

Department of Community Planning and Economic Development – Planning Division
Conditional Use Permits and a Variance
BZZ-3732

Date: November 13, 2007

Applicant: Rochelle Barrett with Bakery Properties, LLC

Address of Property: 2603 Bloomington Avenue South

Project Name: Mercado Phillips Este

Contact Person and Phone: Jose Cano, (612) 202-2262

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

Date Application Deemed Complete: September 17, 2007

End of 60-Day Decision Period: November 16, 2007

End of 120-Day Decision Period: A 60-day extension letter was mailed on October 25, 2007, extending the 120-day decision period to January 15, 2008

Ward: 9 **Neighborhood Organization:** East Phillips Improvement Coalition

Existing Zoning: C4, General Commercial District

Proposed Zoning: Not applicable for this development

Zoning Plate Number: 26

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

Proposed Use: Mixed-use building including a reception hall, restaurant, three small retail spaces and four dwelling units

Concurrent Review:

Conditional use permit: for a shopping center

Conditional use permit: for extended hours

Variance: to reduce the minimum off-street parking requirement from the required 109 spaces to 35 spaces to allow a reception hall, restaurant, three small retail spaces and four dwelling units in an existing building

Applicable zoning code provisions: Chapter 525, Article VII, Conditional Use Permits, Chapter 525, Article IX, Variances, specifically and Section 525.520(7) “to reduce the applicable off-street parking requirements up to one hundred percent, provided the proposed use or building serves

pedestrian or transit-oriented trade or occupancy, or is located near an off-street parking facility that is available to the customers, occupants, employees and guest of the use”.

Background: The applicant is proposing to renovate the existing building located at 2603 Bloomington Avenue South. The building is currently used to manufacture restaurant furniture. On the second floor of the building there are four dwelling units however, they are currently being used for storage purposes. The applicant is proposing to renovate the entire building into a mixed-use building including a reception hall, restaurant, three small retail spaces and four dwelling units.

The four dwelling units would remain on the second floor of the building. An entrance along the Bloomington Avenue South side of the building would provide access to the units. The first floor of the building would be divided up amongst the different commercial uses proposed. The three retail spaces would front along Bloomington Avenue South, the restaurant would front along East 26th Street and the reception hall would be located in the middle of the building. Please note that the restaurant and the reception hall would share one kitchen. The southern portion of the building will be converted into an enclosed parking area which will accommodate 35 parking spaces. All of the parking spaces will be shared amongst the uses within the building.

Please note that one of the applications being requested as part of this development is a conditional use permit for a shopping center. The conditional use permit is required because the reception hall does not have a separate customer entrance facing the street. The reception hall can only be accessed from an internal hallway that connects the enclosed parking area to East 26th Street. Note that the three retail spaces and the restaurant will have separate customer entrances facing the street as well as the internal hallway.

The parking requirement for the various uses within the building are as follows:

Reception Hall: parking equal to 30 percent of the capacity of persons (based on a capacity of one person per 15 square feet of public space), there is 3,300 square feet of seating area, 3,300 square feet divided by 15 square feet per person is 220, 30 percent of 220 is 66, total of 66 spaces required.

Restaurant: parking equal to 30 percent of the capacity of persons (based on a capacity of one person per 15 square feet of public space), there is 1,368 square feet of seating area, 1,368 square feet divided by 15 is 91, 30 percent of 91 is 27, total of 27 spaces required.

Retail sales and service uses: 1 space per 300 square feet of GFA over 4,000 square feet with a minimum of four spaces per use that is over 100 square feet, all three of the retail spaces are under 4,000 square feet, total of 12 spaces required.

Dwellings: one space per dwelling unit, total of 4 dwellings, total of 4 spaces required.

Combined, the total parking requirement for the building is 109 spaces. There are a total of 35 parking spaces on the site. Given this the applicant is seeking a variance to reduce the minimum off-street parking requirement from the required 109 spaces to 35 spaces. The applicant is seeking a variance to reduce the applicable off-street parking requirement by 68 percent. In order to approve a parking variance greater than 20 percent it must be shown that the proposed use or building serves pedestrian or transit-oriented trade or occupancy, or is located near an off-street parking facility that is available to the customers, occupants, employees and guests of the use.

This development was originally scheduled to be heard at the October 15, 2007, City Planning Commission meeting. At that meeting the applicant requested a continuance. Since the original report was written the applicant eliminated the farmers' market (shopping center) use from the building and converted the space to 35 parking spaces, reduced the overall amount of space within the building dedicated to the reception hall from 5,240 square feet to 3,300 square feet, reduced the number of small retail sales and service uses from six to three and reduced the overall parking requirement from 180 spaces to 105 spaces.

CONDITIONAL USE PERMIT - for a shopping center

Findings as Required by the Minneapolis Zoning Code:

The Department of Community Planning and Economic Development – Planning Division 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.

