

Department of Community Planning and Economic Development—Planning Division
Conditional Use Permits, Variance, Site Plan Review, and Preliminary Plat (PL-200)
BZZ-3091

Date: 7/17/06

Applicant: Sherman Associates, Inc., 233 Park Ave. S., Suite 200, Mpls., MN 55415

Address of Property: 900 Washington Ave. S., 901 and 911 2nd St. S.

Project Name: Parcel F Project: Zenith Condominiums and Aloft Hotel

Contact Person and Phone: Bernadette Hornig, Sherman Associates, Inc.; 612-604-0863,
bhornig@sherman-associates.com

Planning Staff and Phone: J. Michael Orange (voice: 612-673-2347; facsimile: 673-2728; TDD:
673-2157; e-mail: michael.orange@ci.minneapolis.mn.us)

Date Application Deemed Complete: 6/23/06

End of 60-Day Decision Period: 8/22/06

End of second 60-Day Decision Period: Not applicable at this time

Ward: 2 **Neighborhood Organization:** Downtown Minneapolis Neighborhood Assoc.

Existing Zoning:

- C3A, Community Activity Center District
- Downtown Height Overlay District
- Downtown Parking Overlay District

Zoning Plate Number: 19

Legal description: Refer to Attachment 12, the Preliminary Plat.

Proposed Use: Application by Sherman Associates, Inc. to construct a 5-story hotel at 900 Washington Ave. S. with 155 rooms and 2 commercial/retail spaces on the ground floor, and a two-phase condominium project. Both condominium buildings will be 9 stories tall and have 2 levels of underground parking. Phase I, located at 901 2nd St. S., will have 64 units and ground floor commercial space and Phase II, located at 911 2nd St. S., will have 103 units.

Prior Approvals: None.

<p>Attention: If you want help translating this information, call - Hmong - Ceeb toom. Yog koj xav tau kev pab txhais cov xov no rau koj dawb, hu 612-673-2800; Spanish - Atención. Si desea recibir asistencia gratuita para traducir esta información, llama 612-673-2700; Somali - Ogow. Haddii aad dooneyso in lagaa kaalmeeyo tarjamadda macluumaadkani oo lacag la' aan wac 612-673-3500</p>
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Concurrent Review:

- Conditional Use Permits (CUP) as a Planned Unit Development (including exceptions to the Zoning Code)
- CUP for an accessory parking lot for 13 spaces in the Downtown Parking Overlay District
- Variance to allow a roof-top sign on a building less than 100,000 sq. ft.
- Site Plan Review
- Preliminary Plat
- Public Works Department requirements:
 - Stormwater Management Plan and Erosion Control Plan
 - Travel Demand Management Plan

Applicable Zoning Code Provisions:

- **Conditional Use Permits (CUP) as a Planned Unit Development:** Planned Unit Developments are conditional uses per Table 546-1. The project requires the following exceptions to the Zoning Code Standards as allowed for PUDs (per 527.120):
 - **527.140 (b), Bulk regulations:** The Downtown Height Overlay District allows buildings of up to 112 feet and 8 stories, whichever is less. The project meets the height limit, but, at 9 stories, it exceeds the maximum number of stories.
 - **527.160, Yards:** The project does not meet the required rear yard requirements.
 - **527.180, Off-street parking and loading:** The project does not meet the specific parking and loading requirements.
 - **Section 527.170, On premise signs:** The project includes a sign that exceeds the maximum size allowed in the Code.
- **CUP for an accessory parking lot in the Downtown Parking Overlay District:** Section 551.760 (2) requires a CUP for accessory parking lots in the Downtown Parking Overlay District.
- **Variance to allow a roof sign on a building less than 100,000 sq. ft.:** The Zoning Code has a general prohibition of rooftop signs except in the Downtown Height Overlay District where Section 551.855 allows an exception for buildings of 100,000 sq. ft. or larger in a specific area of the City within the district. The site is within this area but the hotel is less than 100,000 sq. ft. Section 525.520 (20) deals with varying the standards of the overlay districts.
- **Site Plan Review:** Developments over 20,000 sq. ft. need a site plan review approval per Table 530-1.
- **Preliminary Plat:** Chapter 598 addresses plats.

