

## CPED Planning Division Report

Zoning Amendment (Rezoning), Conditional Use Permit Application for Planned Unit Development, Site Plan Review, Conditional Use Permit, Variance

BZZ – 1627

Preliminary Plat

PL - 148

**Date:** April 19, 2004

**Date Application Deemed Complete:** March 25, 2004

**End of 60 Day Decision Period:** May 24, 2004

**Applicant:** Sue Makredes, on behalf of Security Warehouse Lofts, LLC

**Address Of Property:** 404 Washington Ave. N. & 201 5<sup>th</sup> Ave. N.

**Contact Person And Phone:** Sue Makredes, 763-421-3500

**Planning Staff And Phone:** Jason Wittenberg, 673-2297

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

**Existing Zoning:** I2 with the DP (Downtown Parking) and IL (Industrial Living) Overlay Districts

**Proposed Zoning:** C3A and remove the IL Overlay District

**Zoning Plate Number:** 13

**Legal Description of Property Proposed for Rezoning:**

Parcel 1: (Torrens/Certificate No. 819853)

The Southeasterly 22 feet of Lot 2;

All of Lots 3 and 4; That part of Lot 5 lying Northerly of a line drawn from the most Westerly corner of said Lot 5 to a point on the Northeasterly line of said Lot 5 distant 5 feet Northwesterly from the most Easterly corner of said Lot 5; The Southwesterly 34 feet of Lot 6; That part of the Southwesterly Half of the vacated alley adjoining said Lots 3, 4 and 5 lying between the extensions across it of the Northwesterly line of the Southeasterly 22 feet of said Lot 3 and the Southeasterly line of that part of said Lot 5 above described;

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That part of the Northeasterly Half of the vacated alley adjoining said Lot 6 and between the extensions across it of the Northwesterly and Southeasterly lines of said Lot 6; Block 32, Town of Minneapolis, according to the recorded plat thereof, Hennepin County, Minnesota

Parcel 2: (Abstract)

Lot 6, except the rear 34 feet thereof, and all of Lots 7, 8, 9 and 10, in Block 32, original plat of the Town of Minneapolis, according to the recorded plat thereof, together with that part of the vacated alley in said Block 32 which accrues thereto by reason of the vacation thereof, as evidenced by City Council Resolution filed August 13, 1942 as Document No. 2151656 and Resolution filed as Document No. 7659489.

Parcel 3: (Torrens)

That portion of the vacated alley accruing thereto by reason of the vacation thereof, Resolution No. 2002R-025

**Project Name:** Security Warehouse and 5<sup>th</sup> Avenue Lofts

**Proposed Conditional Uses:**

- Conditional use permit for a planned unit development with 215 dwelling units
- Conditional use permit for a 20-space parking lot in the DP (Downtown Parking) Overlay District

**Proposed Variance:**

- Variance to increase the maximum permitted floor area ratio from 3.78 to 4.57.

**Previous Actions:** N/A

**Concurrent Review:** Rezoning, planned unit development, site plan review, variance, conditional use permit, and preliminary plat, as noted above.

**Appropriate Section(s) of the Zoning Code Requiring and Authorizing the Applications:**

Rezoning: 525.260

Planned Unit Development: Section 527.250

Site Plan Review: Section 530.20 and Table 530-1

Variance: 551.670(2) and 525.520(20)

Conditional Use Permit: 551.760

Preliminary Plat: 527.60 and 598.180

**Background:** The applicant proposes a mixed use planned unit development with 215 for sale dwelling units. Fifty eight dwelling units would be located in the loft conversion of the building at 404 Washington Avenue North and 157 dwelling units would be located in a new building of up to eight stories that would be constructed in an area currently dedicated to surface parking along 2<sup>nd</sup> Street between the Burlington Northern railroad line and 5<sup>th</sup> Avenue North.

The site includes 88,767 square feet (2.03 acres). The Planned Unit Development regulations allow flexibility in development projects of at least two acres “in order to better utilize the special features of sites and to obtain a higher quality of development which incorporates high levels of amenities and which meets public objectives for protection and preservation of natural and historic features.”

**Findings As Required By The Minneapolis Zoning Code for the Zoning Amendment (Rezoning) Application:**

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

The Minneapolis Plan indicates that the City should increase the number of households living in Minneapolis, and that “(t)he number of households from all walks of life who choose to make Minneapolis their home must continue to grow if the city’s neighborhoods are to remain economically, socially and physically vital.”

Planning staff has identified the following policies of the Minneapolis Plan as being relevant to the request to rezone the property to the C3A District.