The Planning Division does not believe that using the building as a shopping center would be detrimental to or endanger the public health, safety, comfort or general welfare. Uses in the surrounding area include residential dwellings of varying densities and a clustering of non-residential uses at the intersection of Bloomington Avenue South and East 26th Street.

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

The Planning Division does not believe that using the building as a shopping center would be injurious to the use and enjoyment of other property in the vicinity or impede the normal or orderly development and improvement of surrounding property. If operated correctly the shopping center could prove to be a good compliment to the existing uses in the area. However, the Planning Division believes that the proposed mix of uses for the building is too intense from a parking requirement standpoint. The commercial portion of the building is approximately 17,328 square feet in size. The applicant could convert the building to a series of retail sales and service uses and possibly not need a parking variance or a very minimal one at the very least.

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

If approved, the applicant would be working closely with the Public Works Department, the Plan Review Section of the Inspections Department and the various utility companies during the duration of the development to ensure that all procedures are followed in order to comply with city and other applicable requirements.

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

All of the uses within the shopping center have a parking requirement of 109 spaces. The Planning Division believes that the proposed mix of uses for the building is too intense from a parking requirement standpoint.

The Planning Division would point out that there may be opportunities for parking in the area. There are a few surface parking lots located within a block of this site. If the applicant were to work with the property owners of those sites the parking lots may be viable options for off-site parking for this building.

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

The site is located along Bloomington Avenue South which is a designated Community Corridor. According to the principles and policies outlined in *The Minneapolis Plan*, the following apply to this proposal:

- Coordinate land use and transportation planning on designated Community Corridors through attention to the mix and intensity of land uses, the pedestrian character and residential livability of the streets, and the type of transit service provided on these streets (Policy 4.2).
- Ensure that commercial uses do not negatively impact nearby residential areas (Implementation Step for Policy 4.2).
- Continue to provide a wide range of foods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas (Policy 4.4).

The Planning Division believes that using the building as a shopping center would be in conformance with the above policies of *The Minneapolis Plan*. However, the parking implications of such a use on the neighborhood outweigh its merits.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located.

- **Use:** Shopping centers require a conditional use permit in the C4 zoning district. None of the proposed uses in the shopping center require a conditional use permit.
- **Off-Street Parking and Loading:** The parking requirement for all of the uses within the building total 109 spaces. There are a total of 35 parking spaces on the site. The applicant is seeking a variance to reduce the minimum off-street parking requirement from the required 109 spaces to 35 spaces.

Department of Community Planning and Economic Development – Planning Division
BZZ-3732

- **Maximum Floor Area:** The maximum FAR in the C4 zoning district is 1.7. The lot in question is 29,230 square feet in area. The building is 40,320 square feet in size which yields an FAR of 1.38.
- **Building Height:** Building height in the C4 zoning district is limited to four stories or 56 feet. The building is two stories or 25 feet in height.
- **Minimum Lot Area:** The minimum lot area per dwelling unit in the C4 zoning district is 900 square feet. With 4 proposed dwelling units on a lot of 29,230 square feet, the applicant proposes 7,307 square feet of lot area per dwelling unit.
- **Dwelling Units per Acre:** The site is 0.67 acres in size. There are 5.97 dwelling units per acre proposed on the site.
- **Yard Requirements:** The building is existing and no additions are proposed as part of this development that would trigger yard requirements.
- **Specific Development Standards:** Of the uses proposed in the building the following are subject to specific development standards:

Restaurants, sit down, are subject to specific development standards:

- (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.

Shopping centers are subject to specific development standards:

- (1) Only uses allowed in the zoning district in which the shopping center is located shall be allowed in the shopping center.
- (2) Uses which require a conditional use permit, site plan review or other land use approval shall comply with all review and approval requirements of this zoning ordinance.
- (3) 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:** Residential uses are not subject to hours of operation. The hours of operation for the non-residential uses in the building are 6 am to 10 pm Sunday through Thursday and 6 am to 11 pm Friday and Saturday.
- **Signs:** Signs are subject to the requirements of Chapter 543 of the Zoning Code. In the C4 zoning district one can have one-and-a-half square feet of signage for every one foot of primary building wall unless there is a freestanding sign on the zoning lot then there can only be one square foot of signage for every one foot of primary building wall. Wall signs are limited to 180 square feet in size. Projecting signs are limited to 16 square feet in size. The height limitation for both wall signs and projecting signs is 24 feet. Freestanding signs are limited to 80 square feet and can be no taller than 25 feet. The zoning code also limits the number of freestanding signs on a zoning lot to one.

No sign information was submitted as part of this application.

- **Refuse storage:** The building occupies the entire lot. Given this the refuse storage area must be located inside the building.
- **Lighting:** There was no lighting plan submitted as part of the application materials.

