

Department of Community Planning and Economic Development-Planning Division
Rezoning, Conditional Use Permit for a Planned Unit Development,
Variances, and Site Plan Review
BZZ-3137

Date: August 14, 2006

Applicant: St. Anthony Mill, LLC c/o Schafer Richardson, Inc.

Address Of Property: 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE

Project Name: A Mill Historic Complex

Contact Person And Phone: David Frank – Schafer Richardson 612-371-3000

Planning Staff And Phone: Jim Voll 612-673-3887

Date Application Deemed Complete: July 21, 2006

End of 60 Day Decision Period: September 19, 2006

Date Extension Letter Sent: July 25, 2006

End of 120 Day Decision Period: November 18, 2006

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

Existing Zoning: I1 Light Industrial District

Existing Overlay Districts: IL Industrial Living Overlay District; MR Mississippi River Critical Area Overlay District; SH Shoreland Overlay District.

Proposed Zoning: C3A Community Activity Center District (and removal of the ILOD)

Plate Number: 14

Legal Description: Please see attached sheet.

Proposed Use: A 960 unit mixed-use Planned Unit Development consisting of 11 buildings.

Concurrent Review:

Rezoning: From I1 Light Industrial and ILOD to C3A Community Activity Center District.

Conditional Use Permit for a Planned Unit Development: To allow 960 dwelling units.

Variance: To increase the Maximum allowable Floor Area Ratio from 3.24 to 5.0.

Variance: To increase the maximum allowable floor area of individual retail sales and services tenants from 8,000 square feet (with bonuses) to up to 33,000 square feet.

Variance: To reduce the required northerly interior side yard from 15 feet to 11.

Concurrent Review (continued):

Variance: To reduce the minimum required drive aisle from 22 feet to 20 feet.

Site Plan Review.

Appropriate Section(s) of the Zoning Code: Chapter 525, Article VI Zoning Amendments; Chapter 525, Article VII Conditional Use Permits; Chapter 525, Article IX Variances, Specifically Section 525.520(1)(3)(14); Chapter 527 Planned Unit Developments; and Chapter 530 Site Plan Review.

Background: The Pillsbury A Mill project will redevelop the historic A Mill complex by rehabilitating seven existing milling and warehousing structures and by constructing six new residential buildings that will have a total of 960 units and approximately 85,000 square feet of commercial/office space. Please see the attached description provided by the applicant for more detail. For the site plan and this staff report the structures have been grouped and named as follows:

Pillsbury A Mill: The A Mill will be renovated as a mixed-use building with 52 dwelling units and approximately 32,684 square feet of commercial space. It is 13 stories or 112 feet (7 floors). A proposed elevator penthouse will increase the height to 14 stories and 116 feet.

South Mill: The South Mill will be renovated as a mixed-use building with 56 dwelling units and approximately 12,392 square feet of commercial space. The majority of the building is 17 stories, but at its highest point it is 18 stories or 159 feet (9 floors). The proposed elevator and stair penthouses will increase the portion of the building that is at the height of 18 stories of 159 feet. This does not include the existing water tower.

Red Tile: The Red Tile Elevator will be renovated as a 5 unit residential building. It is 17 stories or 189 feet. There are five residential floors in the head-house above the elevators.

Machine Shop: The Machine Shop will be renovated for approximately 27,000 square feet of commercial space. It is 3 stories or 33 feet (2 floors).

Warehouse 2: Warehouse 2 will be renovated as a 35 unit residential building. It is 4 stories or 45 feet (4 floors).

Building B: Building B is proposed as a new residential building with 141 dwelling units and a height of 17 stories or 148 feet (12 floors).

Building C: Building C is proposed as a new residential building with 118 dwelling units and a height of 12 stories or 119.5 feet (10 floors).

Building D: Building D is proposed as a mixed-use building with 89 units, 3,306 square feet of commercial, and a height of 17 stories or 191 feet (15 floors).

Building E: Building E is proposed as a residential building with 167 units and a height of 29 stories or 324 feet (27 floors).

Building F: Building F is proposed as a residential building with 161 units and a height of 26 stories or 290 feet (24 floors).

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Building G: Building G is proposed as a mixed-use building with 136 units, 2,859 square feet of commercial space, and a height of 22 stories or 243.5 feet (20 floors).

The applicant has provided a phasing plan that is attached to this report. It will consist of five phases. Section 527.110 of the Planned Unit Development chapter allows phasing of developments and allows a two-year time frame for each phase. Staff recommends granting a phasing plan with five phases of two years each as follows:

Phase One: Demolition of White Elevators, construction of the parking structure under buildings B and C, renovation of A Mill, South Mill, Red Tile Elevator, Machine Shop, and Warehouse 2. Completion deadline of August 14, 2008.

Phase Two: Construction of Building D. Completion by August 14, 2010.

Phase Three: Construction of Building E. Completion by August 14, 2012.

Phase Four: Construction of buildings C and F. Completion by August 14, 2014.

Phase Five: Construction of Building G. Completion by August 14, 2016.

Site demolitions may proceed as necessary (subject to applicable permits). The adjacent public spaces, amenities, Prince Street and 5th Avenue SE, are required to be completed in each phase as the project progresses; however, the phasing plan does not allow any portion of the site to be out of compliance with zoning code and Public Works requirements.

The site is proposed to be rezoned from the I1 Light Industrial District to the C3A Community Activity Center District. The Industrial Living Overlay District will be removed as well. The project will be a Planned Unit Development Conditional Use Permit (PUD) to allow the 960 dwelling units. Exceptions to increase the maximum allowable height of several of the structures are necessary as a part of the PUD approval. The development also requires variances to exceed the maximum allowable Floor Area Ratio (FAR), to allow some of the retail tenant spaces to exceed a maximum floor area of 8,000 square feet (with bonuses), to reduce the required rear setback from 15 feet to 11 feet east of the vacated 5th Avenue, and to reduce some of the drive aisles from 22 feet to 20 feet.

The City of Minneapolis completed an Environmental Assessment Worksheet (EAW) for this project. The City Council ordered an Environmental Impact Statement on July 2, 2004. The City Council adopted the findings of fact for the Environmental Impact Statement on May 27, 2005 (please see selected attachments from these documents attached to this report). The complete EAW/EIS record for the A Mill is located at: <http://www.ci.minneapolis.mn.us/planning/a-mill.asp>

The site is in the St. Anthony Falls Historic District and the A Mill is a National Historic Landmark. The Minneapolis Heritage Preservation Commission (HPC) approved certificates of appropriateness to demolish the white grain elevators, to allow the construction of Buildings B and C, and to allow the rehabilitation of the historic buildings, subject to conditions, at its meeting of January 10, 2006. The HPC denied the certificate of appropriateness for Buildings D, E, F, and G at this same meeting. Some of the approvals were appealed by Bluff Street Development, LLC and the denials were appealed by St. Anthony Mill, LLC.

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The appeals were heard by the Zoning and Planning (Z&P) Committee of the City Council on February 16, 2006, and the full City Council on February 24, 2006. The City Council denied the Bluff Street, LLC appeal, upholding the HPC approvals. The City Council granted the St. Anthony Mill, LLC appeal, overturning the HPC denials for Buildings D, E, F, and G, subject to conditions and that the design of the elevations return to the HPC for approval. The HPC granted a certificate of appropriateness for Buildings D, E, F, and G at its meeting of June 13, 2006. Please see attached letters from the HPC staff that detail conditions of approval.

This project was reviewed by the Minneapolis One Stop Preliminary Development Review (PDR) group on June 21, 2006. The PDR review report is attached to this staff report.

Attached to this report are letters and the consensus statement from the Marcy-Holmes and Nicollet Island-East Bank neighborhood associations as well as a letter from the St. Anthony Falls Heritage Board.

REZONING (from I1 Industrial to C3A Commercial and to remove the ILOD)

Findings As Required By The Minneapolis Zoning Code:

1. Whether the amendment is consistent with the applicable policies of the comprehensive plan.

The C3A Community Activity Center District was established to provide for the development of major urban activity and entertainment centers with neighborhood scale retail sales and services. In addition to entertainment and commercial uses, residential uses, institutional and public uses, parking facilities, limited production and processing and public services and utilities are allowed. The C3A districts are often mapped in areas designated as Activity Centers in the comprehensive plan. The East Hennepin Activity Center is within an area bounded by a triangle created by Central and East Hennepin Avenues and extends eastward along Min Street, including the A Mill site, to 6th Avenue SE.

The Minneapolis Plan defines Activity Centers as follows:

- Activity Centers generally have a diversity of uses that draw traffic from citywide and regional destinations, but do not generally support automobile uses.
- Activity Centers are complimented by medium and high density residential uses, and also accommodate retail and commercial services, entertainment uses, educational campuses, or other large-scale cultural or public facilities.
- Activity Centers have a traditional urban form (building siting and massing).
- Activity Centers have a significant pedestrian and transit orientation, as service and features of these areas are already good.
- Activity Centers have uses that are active all day long and into the evening.
- A mix of uses occurs within structures and within the larger boundaries of Activity Centers.
- Activity Centers have a unique urban character that distinguishes them from other commercial areas because of the mix and complementary type of uses as well as the traffic the area generates.