BACKGROUND

Sherman Associates is proposing to construct a mixed-use Planned Unit Development (PUD) on Parcel F, which is the block bounded by Washington Ave. S., 9th and 10th Avenues S., and 2nd St. S. The project includes three separate buildings to be built in two phases. The first phase consists of a 9-story, 64-unit, condominium building at 901 Second Street North, with two levels of underground

parking for 90 stalls and a retail space on the ground floor (6,600 sq. ft.). Adjacent to this is a 5-story hotel at 900 Washington Avenue South, with 155 rooms and two commercial/retail spaces on the ground floor (a total of 4,730 sq. ft.). Thirty-three stalls of parking for the hotel will be supplied in the underground garage below the condominium building. These parking spaces will be accessed from the hotel via an underground pedestrian tunnel. The second phase of development is a condominium building at 911 Washington Avenue, also 9-stories, with 103 units and two levels of underground parking for 120 vehicles. Upon completion of the second phase of development, both parking garages will be joined together and function as one garage and will use the same entrance ramp on 9th Ave. S. that serves the first phase. Attachment 4 includes the project description and the most current project drawings.

CONDITIONAL USE PERMITS

A. Findings as Required by the Minneapolis Zoning Code for the Conditional Use Permit for the Planned Unit Development:

The Community Planning and Economic Development Department – Planning Division has analyzed the application and from the findings below 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 City staff's Preliminary Development Review Committee reviewed the project 6/6/06 (Attachment 11). The applicant is in the process of responding to all of the changes requested.

The project is part of the continuing redevelopment of the historic Minneapolis riverfront, although the site is adjacent to but not within the St. Anthony Falls Historic District. Over the past several years, uses in the Historic Mills District have transformed from industrial and surface parking lots to mixed-use developments. The proposed development will add another mixed use of hotel and high-rise, condominium developments in a Planned Unit Development. The area now includes a mix of market rate and upper bracket ownership housing, multi-family rental, commercial, and retail. Cultural attractions include the recently opened Guthrie Theater and the Mill City Museum, and the MacPhail Center for Music, which is expected to begin construction soon at 2nd St. S. and 5th Ave. The proposed hotel and condominium units will be compatible with the surrounding uses.

The applicant's statement follows:

Sherman Associates, Inc. seeks a conditional use permit to increase the number of housing units to a total of one hundred and sixty seven. The first building would consist of sixty four units and the second building would consist of up to one hundred and three units; both buildings are proposed to be nine stories built over a shared underground parking garage. The building heights and number of

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units are consistent with the Update to the Historic Mills District Plan, as well as with the adjacent Bridgewater project currently under construction between 10th Ave S and 11th Ave S, Washington Avenue S and 2nd Street S.

Based on the Travel Demand Management Plan completed for the proposed development plan, it is not anticipated that the proposed uses, including the housing, will negatively impact traffic congestion in the area. In addition, traffic congestion will be further mitigated by the proposed private drive through the site, which has been designed to accommodate off-street rubbish removal and loading. Furthermore, as a redevelopment site, adequate utilities, access roads and other necessary facilities are in place to accommodate the proposed development.

Given that the proposed development is consistent with the City of Minneapolis' plans and policies, as well as with the surrounding building heights and uses, it is not anticipated that a housing use of this scale would negatively impact surrounding properties or impede the orderly development of the area. Rather, the proposed development is designed to capitalize on existing infrastructure investments and to enhance the area by adding additional residents to a developing area of the city.

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.

As stated above in the prior response, the proposed hotel and condominium units will be compatible with the surrounding uses. It will further the development and improvement of this growing area of the City.

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

Adequate drainage and necessary facilities will be provided. The Public Works Department is reviewing the Stormwater Management Plan for the PUD. The project will include adequate utility service, access, and driveways consistent with all pertinent regulations. The project includes a private service alley that runs east-west between the hotel and the condominium buildings that provides access for the surface parking stalls, the hotel drop-off zone, and for emergency vehicles. It also provides space for loading and the management of trash and recycling.

