Department of Community Planning and Economic Development – Planning Division
Variances, Site Plan Review, Alley Vacation and Preliminary Plat
BZZ-3584, Vac-1506 and PL -204

Date: June 25, 2007

Applicant: Pacific Flats, LLC

Address of Property: 215 and 223 2nd Street North

Project Name: The Pacific Development – New Hotel

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

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

Date Application Deemed Complete: May 30, 2007

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

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

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

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

Proposed Zoning: Not applicable for this development

Zoning Plate Number: 19

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

Proposed Use: Hotel

Concurrent Review:
Variance: to reduce the loading space requirement from the required three large spaces to two large spaces
Variance: to reduce the east interior side yard setback from the required 15 feet to zero feet for the building
Site plan review
Alley vacation: Vac-1506
Preliminary plat: PL-204

Applicable zoning code provisions: Chapter 525, Article IX, Variances, specifically Section 525.520(1) "to vary the yard requirements, including permitting obstructions into required yards not allowed by the applicable regulations" and Section 525.520(6) "to reduce the applicable off-street parking, stacking or loading requirements by up to twenty (20) percent of the applicable regulations or one (1) space, whichever is less", Chapter 530, Site Plan Review and Chapter 598, Land Subdivision Regulations

Background: The Pacific Development encompasses the entire block bounded by Washington Avenue North, Third Avenue North, North Second Street and Second Avenue North which is located in the North Loop neighborhood. Currently on the block there are a total of six buildings; the Pacific Flats building, the Monte Carlo Club, the Northwestern building, the Gehl-Dolphin building, the Lowry-Morrison building and an auto repair building (see the building location map that is attached to this report). Of these six buildings the Pacific Flats building, the Monte Carlo Club, the Northwestern building and the Lowry-Morrison building will remain. At this time the Gehl-Dolphin building will also remain on the block as there are no redevelopment plans for this site. However, the applicant anticipates redeveloping this site in the future. The auto repair building will be demolished in order to make room for the proposed mixed-use building as described in the BZZ-3585 staff report.

This application is for the rehabilitation and nine-story addition to the Northwestern building for a new hotel. The hotel will have up to 150 guest rooms and will include amenities such as a restaurant, a small retail space, spa and pool facilities, event space, meeting rooms and a green roof terrace. The main entrance to the hotel will be oriented towards 3rd Avenue North. A proposed hotel drop off area is located along this side of the building as well. Vehicles will enter from 3rd Avenue North, pull into the drop off area in front of the hotel and then exit to the east along the existing alley where they will proceed to the underground parking garage. Please note that although the applicant is proposing to vacate the existing alley that connects 2nd Avenue North to 3rd Avenue North it will remain open and visually will still look like an alley. Also, on the fourth floor of the hotel there will be a skyway built over the existing alley, which the applicant has applied to vacate. The skyway will provide access to the spa facility that is proposed to be located of the fourth floor of the mixed-use building as described in the BZZ-3585 staff report.

The rehabilitation of the Northwestern building will include installing new windows, the construction of an interior courtyard for light and ventilation purposes, the addition of three loading bays along the east side of the building, the addition of a new fifth floor (seventh story) event space and exterior cleaning of the building. The new construction will consist of an 11-story (nine floors), 125 foot tall building that will be connected to the existing building on its west side. Connecting the addition to the Northwestern building will require the removal of eight bays per floor along the west facade to allow the new building to merge with the existing building and to create a first floor hotel lobby at grade level. A portion of the first floor will be cantilevered over the main entrance and hotel drop-off area.

The new construction will be built over a portion of the existing surface parking area located on the northwest corner of the site. The remaining portion of the surface parking area will be converted to an outdoor seating area for the hotel, an outdoor dining area for the proposed restaurant and outdoor gardens.

Parking for the hotel will be provided in an underground parking garage that will be accessed through the underground parking garage for the proposed mixed-use building. The entrance to the parking garage is proposed to be located along 2nd Avenue North. Guests of the hotel will enter the site from 3rd Avenue North, pull into the drop off area in front of the hotel and then exit to the east along the existing alley where they will proceed to the underground parking garage. The parking requirement for all non-residential uses in the B4C-1 zoning district is one space for every 1,400 square feet of gross floor area. With a building size of 130,231 square feet the parking requirement for the hotel is 93 spaces. The applicant is providing a total of 36 spaces below the building. The remaining 57 spaces will be provided in either one of the two surface parking areas on the block or in the other portion of the underground parking garage.