Activity Centers are destinations that attract large numbers of visitors, workers, and residents. They include a concentration of activities throughout the day and into the evening including high pedestrian, automobile, and transit traffic, and a mix of uses located that result in a well-defined sense of place.

The Minneapolis Plan has the following goal and relevant implementation steps for Activity Centers:

4.7 Minneapolis will identify and support Activity Centers by preserving the mix and intensity of land uses and enhancing the design features of each area that give it a unique and urban character.

Implementation Steps

Ensure that land use regulations support diverse commercial and residential development types which generate activity all day long and into the evening.

Promote the incorporation of residential uses within the same structure as other commercial uses.

Preserve traditional urban form in buildings where it currently exists, and encourage new development to relate to traditional siting and massing, where it is already established.

Discourage automobile services and drive-through facilities from locating in these designated areas.

Develop parking facilities and management strategies that accommodate high customer demand, promote shared facilities and minimize visual impact and adverse effects on pedestrian and sidewalk traffic.

Ensure that regulations balance the transition between high traffic land uses and adjoining residential areas.

Require that buildings in Activity Center districts incorporate a pedestrian orientation at the street edge.

Apply street design criteria that incorporates a pedestrian orientation and accommodates a variety of traffic (pedestrian, cyclist, transit, automobile).

This site is in the Activity Center and meets the goals and implementation steps for Activity Centers. There is C3A zoning adjacent to the west property line and to the north east of the site along 2nd Street. Extension of the C3A District eastward along Main Street is consistent with the purpose and character of the Activity Center and relevant goals of the comprehensive plan.

2. Whether the amendment is in the public interest and is not solely for the interest of a single property owner.

The rezoning is in the interest of the applicant. However, the C3A District would allow for the redevelopment of the site that will be an improvement to the area and will provide a mix of housing and commercial uses as well as amenities that can be considered in the interest of the public.

3. Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.

The surrounding area is a mix of residential, commercial, and industrial uses including offices, commercial uses, apartment buildings, and large industrial buildings. The areas directly to the west and the northeast of the site are zoned C3A. The rezoning should be compatible with the surrounding area.

4. Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.

The existing I1 District, with the ILOD, allows a wide range of industrial, commercial, and residential

uses.

- 5. Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.**

This area has been undergoing a transformation from industrial uses to a mix of residential, commercial, and park uses. Rezoning the subject area to C3A would be consistent with this trend.

CONDITIONAL USE PERMIT/PLANNED UNIT DEVELOPMENT (to allow 960 units)

Findings as required by the Minneapolis Zoning Code:

The Minneapolis City Planning Department has analyzed the application and from the findings above 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.**

Any residential development of five units or more requires a conditional use permit. In this case there is more than one residential structure on a large site, so the applicant has chosen to apply for a planned unit development. The proposed buildings meet the required lot size, but need some variances as well as an exception for height for six new buildings and for additions to two existing buildings. The buildings and site are required to meet the standards of the site plan review chapter. The site is required to have an erosion control plan, stormwater management plan, and a travel demand management plan approved as a part of the final site plan approval. Also, the site has to comply with the standards of the Shoreland and Mississippi Critical Area plans and overlay districts. In addition, an EAW/EIS was completed for the site and the project received HPC review. If the development meets all of these standards and with appropriate conditions of approval the proposed development should not be detrimental to the public health, safety, or welfare.

- 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 site is near other multi-family housing and is part of the redeveloping riverfront area. As noted above, with proper conditions of approval and compliance with city regulations, it should not be detrimental to surrounding properties nor impede orderly development in the area.

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

Existing roads and utilities are adequate or will be upgraded to Public Works standards outlined in the attached PDR report. Erosion control, stormwater management, and Travel Demand Management

plans are required as a part of the final site plan approval before building permits may be issued.

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

Parking: The parking requirement for a planned unit development is determined by the conditional use permit approval process. Individually, the zoning code requires 960 parking spaces for the dwelling units (one per dwelling unit) and 218 for the commercial (one for each 300 square feet of floor area in excess of 4,000 for each tenant space, with a minimum of 4 for each tenant space); for a total requirement of 1,178 spaces. There are six commercial spaces that are assumed to be retail or office. If they are utilized as restaurant spaces then the parking requirement will be greater. Also, if they are further divided into separate retail tenant spaces the parking requirement will change. This may require further review by the Planning Commission.

The applicant proposes 1,528 structured parking spaces, of which 382 are compact and 39 are handicapped accessible. The applicant proposes 60 surface spaces of which 15 are compact and 4 are accessible. Of the total 1,588 spaces (1,528 structured plus 60 surface), 244 will be for the commercial uses with 32 surface spaces and 212 ramp spaces. The A Mill, South Mill, and Red Tile Elevator commercial uses require 133 spaces and 172 spaces are provided in Building B; the commercial use in Building D requires 4 spaces and 20 spaces are provided in its garage; the commercial use in Building G requires 4 spaces and 20 spaces are provided in its garage; and the Machine Shop is required to have 70 spaces and 32 are provided in an adjacent surface lot and behind the building on Prince Street.

All of the uses exceed the parking requirements of the code except for the Machine Shop. Staff believes that 32 spaces is a reasonable amount of parking for this building if it is a retail use or office use (please see the exceptions section of the PUD section of this report).

Loading: The loading space requirement is as determined by the conditional use permit/planned unit development. Individually the commercial spaces would require 1 large loading space (12' x 50') each for the A Mill and the Machine Shop and 1 small loading space (10' x 25') for both the South Mill and Red Tile Elevator. The applicant proposes no dedicated loading spaces on the site. Staff believes that a development of this size should have dedicated loading spaces and a loading plan and is therefore recommending that a loading plan be developed that is approved by Planning and Public Works staff before building permits may be issued. This plan would show dedicated loading spaces for the commercial uses along Prince Street, or in the surface lots, or a plan for on-street loading spaces. In addition, loading spaces or areas shall be provided within the parking structures of Buildings B, C, D, E, and F.

The significant on site parking, with a loading plan and Travel Demand Management plan approved by Public Works and Planning staff, will minimize traffic congestion in the public streets.

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

See finding number one under the rezoning section of this staff report. In addition to the policies that support the rezoning to the C3A District, *The Minneapolis Plan* has the following relevant policies and implementation steps:

From Chapter 1 - Community Building:

1.2 Minneapolis will encourage both private and public development that provides gathering spaces in city neighborhoods.

Implementation Steps

Encourage private developers to include gathering spaces in new developments.

1.7 Minneapolis will recognize and celebrate its history.

Implementation Steps

Provide educational activities to encourage citizens to understand the city's history and rich traditions.

Incorporate heritage preservation at the earliest stage of planning for new development and neighborhood revitalization

Encourage new developments to retain historic structures, incorporating them into new development rather than demolishing them.

The proposal will rehabilitate and preserve parts of the A Mill complex including the historic A Mill, the South Mill, the Red Tile Elevator, Warehouse 2, and the Machine Shop. In addition, the design will include interpretive elements for the associated rail activity at the site including replacing rails in the proposed private Prince Street, rebuilding of the train shed behind the A Mill, and preserving the rail corridor through the site. There is an elevated public walkway that is designed as a continuance 4th Avenue SE as a connection between the neighborhood and the river. It will also be designed as an attractive public space.

From Chapter 4 – Marketplaces: Neighborhoods

4.9 Minneapolis will grow by increasing its supply of housing.

Implementation Steps

Support the development of new medium- and high-density housing in appropriate locations throughout the City.

Support the development of infill housing on vacant lots. Use partnerships and incentives to reduce city subsidy level and duration of vacancy.

Develop a close dialog with community participants about appropriate locations and design standards for new housing.

Foster community dialog with community participants about appropriate locations and design standards for new housing.

Foster community dialog about housing growth in and adjacent to city neighborhoods.

Improve the information systems that support housing-related policy making, goal setting, and program evaluation.

4.11 Minneapolis will improve the availability of housing options for its residents.

Implementation Steps

Increase the variety of housing styles and affordability levels available to prospective buyers and renters.

Provide and maintain moderate and high-density residential areas.

Promote accessible housing designs to support persons with disabilities.

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Encourage the rehabilitation and sensitive reuse of older or historic buildings for housing including affordable housing units.

The applicant has worked closely with the neighborhood groups to rehabilitate and infill the site while providing commercial and residential uses and preserving historic structures.

From Chapter 9 – City Form

9.2 Minneapolis will continue to preserve the natural ecology and the historical features that define its unique identity in the region.

