs are required to meet the requirements of Chapter 543 of the zoning code and permits are required from the Zoning Office. The building elevations illustrate generic signs for the ground floor uses. Two 55 square foot awning signs are proposed, one for each street frontage. These signs are not currently allowed, but are proposed to be allowed per the pending amendments to Chapter 531 and 543 of the Zoning Code.

Refuse storage: Section 535.80. Refuse storage containers are required to be enclosed on all four (4) sides by screening compatible with the principal structure, not less than two (2) feet higher than the refuse container, or shall be otherwise effectively screened from the street, adjacent residential uses located in a residence or office residence district and adjacent permitted or conditional residential uses. A refuse container is proposed on the interior of the adjacent residential building, near the loading space. No additional refuse containers are proposed on the site.

Lighting: The applicant has not submitted a lighting plan. All lighting shall be required to comply with Chapters 535 and 541 including the following standards:

535.590. Lighting. (a) In general. No use or structure shall be operated or occupied as to create light or glare in such an amount or to such a degree or intensity as to constitute a hazardous condition, or as to unreasonably interfere with the use and enjoyment of property by any person of normal sensitivities, or otherwise as to create a public nuisance. (b) Specific standards. All uses shall comply with the following standards except as otherwise provided in this section:

(1) Lighting fixtures shall be effectively shielded and arranged so as not to shine directly on any residential property. Lighting fixtures not of a cutoff type shall not exceed two thousand (2,000) lumens (equivalent to a one hundred fifty (150) watt incandescent bulb).

(2) No exterior light source located on a nonresidential property shall be visible from any permitted or conditional residential use.

(3) Lighting shall not create a sensation of brightness that is substantially greater than ambient lighting conditions as to cause annoyance, discomfort or decreased visual performance or visibility from any permitted or conditional residential use.

(4) Lighting shall not directly or indirectly cause illumination or glare in excess of one-half (1/2) footcandle measured at the closest property line of any permitted or conditional residential use, and five (5) footcandles measured at the street curb line or nonresidential property line nearest the light.

(5) Lighting shall not create a hazard for vehicular or pedestrian traffic.

(6) Lighting of building facades or roofs shall be located, aimed and shielded so that light is directed only onto the facade or roof.

MINNEAPOLIS PLAN:

In the *Minneapolis Plan for Sustainable Growth*, the future land use of the subject site is designated as mixed use. The proposed residential, office and retail/coffee shop are compatible with the intent of the comprehensive plan, as evaluated above.

SMALL AREA PLANS ADOPTED BY COUNCIL:

The site is located within the boundaries of the Uptown Small Plan. According to plan, the site is located in the West Lake Live/Work area. This plan says the following about this area:

This area is an eclectic mix of higher-density housing and residential converted to retail/service uses. Significant features include the lake edge, the Mall, and the heavily traveled one-way Lake Street segment. The area is characterized as live/work partially due to the residential scale of smaller independently-owned shops and offices. A portion of this area includes the Shoreland Overlay District.

Recommended Uses: *Primarily residential/live/ work*
Preferred Heights: *2-5 stories.*

The following policies and elements of the *Uptown Small Area Plan* are applicable to this site:

- The scale and pattern of development at the Lake edge should respect local scale and pattern; more intense uses are appropriate between Lake Street and Lagoon Avenue.

Staff comment: The site is located between Lake Street and Lagoon Avenue. Thus, increased height may be appropriate in this location.

- Locate tallest buildings along corridors.

Staff comment: The site is located along Lake Street, which is a commercial corridor.

- Step back upper floors of buildings to limit shadowing of streets and the Midtown Greenway.

Staff comment: The fourth floor of the building steps back five feet from the third floor, before rising to a height of 45.5 feet.

- **Shaping Growth Near the Lakes.** Growth near the lakes has been a community concern. This plan encourages future development to be in keeping with the existing scale and respect the intent of the Shoreland Overlay District (a zoning overlay district that adds additional requirements for development within 1000 feet of water bodies throughout the state). On occasion, variances and conditional use permits within the Shoreland Overlay District may be appropriate, but this Plan attempts to avoid conflicting guidance, and suggests that more intense growth is more appropriate in the Activity Center and Urban Village (South Sub-Area).

*Staff Comment***:** The small area plan is sensitive to the specific height limitations in the Shoreland Overlay District. However, given the context of building heights on neighboring properties and provisions that allow for increased height, staff finds that the conditional use permit to allow for four stories is consistent with the plan.

- Live/work opportunities are relatively limited per the current zoning code. This issue should be examined in the future in order to create a live/work district that permits more opportunities to live and work in the same building.