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

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

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

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

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

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

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

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

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

After the denials from the City Council the applicant revised the plans and submitted new applications in March of this year for the rehabilitation and addition to the Northwestern building for a hotel and the constriction of a 10-story mixed-use building on the site of the existing auto repair building. In April and then again in June of this year the Pacific Development was reviewed and approved by the HPC. At the April meeting the HPC requested that the landscaping plan for the hotel and the Washington Avenue North elevation for the mixed-use building be redesigned and brought back to them for review. In June both of these plans were approved by the HPC (see the HPC reports that are attached to this report).

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

VARIANCE - to reduce the loading space requirement from the required three large spaces to two large spaces

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

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

Loading space reduction: The applicant is seeking a variance to reduce the loading space requirement from the required three large spaces to two large spaces. Loading requirements are based on the use of the property and the size of the use itself. The definition of a hotel in the zoning code says that hotels may provide additional services such as restaurants, meeting rooms, entertainment and recreational facilities. Based on the definition of a hotel the loading requirement for this building is being calculated for just a hotel use; the restaurant and small retail space are not being broken out separately.

The loading requirement for the hotel (130,231 square feet in size) is two large loading spaces plus one additional large loading space per additional 300,000 square feet of gross floor area or fraction thereof. Given the size of the hotel the loading space requirement is three large loading spaces. Large loading spaces are required to be 12 feet in width and 50 feet in length. The applicant is providing a total of two large loading spaces on the site. In addition, what could be used as another large loading space is being earmarked for the trash and recycling containers for the hotel

The applicant has indicated that in order to provide another large loading space on the site that additional demolition of the historic building would need to occur. The applicant has pointed out that the size of the building is only 30,231 square feet over the threshold that triggers the need for the third loading space. Given this, the applicant believes that two large loading facilities for the hotel will be adequate given its size.

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

Loading space reduction: The historic nature of the site and building are unique conditions that warrant the granting of the variance.

3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.

Loading space reduction: The Planning Division believes that given the size of the building the granting of this variance would be in keeping with the spirit and intent of the ordinance. The building is only 30,231 square feet over the threshold (100,000 square feet) that triggers the need for the third loading space.

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

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

VARIANCE - to reduce the east interior side yard setback from the required 15 feet to zero feet for the building

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

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

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

The applicant is seeking a variance to reduce the east interior side yard setback from the required 15 feet to zero feet for the building. The portion of the building that requires the setback variance to zero feet is existing and contains windows. By converting the building from a commercial use with windows to a hotel use with windows the building becomes non-conforming as to setbacks located along the east side. In order to make the building compliant with all zoning code requirements the applicant has applied for this variance.

The applicant has indicated that in order to rehabilitate the east side of the building into hotel rooms that windows must be installed in each of the rooms. The applicant owns the adjacent lot to the east of the hotel site and has said that a no-build easement will be placed over a portion of the property to ensure adequate fire separation and to provide access to light and air.

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

East interior side yard setback: The fact that the east building wall is existing and contains windows is a unique circumstance of this parcel of land.

3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.

East interior side yard setback: The intent of having yard controls is to provide for the orderly development and use of land and to minimize conflicts between adjacent land uses by regulating the dimension and use of yards in order to provide adequate light, air, open space and separation of uses. The Planning Division believes that the granting of this variance would not alter the essential character of the area given that the building is currently located at the property line.