Implementation Steps

Incorporate natural features and historic sites into planning and development in order to link the city with the river.

Continue to revitalize the Central Riverfront as a residential, recreational, cultural and entertainment district.

Increase public recreational access to and across the river in the form of parks, cyclist/pedestrian bridges, greenways and trails along the river.

Ensure that future riverfront development will be consistent with the City's Critical Area Plan.

Improve the aesthetics of land use along the river.

Develop new housing near amenities located along the riverfront.

9.6 Minneapolis will work with private and other public sector partners to invest in new development that is attractive, functional and adds value to the physical environment.

Implementation Steps

Facilitate the location of new economic activity (office, research and development, and related light manufacturing) that takes advantage of environmental amenities and co-exists with neighbors in mixed-use environments.

Promote the use of progressive design guidelines and street-oriented building alignments to maximize compatibility with surrounding neighborhoods.

9.11 Minneapolis will support urban design standards that emphasize a traditional urban form in commercial areas.

Implementation Steps

Enhance unique characteristics of the city's commercial districts by encouraging appropriate building forms and designs, historic preservation objectives, site plans that enhance the pedestrian environment, and by maintaining high quality public spaces and infrastructure.

Enhance pedestrian and transit-oriented commercial districts with street furniture, tree planting, and improved transit amenities.

Orient new buildings to the street to foster safe and successful commercial nodes and corridors.

Require storefront transparency to assure both natural surveillance and an inviting pedestrian experience.

9.13 Minneapolis will restore and maintain the traditional street grid.

Implementation Steps

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Maintain the street grid as the preferred option while evaluating new development of potential street changes.

Restore the street grid whenever possible.

Restore the historic connectivity of street corridors by working with property owners and city agencies on reopening streets such as Nicollet at Lake.

9.14 Minneapolis will increase citizen awareness of preservation and the important role it plays in fostering community revitalization and civic pride.

Implementation Steps

Design and install appropriate and interpretive signs and historical markers for designated historic districts and sites.

Involve citizens and neighborhood organizations in review of architectural changes, additions, demolitions, and signage.

9.16 Minneapolis will encourage new development to use human scale design features and incorporate sunlight, privacy, and view elements into building and site designs.

Implementation Steps

Encourage the design of all new buildings to fulfill light, privacy and view requirements for the subject building as well as for adjacent buildings.

Promote the preservation and enhancement of view corridors that focus attention on natural or built features, such as the downtown skyline, landmark buildings, significant open spaces or water bodies.

The proposed redevelopment will preserve historic structures, reconnect the grid to the river, and incorporate principals of traditional urban design in conformance with the above noted polices and implementation steps from chapter 9.

The proposed redevelopment, with the recommended conditions of approval, is in conformance with the community building, historic preservation, housing, and urban design goals of *The Minneapolis Plan*.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of the rezoning, conditional use permit for a planned unit development, variances, and site plan review.

The proposed development will conform to the applicable regulations of the zoning code upon approval of the rezoning, conditional use permit/planned unit development, variances, and site plan review.

Exceptions to the Zoning Ordinance standards: Chapter 527, Planned Unit Developments authorizes the City Planning Commission to approve exceptions to the zoning regulations that are applicable to the zoning district in which the development is located upon a finding that adequate site amenities to address the adverse impacts are provided. The following are the requested exceptions to the zoning ordinance:

Building interior and rear yard setbacks: In general, setbacks are not required for properties in the commercial districts, except where adjacent to residential districts and for residential uses that contain

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windows facing an interior side or rear lot line. No setbacks are required where the development borders the public streets. There are no existing residential developments adjacent to the site, but there are interior side and rear lot lines between residential structures with windows facing those lot lines, so a setback of five feet plus two feet for each additional floor above the first, not to exceed 15 feet, is required in those cases.

The lot lines between the A Mill, South Mill, and Red Tile Elevator all are all along party wall and are at zero feet. A portion of the north side of the A Mill is within 10 feet of the lot line between the A Mill and the Machine Shop. The west side of Building B is five feet of the lot line between the A Mill and the Machine Shop. This lot line may have to be moved westward due to platting concerns. If it is moved closer than 15 feet to the Machine Shop this would require an exception too. The south side of Building C is at a zero foot setback from the lot line between Building C and D.

Staff recommends that these interior and rear yard setback requirements within the PUD be eliminated. An amendment to the PUD is required to build any new structures or additions to structures in the future, so that would allow staff to identify and address any possible change that would eliminate access to light and air for the uses with windows facing the lot lines. Eliminating the setback provision will not exempt the structures from complying with the building code requirements for windows and openings facing lot lines. While staff recommends granting these exceptions, the preferred alternative would be to plat the site as one lot and then allow a Common Interest Condominium (CIC) or Registered Land Survey (RLS) to overlay the platting as the means to divide the various tracts, both horizontally and vertically.

Floor Area: The City Planning Commission may authorize an increase in the maximum gross floor area allowed by the zoning district regulations by not more than twenty (20) percent for the purpose of promoting an integrated project that provided additional site amenities. The maximum floor area ratio (FAR) in the C3A District is 2.7 and with the PUD exception of 20 percent the allowable FAR is 3.24. The lot in question is 343,879 square feet in area. The applicant proposes 1,719,428 square feet of gross floor area, an FAR of 5.0. The applicant is requesting a variance to increase the allowable FAR from 3.24 to 5.0 in addition to the 20 percent as authorized by Section 527.140.

The proposed development is an integrated development with significant amenities including the renovation of historic structures, connections through the site to the river, preservation of the rail corridor, and roof top gardens, so staff recommends granting the twenty percent increase in FAR. Planning staff recommends that a condition of approval be that the A Mill is rehabilitated and that 5th Avenue allows public access through the site, before permits may be issued for the construction of the new buildings.

Floor area for commercial tenant spaces: The City Planning Commission may authorize an increase in the maximum floor area allowed by the zoning district regulations by not more than twenty (20) percent for the purpose of promoting an integrated project that provided additional site amenities. In the C3A District, the maximum floor area of retail sales and services uses cannot exceed 4,000 square feet. If there is no parking between the building and the street and the building is at least two stories in height the maximum floor area of the retail sales and services uses may be increased to 8,000 square feet.

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Through the conditional use permit application for the planned commercial development a 20 percent density bonus to 9,600 square feet is allowed by Section 527.140.

There are three tenant spaces that would exceed the 8,000 square foot maximum. The A Mill has 32,684 square feet, the South Mill has 12,392 square feet, and the Machine Shop has 25,000 square feet. All would require the exception and a variance if they were single tenant spaces utilized as retail sales and services. They would not need the exception and variance if they were utilized for office space, restaurant space, or if they were divided into smaller tenant spaces that were less than 8,000 (and were not designed to be a shopping center). All of the commercial spaces in the new construction meet the standards of the C3A District.

Planning staff does not believe that it would be detrimental to the surrounding area to increase the size of the four individual tenant spaces within the PUD to 9,600 square feet. The size limitation is designed to create smaller scale retail spaces that interact with the pedestrian environment rather than larger big box type development. In this case all of the new construction will meet the code standards and the exception will provide more flexibility for the reuse of the historic structures. The proposed development is an integrated development with significant amenities including the renovation of historic structures, connections through the site to the river, preservation of the rail corridor, and roof top gardens, so staff recommends granting the twenty percent increase in floor area.

Building height: The City Planning Commission may authorize an increase in the maximum height of structures for the purpose of promoting an integrated project that provided additional site amenities. The height of structures or buildings are measured as the vertical distance from the natural grade either at the curb level or at a point ten (10) feet away from the front center of the structure or building, whichever is closer, to the top of the highest point of the structure, or to the top of the highest point of the roof on a flat or shed roof, the deck line on a mansard roof, or the average distance between the eaves and the ridge level for gable, hip, and gambrel roofs.

A story is measured as that portion of a building included between the upper surface of any floor and the upper surface of the floor next above, or fourteen (14) feet, whichever is less, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a basement, cellar or unused under floor space is more than six (6) feet above grade, for more than fifty (50) percent of the total perimeter, or is more than twelve (12) feet above grade at any point, such basement, cellar, or unused under floor space shall be considered a story. Because of this standard some of the buildings are defined as having more stories than they have floors.

The C3A District limits the height of multiple-family dwellings to four stories, or 56 feet, whichever is less. In the SH Shoreland Overlay District the height is limited to two and one-half stories or 35 feet, whichever is less. The Shoreland Overlay District is measured as 300 feet from the Mississippi River. The Pillsbury A Mill, South Mill, Red Tile Elevator, Building D, and part of building E are in the Shoreland Overlay District. The following is a summary of the buildings that require exceptions for height:

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

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

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

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

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

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

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

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

The city planning commission shall consider, but not be limited to, the following factors when determining maximum height:

(1) Access to light and air of surrounding properties.

The increase in height will not significantly prevent access to light and air for surrounding properties.