*Relevant Policy:* **9.32** Minneapolis will promote housing development that supports a variety of housing types at designated Major Housing Sites throughout the city.

*Relevant Implementation Steps:* Concentrate new housing developments in close proximity to amenities or in locations where value will be sustained over time.

*Staff comment:* The North Loop is designated as a Major Housing Site. The rezoning would allow increased housing density and a wider range of commercial uses on the parcels in question. The site is located near the Mississippi River, downtown, the entertainment district, and major bus routes.

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

Some public benefit may be accrued by rezoning to allow increased housing production in an established area in close proximity to downtown and public transit lines.

**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.**

Surrounding properties house a wide variety of uses, including residential buildings, a hotel, and a range of office and industrial uses. The proposed C3A district is adjacent to an existing C3A District and is near the B4C District. The proposed C3A district and the uses allowed in that district are compatible with the existing zoning districts and surrounding uses.

**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.**

There are reasonable uses for the property under the existing zoning classification. The property in question could accommodate, for example, a variety of office and industrial uses and residential uses at a lower density than the proposed 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.**

Since adoption of a new zoning code in 1999, the North Loop area has continued to evolve as a burgeoning residential and mixed use area among existing office, industrial, and entertainment uses. Expanding the C3A District is consistent with the recent trend of development in the area.

**Findings As Required By The Minneapolis Zoning Code For The Conditional Use Permit for a Planned Unit Development:**

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.**

Conversion of an existing building to residences and construction of a new residential building on an existing surface parking lot would not prove detrimental to public health, safety, comfort or general welfare provided the development complies with all applicable building codes and life safety ordinances as well as Public Works Department standards.

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

Provided residents of the development understand that they are living in a mixed use building that includes industrial activity, surrounding uses should continue to operate (and may continue to operate in a legal fashion) without incident. Existing and future development of uses allowed in the industrial C3A District should not be negatively affected by the project.

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

The site is served by existing infrastructure. The planned unit development will be served by curb cuts from both Washington Avenue and 5<sup>th</sup> Avenue. The Public Works Department will

review the project for appropriate drainage and stormwater management as well as to ensure the safety of the position and design of improvements in or over the public right of way. The final plan must indicate all drainage patterns, including roof drains.

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

The project would comply with the minimum number of off-street parking spaces. Limiting the number of curb cuts to two preserves on-street parking and minimizes conflict points. A Travel Demand Management (TDM) plan is required.

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

The following policies are relevant to the conditional use permit/p.u.d.:

*Relevant Policy:* **3.2** Minneapolis has adopted Downtown 2010 plan as a component of the city's Comprehensive Plan and envisions downtown Minneapolis in the year 2010 as one of the nation's finest urban centers; a place of prosperity, civilization and civic pride, that will serve as the center for the metropolitan area, the state and surrounding region.

*Relevant Implementation Steps:*

- Enhance downtown as a special place that offers the finest qualities and experiences associated with cities.
- Maintain downtown as the economic center for the Twin Cities metropolitan area and Upper Midwest region.
- Develop residential areas into neighborhoods that offer a variety of housing types and affordability levels, as well as traditional urban neighborhood qualities and experiences.

*Staff comment:* The proposed project will cater to the market for urban living in the downtown area and, with the other residential projects recently completed or underway, would enhance the downtown economy and contribute to the character of the warehouse district.

*Relevant policy:* **4.9** Minneapolis will implement its adopted Housing Principles and the Housing Impact Measures through community-based strategies directing future housing development.

*Relevant Implementation Steps:*

- The variety of housing types throughout the city, its communities and the metropolitan area shall be increased, giving prospective buyers and renters greater choice in where they live.
- Identify and support private sector development for changing housing demographics in markets such as seniors, empty nesters and the physically challenged.
- Develop/provide incentives for placing new housing on transportation corridors.
- Up to 20 percent of the units in new multifamily housing developments should be affordable.

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- Develop/provide tax and zoning incentives to developers for infill housing that is well designed, serves several income levels, adds to the tax base and fits the urban environment.
- The quality of Minneapolis' housing stock shall be improved.
- Neighborhood livability, including safety, traffic calming, streetscape, green space, retail development and community schools are recognized as vital to housing success.

*Staff comment:* The project would contribute to housing variety in the North Loop and the city.

**6. And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of this conditional use permit, and site plan review and variance.**

Staff is unaware of any conflicts between the proposal and the C3A District if all of the requested applications are granted.

Through the planned unit development, staff is recommending approval of the following exceptions to the standards of the zoning code.