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

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

SITE PLAN REVIEW

Findings as Required by the Minneapolis Zoning Code:

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

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

Section A: Conformance with Chapter 530 of Zoning Code

BUILDING PLACEMENT AND DESIGN:

- **Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.**
- **First floor of the building shall be located not more than eight (8) feet from the front lot line (except in C3S District or where a greater yard is required by the zoning ordinance). If located on corner lot, the building wall abutting each street shall be subject to this requirement.**
- **The area between the building and the lot line shall include amenities.**
- **The building shall be oriented so that at least one (1) principal entrance faces the public street. In the case of a corner lot, the principal entrance shall face the front lot line.**
- **Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.**

- **For new construction, the building walls shall provide architectural detail and shall contain windows as required by Chapter 530 in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility.**
- **In larger buildings, architectural elements, including recesses or projections, windows and entries, shall be emphasized to divide the building into smaller identifiable sections.**
- **Blank, uninterrupted walls that do not include windows, entries, recesses or projections, or other architectural elements, shall not exceed twenty five (25) feet in length.**
- **Exterior materials shall be durable, including but not limited to masonry, brick, stone, stucco, wood, metal, and glass.**
- **The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.**
- **The use of plain face concrete block as an exterior material shall be prohibited fronting along a public street, public sidewalk, public pathway, or adjacent to a residence or office residence district.**
- **Entrances and windows:**
  - **Residential uses:**
    - **Principal entrances shall be clearly defined and emphasized through the use of architectural features such as porches and roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Twenty (20) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:**
      a. Windows shall be vertical in proportion.
      b. Windows shall be distributed in a more or less even manner.
  - **Nonresidential uses:**
    - **Principal entrances shall be clearly defined and emphasized through the use of architectural features such as roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Thirty (30) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:**
      a. Windows shall be vertical in proportion.
      b. Windows shall be distributed in a more or less even manner.
      c. The bottom of any window used to satisfy the ground floor window requirement may not be more than four (4) feet above the adjacent grade.
      d. First floor or ground floor windows shall have clear or lightly tinted glass with a visible light transmittance ratio of 0.6 or higher.
      e. First floor or ground floor windows shall allow views into and out of the building at eye level. Shelving, mechanical equipment or other similar fixtures shall not block views into and out of the building in the area between four (4) and seven (7) feet above the adjacent grade. However, window area in excess of the minimum required area shall not be required to allow views into and out of the building.
  - **Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking**

lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.

- **Minimum window area shall be measured as indicated in section 530.120 of the zoning code.**
- **The form and pitch of roof lines shall be similar to surrounding buildings.**
- **Parking Garages: The exterior design shall ensure that sloped floors do not dominate the appearance of the walls and that vehicles are screened from view. At least thirty (30) percent of the first floor building wall that faces a public street, public sidewalk or public pathway shall be occupied by active uses, or shall be designed with architectural detail or windows, including display windows, that create visual interest.**

PLANNING DEPARTMENT RESPONSE:

- The building reinforces the street wall, facilitates pedestrian access and maximizes natural surveillance. The building is set close to the front property line, there are entrances oriented towards the streets and there are windows located along all four sides of the building where people can see in and out. In addition, there is an outdoor seating area for the hotel, an outdoor dining area for the proposed restaurant and outdoor gardens located between the building and the corner side property line.
- The site is located on a corner lot which requires that both walls abutting the streets be located within eight feet of the property line. The building is located at the property line along 2nd Street North but is setback between 33 feet and 66 feet from the property line along 3rd Avenue North. The Planning Division is recommending that alternative compliance be granted to allow the building to be setback more than eight feet from the property line along 3rd Avenue North.
- The area in between the building and the corner side property line will be occupied by an outdoor seating area for the hotel, an outdoor dining area for the proposed restaurant, outdoor gardens and the drop off area for the hotel.
- Although the main entrance for the hotel will be oriented towards 3rd Avenue North there will be entrances to both the restaurant and the other small retail space along 2nd Street North which is technically the front of the building.
- All of the on-site parking associated with this development is located underground.
- The primary exterior materials of the building will include concrete, brick and glass. In addition, there will be metal railings used in the balcony openings and around the outdoor dining area. All four sides of the building are similar to and compatible with one another.
- There are no areas of the building that are over 25 feet in length and void of windows, entries, recesses or projections, or other architectural elements.
- At least 30 percent of the first floor of the building is required to be windows and at least 10 percent of the upper floors of the building are required to be windows on the sides of the building facing 2nd Street North and 3rd Avenue North. The analysis of the project's compliance with these requirements follows:
    - 2nd Street North: The majority of the building wall facing 2nd Street North is existing. The existing building was constructed with a garden level including windows. Given the location of the garden level windows they would not satisfy the window requirement. In addition, because the bottom of the windows along the first floor of the building are located more than four feet above grade they would not satisfy the window requirement either. If the first floor of windows were used to calculate the window requirement there would be more than 30

percent windows. Each of the upper floors, including the addition portion of the building, has more than 10 percent glass.