The buildings are recessed back from their bases and meet the applicable setback requirements (Buildings F and G require a variance for the north yard setback, but the taller tower portions meet the setback requirements), which while not entirely preventing shadowing, will allow access to light and air for surrounding properties.

(2) Shadowing of residential properties or significant public spaces.

There are no residential properties to the north of the site except for east of the vacated 5th Avenue where there is a proposed residential development and additional residential development across 2nd Street. The buildings are stepped back at the north and south sides to reduce the impact on the park land to the south and development to the north.

(3) The scale and character of surrounding uses.

There are or will be buildings of similar height in the immediate area including the existing Red Tile Elevator and recently approved Phoenix Lofts to the west. The City Council has found the building to be in character with the surrounding historic district. While not necessarily the predominant character of the area, there are other tall buildings in the area to the west including Winslow House, La Riev, The Falls and the Pinnacle.

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

The newer buildings will block views of the river and downtown from the north, but not significantly more than they would if it were limited to four stories. The buildings have been designed to be taller, rather than more massive, to allow views through the site. The height will affect views of the Red Tile Elevator from the east, but City Council did not find that this height would be detrimental to surrounding historic properties.

EAW/EIS and height issues: The Environmental Impact Statement (EIS) is a disclosure document that is intended to be used to inform regulatory decisions. It is made up of several documents including, but not limited to, the Environment Assessment Worksheet (EAW), the Draft EIS (DEIS), and the Final EIS (FEIS). One issue that was identified in the DEIS is that the taller buildings, especially F and G, may be at risk for exposing residents to noise levels and air pollution at the upper floors (see pages 59, 61-63 of the EAW, 20-23 of the DEIS, and page 14 of the Findings of Fact for EAW).

The source of the majority of noise is from the University of Minnesota Steam Plant stacks across 6th Avenue and Main Street from the site. Noise is generated as the gasses leave the stacks. Noise levels at the development will increase as the height of the buildings approach and exceed the height of the stacks. This effect is discussed beginning on page 59 of the EAW. Under Minnesota state law it is the City's responsibility to make sure that residents are not exposed to noise levels that exceed state standards. To discharge the City's responsibility under state law and to accommodate future possible increases in noise resulting from potential increasing production at the steam plant, as allowed under its air quality permit from the Minnesota Pollution Control Agency, staff is recommending that a condition of approval be added that addresses noise issues and to assure compliance with state statutes. Staff recommends that any portion of any building that has an exposure greater than L50 50dBA shall be subject to the following conditions:

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- (1) The building is constructed in such a way that the exterior to interior sound level attenuation is at least 40 dB(A);
- (2) The building has year-round climate control; and
- (3) The building has no areas or accommodations, including balconies, that are intended for outdoor activities.

This will require that the applicant provide a study that verifies the sound level exposure for the new Buildings D, E, F, and G and provide a plan for how the new construction will comply with the conditions before building permits may be issued.

To assist the University of Minnesota's efforts to avoid any potential air pollution exposure issues (as outlined on pages 20-23 of the DEIS and page 14 of the Findings of Fact for EAW) and their impact on residents, staff recommends that air intakes into the buildings be located so as to minimize pollutant ingestion into the building HVAC systems. This will require that the applicant provide a study that verifies the pollution impacts for the new Buildings D, E, F, and G and provide a plan for how the new construction will comply with the standards before building permits may be issued.

The exceptions for height for the A Mill and the South Mill are necessary to allow the addition of mechanical equipment and elevator towers that exceed 14 feet from the roof, so they are not major changes to the area. The other new buildings significantly exceed the height limits in the Shoreland Overlay District and the C3A District; however, the applicant has indicated that the height is necessary to fund the rehabilitation of the historic structures without public subsidy.

The applicant has worked with the neighborhood groups and city staff to provide amenities and design changes in exchange for the exceptions in height, including redesign of the buildings to reduce their mass and to provide views to the river; provision of a public promenade through the site and creation of private streets (Prince and 5th Avenue), that will function as public routes for pedestrians and vehicles and will provide connections from the neighborhood to the river; and the rehabilitation of the historic structures. Based in part on these factors, the City Council granted certificates of appropriateness, as an appeal of the decision of the HPC, for the heights in the St. Anthony Falls Historic District.

Planning staff recommends granting the exception for height, with the proposed conditions, because the proposed amenities, especially the rehabilitation and preservation of the A Mill complex, will mitigate any adverse impacts that the proposed exception may have on the surrounding area. Planning staff recommends that a condition of approval be that the final plans for the A Mill, South Mill, and Red Tile Elevator be approved before building permits for any new structures are issued. In addition, the A Mill, South Mill, and Red Tile Elevator renovations shall be substantially in progress and continuing towards completion; and a walkway plan for 5th Avenue shall be approved, before building permits for the construction of Buildings C, D, E, F, and G be issued.

Lot requirements: The Planning Commission may authorize a reduction in the minimum lot area per dwelling unit required by the zoning district regulations by not more than twenty (20) percent for the purpose of promoting an integrated project that provided a variety of housing types and additional site

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amenities. The C3A District requires not less than 400 square feet of lot area per dwelling unit. With 960 proposed dwelling units on a lot of 343,879 square feet, the applicant proposes 358 square feet of lot area per dwelling unit. With the 20 percent density bonus authorized by Section 527.150(b) the site could have a density of 333 square feet per dwelling unit. The actual density bonus is 10 percent.

The proposed development is an integrated development with significant amenities including the renovation of historic structures, connections through the site to the river, preservation of the rail corridor, and roof top gardens, so staff recommends granting the twenty percent density bonus for lot area. Planning staff recommends that a condition of approval be that the A Mill is rehabilitated and that 5th Avenue allows public access through the site, before permits may be issued for the construction of the new buildings.

Parking: The parking requirement for a planned unit development is determined by the conditional use permit approval process. Individually, the zoning code requires 960 parking spaces for the dwelling units (one per dwelling unit) and 218 for the commercial (one for each 300 square feet of floor area in excess of 4,000 for each tenant space, with a minimum of 4 for each tenant space); for a total requirement of 1,178 spaces. There are six commercial spaces that are assumed to be retail or office. If they are utilized as restaurant spaces then the parking requirement will be greater. Also, if they are further divided into separate retail tenant spaces the parking requirement will change. This may require further review by the Planning Commission.

The applicant proposes 1,528 structured parking spaces, of which 382 are compact and 39 are handicapped accessible. The applicant proposes 60 surface spaces of which 15 are compact and 4 are accessible. Of the total 1,588 spaces (1,528 structured plus 60 surface), 244 will be for the commercial uses with 32 surface spaces and 212 ramp spaces. The A Mill, South Mill, and Red Tile Elevator commercial uses require 133 spaces and 172 spaces are provided in Building B; the commercial use in Building D requires 4 spaces and 20 spaces are provided in its garage; the commercial use in Building G requires 4 spaces and 20 spaces are provided in its garage; and the Machine Shop is required to have 70 spaces and 32 are provided in an adjacent surface lot and behind the building on Prince Street.

All of the uses exceed the parking requirements of the code except for the Machine Shop. Because of the surplus for the other uses, proximity to the St. Anthony Ramp, and proximity to transit on Central Avenue, staff believes that 32 spaces are a reasonable amount of parking for this building if it is a retail use or office use and that an exception from 70 to 32 spaces for this use should be granted.

Findings Required For Planned Unit Developments:

In addition to the conditional use permit standards contained in Chapter 525, before approval of a planned unit development the city planning commission also shall find:

1. **That the planned unit development complies with all of the requirements and the intent and purpose of this chapter. In making such determination, the following shall be given primary consideration:**
 - a. **The character of the uses in the proposed planned unit development, including in the case of a planned residential development the variety of housing types and their relationship to other site elements and to surrounding development.**

The site will provide 960 condominium units and approximately 85,000 square feet of commercial space in eleven separate buildings. The buildings are a mixture of existing historic structures that will be renovated and new structures; the site has a mix of residential, commercial, and mixed use buildings; and the site has a variety of buildings heights ranging from 3 stories to 29 stories. The site is designed to be compatible with historic resources and they are integrated into the development plan. In addition, the site plan is designed to connect the neighborhood to the north with the river through a pedestrian walkway along the Red Tile Elevator and at 5th Avenue SE. Finally, the buildings are all located up to the street and there will be commercial uses on Main Street that reflect the pattern of development to the west of the site.

- b. **The traffic generation characteristics of the proposed planned unit development in relation to street capacity, provision of vehicle access, parking and loading areas, pedestrian access and availability of transit alternatives.**

With the proposed conditions of approval and recommended exceptions discussed in this report in combination with an approved Travel Demand Management plan, the proposed development should not have a negative impact on the surrounding area. The development will have pedestrian access through and around the site. One bicycle parking area per dwelling unit will be provided in each building. Staff also recommends that four public bicycle parking spaces per commercial tenant space be provided near the front entrances of the commercial uses, subject to Public Works approval, if necessary. While the site is not on a bus route there are transit routes within walking distance on Central and University Avenues. The major finding of the TDMP is the need for a traffic signal at 6th And University Avenues SE; Public Works is requiring the developer to provide the signal as a part of the approval of the TDM plan to mitigate traffic impacts.