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

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There is a joint Travel Demand Management (TDM) Plan developed for this project and the adjoining projects to the west on Parcel E (Attachment 7). Although the TDM Plan has not yet been approved, the report indicates that there are not any substantive concerns with either the Parcel E or F projects as regards traffic, congestion, and parking, and the staff of the Public Works and Planning departments expect to approve the plan soon. The following section that deals with exceptions to the Zoning Code addresses the parking issue in detail.

The developers will provide the opportunity for residents to park bikes in the underground garage with optional hanging racks. There will be additional bike parking in racks near the retail uses.

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

The following is a review of the applicable plans and policies of the City:

a. Five-Year Goals (adopted by the City Council, 6/16/06; selected):

A safe place to call home: Housing, health, and safety. In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

Connected communities: Great spaces and places, thriving neighborhoods. In five years, Minneapolis will be a connected collection of sustainable urban villages where residents will live within walking distance of what they need or of public transit; there will be a connected network of transportation options; streets will be destinations; a mix of unique small businesses will be thriving; and Minneapolis' neighborhoods will have unique identities and character.

A premier destination: Visitors, investment, and vitality. In five years Minneapolis will be the economic leader in the region with vast potential for growth and development; investors will see Minneapolis as a sure thing; a distinctive mix of amenities, entertainment and culture will be available downtown and in Minneapolis neighborhoods; people who visit the city will want to come back; the city will be an attractive landing spot for people in all life stages and will be well-positioned for the creative class; and the country will see Minneapolis as a national treasure.

b. The "Minneapolis Downtown 2010" chapter of the *Minneapolis Plan* (adopted by the City Council, Mayor, and Minneapolis Planning Commission, March 2000):

Downtown Living Chapter policies:

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- Policy 1: Expand housing opportunities in downtown for all income levels, with an emphasis on providing additional moderate to high income, owner-occupied units.
- Policy 2: Capitalize on sites that are well suited for housing, especially along the riverfront and around Loring Park, by encouraging medium to high-density housing development.
- Policy 4: Locate medium to high-density housing in areas designated as a Riverfront Residential District located adjacent to and near the West River Parkway. This district should provide locations for housing that can take advantage of the open space and recreational amenities of the riverfront. The primary use of this district should be housing. Other retail, office, cultural and recreational uses should be encouraged, especially those that revitalize historic structures, but should be compatible with housing.
- Policy 6: Ensure that new residential development contributes to the sense of neighborhoods through appropriate site planning and architectural design.
- Policy 7: Protect residential areas from encroachment of incompatible land uses, and ensure that the physical environment of downtown residential areas is compatible with housing by minimizing traffic impacts, maintaining security, and providing and maintaining amenities.

Retail Chapter policies:

- Policy 3: Encourage a variety of retail with diverse price points in downtown in order to serve a broad range of residents.
- Policy 4. Provide a sufficient amount of short-term parking that is located, designed and managed as a system.
- Policy 5. Market and promote downtown as a unique shopping district that combines convenience and retail selection with an entertaining, elegant shopping experience.
- Policy 7. Provide a positive and stimulating shopping experience. The street level design of buildings should be visually interesting and reinforce the image of the retail core as a premier urban shopping district. Display windows, individual store entrances, awnings and other facade embellishments should be provided. The Mall itself should continue to serve as downtown's "Main Street," and it should

host various activities and events that will draw people downtown to shop.

c. **Other chapters of the *Minneapolis Plan*:**

The Plan includes the following policies most relevant to the project:

Growth in the city’s population and tax base: Increases in the number and type of housing units are essential to the city’s continued prosperity. *The Minneapolis Plan* proposes that this growth occur according to two different scenarios: One is continued infill in residential areas, where single or small clusters of lots are available for redevelopment; the other scenario involves the identification of sites where major housing development could take place, designed for higher density housing to appeal to new and emerging housing markets, such as seniors and empty nesters of all income levels. Together, these scenarios for growth in housing choices are intended to respond to the wide variety of housing sub-markets, by providing a variety of housing types and levels of affordability. (p. 1.i.1.)