- 3rd Avenue North: the percentage of windows on the first floor of the building is approximately 48 percent and each of the upper floors of the building has more than 10 percent glass.

- The windows in the building are vertical in nature and are evenly distributed along the building walls.
- The principal roof line of the existing building and the proposed addition is flat. This is the dominate roof type in the surrounding area.

ACCESS AND CIRCULATION:

- **Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.**
- **Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.**
- **Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.**
- **Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.150 (b) related to alley access.**
- **Site plans shall minimize the use of impervious surfaces.**

PLANNING DEPARTMENT RESPONSE:

- All of the entrances leading into the building are directly connected to the public sidewalks.
- No transit shelters are proposed as part of this development.
- Both the hotel drop off area and the "alley" entrance have been designed to flow in a one-way direction eastbound to minimize conflicts between vehicles entering the site and pedestrians on the public sidewalk.
- The applicant is proposing to vacate the existing alley that connects 2nd Avenue North to 3rd Avenue North. However, the area where the existing alley is located will remain open and visually will still look like an alley.
- There is no maximum impervious surface requirement in the B4C-1 zoning district. In addition, this development is not subject to the general landscaping and screening requirements of Chapter 530, Site Plan Review. According to the submitted materials there will be 3,000 square feet of the landscaping at grade level and an additional 4,000 square feet of landscaping on the roof of the building.

LANDSCAPING AND SCREENING:

- **The composition and location of landscaped areas shall complement the scale of the development and its surroundings.**
- **Not less than twenty (20) percent of the site not occupied by buildings, including all required landscaped yards, shall be landscaped as specified in section 530.160 (a).**
- **Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.**
- **Except as otherwise provided, required screening shall be at least ninety-five (95) percent opaque throughout the year. Screening shall be satisfied by one or a combination of the following:**
  - **A decorative fence.**
  - **A masonry wall.**
  - **A hedge.**
- **Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.170 (b), including providing landscape yards along a public street, public sidewalk or public pathway and abutting or across an alley from a residence or office residence district, or any permitted or conditional residential use.**
- **The corners of parking lots where rows of parking spaces leave areas unavailable for parking or vehicular circulation shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks or bicycle parking.**
- **In parking lots of ten (10) spaces or more, no parking space shall be located more than fifty (50) feet from the center of an on-site deciduous tree. Tree islands located within the interior of a parking lot shall have a minimum width of seven (7) feet in any direction.**
- **All other areas not governed by sections 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.**
- **Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.210.**
- **The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.80, as provided in section 530.220.**

PLANNING DEPARTMENT RESPONSE:

- When a development is over 50,000 square feet in size and located in a downtown zoning district the development is exempt from the general landscaping and screening requirements. However, the parking and loading landscaping and screening requirements shall apply.
- A seven-foot wide landscaped yard is required between the property line along 3rd Avenue North and the hotel drop off area as vehicles will be parked here for periods of time. The applicant is proposing to have a 37-foot wide landscaped area between the property line and the parking area.
- Screening consisting of a masonry wall, fence, berm or hedge or combination thereof that forms a screen three feet in height and not less than 60 percent opaque is required between the property line along 3rd Avenue North and the hotel drop off area in order to screen the parking area from the adjacent uses. The applicant is proposing to have a 30-inch limestone and concrete wall located along the edge of the property with a planting area between it and the parking area. The

planting area will contain six trees evenly distributed in a planting bed of flat, linear stone and gravel.

- Not less than one tree is required to be provided for each 25 linear feet or fraction thereof of parking or loading area lot frontage. The drop off area is approximately 60 feet in length and therefore requires that three trees be planted in the landscaped area. The applicant is proposing to have a total of six trees in the landscaped area between the property line and the parking area.