**Height**

Staff recommends approval of an exception to the height limitation to allow up to eight stories, exceeding the maximum height of four stories in the C3A District. When measured along 2<sup>nd</sup> Street from the middle of the northernmost building, the building would be approximately 83 feet in height. When measured from 5<sup>th</sup> Avenue, the building would be approximately 88 feet in height. While the increased height may result in some blockage of downtown views from existing residential buildings, the factors that contribute to the recommendation to approve the proposed height include:

- The proximity to the Downtown Height Overlay District, which allows for increased height in the C3A District.
- The precedent set by approval of other eight story buildings in the area, including the Rock Island Lofts immediately to the east and a portion of Heritage Landing, immediately to the northeast, and the Reserve, one block to the northeast.
- The building would be consistent with the character of surrounding structures.
- The proposed building would not be immediately adjacent to any other buildings (except the other building that is part of the PUD). It would be separated from other buildings by either drive aisles or public streets.

**Floor Area**

Staff is recommending that the Commission grant the 20 percent discretionary increase in floor area as authorized by section 527.140 of the zoning code.

**Additional Findings Required For Planned Unit Developments:**

In addition to the conditional use permit standards contained in Chapter 525, Administration and Enforcement, 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 applicant proposes a mix of commercial and residential uses. The commercial uses would be limited to those uses allowed in the proposed C3A District. The residential uses would consist of ownership loft housing consistent with other recent developments in the area. Rooftop decks would be included. The commercial and residential uses would have separate entrances and must also have separate hallways as required by the zoning code. It appears that some revision of the ground level interior may be necessary in order to completely separate the commercial uses from the residential hallways (e.g., customers using the restroom should not enter the hallway that leads to the residential elevator). The surface parking areas would be connected to the public sidewalks with walkways of at least four feet in width. Ground level units facing 2<sup>nd</sup> Street would have entrances that open to a walkway that would connect to the public sidewalk.

**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.**

The Public Works Department has indicated that a Travel Demand Management (TDM) Plan will be required. The TDM Plan will offer a detailed analysis of the project's impact on the area's transportation infrastructure. Vehicle access would take place from both Washington Avenue and 5<sup>th</sup> Avenue. Pedestrian access to the site would be appropriate insofar as pedestrians could easily access both the common residential entrances as well as the commercial entrances from the public sidewalks. The downtown business district, the entertainment district, and the riverfront are among the amenities that are within a reasonable walk of the proposed development. The project adjacent to Metro Transit routes 14 and 32 and is one block from the route 20. To encourage bicycle use as an alternative to automobile travel, the applicant will offer secure indoor bicycle storage for residents. Outdoor bicycle parking is also encouraged to accommodate visitors and patrons of the commercial uses.

**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.**

Reflecting the character of the warehouse district, the amount of net site area is relatively small. Landscaping would be included along the surface parking areas. A concrete residential deck would be constructed at the rear of the Security Warehouse building to offer ground-level outdoor spaces and rooftop decks would also be incorporated. There

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are no existing significant natural features on the site. There is a stone retaining wall near the east corner of the site that the applicant is encouraged to re-use in some fashion.

- 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.**

While the scale of the proposed building is larger than many of the other residential and mixed use development projects in the North Loop, the applicant has varied the height of the building so that it appears to be multiple buildings when viewed from the street. The height of the proposed building is similar to the existing building that is part of the P.U.D. and is also similar to at least two other loft projects in the immediate vicinity. The building materials used in the new construction would be primarily brick and stone. The existing building (404 Washington) is brick.

- 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 Public Works Department has not indicated concerns about the capacity of the public infrastructure in relation to this project. A stormwater management plan is required for the project, which will be reviewed by the Public Works Department.

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

The applicant has proposed to replat the property consistent with the Land Subdivision Regulations.

**Required Findings for Major 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. (See Section B Below for Evaluation.)**
- C. The site plan is consistent with applicable development plans or development objectives adopted by the city council. (See Section C 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.**
- **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 façade shall provide architectural detail and shall contain windows at the ground level or first floor.**
- **In larger buildings, architectural elements shall be emphasized.**
- **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 where visible from a public street or a residence or office residence district.**
- **Entrances and windows:**
  - **Residential uses shall be subject to section 530.110 (b) (1).**
  - **Nonresidential uses shall be subject to section 530.110 (b) (2).**
- **Parking Garages: The exterior design shall ensure that sloped floors do not dominate the appearance of the façade and that vehicles are screened from view. At least thirty (30) percent of the first floor façade that faces a public street or sidewalk shall be occupied by commercial uses, or shall be designed with architectural detail or windows, including display windows, that create visual interest.**

*Conformance with above requirements:*

The 404 Washington building reinforces the street wall along Washington Avenue. Pedestrian access is ideal. Entrances to all uses would be located off of Washington Avenue. There is an additional residential entrance from the west side of the building. The 5<sup>th</sup> Avenue Lofts building would contribute to a street wall along both 5<sup>th</sup> Avenue and 2<sup>nd</sup> Street and would also have excellent pedestrian connections with commercial uses opening directly to the public sidewalk along 5<sup>th</sup> Avenue and residential entrances on three sides of the building (including individual entrances to some of the ground level units facing 2<sup>nd</sup> Street).