CONDITIONAL USE PERMIT - for extended hours

Findings as Required by the Minneapolis Zoning Code:

The Department of Community Planning and Economic Development – Planning Division 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.

The hours of operation for the non-residential uses in the building are 6 am to 10 pm Sunday through Thursday and 6 am to 11 pm Friday and Saturday. The applicant is seeking a conditional use permit to extend the hours of operation for the restaurant from 11 pm until 12 am on Friday and Saturday and the reception hall from 10 pm Sunday through Thursday and 11 pm Friday and Saturday until 1 am seven days a week.

The Planning Division believes that extending the hours of operation for the restaurant and the reception hall will be detrimental to or endanger the public health, safety, comfort or general welfare. Uses in the surrounding area include residential dwellings of varying densities and a clustering of non-residential uses at the intersection of Bloomington Avenue South and East 26th Street. Allowing the restaurant and the reception hall to operate past the allowed hours of operation in an area that is primarily residential in nature would most likely lead to conflicts.

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

The Planning Division believes that extending the hours of operation for the restaurant and the reception hall would be injurious to the use and enjoyment of other property in the vicinity and impede the normal or orderly development and improvement of surrounding property. The allowed hours of operation in the C4 zoning district are Sunday through Thursday 6 am until 10 pm and Friday and Saturday 6 am until 11 pm. Allowing the restaurant and the reception hall to operate past the allowed hours of operation only increases the amount of noise, glare from required lighting and pedestrian and vehicular traffic to linger in the neighborhood until the early morning hours when surrounding residents are trying to sleep.

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

Extending the hours of operation for the restaurant and the reception hall will have no impact on utilities, access roads or drainage.

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

Because the parking requirement is not being met on site all of the people who drive to the building and are unable to find a place to park will have to park on the street which will only increase traffic congestion in the public streets. Extending the hours of operation for the restaurant and the reception hall past the allowed hours of operation means that those who drive to the site and cannot park within the building will have their cars parked on the surrounding streets until the early morning hours which will create conflicts with those who live in the area.

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

The site is located along Bloomington Avenue South which is a designated Community Corridor. According to the principles and polices outlined in *The Minneapolis Plan*, the following apply to this proposal:

- Coordinate land use and transportation planning on designated Community Corridors through attention to the mix and intensity of land uses, the pedestrian character and residential livability of the streets, and the type of transit service provided on these streets (Policy 4.2).
- Ensure that commercial uses do not negatively impact nearby residential areas (Implementation Step for Policy 4.2).
- Continue to provide a wide range of foods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas (Policy 4.4).
- Protect residential area from the negative impact of non-residential uses by providing appropriate transitions between different land uses (Policy 9.15)

- Mitigate, through screening and buffering, limiting the size and scale of a building, and a business' hours of operation, the effects of commercial properties on residential areas (Implementation Step for Policy 9.15).

The Planning Division does not believe that expanding the hours of operation for the restaurant and the reception hall past the allowed hours of operation is in conformance with the above policies of *The Minneapolis Plan*. Although the Planning Division believes that rehabbing the building for commercial purposes would be appropriate it does not believe that expanding the hours of operation for uses in the building would be consistent with the policies of the comprehensive plan.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located.

In addition to the conditional use standards, the city planning commission shall consider, but not be limited to, the following factors when determining the hours open to the public:

1. Proximity to permitted or conditional residential uses.

Immediately to the east and south of the site are residential uses. In addition, across the street from the site is a mixture of non-residential and residential uses. The Planning Division believes that allowing the restaurant and the reception hall to operate past the allowed hours of operation in an area that is primarily residential in nature would most likely lead to conflicts.

2. Nature of the business and its impacts of noise, light and traffic.

Allowing the restaurant and the reception hall to operate past the allowed hours of operation only increases the amount of noise, glare from required lighting and pedestrian and vehicular traffic to linger in the neighborhood until the early morning hours when surrounding residents are trying to sleep.

3. Conformance with applicable zoning regulations, including but not limited to use, yards, gross floor area and specific development standards.

Both restaurants and reception halls are permitted uses in the C4 zoning district. The building where the uses are proposing to locate is existing and only façade renovations are proposed.

4. History of complaints related to the use.

Although there are no specific complaints related to this building the Minneapolis Police Department has indicated that there has been an on-going problem with loitering, drugs, prostitution and assaults in this area.

VARIANCE - to reduce the minimum off-street parking requirement from the required 109 spaces to 35 spaces to allow a reception hall, restaurant, three small retail spaces and four dwelling units in an existing 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 and strict adherence to the regulations of this zoning ordinance would cause undue hardship.