ADDITIONAL STANDARDS:

- **All parking lots and driveways shall be designed with wheel stops or discontinuous curbing to provide on-site retention and filtration of stormwater. Where on-site retention and filtration is not practical, the parking lot shall be defined by six (6) inch by six (6) inch continuous concrete curb.**
- **To the extent practical, site plans shall minimize the blocking of views of important elements of the city.**
- **To the extent practical, buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.**
- **To the extent practical, buildings shall be located and arranged to minimize the generation of wind currents at ground level.**
- **Site plans shall include crime prevention design elements as specified in section 530.260 related to:**
  - **Natural surveillance and visibility**
  - **Lighting levels**
  - **Territorial reinforcement and space delineation**
  - **Natural access control**
- **To the extent practical, site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.**

PLANNING DEPARTMENT RESPONSE:

- The majority of the stormwater runoff will be drained to an underground filtering system that will be installed on the site. The remainder of the stormwater runoff will be captured by the on-site landscaping and the green roofs.
- There are no height limits in the B4C-1 zoning district because it is in the downtown zoning districts where it is expected that taller buildings will be built. The footprint of the "tower" portion of the building is small. Therefore, the blocking of views of prominent buildings from various vantage points should be minimized.
- Although this development will most likely cast shadows on surrounding properties, staff belives that the affects will be minimal.
- Along both 2nd Street North and 3rd Avenue North the building addition has been desinged to step back at different levels which will help minimize ground level winds.
- The site plan complies with crime prevention design elements as there are delineted walkways and stairways that direct people through the site and to the building entrances, outdoor seating areas are proposed along 2nd Street North and 3rd Avenue North which will maximize opportunities for people to observe adjacent properties, streets and sidewalks, there are windows

where people can see in and out along all levels of the building and there will be lights located near all of the pedestrian entrances.

- The entire block, except for the lot that is occupied by the Gehl-Dolphin building, is located in the locally designated North Loop Warehouse Historic District (see the map that is attached to this report). The entire block is located in the nationally designated Minneapolis Warehouse Historic District (see the map that is attached to this report). In November of 2006 the Minneapolis Heritage Preservation Commission (HPC) approved applications for the creation of a pocket park between the Pacific Flats building and the Monte Carlo Club, a rehabilitation plan for the Lowry-Morrison building and a demolition permit for the auto repair building. Also at this time, the HPC and subsequently the City Council denied applications for the constriction of a 28-story condominium building on the Gehl-Dolphin building site, construction of a parking structure over the existing alley, construction of an 18-story condominium building on the auto repair building site and construction of a 10-story hotel on the Northwestern building site. After the denials from the City Council the applicant revised the plans and submitted new applications in March of this year for the rehabilitation and addition to the Northwestern building for a hotel and the constriction of a 10-story mixed-use building on the site of the existing auto repair building. In April and then again in June of this year the Pacific Development was reviewed and approved by the HPC. At the April meeting the HPC requested that the landscaping plan for the hotel and the Washington Avenue North elevation for the mixed-use building be redesigned and brought back to them for review. In June both of these plans were approved by the HPC (see the HPC reports that are attached to this report).

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

ZONING CODE:

- **Use:** Hotels are a permitted use in the B4C-1 zoning district.

- **Off-Street Parking and Loading:** The parking requirement for any non-residential use in the B4C-1 zoning district is one space for every 1,400 square feet of gross floor area. With a building size of 130,231 square feet the parking requirement is 93 spaces. The applicant is providing a total of 36 spaces below the building. The remaining 57 spaces will be provided in either one of the two surface parking areas on the block or in the other portion of the underground parking garage.

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

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

- **Maximum Floor Area:** The maximum FAR in the B4C-1 zoning district is 4.0. The lot in question is 35,389 square feet in area. The applicant proposes a total of 130,231 square feet of gross floor area, an FAR of 3.68.

- **Building Height:** There are no height limits in the B4C-1 zoning district. Heights of buildings are limited by the maximum floor area ratio (FAR). To calculate FAR, one would divide the total square footage of the building (excluding that portion of the building devoted to accessory off-street parking or loading facilities, including aisles, ramps and maneuvering space) by the total square footage of the site. The lot size is 35,389 square feet. The gross floor area of the proposed building is 130,231 square feet. The resulting FAR is 3.68.