The existing building is constructed up to the front lot line and the proposed construction would be located within eight feet of the front and corner side yards along 2<sup>nd</sup> Street and 5<sup>th</sup> Avenue.

The applicant proposes some landscaping between two sections of the new building and the lot line along 2<sup>nd</sup> Street. The applicant should construct a new tree-line boulevard along 5<sup>th</sup> Avenue to match the boulevard on the block to the northwest (i.e., in front of the extended stay hotel).

Commercial entrances and some of the residential entrances would face the public streets.

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The applicant requests a conditional use permit to allow 20 accessory parking spaces outdoors at grade to the side and rear of the buildings. All of the residential parking would be located below grade.

The existing 404 building contains a good deal of architectural detail and windows, including windows at ground level. The existing window area facing Washington would not be reduced. The proposed 5<sup>th</sup> Avenue Lofts building would also contain a generous amount of window area and architectural detail. The proposal makes effective use of recesses into the façade and the building would be broken into distinct sections to appear as five different buildings facing 5<sup>th</sup> Avenue. This treatment is particularly important given the combination of the length and height of the proposed building. The applicant should work with staff to refined the design of the sections of cast stone wall that do not have windows facing both 2<sup>nd</sup> Street and the 4<sup>th</sup> Avenue right of way.

Brick and cast stone would be used on all sides of the building. The Cast Stone Institute defines cast stone as “a refined architectural concrete building unit manufactured to simulate natural cut stone, used in unit masonry applications.” A similar treatment has been applied to the Rock Island Lofts across 2<sup>nd</sup> Street. Rock face concrete block would be used in some areas facing the interior of the site.

Plain face concrete block would not be used as a primary exterior building material.

The ground level window area facing Washington Avenue would remain as existing. The commercial portion of the new building would exceed 30 percent window area facing the off-street parking lot. In the area between two and 10 feet above grade facing 5<sup>th</sup> Avenue, 57 percent would be windows. In the area between two and 10 feet above grade facing 2<sup>nd</sup> Street, the commercial portion of the building would include 58 percent window area (exceeding the 30 percent minimum) and the residential portion of the building would include 33.9 (exceeding the 20 percent minimum). Staff is concerned, however, about the expanse of the proposed cast stone wall. The applicant has dealt with the grade change in a manner that creates a wall that would be up to eight feet in height (at its highest point) near the sidewalk. Because of the grade change, the parking garage would be immediately behind this wall. The applicant is encouraged to work with staff to further refine this design. The applicant proposes to create visual interest on this wall through use of vines and a sign identifying the 5<sup>th</sup> Avenue Lofts but is encouraged to consider other alternatives such as: placing windows into indoor an additional interior common space; using more than one material in the wall; or creating windows into the parking garage. Note that the 4<sup>th</sup> Avenue right of way still exists adjacent to the east side of the site, however an actual public street does not exist there and the east/southeast wall faces a railroad trench and future bicycle trail. Because this right of way is not an actual public street, staff recommends that the Commission grant alternative compliance from the window requirement facing 4<sup>th</sup> Avenue. However, it’s not clear that the cast stone wall would meet the intent of the ordinance and the applicant should continue to work with staff to refine the design of this wall. Note that the applicant will open up windows that have been bricked-in on the 404 building facing the railroad trench.

The principal entrances in the new building would be emphasized with cast stone piers and steel signs.

**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 530.140 (b).**
- **Areas for snow storage shall be provided unless an acceptable snow removal plan is provided.**
- **Site plans shall minimize the use of impervious surfaces.**

*Conformance with above requirements:*

The accessory parking lots would be connected to the public sidewalks with walkways of at least four feet in width.

There are no transit shelters on or immediately adjacent to the site.

Vehicular access would take place through two curb cuts—one along 5<sup>th</sup> Avenue and one along Washington Avenue. Since the applicant has included on-site walkways, conflicts between vehicular traffic and pedestrians would be minimized to the extent practical. The parking garage would include two entrances, both accessed from the interior of the site.

There is not a public alley on the block and traffic would circulate in a manner that would minimize the impact on the established residential area to the north.