- c. **The site amenities of the proposed planned unit development, including the location and functions of open space and the preservation or restoration of the natural environment or historic features.**

The proposed development will have the following major amenities:

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- The rehabilitation of the Historic A Mill, South Mill, Red Tile Elevator, Machine Shop, and Warehouse 2 buildings.
- Preservation of the rail corridor through the site along Prince Street that will have the rails and train shed replaced as an interpretive features.
- Pedestrian connections through the site north-south that connect the neighborhood to the river. This includes 5th Avenue SE that while vacated will be built to act as a public street and the pedestrian walkway that would act as an extension of 4th Avenue SE. This walkway will have historical interpretive features.
- Roof top gardens between Buildings D and E and Buildings F and G.

d. The appearance and compatibility of individual buildings and parking areas in the proposed planned unit development to other site elements and to surrounding development, including but not limited to building scale and massing, microclimate effects of the development, and protection of views and corridors.

The buildings have been designed to be compatible with the existing buildings of the A Mill complex and have received City Council approvals, subject to conditions, for certificates of appropriateness with the historic district. The buildings and parking areas meet the requirements of site plan review chapter with the exception of the facades of the parking structures facing Prince Street. Staff is recommending additional architectural detail in this area (please see the site plan review portion of this report) to address this issue. The new buildings, particularly D-G, have been designed to step back from their bases, which are closer to the public sidewalk, to provide appropriate scale and massing. The buildings are taller rather than massive to allow views through the site to the river and downtown. The rail corridor through the site east-west has been preserved.

e. The relation of the proposed planned unit development to existing and proposed public facilities, including but not limited to provision for stormwater runoff and storage, and temporary and permanent erosion control.

The site is required to comply with the City’s stormwater management and erosion control ordinances. Public Works has given a preliminary review to these items and finds them acceptable. Public Works will approve the stormwater management and erosion control plans at the final site plan stage.

2. That the planned unit development complies with all of the applicable requirements contained in Chapter 598, Land Subdivision Regulations.

The development will be platted into several lots that will meet the requirements of the subdivision ordinance. The plat was not submitted at this time and will be a future land use application. Staff recommends that the developer plat the site as one lot and then allow a Common Interest Condominium

(CIC) of Registered Land Survey (RLS) to overlay the platting as the means to divide the owners for the various tracts, both horizontally and vertically.

VARIANCE (to increase FAR from 3.24 to 5.0)

Findings Required by the Minneapolis Zoning Code:

- 1. The property cannot 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 maximum floor area ratio (gross floor area of the building divided by the area of the zoning lot) in the C3A District is 2.7. Staff is recommending that the Planning Commission grant the maximum allowable increase in FAR of 20 percent as allowed by the PUD. This project does not qualify for any other bonuses. This increases the maximum allowable FAR to 3.24. The applicant proposes a variance to increase the maximum permitted FAR from 3.24 to 5.0. With a lot area of 343,879 square feet the applicant would be allowed 928,473 square feet of building floor area under the base FAR of 2.7. With the 20 percent PUD exception this is increased to 1,114,168 square feet under the FAR of 3.24. The applicant proposes 1,719,428 square feet of gross floor area, which is 605,260 square feet more than allowed with a FAR of 3.24 (an increase of approximately 54 percent after the PUD exception).

The applicant has indicated that in order to renovate the historic buildings and build out to the property lines to provide a traditional urban character a greater floor area is required. The applicant claims that this is a hardship. While staff would agree that these items can be considered a hardship and that some increase in FAR may be appropriate, they alone do not justify a variance of this size. However, there are other factors that are relevant to consider. For example, a 20 percent bonus is allowed in the commercial districts if all required parking is provided within the building, entirely below grade, or in a parking garage of at least two levels. This site has all of the required parking in garages (1,528 spaces) except for the 32 spaces for the machine shop and 35 spaces for Warehouse 2. These two buildings are existing historical structures to which it would be difficult to add underground parking. In addition, the code allows a 20 percent bonus for mixed use buildings where residential is located above the first floor that is at least fifty (50) percent commercial. Three buildings, the A Mill, the South Mill, and the Red Tile Elevator would qualify for this bonus if they were stand alone projects, allowing an additional 56,656 square feet of floor area. Considering these factors the requested variance is closer to a 30 percent increase in FAR.

The applicant is not requesting setback variances, except for a small setback variance at the north side of buildings F and G, and meets the density requirements as allowed under the PUD. The City Council has found the heights of the buildings to be appropriate with the historical district and they have been designed to allow views through the site to the river; therefore, the bulk does not appear to be out of scale for this large site. These factors, in conjunction with the hardship of redeveloping important historical structures without public subsidy, are a reasonable use of the land.

- 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 site has a grade change, is near a park, is in an historic district, and has various historic structures that will be renovated and preserved. These are conditions that are not generally applicable to other properties in the city, but they are applicable to other properties in the area. The reasons stated by the applicant for the variance tend to be economic considerations, but as stated under finding number one, when considered with other factors, are reasonable.

- 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 intent of the ordinance is to set an appropriate bulk for a zoning district while allowing developers flexibility in the design of structures. The City Council has found the heights of the buildings to be appropriate with the historical district and they have been designed to allow views through the site to the river; therefore, the bulk does not appear to be out of scale for this large site. These factors, in conjunction with the proposed amenities should not be detrimental to surrounding properties or circumvent the intent of the ordinance.

- 4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.**

The proposed variance should have no effect on congestion in the public streets, with the conditions of approval recommended by staff and with the approval of the TDM plan. Adequate parking is provided. The variance should not endanger public health or safety or increase the danger of fire.

VARIANCE (to increase the floor area of retail sales and services tenant spaces)

Findings as Required by the Minneapolis Zoning Code for the Variance:

- 1. The property cannot be put to a reasonable use under the conditions allowed and strict**

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

The applicant is seeking a variance to increase the gross floor area of four individual commercial spaces within the PUD from the maximum 9,600 square feet each. In the C3A zoning district, the maximum floor area of retail sales and services uses cannot exceed 4,000 square feet. If there is no parking between the building and the street and the building is at least two stories in height the maximum floor area of the retail sales and services uses may be increased to 8,000 square feet. Through the conditional use permit application for the planned commercial development a 20 percent density bonus may be granted. This would allow the retail sales and services uses to be as large as 9,600 square feet.

The applicant has indicated that there are three individual uses located within the PUD that exceed 9,600 square feet. The A Mill has 32,684 square feet, the South Mill has 12,392 square feet, and the Machine Shop has 25,000 square feet. All would require the exception and a variance if they were single tenant spaces utilized as retail sales and services. They would not need the exception and variance if they were utilized for office space, restaurant space, or if they were divided into smaller tenant spaces that were less than 8,000 (and were not designed to be a shopping center). All of the commercial spaces in the new construction meet the standards of the C3A District.

All of the tenant spaces are in existing historical structures so it is difficult to reduce their size without creating a shopping center or altering the buildings to provide various storefronts. This can be considered a hardship that justifies allowing a larger tenant space in the existing buildings. It is a reasonable use of the structures.

- 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 site has a grade change, is near a park, is in an historic district, and has various historic structures that will be renovated and preserved. These are conditions that are not generally applicable to other properties in the city, but they are applicable to other properties in the area and when considered with the other factors mentioned in finding number one, are reasonable.

- 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.**

Planning staff does not believe that it would be detrimental to the surrounding area to increase the size of the four individual tenant spaces within the PUD to 9,600 square feet. The size limitation is designed to create smaller scale retail spaces that interact with the pedestrian environment rather than larger big box type development. In this case all of the new construction will meet the code standards and the variance will provide more flexibility for the reuse of the historic structures.

- 4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.**

The Planning Division believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed variance be detrimental to welfare or public safety.

VARIANCE (to reduce the north side yard setback)

Findings Required by the Minneapolis Zoning Code:

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

In general, setbacks are not required for properties in the commercial districts, except where adjacent to residential districts and for residential uses that contain windows facing an interior side or rear lot line. No setbacks are required where the development borders the public streets. There are no existing residential developments adjacent to the site, but there is a rear lot line east of the vacated 5th Avenue SE that has a residential structure with windows facing the lot line, so a setback of five feet plus two feet for each additional floor above the first, not to exceed 15 feet, is required.

The base of Buildings F and G along the north property line east of vacated 5th Avenue SE is closer than the towers. Building F is 11 feet from the property line for the first four stories and then the tower is setback 21 feet. Building G is 11 feet from the property line for the first four stories and then the tower is setback 24 feet. It is the taller tower that requires the 15 foot setback, a four-story building requires an eleven foot setback, which the base meets. It is a hardship to require the lower base of the building to meet the setback required for the tower.

