

**Department of Community Planning and Economic Development – Planning Division**  
Rezoning and Variance  
BZZ-5010

**Date:** December 13, 2010

**Applicant:** Farmers’ Market Annex

**Addresses of Property:** 200 East Lyndale Avenue North and 250 Lakeside Avenue

**Project Name:** Farmers’ Market Annex Rezoning

**Contact Person and Phone:** Jackie Cherryhomes-Tyler, (612) 333-5919

**Planning Staff and Phone:** Aly Pennucci, (612) 673-5342

**Date Application Deemed Complete:** November 12, 2010

**End of 60-Day Decision Period:** January 10, 2011

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

**Ward: 5      Neighborhood Organization:** North Loop Neighborhood Association

**Existing Zoning:** I2, Medium Industrial District and DP Downtown Parking Overlay District

**Proposed Zoning:** C3A Community Activity Center and DP Downtown Parking Overlay District

**Zoning Plate Number:** 13

**Legal Description:** Metes & Bounds

**Proposed Use:** Grocery Store (indoor farmers market) and Reception or Meeting Hall

**Concurrent Review:**

**Petition to rezone** from I2 Medium Industrial District to C3A Community Activity Center District

**Variance** to the enclosed building requirement to allow outdoor events

**Applicable zoning code provisions:** Chapter 525, Article VI, Zoning Amendments, Chapter 525, Article IX, Variances, specifically Section 525.520(26) “to vary the enclosed building requirements of this zoning ordinance.”

**Background:** In September of 2009 the City Planning Commission approved a site plan review application for the subject property to amend a previously approved site plan (approved in 2001). The new site plan converted a space previously used for parking to create a “Farmers’ Market Urban

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Garden” that included new paving materials, water features and landscaping. Now the applicant proposes using this spaces as an outdoor reception or meeting hall. In addition, the applicant is proposing to move the existing farmers market indoors during the winter months. No changes are proposed to the site plan or to the existing structures.

There are three existing tenants located in the building: Atrebla Early Learning Center, Wrecker Services and the Farmers’ Market Annex. The Farmers’ Market Annex is owned by the applicant and is used as a warehouse for the various vendors that participate at the Farmers’ Market on Saturdays and Sundays and for Market Flowers which is a flower shop located in downtown Minneapolis. The proposed indoor farmers market (grocery store) will be located in a portion of this warehouse space. A farmers market is defined in the Zoning Code as an “open-air establishment.” The Zoning Administrator has determined that an indoor farmers market is substantially similar to a grocery store. A grocery store is not a permitted use in the I2 district.

The Farmers’ Market Urban Garden space, approved in September 2009, is currently used by vendors to display landscaping and gardening materials when the Farmers’ Market is in operation. The applicant has also used this space as a reception or meeting hall under an approved temporary use permit. Per section 535.360 of the zoning code, indoor or outdoor temporary amusement events are allowed as a temporary use, provided such use does not exceed a duration of fifteen (15) days in one (1) calendar year. The applicant has held nine outdoor events in this area since April 2010. There have been no complaints or police calls related to these events. The applicant is proposing to use this space as an outdoor reception meeting hall on a more regular basis when the weather permits (between March and December). A reception or meeting hall use is not permitted in the I2 district. In addition, all of the proposed outdoor business activity is not allowed by the zoning code per 547.190.

**547.190. Enclosed building requirement.** All production, processing, storage, sales, display or other business activity shall be conducted within a completely enclosed building, except as otherwise provided in this ordinance.

Therefore, the applicant is applying for a variance of the enclosed building requirement to allow for an outdoor reception meeting hall and a zoning amendment to C3A to allow a reception meeting hall and grocery store as a permitted use.

Staff received a letter of support for the rezoning and variance request from the North Loop Neighborhood Association (see appendix 2).