Significant snow accumulation would be removed from the site.

The site would create more permeable area than exists on the site at present.

**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 shall be landscaped as specified in section 530.150 (a).**
- **Where a landscaped yard is required, such requirement shall be landscaped as specified in section 530.150 (b).**
- **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.**
- **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 530.160 (b).**
- **Parking and loading facilities abutting a residence or office residence district or abutting a permitted or conditional residential use shall comply with section 530.160 (c).**
- **The corners of parking lots shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks, or bicycle parking.**
- **Parking lots containing more than two hundred (200) parking spaces: an additional landscaped area not less than one hundred-fifty (150) square feet shall be provided for each twenty-five (25) parking spaces or fraction thereof, and shall be landscaped as specified for a required landscaped yard.**
- **All parking lots and driveways shall be defined by a six (6) inch by six (6) inch continuous concrete curb positioned two (2) feet from the boundary of the parking lot, except where the parking lot perimeter is designed to provide on-site retention and filtration of stormwater. In such case the use of wheel stops or discontinuous curbing is permissible. The two (2) feet between the face of the curb and any parking lot boundary shall not be landscaped with plant material, but instead shall be covered with mulch or rock, or be paved.**
- **All other areas not governed by sections 530.150, 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 530.220.**
- **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 530.60, as provided in section 530.230.**

*Conformance with above requirements:*

The site includes 88,767 square feet of area. The building footprints, according to the applicant, would be approximately 67,720 square feet. The lot area minus the building footprints would therefore consist of approximately 21,047 square feet. At least 20 percent of the net site area (4,209 sq. ft.) must be landscaped. The applicant's plan proposes to landscape 4,220 square feet, according to the applicant (20 percent of the net site area). A minimum of five trees and 21 shrubs are required (but not less than would be required to also meet the landscaped yard requirements along public streets). The applicant's proposal would comply with these minimum numbers. The applicant intends to create a tree-lined boulevard along 5<sup>th</sup> Avenue (not reflected on current plans). Mulch should be changed to hardwood rather than rock. The current landscape plan does not offer sufficient detail. The final landscape plan must identify all shrubs (some are unclear on the current plan and some do not specify the specific variety) and should include a plant schedule and maintenance plan. Red Twigged Dogwood is not recommended in the small area between the parking lot and the 5<sup>th</sup> Avenue Lofts building. A smaller variety should be chosen and some variety in species should be added.

Landscaped yards and screening are required between the parking areas and the public sidewalks. The applicant proposes trees and shrubs along the public sidewalks and is encouraged to also include decorative, wrought-iron fencing.

Six inch by six inch curbing will be installed on the applicant's property around the surface parking lots.

Turf should cover all areas that are not paved or landscaped. The large area of rock mulch is not recommended near the transformers at the interior of the site. Hardwood mulch should be used and additional shrubs added in a manner that would not interfere with access to the transformers.

**ADDITIONAL STANDARDS:**

- **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.**
- **Site plans shall minimize the blocking of views of important elements of the city.**
- **Buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.**
- **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.**
- **Site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.**

*Conformance with above requirements:*

The applicant proposes decorative light poles as well as wall-mounted lighting at regular intervals on the proposed building. Lighting must comply with Chapters 535 and 541 of the zoning code.

Nearby residential properties will not be affected by headlight glare.

Some views of downtown from existing residential buildings to the north of the site would be blocked by the project. However, the height of the project is consistent with several other developments approved over the past five years. Further, the staff recommendation would remove more than 20,000 square feet from the proposed building. While the applicant could remove this floor area from a number of different places, it is likely that the height will be reduced on a portion of the building.

Some new shadowing of sidewalks and the residential and hotel uses to the north will occur.

Wind currents should not be major concern.

The applicant should clearly delineate private versus public spaces through fencing and to provide adequate lighting for safety purposes.

The site is located outside the nearest historic districts—the St. Anthony Falls district and the Minneapolis Warehouse Historic District but is located in the national historic district. The applicant proposes to adaptively reuse the historically significant building at 404 Washington Avenue.

**Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan**

**ZONING CODE:** The applicant proposes to rezone the property from the I2 District to the C3A District. Also, the Industrial Living Overlay District would be removed since the underlying zoning would no longer be in place.

**Parking and Loading:** The zoning code requires one off-street parking space per dwelling unit. For the 215 dwelling units in the two buildings, the applicant proposes 358 enclosed parking spaces for the residential uses, a ratio of 1.66 spaces per unit. Four commercial tenants are proposed—two in the existing building (existing tenants to remain) and two in the new building. Since each tenant space is less than 4,000 square feet in area, each requires four off-street parking spaces for a total of 16 spaces. Twenty spaces are proposed accessory to the commercial uses. Note that some uses (e.g., restaurants) could require more spaces.