Staff Comment: The proposed mixed use building is consistent with the vision for live/work opportunities in the area.

- New development should resemble the current scale of buildings in the area. Over time single family homes between Lake St. and the Mall/Greenway will likely be redeveloped as small apartments or live/work buildings. In some cases, matching the scale of existing buildings will result in buildings taller than the 35 feet limit mandated by the Shoreland Overlay District (which extends 1000 feet from the Lakes to approximately Irving Avenue).

Staff Comment: As previously stated, there are several buildings within one block of the subject site that exceed 30 feet in height. Particularly, the Edgewater building directly south of the site is at a height of 82 feet. The proposed building steps down to three stories at the corner to decrease the impact on neighboring properties, shadowing, and views to Lake Calhoun.

- Buildings on the north side of Lake St., should be set back and activate the street with forecourts, patios and galleries.

Staff comment. The first floor of the building will be set back 11 feet along the Lake Street frontage. The applicant is proposing active uses on the first floor, consistent with this language of the small area plan.

- Buildings on West Lake Street should be intentionally eclectic and diverse. Like other buildings around the Lakes, the new buildings on West Lake Street are encouraged to have balconies, roof terraces, large bay windows, and tower rooms in order to capture views of the lake and the promenade. Buildings should range in style and expression.

Staff comment: The building contains balconies on the second and third floors and a terrace on the fourth floor. The building has large windows on all floors to maximize views of the lake and any future promenade.

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

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

Staff recommends granting alternative compliance for the east elevation to have façades with blank walls greater than 25 feet in length. This wall is at the property line and fronts onto the proposed plaza on the adjacent property. The applicant is proposing to mitigate the effect of the blank wall with a living wall 675 square feet in area. Given the challenges with providing greenery year round on a living wall in this climate, staff recommends that vertical elements or other architectural details also be added to break up the blank wall during the winter months

With regard to landscaping, staff does not recommend granting alternative compliance to allow a total landscaped area of 16.6 percent instead of 20 percent. In order to comply with the minimum requirement, the applicant would need to provide an additional 40 square feet of landscaping. Altering the site plan to achieve the additional green space should be possible without having a significant impact on the layout or building design.

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 findings above and **approve** the conditional use permit to increase the height of the building located in the C1 and SH (Shoreland) Overlay Districts from the permitted 2.5 stories/35 feet to 4 stories/45.5 feet for the property located at 1728 Lake Street W, subject to the following condition:

1. 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 findings above and **approve** the variance application to reduce the front yard setbacks along Knox Avenue South and Lake Street W from the required 15 feet to 2 feet along the Knox Avenue frontage and 2.5 feet along the Lake Street frontage, for the property located at 1728 Lake Street W.

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 findings above and **approve** the variance application to reduce the interior side yard setbacks from 11 feet to 0 feet for property located at 1728 Lake Street W.

Recommendation of the Community Planning and Economic Development Department - Planning Division for a variance to increase the maximum floor area ratio:

The CPED Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the variance to increase the maximum FAR from 1.7 (2.38 with bonuses) to 2.75, for property located at 1728 Lake Street W.

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

The Community Planning and Economic Development Department - Planning Division recommends that the City Planning Commission adopt the findings above and **approve** the site plan review for a new mixed use building for property located at 1728 Lake Street W, subject to the following conditions:

1) CPED planning staff review and approval of the final site plan, lighting plan, landscaping plan, and elevations before permits may be issued.

2) All site improvements shall be completed by July 13, 2010 (unless extended by the Zoning Administrator) or permits may be revoked for noncompliance.

3) Vertical elements or other architectural details shall be added to break up the blank wall on the east elevation during the winter months.

4) The site plan shall be revised to provide a minimum landscaped area equivalent to 20 percent of the site not occupied by buildings, as required by Section 530.160 of the Zoning Code.

5) The planter boxes on the west side of the site require an encroachment permit from Public Works.

6) The applicant shall be required to submit a lease agreement to ensure that the off-site vehicle parking will be available on the adjacent properties long-term.

7) All lighting shall be required to comply with Chapters 535 and 541 of the Zoning Code.

8) No fewer than 5 bicycle parking spaces shall be provided and shall meet the minimum requirements for short term bicycle parking. The bicycle parking may be located in the public right-of-way adjacent to the site with permission of the city engineer.

Attachments:

1. PDR Report.
2. Statement and findings from applicant.
3. Zoning map.
4. Letter from EIRA dated June 2, 2009
5. Correspondence
6. Site plans and elevations.
7. Proposed floor plans.
8. Context and shadow studies.
9. Photos.