Parking space reduction: The applicant is seeking a variance to reduce the minimum off-street parking requirement from the required 109 spaces to 35 spaces to allow a reception hall, restaurant, three small retail spaces and four dwelling units in an existing building. The applicant has indicated that because only 35 parking spaces can be provided on site that it would be virtually impossible to operate any business in the building without seeking a variance of the parking requirement.

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.

Parking space reduction: The Planning Division does not believe that the circumstances are unique to the parcel of land for which this variance is being sought. The Planning Division believes that the proposed mix of uses for the building is too intense from a parking requirement standpoint. The commercial portion of the building is approximately 17,328 square feet in size. The applicant could convert the building to a series of retail sales and service uses and possibly not need a parking variance or a very minimal one at the very least.

The Planning Division would point out that there may be opportunities for parking in the area. There are a few surface parking lots located within a block of this site. If the applicant were to work with the property owners of those sites the parking lots may be viable options for off-site parking for this building.

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.

Parking space reduction: The zoning code authorizes a variance to reduce the applicable off-street parking requirement up to 100 percent provided the proposed use or building serves pedestrian or transit-oriented trade or occupancy, or is located near an off-street parking facility that is available to the customers, occupants, employees and guests of the use. The applicant is requesting a 68 percent variance of the parking requirement. Although there is bus service on both Bloomington Avenue South and East 26th Street, the Planning Division does not believe that all of the uses proposed for the building are pedestrian or transit-oriented; especially the reception hall. In addition, the site is not located near an off-street parking facility that would be available for the customers, occupants, employees and guests of the building.

The number of shared spaces for two or more distinguishable land uses shall be determined by the following procedure:

- a. Multiply the minimum parking required for each individual use, as set forth in Table 541-1, Specific Off-Street Parking Provisions, by the appropriate percentage indicated in Table 541-2, Shared Parking Calculations, for each of the six (6) designated time periods.
- b. Add the resulting sums for each of the six (6) columns.
- c. The minimum parking requirement shall be the highest sum among the six (6) columns resulting from the above calculations.
- d. Select the time period with the highest total parking requirement and use that total as the shared parking requirement.

The following is the shared parking table for the development. Please note that the parking percentage for a restaurant was used to calculate the parking requirement for the reception hall because it is not listed on the table. The resulting parking requirement for each use is noted in parenthesis.

Table 541-2 Shared Parking Calculations

General Land Use Classification	Weekdays			Weekends		
	1:00 a.m. – 7:00 a.m.	7:00 a.m. – 6:00 p.m.	6:00 p.m. – 1:00 a.m.	1:00 a.m. – 7:00 a.m.	7:00 a.m. – 6:00 p.m.	6:00 p.m. – 1:00 a.m.
Retail sales and services	0% (0)	100% (12)	80% (10)	0% (0)	100% (12)	60% (7)
Restaurant (not 24 hour)	20% (5)	70% (19)	100% (27)	30% (8)	75% (20)	100% (27)
Residential	100% (4)	60% (2)	100% (4)	100% (4)	75% (3)	90% (4)
Reception Hall	20% (13)	70% (46)	100% (66)	30% (20)	75% (50)	100% (66)

The result of the shared parking calculation reduces the parking requirement by two parking spaces; from 109 to 107.

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.

Parking space reduction: The Planning Division does not believe that the granting of the variance would increase the danger of fire safety, nor would the proposed parking variance be detrimental to welfare or public safety. However, the Planning Division does believe that reducing the parking requirement from the required 109 spaces to 35 spaces would significantly increase congestion in the public streets. Because the parking requirement is not being met on site all of the people who drive to the building and are unable to find a place to park will have to park on the street which will only increase traffic congestion in the public streets.

RECOMMENDATIONS

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

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the conditional use permit application for a shopping center located at 2603 Bloomington Avenue South.

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

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the conditional use permit application for extended hours for the restaurant and reception hall located at 2603 Bloomington Avenue South.

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 **deny** the variance application to reduce the minimum off-street parking requirement from the required 109 spaces to 35 spaces to allow a reception hall, restaurant, three small retail spaces and four dwelling units in an existing building in an existing building located at 2603 Bloomington Avenue South.

Attachments:

1. Statement of proposed use and description of the project
2. August 21, 2007, and September 17, 2007, letters from the applicant regarding off-site parking possibilities

Department of Community Planning and Economic Development – Planning Division
BZZ-3732

3. Conditional use permit and variance findings including information from the Minneapolis Police Department regarding crime in the surrounding area and other supporting materials
4. July 5, 2007, letters to Council Member Schiff and the East Phillips Improvement Coalition
5. August 4, 2007, and August 13, 2007, letters from the East Phillips Improvement Coalition
6. Written comments from surrounding property owners
7. Preliminary Development Review notes from the meeting held on September 5, 2007
8. Zoning Map
9. Site plan, floor plans and elevations
10. Aerial view of the block and photographs of the site