**Signs:** While specific signs for commercial tenants are not shown, it appears that the commercial signs would be within the regulations of Table 543-2. Residential uses in commercial districts are governed by Table 543-1. Staff recommends that the Commission allow identification signs at each residential entrance. If a sign is incorporated on the wall facing 2<sup>nd</sup> Street as shown on recent renderings, that sign should not exceed 32 square feet in area. Permits must be obtained for all signs.

**Maximum Floor Area/F.A.R.:**

Lot area: 88,767

Maximum F.A.R. in the C3A District: 2.7

$88,767 \times 2.7 = 239,670$  square feet. One density bonus of 20 percent (enclosed residential parking) =  $239,670 \times .20 = 47,934$  square feet. F.A.R. allowed after one density bonus =  $239,670 + 47,934 = 287,604$  square feet. F.A.R. allowed if Commission grants 20 percent increase through the P.U.D. =  $287,604 + 47,934 = 335,538$  square feet (F.A.R. of 3.78). The applicant requests to increase the maximum F.A.R. from 3.78 (335,538 square feet) to 4.56 (405,497 square feet). Staff is recommending approval of a variance to allow 383,472 square feet (an F.A.R. of 4.32), which is less floor area than proposed by the applicant. See the requested variance section of this report for more detail and explanation.

**Minimum Lot Area:** The C3A District requires at least 400 square feet of lot area per dwelling unit. With a lot area of 88,767 square feet, the applicant would be allowed up to 221 dwelling units while 215 units are proposed. Note that the proposed density is 105 dwelling units per acre.

**Height:** Building height in the C3A District is limited to four stories or 56 feet, whichever is less. The Commission may grant increases in height through the planned unit development application. The applicant's proposed new construction would be up to eight stories in height. Staff is recommending approval of the eight story height, which would be consistent with several other buildings approved by the City in the immediate area within the past five to six years (e.g., Rock Island Lofts, Heritage Landing, The Reserve).

**Yard Requirements:** Interior side and rear yard setbacks of five feet plus two feet for every story above the first would be provided. Note that the east lot line is not an interior side yard since a public right of way (4<sup>th</sup> Avenue North) still borders the site.

**Specific Development Standards:** None

**Hours of Operation:** Residential uses are not governed by maximum hours of operation. Uses in the C3A District are limited to the following hours open to the public of 6:00 a.m. to 1:00 a.m. daily.

**Dumpster screening:** Refuse would be enclosed within the building and within a rock face block enclosure near the interior of the site.

**MINNEAPOLIS PLAN:** In addition to the relevant policies noted above for the planned unit development, the following policies are also relevant the proposed site layout and building forms.

*Relevant Policy:* **9.5** Minneapolis will support the development of residential dwellings of appropriate form and density.

*Relevant Implementation Steps:*

- Promote the development of well designed moderate density residential dwellings adjacent to one or more of the following land use features: Growth Centers, Commercial Corridors, Community Corridors and Activity Centers.
- Expand the understanding of the role that density plays in improving business markets, increasing the feasibility of urban transit systems and encouraging the development of pedestrian-oriented services and open spaces.

*Staff comment:* Staff believes that this high density project would contribute to the above objectives.

*Relevant Policy:* **9.12** Minneapolis will promote design solutions for automobile parking facilities that reflect principles of traditional urban form.

*Relevant Implementation Steps:*

- Locate parking lots behind buildings or in the interior of a block to reduce the visual impact of the automobile in mixed use areas.

*Staff comment:* The applicant proposes to locate all residential parking partially below grade and parking accessory to commercial uses to the side and rear of the buildings.

### **Section C: Conformance with Applicable Development Plans or Objectives Adopted by the City Council**

Staff is unaware of any conflict between the proposal and any development plan or objective adopted by the city council.

The *Minneapolis Warehouse Preservation Action Plan* was adopted by the City Council in 2000. The plan states that, “While the new housing is welcomed in the Warehouse District, issues such as housing types, levels of affordability, design, density, form, compatibility with existing historic buildings, demolition of historic buildings, amenities, commercial and neighborhood services, parking treatment and displacement, and the public process have emerged.” While the site is not located in a locally designated historic district, the applicant’s site is located within the plan area as indicated on page three of the plan. The applicant’s proposal is generally consistent with the goals and policies of the plan, including: “Promote the adaptive reuse of buildings in the Plan Area and encourage appropriate development of vacant or underutilized parcels.”