- **Minimum Lot Area:** There is no minimum lot area requirement for hotels in the B4C-1 zoning district.

- **Dwelling Units per Acre:** Not applicable for this development.

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

- **Specific Development Standards:** Hotels and Restaurants, sit down, are subject to specific development standards:

  Hotels: The use shall provide a minimum of fifty (50) guest sleeping rooms, except when located in the downtown districts.

  Restaurants, sit down:

  (1) Where alcoholic beverages are served, not less than sixty (60) percent of total gross sales revenue shall be from the sale of food and beverages not containing alcohol, and the use shall comply with the requirements of Title 14, Liquor and Beer, of the Minneapolis Code of Ordinances and Chapter 4 of the Minneapolis City Charter.

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

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

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

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

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

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

MINNEAPOLIS PLAN:

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

- Promote street-level design of buildings that contribute to downtown's vitality and security encouraging individual entrances to street-level building tenants, windows and architectural detailing (Downtown's Physical Setting Policy 1).
- Promote retail and other interesting uses at street level in order to reinforce the linking function of streets and to create vitality. These uses should be encouraged at the street level throughout downtown and required where the continuity of retail is important (Downtown's Physical Setting Policy 2).
- Encourage improvements to the public right of way that support pedestrian and transit circulation and that beautify downtown (Downtown's Physical Setting Policy 3).
  - Priority areas for street tree planting, together with selective sidewalk widening, are areas in downtown where there are high concentrations of pedestrian activity, including the core of downtown and downtown residential areas.
- Promote building heights and designs that protect the image and form of the downtown skyline, that provide transition to the edges of downtown and that protect the scale and qualities in areas of distinctive physical or historic character (Downtown's Physical Setting Policy 7).
- Encourage the creation of new parks and plazas that are within easy access to the majority of the downtown workforce (Downtown's Physical Setting Policy 12).
- Preserve, restore and reuse historic buildings and sites in Downtown (Downtown's Physical Setting Policy 16).
- Encourage new buildings adjacent to historic buildings, sites and districts to be compatible in design (Downtown's Physical Setting Policy 18).
- Encourage restaurants in other areas [besides the retail and entertainment districts] of downtown (Retail Policy 5).

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

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

ALTERNATIVE COMPLIANCE:

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

PLANNING DEPARTMENT RESPONSE:

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

- **The first floor of the building shall be located not more than eight feet from the front lot line. In the case of a corner lot, the building wall abutting each street shall be located not more than eight feet from the lot line:**
  The site is located on a corner lot. The building is located at the property line along 2nd Street North but is setback between 33 feet and 66 feet from the property line along 3rd Avenue North. The area in between the building and the corner side property line will be occupied by an outdoor seating area for the hotel, an outdoor dining area for the proposed restaurant, outdoor gardens and the drop off area for the hotel. The entire western wall of the existing building is setback 66 feet from the property line along 3rd Avenue North. The proposed building addition will bring this building into greater compliance with the standards of Chapter 530, Site Plan Review. Given this, the Planning Division is recommending that alternative compliance be granted to allow the building to be setback more than eight feet from the property line along 3rd Avenue North.

VACATION (Vac1506) – All of the platted alley in Block 34, Town of Minneapolis Addition, as of record at the Hennepin County Recorder's Office, Minneapolis, Minnesota.

Development Plan: The site plan for the development is attached.

Responses from Utilities and Affected Property Owners: Of the utilities and/or affected property owners that have responded MCI and Qwest have requested an easement.

Findings: The Public Works Department finds that the area proposed for vacation is not needed for any public purpose. However, the Planning Division believes that maintaining the historic grid of alleys is in the public purpose. In November of 2006, the HPC and subsequently the City Council denied an application that would have allowed for construction of a parking structure over the existing alley as they believed that it ruined the historic fabric of the district. The development as proposed can occur without vacating the alley. As Right-of-Way indicated at the PDR meeting, if the alley vacation were not approved, constructing above (the skyway) and below (the parking garage) the alley could be addressed through an encroachment permit.