- 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 design of the building has a taller tower in the center of the structure to provide a design that lessens the impacts on surrounding uses and parkland. The taller tower creates a larger setback, but is back further than the requirement. It is only the base that is not meeting the setback requirement triggered by the tall portion of the structure. These are conditions that are not generally applicable to other properties in the City.

- 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 intent of the ordinance is to provide a setback for facades with windows along interior and rear yard setbacks where a building could be built along the property line on an adjacent parcel. This is to meet building code requirements for fire protection and to prevent a situation where a building would be built

on the adjacent parcel blocking the windows. The tower part of the buildings with windows will be setback approximately 21 to 24 feet from the north property line except for the four-story base that is 11 feet from the property line. A four story building would be required to have an 11 foot setback. The proposed building configuration will allow access to light and air for the tower units and therefore should not circumvent the intent of the ordinance.

- 4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.**

The proposed variance should have no effect on congestion in the public streets. Adequate parking is provided. The variance should not endanger public health or safety or increase the danger of fire.

VARIANCE (for drive aisle width from 22 feet to 20 feet)

Findings Required by the Minneapolis Zoning Code:

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

There are two places in the project that do not meet the required 22 foot wide two-way drive aisle. One is the parking lot south of warehouse 2 and the other is the vacated 5th Avenue SE. There is adequate room to provide the drive aisle and staff can find no hardship for a 20 foot drive aisle.

- 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.**

There is adequate room to widen the drive aisle without significantly reducing drive aisle or side walk adjacent to the parking. These circumstances are generally applicable to other properties.

- 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 intent of the ordinance is to provide sufficient maneuvering area for vehicles in parking area. The reduction should not prevent the maneuvering of vehicles, but will not be as efficient as the required 22 distance. There is adequate room to provide the drive aisles, so the proposed variance may circumvent the intent of the ordinance.

- 4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.**

Granting the variance should not be detrimental to the public welfare, increase the danger of fire, or increase the congestion in the public streets.

SITE PLAN REVIEW

Required Findings for 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 FAÇADE:

- 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.

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- **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.

The existing buildings reinforce the street wall. The new buildings have been placed to reinforce the street wall and are within 8 feet of the front lot line with some exceptions for building D, E, F, and G (please see section below for details).

Building D and E: Buildings D and E are 11 feet back from Main Street. Staff recommends granting alternative compliance because placing the building at this location will place it more in line with the South Mill to the west and will allow a wider sidewalks as is typical on Main Street.

Building F and G: Building F and G are 12 feet back for a small portion. The majority of these buildings are eight feet from the property line on Main Street. Staff recommends granting alternative compliance because it is a small portion of the building and it allows for a variation in the façade along Main Street.

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The area between the buildings and the lot line will include amenities such as landscaping planters and pavers for those buildings that are setback from the lot line. All buildings are oriented so the principal entrances face the street.

All accessory parking areas are located to the side or rear of buildings, or in structures that are oriented to the interior of the site.

All new buildings will provide architectural detail. The new buildings do not have blank uninterrupted walls of 25 feet or more except for the rear elevations of the parking structures, the north side of Building B, and the east side of Building G. Staff is not recommending alternative compliance for the parking structure facades and for the front façade of Building B. Staff recommends the provision of architectural detail and recesses and projections in addition to or in combination with the landscape planting on the rear elevations of the parking structures of Buildings B, C, D, E, F, and G and the front of Building B to break up blank facades greater than 25 feet in length as required by Section 530.120 of the zoning code. Staff does recommend alternative compliance for the east façade of Building G because the part of the wall that contains a commercial use is over 30 percent windows and a significant portion of the remainder of the façade is a parking garage door.

The exterior materials are durable and are brick, stone, glass and metal. They will be compatible on all sides. All elevations and materials have received HPC approval.

The structures meet the window requirements with some exceptions. The windows are vertical in proportion and are distributed in a more or less even manner. First floor nonresidential windows will have a visible light transmittance ratio of 0.6 or higher and allow views into and out of the buildings at ground level. Some of the floors do not meet the required window percentages (please see section below).

Pillsbury A Mill: This building is existing. The additions and changes to the building comply with the code or bring it further into compliance.

South Mill: This building is existing. The additions and changes to the building comply with the code or bring it further into compliance.

Red Tile: This building is existing. The additions and changes to the building comply with the code or bring it further into compliance.

Machine Shop: This building is existing. The additions and changes to the building comply with the code or bring it further into compliance.

Warehouse 2: This building is existing. The additions and changes to the building comply with the code or bring it further into compliance.

Building B: The north, south, and west facades are subject to the window requirements. Twenty percent is required on the first floors and 10 percent is required on all floors above the first. The north façade provides 33 percent on the first floor and over 10 percent on all floors above the first; the south façade provides no windows along the exterior of the parking garage and over 10 percent on all floors above; and the east façade provides 36 percent on the first floor and over 10 percent on all floors above.

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Alternative compliance is necessary to allow architectural detail in lieu of the window requirement on the south façade. Staff recommends granting alternative compliance if architectural detail is included in addition to the landscape plantings on the façade.

Building C: The north and south facades are subject to the window requirements. Twenty percent is required on the first floors and 10 percent is required on all floors above the first. The north façade provides 10 percent on the first floor and over 10 percent on all floors above the first and the south façade provides no windows along the exterior of the parking garage and over 10 percent on all floors above. Staff recommends granting alternative compliance for the north façade due to the grade change. The first floor has over 20 percent windows, but as measured from grade only 10 percent qualifies. Alternative compliance is necessary to allow architectural detail in lieu of the window requirement on the south façade. Staff recommends granting alternative compliance if architectural detail is included in addition to the landscape plantings on the façade.

Building D: The north and south facades are subject to the window requirements. Twenty percent is required on the first floors and 10 percent is required on all floors above the first. The south façade provides 50 percent on the first floor and over 10 percent on all floors above the first and the north façade provides no windows along the exterior of the parking garage and over 10 percent on all floors above. Alternative compliance is necessary to allow architectural detail in lieu of the window requirement on the north façade. Staff recommends granting alternative compliance if architectural detail is included in addition to the landscape plantings on the façade.

Building E: The north, south, and east facades are subject to the window requirements. Twenty percent is required on the first floors and 10 percent is required on all floors above the first. The south façade provides 74 percent on the first floor and over 10 percent on all floors above the first, the east façade provides 57 percent windows on the first floor and over 10 percent on the floors above, and the north façade provides no windows along the exterior of the parking garage and over 10 percent on all floors above. Alternative compliance is necessary to allow architectural detail in lieu of the window requirement on the north façade. Staff recommends granting alternative compliance if architectural detail is included in addition to the landscape plantings on the façade.

Building F: The north, south, and west facades are subject to the window requirements. Twenty percent is required on the first floors and 10 percent is required on all floors above the first. The south façade provides 77 percent on the first floor and over 10 percent on all floors above the first, the west façade provides 44 percent windows on the first floor and over 10 percent on the floors above, and the north façade provides no windows along the exterior of the parking garage (the parking garage is not subject to window requirements) and over 10 percent on all floors above.

Building G: The north, south, and east facades are subject to the window requirements. Twenty percent is required on the first floors and 10 percent is required on all floors above the first for the residential. The commercial space (east façade) is required to provide 30 percent windows. The south façade provides 58 percent on the first floor and over 10 percent on all floors above the first, the east façade provides 29 percent windows on the first floor and over 10 percent on the floors above, and the north façade provides no windows along the exterior of the parking garage (the parking garage is not subject to window requirements) and over 10 percent on all floors above. Alternative compliance is necessary to decrease the required window percentage from 30 percent to 29 percent on the east façade. Staff recommends granting alternative compliance because the structure has large windows on this façade

where there is commercial space, but the garage entrance makes it difficult to meet the percentage for the entire façade.

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.

The entrances to the buildings open onto the public sidewalks. Staff recommends that a public walk way be provided along the south side of Prince Street from 3rd Avenue to the vacated 5th Avenue that connects to the sidewalks on those streets.

There are no transit shelters on the site. While the site is not on a bus route there are transit routes within walking distance on Central and University Avenues.

The parking is designed to open onto the private Prince Street that runs east-west through the site to minimize curb cuts onto the public streets. There are three exceptions. The Machine Shop parking lot opens onto 2nd Street SE due to a grade change that does not allow access to Prince Street. The garage for building G opens onto 6th Avenue SE because Prince Street will not extend that far. The parking lot for Warehouse 2 opens onto the vacated 5th Avenue SE (not a public street) to minimize conflict with the garage exit for Building E. Staff encourages the applicant to relocate the garage access for building G to the north side of the building if a 22 foot wide drive can be provided. Public Works and the Fire Department have reviewed the site plan for access and circulation and find them acceptable. There are no public alleys adjacent to the site.