The project is located adjacent to but not within the project area of the *Downtown East/North Loop Master Plan*.

**Alternative Compliance. The Planning Commission may approve alternatives to any major 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, transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.**
- **Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.**
- **The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.**

Staff is recommending alternative compliance for the following aspects of the project:

- Because this right of way is not an actual public street, staff recommends that the Commission grant alternative compliance from the window requirement facing 4<sup>th</sup> Avenue North since there is not an actual public street in this location. Because the pending bicycle trail will result in public use of the space, however, staff recommends that the applicant work with staff to improve the design of the wall facing the 4<sup>th</sup> Avenue right of way (to include greater architectural detail and potentially additional surveillance).

**Findings As Required By The Minneapolis Zoning Code For The Conditional Use Permit for an Accessory Parking Lot:**

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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.**

Construction of 20 spaces of surface parking served will not endanger public health, safety, or welfare provided the location of curb cuts is approved by the Public Works Department.

**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 parking spaces would use a drive aisle that also allows some access to parking spaces on the adjacent property. An easement also allows for the 22-foot drive aisle required on the applicant's property. The spaces would not affect the use and enjoyment of the only other property on the block.

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

The site is served by existing infrastructure. The Public Works Department will review the project for appropriate drainage and stormwater management.

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

The proposed parking would serve the commercial tenants in the two buildings. A TDM plan is required for the project. Staff recommends that the applicant incorporate bicycle parking outdoors.

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

The following policies are relevant to the conditional use permit:

*Relevant policy:* **9.12** Minneapolis will promote design solutions for automobile parking facilities that reflect principles of traditional urban form.

*Relevant Implementation Steps:*

- Require the landscaping of parking lots.
- Locate parking lots behind buildings or in the interior of the block to reduce the visual impact of the automobile in mixed use areas.

*Staff comment:* The parking lot would be located at side and rear of the buildings, would be landscaped and screened and would respect principles of traditional urban form. No buildings would be removed to make way for the parking lot.

**6. And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of this conditional use permit, and site plan review.**

The parking lot would not exceed the 20-space maximum in the Downtown Parking Overlay District.

**Findings Required by the Minneapolis Zoning Code for the Proposed Variance to Increase the Maximum Permitted Floor Area Ratio:**

**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 permitted floor area ratio (the gross floor area of the building divided by the area of the zoning lot) in the C3A District is 2.7. After a 20 percent density bonus is granted for placing all of the required residential parking within the building and if the Commission allows the 20 percent bonus for a planned unit development, the maximum F.A.R is 3.78. The applicant proposes a variance to increase the maximum permitted F.A.R. from 3.24 to 4.57. With a lot area of 88,767 square feet, the applicant would be allowed 239,767 square feet, which is increased to 287,604 square feet with one 20 percent density bonus for enclosed parking and then increased to 335,538 with the 20 percent discretionary increase authorized through a p.u.d. Thus, a F.A.R. of 3.78 is allowed without a variance. The applicant proposes a F.A.R. of 4.56 (405,497 square feet). The permitted F.A.R. would be more restrictive than the F.A.R. approved for the Rock Island Lofts, directly across 2<sup>nd</sup> Street. Staff believes that there are several unique qualities associated with the site that cause hardship for the applicant. The unique features include the irregular shape of the lot in question, which would be larger if not for the railroad property that reduces the size of the lot. In addition, the applicant's new building may meet the intent of the additional 20 percent bonus for mixed commercial/residential buildings. In fact, one could interpret the ordinance in a manner that would allow the additional bonus. Furthermore, the Rock Island Lofts structure was granted a F.A.R. bonus of 33 percent. Staff recommends that the commission grant a variance equivalent to an additional 20 percent density bonus (since the applicant is providing ground level commercial uses in both buildings to meet the intent of the mixed use bonus). The F.A.R. recommended by staff is 3.78, which would allow 383,472 square feet of floor area. This would require the applicant to reduce the proposed floor area of the project by 22,025 square feet.

**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 irregular shape of the parcel, the extent of the ground level commercial uses (which one could interpret as qualifying the applicant for an additional bonus), and the precedent of the recent F.A.R. variance granted to the project across the street that is similarly situated, all

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combine to form unique circumstances that have not been created by the applicant and are not based solely on economic considerations.

- 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 granting of a variance to increase the maximum F.A.R. by 33 percent would be in keeping with the spirit and intent of the ordinance and would precisely the same variance that was granted to the Rock Island Lofts project. Granting the full variance to allow 405,497 square feet may result in a building that would be slightly out of scale with its surroundings, depending on the particular arrangement of the floor area.