**REZONING**: Petition to rezone the property of 200 East Lyndale Avenue N and 250 Lakeside Avenue from I2 to C3A.

**Findings as required by the Minneapolis Zoning Code for the rezoning petition:**

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

The site is designated as Transitional Industrial on the future land use map in the *Minneapolis Plan for Sustainable Growth*. The Transitional Industrial designation refers to areas that are outside of Industrial Employment Districts that may evolve to other uses compatible with surrounding development. The site is also located within the Downtown Minneapolis freeway loop, which is a designated growth center. Growth centers may include a mix of uses with citywide and regional draw, including employment, commercial, office, and residential uses. According to the principles and polices outlined in the plan, the following apply to this proposal:

**Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.**

1.1.6 Develop small area plans for designated land use features, particularly Activity Centers, Growth Centers, and Major Retail Centers, in consultation with neighborhood associations, residents, and other stakeholders.

**Policy 1.5: Promote growth and encourage overall city vitality by directing new commercial and mixed use development to designated corridors and districts.**

1.5.1 Support an appropriate mix of uses within a district or corridor with attention to surrounding uses, community needs and preferences, and availability of public facilities.

**Policy 1.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.**

1.8.2 Advance land use regulations that retain and strengthen neighborhood character, including direction for neighborhood serving commercial uses, open space and parks, and campus and institutional uses.

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

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

*Staff comment:* The *North Loop Small Area Plan* recommends categorizing Glenwood Avenue as a Commercial Corridor. The subject site is not immediately adjacent to Glenwood Avenue but it is connected to the property that fronts Glenwood. This property, currently occupied by Wrecker Services, has their offices in the building located on the subject site.

**Policy 1.15: Support development of Growth Centers as locations for concentration of jobs and housing, and supporting services.**

1.15.1 Support development of Growth Centers through planning efforts to guide decisions and prioritize investments in these areas.

The *North Loop Small Area Plan* was adopted by the City Council in April 16, 2010. The future land use map designates this site as Transitional Industrial. This plan breaks the North Loop Neighborhood into smaller districts that allows for a more nuanced look at each area. The subject site is located in the *Lower Mix District*, which is described as “an area with an eclectic mix of Public Works properties, the Minneapolis Farmers Market, large warehouses, private industrial and commercial businesses, and social service housing providers.” The vision for this area is for this diverse mix of uses to remain. The North Loop Small Area Plan also designates Glenwood Avenue as a Commercial Corridor. The plan specifies that the Minneapolis Farmers market should be expanded over time to a full-year market. While the subject site is not operated as part of the Minneapolis Farmers market, this proposal will begin to realize a year round farmers market in the neighborhood.

According to the principles and policies outlined in the *North Loop Small Area Plan*, the following apply to this proposal:

- Designate Glenwood Avenue as a Commercial Corridor from Lyndale Avenue to 10th Street North and incorporate more retail, services, and entertainment establishments.
- Expand the Minneapolis Farmers Market to run year-round with improved infrastructure connections to the proposed Royalston LRT Station.
- Promote the Lower North Loop as a prime location for a concentration of environmentally-sustainable practices and uses.
- Add additional landscaping and screening to existing industrial and public sites, slowly transitioning them to include a more livable aesthetic.
- Increase development intensity consistent with the character of a Downtown neighborhood.

*Staff comment:* The I2 district would not allow for the proposed commercial or entertainment uses. The C3A district would allow retail sales and services uses, such as a grocery store, as well as a reception or meeting hall. Uses allowed in the C3A district are more likely to value convenient access provided by the proposed Southwest LRT Station, rather than the limited and mostly industrial uses allowed by the I2 district. The proposal to rezone to C3A is in conformance with these goals of *The Minneapolis Plan* and *The North Loop Small Area Plan*.

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

As part of the North Loop Small Area Plan, a market analysis was conducted for the properties located in the lower North Loop area. The subject site was included in the boundaries for this area. The study notes that “existing land uses in the Study Area are predominantly industrial or social service oriented. This creates a low-end image, which presents a barrier to new investment.” The proposed zoning amendment will allow new uses in this area that are moving away from industrial. Because of the property’s location in a growth center and in an area designated as transitional industrial, uses that add commercial and entertainment options for neighborhood residents and that serve as a destination would be more appropriate use of the land than industrial uses allowed in the existing district. The amendment is in the public interest and not solely in the interest of the property owner.