Most of the site is covered by buildings, drives and walkways. While there is little net permeable site area, the applicant is proposing a green roof on part of the structure to mitigate this factor. Staff recommends that the applicant increase the size of the landscaped areas and add additional landscaped areas to lessen the impact of the impervious surface

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:

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- 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.**

Approximately 11 percent of the site minus the buildings is landscaped. The lot area is 343,879 square feet and the building footprints are 203,332 square feet. This leaves 140,547 square feet, of which 20 percent (28,109 square feet) is required to be landscaped. The applicant is providing 15,696 square feet of landscaping on site.

However, the applicant is proposing to install planters in the right-of-way around the perimeter of the site between the sidewalk and the street that would add an additional 8,305 square feet of landscaping. In addition, the applicant proposes two rooftop gardens that would total approximately 3,800 square feet. Finally, the applicant proposes to plant vines that will grow on the mesh screens facing the interior of the site on the parking garages of buildings B, C, D, E, F, and G. Staff recommends that alternative compliance be granted to allow these amenities in lieu of the 20 percent landscaping. Further, much of the net site area consists of the two surface lots and Prince Street that can not be landscaped.

The surface parking for the Machine Shop has a five foot wide landscaped strip between the sidewalk and parking. This shall be changed per code to seven feet on the final site plan. This lot does not have all of its parking spaces within 50 feet of a deciduous tree. Because this surface lot is between two buildings and is part of the below grade ramp, it is not possible to plant trees next to the lot or in the lot. Staff recommends alternative compliance because strict adherence is impractical due to site conditions.

The development is required to provide 56 trees and 281 shrubs. The project will provide 10 trees and 550 shrubs on site. Staff recommends alternative compliance for the number of trees as the applicant has planted trees in every location that will support their growth and there is not room for more trees. In addition, the applicant is planting 96 trees around the perimeter of the site in the public right-of-way as an amenity in lieu of the required amount.

ADDITIONAL STANDARDS:

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- 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.
- Lighting shall comply with the requirements of Chapter 535 and Chapter 541. A lighting diagram may be required.
- Parking and loading facilities and all other areas upon which vehicles may be located shall be screened to avoid headlights shining onto residential properties.
- 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.

The surface parking lots on the site are bounded by the concrete curbing because there is no practical area for on site filtration adjacent to the surface lots. The lighting will 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.

There are no adjacent residential uses that would be affected by headlight glare.

The design of the buildings has been planned to minimize the blocking of important views of the city, to minimize the shadowing of public spaces and adjacent properties, and to minimize the generation of wind currents at ground level. The towers of buildings D, E, F, and G have been made taller and narrower and have been setback from their bases to reduce these impacts.

The site is located in an historic district and has received the necessary approvals. The applicant has integrated the historic structures into the development.

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 use is a conditional use in the C3A District.

Off-Street Parking and Loading: The parking requirement for a planned unit development is determined by the conditional use permit approval process. Individually, the zoning code requires 960 parking spaces for the dwelling units (one per dwelling unit) and 218 for the commercial (one for each 300 square feet of floor area in excess of 4,000 for each tenant space, with a minimum of 4 for each tenant space); for a total requirement of 1,178 spaces. There are six commercial spaces that are assumed to be retail or office. If they are utilized as restaurant spaces then the parking requirement will be greater. Also, if they are further divided into separate retail tenant spaces the parking requirement will change. This may require further review by the Planning Commission.

The applicant proposes 1,528 structured parking spaces, of which 382 are compact and 39 are handicapped accessible. The applicant proposes 60 surface spaces of which 15 are compact and 4 are accessible. Of the total 1,588 spaces (1,528 structured plus 60 surface), 244 will be for the commercial uses with 32 surface spaces and 212 ramp spaces. The A Mill, South Mill, and Red Tile Elevator commercial uses require 133 spaces and 172 spaces are provided in Building B; the commercial use in Building D requires 4 spaces and 20 spaces are provided in its garage; the commercial use in Building G requires 4 spaces and 20 spaces are provided in its garage; and the Machine Shop is required to have 70 spaces and 32 are provided in an adjacent surface lot and behind the building on Prince Street. Staff is recommending an exception be granted for to reduce the required parking from 70 to 32 for the machine shop.

Maximum Floor Area: The maximum FAR in the C3A District is 2.7 and with the PUD exception of 20 percent the allowable FAR is 3.24. The lot in question is 343,879 square feet in area. The applicant proposes 1,719,428 square feet of gross floor area, an FAR of 5.0. The applicant is requesting a variance to increase the allowable FAR from 3.24 to 5.0.

Building Height: Building height in the C3A District is limited to four stories or 56 feet, whichever is less and in the SH Shoreland Overlay to two and one-half stories or 35 feet, whichever is less. The

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existing and proposed buildings vary in height from 2 stories to 29 stories. Please see the height exception portion of the Conditional Use Permit/Planned Unit Development section of this report for a more detailed description regarding building heights.

Minimum Lot Area: The C3A District requires not less than 400 square feet of lot area per dwelling unit. With 960 proposed dwelling units on a lot of 343,879 square feet, the applicant proposes 358 square feet of lot area per dwelling unit. With the 20 percent density bonus allowed by the PUD the site could have a density of 333 square feet per dwelling unit.

Dwelling Units Per Acre: The site is approximately 7.9 acres. With 960 dwelling units the applicant proposes a density of 122 dwelling units per acre.

Yard Requirements: In general, no setbacks are required for properties in the commercial districts, except where adjacent to residential districts and for residential uses that contain windows facing an interior side lot line. This structure is bordered on three sides by public streets, so no setbacks are required on the northerly, easterly, and southerly sides of the development. The westerly interior yard has a required setback of 37 feet and the actual setback varies at different points along the property line from 1.5 feet to 20 feet along the lower levels of the building and from 24 feet to 32 feet for the 17 story tower at the middle of the building.

Specific Development Standards: The site shall conform to the standards of Chapter 527, Planned Unit Developments. As specific tenants are identified for the commercial spaces some may be subject to specific development standards.

Hours of Operation: In the C3A District, uses may be open to the public during the following hours: Sunday through Saturday from 6:00 a.m. to 1:00 a.m. No tenants have been identified at this point, but the applicant is aware that they will have to conform to these hours and that a conditional use permit is necessary to extend the hours of operation.

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 preliminary sign plan is not yet finalized, but the applicant is aware that signs require zoning office approval and permits and that a master sign plan will be required for the entire development.

Refuse storage: Section 535.80. Refuse storage containers shall 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. Trash is stored inside the building, but if dumpsters are utilized in the future they are required to be screened to the standards of the zoning code.

MINNEAPOLIS PLAN: Please see finding number one under the rezoning section and finding

number five under the conditional use permit/planned unit development sections of this report.

SMALL AREA PLANS ADOPTED BY COUNCIL:

The Master Plan for the Marcy-Holmes Neighborhood:

The Master Plan for the Marcy-Holmes Neighborhood was approved by the City Planning Commission on November 17, 2003 and by the City Council on December 29, 2003. The plan has the following relevant policies and information:

The plan supports mixed use developments including multi-family housing for the industrial properties on the river side of University Avenue (see pages 1-2, 1-3, 4-1, and 4-3). Sixth Avenue SE is designated as a Gateway Corridor that is intended to be more landscaped and pedestrian friendly (see page 5-7). Chapter eight outlines various design guidelines including appropriate landscaping, rooflines, and building materials.

The plan indicates that height limits in this area should be per the zoning code and may be relaxed in certain cases (see pages 4-2 and 8-6). In general, the plan calls for building heights to gradually increase from University Avenue to Main Street not to exceed the Red Tile Elevator. Some of the buildings in the development are taller than the Red Tile Elevator, but since the writing of the plan, the Marcy-Holmes neighborhood, with the Nicollet Island/East bank neighborhood, have developed the consensus statement that outlines under what conditions taller buildings are appropriate.

It is the staff opinion that the proposed development, with the recommended conditions of approval, is in conformance with the *Master Plan for the Marcy-Holmes Neighborhood*. There is correspondence from the neighborhood group attached to this report that makes additional recommendations beyond those listed by staff (please see attached letters).

City of Minneapolis Mississippi Critical Area Plan:

The revised City of Minneapolis *Mississippi Critical Area Plan* was adopted by the City Planning Commission on May 8, 2006, and the City Council on June 16, 2006. The plan covers areas within the MR Mississippi River Critical Area Overlay District. The plan indicates that this site is within the Urban Diversified district that is a mix of industry, businesses, office buildings, housing, a barge terminal, two power plants, and the University of Minnesota campus.

