

**Department of Community Planning and Economic Development – Planning Division**  
Site Plan Review  
BZZ – 4646

**Date:** April 26, 2010

**Applicant:** Karmel Properties, LLC

**Address of Property:** 2910 Pillsbury Avenue

**Project Name:** The Inn at Karmel Plaza

**Contact Person and Phone:** Bob Speeter, (612) 616-8658 and Scott Nelson, (612) 676-2714

**Planning Staff and Phone:** Janelle Widmeier, (612) 673-3156

**Date Application Deemed Complete:** January 6, 2010

**End of 60-Day Decision Period:** March 7, 2010

**End of 120-Day Decision Period:** On February 4, 2010, staff sent the applicant a letter extending the decision period to May 6, 2010. In a letter submitted by the applicant on February 2, 2010, the applicant voluntarily agreed to extend the deadline an additional 90 days which ends on August 4, 2010.

**Ward:** 6      **Neighborhood Organization:** Whittier Alliance

**Existing Zoning:** I1 Light Industrial District

**Proposed Zoning:** Not applicable for this application

**Zoning Plate Number:** 25

**Legal Description:** Not applicable for this application

**Existing Uses:** Farmers' market, coffee shops, restaurants, development achievement center, offices, food and beverage production, and place of assembly.

**Proposed Use:** Hotel

**Concurrent Review:** Site plan review amendment.

**Applicable zoning code provisions:** Chapter 530, Site Plan Review.

**Background:** This application was continued from the February 8, 2010, City Planning Commission (CPC) meeting to allow time for the completion of the Midtown Greenway Rezoning Study and to determine impacts if the study resulted in a zoning change on the subject site. The City Council acted on the study on April 2<sup>nd</sup>. The zoning of the site was not changed. The applicant is requesting a continuance of this application for one cycle to the May 10<sup>th</sup> CPC meeting to allow time to finalize a

CPED Planning Division Report  
BZZ – 4646

Travel Demand Management Plan (TDMP), to attend a CPC Committee of the Whole meeting, to attend a Preliminary Development Review meeting, to incorporate any revisions resulting from issues identified from the TDMP or the meetings, and for staff review of any revisions.

The applicant proposes to construct a two-story addition on top of the existing multiple-tenant building located at the property of 2910 Pillsbury Avenue South. The approximately 62,500 square foot addition would house a hotel with 72 rooms. A site plan review application is required for any addition to a nonresidential building that would increase its floor area by 1,000 square feet or more. Because a site plan review application was previously approved for this site, the applicant is requesting an amendment.

The former Minneapolis Community Development Agency (now the Economic Development Division of CPED) owned the subject site prior to construction of the existing development. A redevelopment contract that required a minimum of 64,000 square foot building with office, commercial and light industrial uses and related improvements was executed as part of the sale of the property. According to the Economic Development staff, the City issued a certificate of completion for the project a few years ago because the developer met the minimum requirements and the contractual obligations that the City Council/MCDA Board established thereby releasing the developer of encumbrances with respect to the redevelopment contract.

The following is a summary of the land use application history for this site. In 2001, the CPC) approved a conditional use permit and site plan review application to allow a multiple-tenant development with offices, restaurant space, and an ethnic market (farmers' market). The City Council also approved the vacation of Elroy Street (ran east/west on the south end of the site). The CPC approvals expired and the applicant reapplied for the same applications to allow the same proposal. In 2003, the CPC approved the proposal again. The action was appealed by the neighborhood group, but the City Council upheld the CPC decision. Before constructing the existing building, the applicant submitted applications to allow a larger development adding multiple-family residential with 72 units into the mix of proposed uses in 2004. The CPC granted partial approval of the proposed development, but denied the CUP for the farmers' market. The applicant appealed the CUP denial and the neighborhood group appealed the rest of the CPC actions, but the City Council upheld the CPC decision. With the exception of denying the CUP for the farmers' market, the mayor vetoed the City Council's decision. Following the veto, the council denied all of the applications. Although these applications were denied, the previous approvals had not expired yet and the project that was approved in 2003 with some administratively approved changes was allowed to be constructed. (The CPC actions from 2003 and the final site plan that were approved are attached for reference.)

The applicant started to construct the proposed addition, as shown in the attached photos, without the necessary permits. A permit for a rooftop deck had been issued, but the City and applicant have a disagreement stemming from the issuance of that permit about what was authorized to be built. In an attempt to resolve the disagreement, the Department of Regulatory Services is requiring the applicant to complete the land use application process and comply with other stipulations including "complete review and approval by all required City departments" to allow issuance of building permits for the addition. This also includes compliance with the requirements identified at the PDR meeting. The applicant has agreed to these requirements through a memorandum of understanding signed by both parties and dated September 24, 2009.

## CPED Planning Division Report

BZZ – 4646

Because there are substantial changes to the site plan from what was previously approved, the project is required to be reviewed at a Preliminary Development Review (PDR) meeting involving various City departments. As of writing this staff report, a submittal for that meeting had not been received and therefore cannot be reviewed at that meeting before the April 26, 2010, CPC meeting.

The Traffic Division of the Public Works Department has stated that a Travel Demand Management Plan (TDMP) will be a required outcome of the PDR meeting. In the TDMP, they will require the applicant to provide a full study of the actual parking demand for the existing uses and their cumulative impact with the proposed hotel use. At the time the conditional use permit to allow a farmers' market was approved, a definition for farmers' market did not exist in the zoning code. The farmers' market that was approved for this site does not comply with the definition that was adopted in July of 2006, but the building was constructed prior to the code change. Today the use would be classified as a shopping center. Parking requirements in a shopping center are based on principal uses established in a shopping center, therefore the parking requirements for a shopping center are usually much greater than for a farmers' market.

### **RECOMMENDATION**

#### **Recommendation of the Community Planning and Economic Development Department – Planning Division for the Site Plan Review:**

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission adopt the above findings and **continue** the application for a site plan review amendment to allow an addition for a hotel for the property located at 2910 Pillsbury Avenue South to the Planning Commission meeting of May 10, 2010.