- 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 applicant is not seeking a variance to increase the permitted number of dwelling units, so the requested variance would not result in additional traffic or parking demand. Increasing the amount of floor area on the site would not pose a health or safety problem for the public.

**Required Findings for the Preliminary Plat:**

- 1. Subdivision is in conformance with the land subdivision regulations including the requirements of section 598.80 relating to protection of natural resources, applicable regulations of the Zoning Code, and policies of the Comprehensive Plan.**

The proposed plat is in conformance with the land subdivision regulations, the requirements of the zoning code, and the policies of the comprehensive plan. Note, however, that the name of the plat and the proposed legal description must be included on the final plat.

- 2. 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 perimeter lot lines would not be moved and the plat would in no way add to the congestion of public streets.

- 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 proposed development project could be used safely if the plat is approved as proposed.

- 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 applicant has an easement that will serve the maneuvering needs of a portion of the off-street parking lot. Staff does not foresee a conflict between the proposed plat and development plan and the lots would be suitable for the proposed planned unit development.

- 5. The subdivision makes adequate provision for storm or surface water runoff, and temporary and permanent erosion control. The storm water 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 Public Works Department will review the final drainage plan, stormwater management plan, and utility connections. Any roof connections to the sanitary sewer system will be disconnected. The amount of stormwater leaving the site after the development would be less than the current situation since permeable area would be added to the site.

#### **CPED PLANNING DIVISION RECOMMENDATIONS:**

##### **Recommendation Of The City Planning Department for the Zoning Amendment (Rezoning) Application:**

The City Planning Department recommends that the City Planning Commission and City Council adopt the above findings and **approve** the application to rezone the properties at 404 Washington Avenue North and 201 – 5<sup>th</sup> Avenue North from the I2 District to the C3A District and removing the Industrial Living Overlay District.

##### **Recommendation of CPED Planning Division for the Conditional Use Permit for a Planned Unit Development:**

The City Planning Department recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit for phase a planned unit development for two hundred fifteen (215) dwelling units in mixed use buildings located at 404 Washington Avenue North and 201 – 5<sup>th</sup> Avenue North, subject to the following conditions:

1. The building(s) shall not exceed eight stories in height.

##### **Recommendation of the CPED Planning Division for the Site Plan Review Application:**

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The City Planning Department recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application for two hundred fifteen (215) dwelling units in mixed use buildings located at 404 Washington Avenue North and 201 – 5<sup>th</sup> Avenue North, subject to the following conditions:

1. The applicant shall work with staff to reconsider or refine the cast stone wall areas facing both 2<sup>nd</sup> Street North and the 4<sup>th</sup> Avenue North right of way in order to include further architectural detail or window area.
2. The applicant shall obtain an encroachment permit for all improvements in the public right of way.
3. A stormwater management plan shall be reviewed and approved by the Public Works Department.
4. A Travel Demand Management (TDM) Plan shall be reviewed and approved by the CPED Planning Division and the Public Works Department.
5. The CPED Planning Division shall review and approve the final site plan, landscaping plan, and building elevations.
6. If improvements required by Site Plan Review exceed two thousand (2000) dollars, the applicant shall submit a performance bond in the amount of 125 percent of the estimated site improvement costs prior to obtaining permits for site improvements or the permit may be revoked for non-compliance.
7. Site improvements required by Chapter 530 or by the City Planning Commission shall be completed by May 14, 2006, or the permit may be revoked for non-compliance.

**Recommendation of CPED Planning Division for the Conditional Use Permit for an Accessory Parking Lot:**

The City Planning Department recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit for a 20-space accessory parking lot at 404 Washington Avenue North and 201 – 5<sup>th</sup> Avenue North.

**Recommendation Of The CPED Planning Division for the Variance to Increase the Maximum F.A.R.:**

The CPED Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a variance to increase the maximum permitted floor area ratio from 3.78 (335,538 square feet) to 4.32 (383,472 square feet) for a two hundred fifteen (215) unit mixed use development located at 404 Washington Avenue North and 201 – 5<sup>th</sup> Avenue North.

**Recommendation Of The CPED Planning Division for the Preliminary Plat:**

The CPED Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a preliminary plat of the property located at 404 Washington Avenue North and 201 – 5<sup>th</sup> Avenue North.

**Attachments:**

- Statement of proposed use and description of the project
- Letter to the city council office

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- Statements related to required findings
- Floor area calculations provided by applicant
- Legal description
- Zoning map
- Preliminary Plat
- Site and landscaping plan, floor plans, building elevations (sorted by building)
- Renderings/perspectives of proposed building
- Photographs