In general, the plan calls for compliance with the comprehensive plan and zoning code regulations, especially the requirements in the SH Shoreland and MR Mississippi River overlay districts. It also states (page 28) that exceptions to the height restrictions may be allowed in compliance with the comprehensive plan and other small area plans approved by the City where “the clustering of structures and the use of designs which will reduce public facility costs and improve scenic quality shall be encouraged. The location of clustered high-rise structures may be proposed where public services are available and adequate and compatible with adjacent land uses.”

It is the staff opinion that the proposed development is in conformance with the Critical Area Plan with the recommended conditions of approval.

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.

Alternative compliance is necessary to allow Buildings D, E, F, and G to have portions of the structures more than eight feet from the front property lines. Staff recommends granting alternative compliance for Buildings D and E because the increased setback allows them to be placed more in line with the South Mill to the west and allows for wider sidewalks as is typical on Main Street. Staff recommends granting alternative compliance for buildings F and G because the majority of the buildings are within eight feet of the property and the increased setback allows variations in the front façade.

Alternative compliance is necessary to allow blank uninterrupted walls greater than 25 feet in length for the rear elevations of the parking structures of the new buildings and on the first floor of Building B facing 2nd Street SE. It is also necessary to reduce the window requirement to zero on these facades for Buildings B, C, D, and E. Staff is not recommending alternative compliance. Staff recommends the provision of architectural detail and recesses and projections in addition to or in combination with the landscape planting on the rear elevations of the parking structures of Buildings B, C, D, E, F, and G and the front of Building B to break up blank facades greater than 25 feet in length as required by Section 530.120 of the zoning code and in lieu of the window requirement.

Alternative compliance is necessary to allow the first floor of Building C to reduce its first floor window requirement from 20 percent to 10 percent. Staff recommends granting alternative compliance for the north façade due to the grade change. The first floor has over 20 percent windows, but as measured from grade only 10 percent qualifies.

Alternative compliance is necessary to decrease the required window percentage from 30 percent to 29 percent on the east façade of Building G. Staff recommends granting alternative compliance because the structure has large windows on this façade where there is commercial space, but the garage entrance makes it difficult to meet the percentage for the entire façade.

Alternative compliance is necessary to allow the applicant to provide less than the required 20 percent

landscaping. Staff recommends granting alternative compliance because the applicant will provide rooftop gardens, landscaping planters in the right-of-way, and vines on the parking garages in lieu of the required 20 percent landscaping. Further, much of the net site area is dedicated to two surface lots and Prince Street that can not be landscaped and are necessary for access and circulation.

Alternative compliance is necessary to allow the Machine Shop surface parking lot to have some of the parking spaces be located greater than 50 feet of a deciduous tree. Staff is recommends granting alternative compliance, because this surface lot is between two buildings and is on top of the below grade ramp, which makes it difficult to plant trees next to the lots or in the lot.

Alternative compliance is necessary to allow the trees planted in the right-of-way in lieu of the 56 required tress on site (the applicant is providing 10). Staff recommends granting alternative compliance for the number of trees as the applicant has planted trees in every location that will support their growth and there is not room for more trees. In addition, the applicant is planting 96 trees around the perimeter of the site in the public right-of-way as an amenity in lieu of the required amount.

RECOMMENDATIONS:

Recommendation of the Community Planning and Economic Development Department – Planning Division for the rezoning from I1 to C3A and to remove the ILOD:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the rezoning application from the I1 to C3A Districts and to remove the ILOD for property located at 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the conditional use permit for a planned unit development:

The Community Planning and Economic Development Department - Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the conditional use permit for a planned unit development application, with exceptions, for 960 units for property located at 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE subject to the following conditions:

1. The final plans for the A Mill, South Mill, and Red Tile Elevator shall be approved before building permits for any new structures are issued. In addition, the A Mill, South Mill, and Red Tile Elevator

renovations shall be substantially in progress and continuing towards completion; and a walkway plan for 5th Avenue shall be approved, before building permits for Buildings C, D, E, F, and G are issued.

2. The phasing of the project shall be as outlined in the staff report phasing plan.
3. The elimination of any of the following proposed amenities will require an amendment to the PUD: the rail corridor preservation including the replacement of some tracks and the train shed; the pedestrian connections through the site at Prince Street, 5th Avenue SE, and the pedestrian walkway between Buildings B and C and the Red Tile Elevator and Building D; provision of the view corridors through the site at Prince Street and 5th Street SE; and the roof top gardens between Buildings D and E and Buildings F and G. Other changes to the PUD may require amendments and are required to be evaluated by staff.
4. The applicant provide a study that verifies the sound level exposure and air pollution impacts for the new Buildings D, E, F, and G and provide a plan for how the new construction will comply with the conditions and standards before building permits may be issued.

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

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission **approve** the variance application to increase the maximum allowable floor area ratio from 3.24 to 5.0 for property located at 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the variance to increase the maximum allowable floor area for retail tenant spaces:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission **approve** the variance application to increase the maximum allowable floor area for three tenant spaces in the A Mill, South Mill, and Machine Shop for property located at 300 & 400 2nd St SE; 100 3rd Ave SE; 113 6th Ave SE; and 199 and 413-501 Main Street SE.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the variance to reduce the north rear yard setback:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission **approve** the variance application to reduce the north rear yard setback from the required 15 feet to 11 feet for property located at 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the variance to reduce the drive aisle widths:

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The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission **deny** the variance application to reduce the drive aisle widths from the required 22 feet to 20 feet for property located at 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE.

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

The Community Planning and Economic Development - Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application for a mixed use 960 unit Planned Unit Development located at 300 & 400 2nd Street SE; 100 3rd Avenue SE; 113 6th Avenue SE; and 199 and 413-501 Main Street SE, subject to the following conditions:

1. CPED Planning staff review and approval of the final site and landscaping plans and building elevations before permits may be issued.
2. All site improvements shall be completed as outlined in the phasing plan, unless extended by the Zoning Administrator, or the permit may be revoked for noncompliance.
3. The site plan and elevations are subject to HPC staff review and approval.
4. Compliance with the standards of the MR Mississippi Critical Area Overlay District with the exceptions for heights as allowed by the Planning Commission.
5. A walkway plan and view corridor for 5th Avenue SE (vacated) shall be approved by staff before construction begins on Buildings C, D, E, F, and G. The plan shall provide public access and a view corridor through the site. The applicant will work with Planning and Public Works staff on the design of the corridor including possible platting of the street or a sidewalk easement, and an alternative proposal if the Soap Factory parcel is not available for use in the corridor.
6. Provision of architectural detail and recesses and projections in addition to or in combination with the landscape planting on the rear elevations of the parking structures of Buildings B, C, D, E, F, and G to break up blank facades greater than 25 feet in length as required by Section 530.120 of the zoning code.
7. Staff encourages the applicant to move the garage access for Building G off of 6th Avenue SE and to the north through the rail corridor. This should only be done if a 22 foot wide drive can be provided.
8. The commercial use on the first floor of Building G shall be expanded or moved to the southeasterly corner to front on Main Street. A principal entrance shall be provided on Main Street for this use. If the parking structure entrance can be moved to the north side of the building, then commercial, residential, or active uses shall be provided along the 6th Avenue SE side of the building in this area.
9. A loading plan shall be approved by Planning and Public Works staff before building permits may be issued. This plan would show dedicated loading spaces for the commercial uses along Prince Street, in the surface lots, or on-street loading spaces. In addition, loading areas shall be provided

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within the parking structures of Buildings B, C, D, E, and F. The loading areas in the parking structures do not have to meet the strict standards for loading spaces in the zoning code.

10. At least four public bicycle parking spaces per commercial tenant space shall be provided within 100 feet of the front entrances of the commercial uses, subject to Public Works approval, if necessary. Additional bike parking shall be provided as required in the TDM plan.
11. A walkway shall be provided along the south side of Prince Street from east to west through the site that connects the sidewalks on 3rd Avenue SE to the vacated 5th Avenue SE. Additional landscaping plants and trees, if possible, shall be provided along Prince Street.
12. The required landscaped yard for the Machine Shop parking lot shall be changed to meet Section 530.170(b) of the zoning code by increasing the width to seven feet.
13. Where possible additional plantings shall be provided along the rear sides of the building facing Prince Street along blank brick walls as a graffiti prevention measure.
14. The applicant shall develop a construction management plan that outlines measures to protect the Marcy-Holmes Neighborhood Art Gateway statues along 6th Avenue SE during construction of the project. Planning staff encourages the applicant to work with the Marcy-Holmes neighborhood to reconstruct the streetscape on 6th Avenue SE in conformance with the gateway plan for this street.
15. A preliminary and final plat shall be approved before the issuance of any building permits for the new structures.

Attachments:

- 1) Project description.
- 2) Statements from the neighborhood associations.
- 3) PDR report.
- 4) HPC final action letters.
- 5) EAW/EIS.
- 6) Zoning and plat maps.
- 7) Site plans and elevations.
- 8) Photos of the site.