Please note that if the alley vacation is denied the overall lot size would be reduced. If the FAR exceeds the maximum 4.0 as a result of a smaller lot size the applicant would need to apply for a FAR premium. In addition, if the alley vacation is denied a setback variance to allow a hotel with windows along the south property line would also need to be applied for.

PRELIMINARY PLAT - PL-204

Required Findings:

1. The subdivision is in conformance with these land subdivision regulations, the applicable regulations of the Zoning Code and policies of the Comprehensive Plan.

The subdivision is in conformance with the subdivision regulations, the zoning code and the comprehensive plan.

2. The subdivision will not be injurious to the use and enjoyment of other property in the immediate vicinity, nor be detrimental to present and potential surrounding land uses, nor add substantially to congestion in the public streets.

The proposed subdivision proposes to create six new lots on the block. Five of the lots will contain existing buildings and the sixth lot will contain a new building. One of the lots that contains an existing building will have an addition added to it.

3. All land intended for building sites can be used safely without endangering the residents or uses of the subdivision and the surrounding area by peril from floods, erosion, high water table, severe soil conditions, improper drainage, steep slopes, utility easements, rock formations, or other hazard.

The site is relatively flat. The Planning Division believes that the site can be developed upon and used safely.

4. The lot arrangement is such that there will be no foreseeable difficulties, for reasons of topography or other conditions, in securing building permits and in providing driveway access to buildings on such lots from an approved street. Each lot created through subdivision is suitable in its natural state for the proposed use with minimal alteration

The parcels created by this application present no foreseeable difficulties for this development. No significant alterations to the land appear necessary.

5. The subdivision makes adequate provision for storm or surface water runoff, and temporary and permanent erosion control. The stormwater drainage system shall be separate and independent of any sanitary sewer system. All plans shall be designed in accordance with rules, regulations and standards of the city engineer. Facilities intended to be dedicated to the City shall be located in perpetual, unobstructed easements of a width determined to be adequate and necessary by the city engineer. To the extent practicable, the amount of stormwater runoff from the site after development does not exceed the amount occurring prior to development.

The Sewer Division of the Public Works Department will review and approve the drainage and sanitary system plans for this development prior to building permits being issued.

RECOMMENDATIONS

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the variance:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the variance application to reduce the loading space requirement from the required three large spaces to two large spaces located at 215 and 223 2nd Street North.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the variance:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the variance application to reduce the east interior side yard setback from the required 15 feet to zero feet for the building located at 215 and 223 2nd Street North subject to the following conditions:

1. A no-build easement of at least 15 feet in width shall be placed along the west property line of proposed Lot 4. Proof of filing the no-build easement shall be provided to Planning Staff.

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

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the site plan review for a hotel located at 215 and 223 2nd Street North subject to the following conditions:

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

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

3. If it is determined that there can only be one curb cut along 3rd Avenue North it shall be though the "alley" curb cut.

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

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

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

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the vacation:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission and the City Council adopt the above findings and **deny** the alley vacation application for all of the platted alley in Block 34, Town of Minneapolis Addition, as of record at the Hennepin County Recorder's Office, Minneapolis, Minnesota.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the preliminary plat:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission **approve** the preliminary plat application for The Pacific Addition located at located at 200, 206, 214, 214 ½ and 218 Washington Avenue North, 212 and 216 2nd Avenue North, 219 and 223 2nd Street North and 217 3rd Avenue North.

Attachments:

1. Statement of proposed use and description of the project
2. Parking requirement chart
3. Floor area ratio chart

4. Variance findings
5. Alley vacation information
6. Preliminary plat information
7. Preliminary Development Review report form meeting held on June 6, 2007
8. Stormwater management plan
9. May 11, 2007, letter to Council Member Goodman
10. May 11, 2007, letter to the Warehouse District –North Loop Neighborhood Association
11. March 8, 2007, letter from the North Loop Neighborhood Association
12. April 9, 2007 Heritage Preservation Commission staff report and minutes
13. May 18, 2007, Heritage Preservation Commission staff report
14. Zoning map
15. Building location map
16. North Loop Warehouse Historic District map
17. Minneapolis Warehouse Historic District map
18. Civil drawings, site plan, floor plans and elevations
19. Photos of the site and surrounding properties