**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 properties immediately adjacent to the subject site include a towing service and two wholesaling, warehousing and distribution uses that include accessory retail sales and services. The Market Study referenced above concludes that new industrial development is unlikely in the Study Area. Other uses in the area include the Minneapolis Farmers Market, social service uses, public uses and some industrial buildings. The surrounding area is expected to change from primarily industrial to mixed commercial and residential uses because of its proximity to downtown and the proposed Southwest LRT line. Given the diversity of uses in the area the Department of Community Planning and Economic Development-Planning Division staff believes that rezoning this site to C3A is 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.**

While there may be reasonable uses within the existing zoning classification, new industrial development is most attractive where property is undeveloped and relatively inexpensive. In the Study Area, most parcels are developed with permanent structures. As mentioned above, the market study conducted included in *North Loop Small Area Plan* concluded that new industrial development in this area is unlikely. Retail sales and services uses and entertainment uses would be more appropriate use of the land than industrial uses allowed in the existing district.

**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.**

Although substantial redevelopment has not occurred in this area recently, the adopted plan for this area and *The Minneapolis Plan for Sustainable Growth* anticipate this area transitioning to other uses compatible with surrounding development that includes a mix of uses with citywide and regional draw.

**VARIANCE to the enclosed building requirement**

**Findings Required by the Minneapolis Zoning Code:**

- 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.**

The applicant is seeking a variance to the enclosed building requirement to allow for an outdoor reception or meeting hall. Strict adherence to the regulations would not allow for any business activity associated with a reception or meeting hall to occur outside of an enclosed building. The area where the proposed outdoor reception meeting hall will be located comprises approximately 17 percent of the entire site. No activity associated with a reception or meeting hall can occur in this area outside of the farmers' market operations that operates only two days per week in the warmer season due to the enclosed building requirement. If the applicant proposed an indoor reception or meeting hall, an accessory outdoor dining area would be permitted.

- 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.**

While the applicant is contributing to the need for a variance by requesting a variance to the enclosed building requirement, the circumstances upon which the variance is requested are unique to the parcel of land due the size and location of the parcel. The subject property is approximately 1.5 acres and the outdoor area where the proposed events will be located accounts for approximately 17 percent of the site. Without a variance to the enclosed building requirement this area cannot be utilized as an outdoor event center. This area is located at least 250 feet to the closest residential structures to the south, across Glenwood Avenue. The applicant could construct a new building addition or remodel the existing structure to allow for an indoor reception or meeting hall within an enclosed structure, however, the alternative to the variance would cause a hardship to the property by not allowing the use of the existing outdoor urban garden area.

- 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.**

Staff believes that the outdoor use of the property will not substantially alter the essential character of the surrounding neighborhood. The subject site is not adjacent to any residential

uses and has held nine outdoor events from April through September 2010 that did not result in any complaints or police incidents.

- 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 would likely have no impact on the congestion of area streets or fire safety, nor would the proposed outdoor use be detrimental to the public welfare or endanger the public safety. During the weekdays the minimum parking requirement is met on site, during the weekends the parking spaces that are provided on site are occupied by the farmers' market vendors. Given this the applicant has submitted a shared parking agreement with the adjacent property owner. The events proposed for the reception meeting hall will primarily occur outside of the farmers' market hours between March and December. On the occasion that an event is operating at the same time as the farmers market, parking will be provided off-site under the approved shared parking agreement.

### **RECOMMENDATIONS:**

#### **Recommendation of the Community Planning and Economic Development Department – Planning Division for the Rezoning:**

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 application to rezone the properties of 200 East Lyndale Avenue North and 250 Lakeside Avenue from I2 Medium Industrial District to C3A Community Activity Center District.

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

The Community Planning and Economic Development Department – Planning Division recommends that the Board of Adjustment adopt the above findings and **approve** the variance of the enclosed building requirement to allow for outdoor reception or meeting hall use for the property located at 200 East Lyndale Avenue North and 250 Lakeside Avenue.

#### **Attachments:**

1. Statement of proposed use and findings
2. Correspondence
3. Zoning map
4. Plans
5. Site photos
6. Zoning district comparison table