Policy 2.8: Minneapolis will develop the existing economic base by emphasizing business retention and expansion.

Implementation Steps (selected):

- Promote business start-ups, retention and attractions. Foster a healthy business environment by encouraging access to the resources and information necessary for successful operation.

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

Implementation Steps (selected):

- 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.
 - Up to 20 percent of the units in new multifamily housing developments should be affordable.
 - 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 presence of housing targeted to all income levels as an important element of a successful “mix” is crucial to the marketability of such

urban areas. Designing and developing safe and attractive housing types with higher built density (more housing units on the same amount of land) is critical in order to overcome the image that has plagued the reputation of higher density housing types. If important pedestrian-oriented places in the city such as Activity Centers and Neighborhood Commercial Nodes are to be successful, they will rely on adequate trade areas generated by new households occupying moderate density housing within convenient distances. (p. 1.4.38)

Policy 9.11: Minneapolis will support urban design standards that emphasize a traditional urban form in commercial areas.

Implementation Steps (selected):

- Enhance unique characteristics of the city's commercial districts by encouraging appropriate building forms and designs, historic preservation objectives, site plans that enhance the pedestrian environment, and by maintaining high quality public spaces and infrastructure.
- Enhance pedestrian and transit-oriented commercial districts with street furniture, tree planting, and improved transit amenities.
- Orient new buildings to the street to foster safe and successful commercial nodes and corridors.

Policy 9.15: Minneapolis will protect residential areas from the negative impact of non-residential uses by providing appropriate transitions.

Implementation Steps (selected):

- Provide appropriate physical transition and separation using green space, setbacks or orientation between residential and non-residential uses.
- Require screening and buffering for new developments next to residential areas.

Policy 9.16: Minneapolis will encourage new development to use human scale design features and incorporate sunlight, privacy, and view elements into building and site designs.

Implementation Steps (selected):

- Require that new development in downtown avoid creating negative impacts at sidewalk level and in public open spaces in terms of wind, lack of light penetration and other microclimate effects.
- Encourage the design of all new buildings to fulfill light, privacy and view requirements for the subject building as well as for adjacent buildings.

d. **Historic Mills District Master Plan (City Council and Mayor adopted the plan and an update to it (September 2001), the Update to the Historic Mills District Master Plan):** The Historic Mills District Master Plan (Master Plan) and the Update to the Historic Mills District Master Plan (Update) was published in June 1998 and later adopted by the City. It included an urban design plan and design guidelines for each block of the District. The following describes those policies most applicable to the project (refer to Attachment 9):

- **Uses (page 6-7 of the Update):** For the blocks south of 2nd St., the Update calls for residential with ground floor retail along 2nd St., especially at the corners, including eating and drinking establishments.
- **Scale (page 22 of the Update):** “High priority should be given to the adaptive reuse of existing vacant buildings and new buildings must be respectful of the scale, architecture and materials of the historic context.” (p. 22)
- **Building heights (page 14 of the Update):** The Historic Mills District Master Plan (Master Plan) and the Update to the Historic Mills District Master Plan (Update) call for buildings on Parcel F to be 8-9 stories (up to 112 feet).
- **Washington Avenue streetscape (pages 7, 13, and 26-28 of the Update):** The Update designates the Washington Ave. streetscape on Parcel F as a priority location for retail and as a “pedestrian/retail-friendly urban boulevard.” The plan’s streetscape design for Washington Ave. emphasizes the importance of having a strong street wall along Washington Ave. Figure 42 in the Update shows buildings about 20 feet from the curb. This includes a pedestrian zone that has an 11-13-ft. sidewalk, and 2 ft. of landscaping between the sidewalk and the curb. The text of the Update refers to a 13-17-ft. wide sidewalk. The origin of the guideline was derived as a compromise in the divergent goals of (a) encouraging new development, (b) preserving some of the views that have been part of the district for more than century, and (c) establishing a wide enough right-of-way so that at some point in the future, it is possible to re-establish Washington Avenue South as a tree-lined boulevard. Recent plantings in the boulevards and the median along this portion of Washington Ave. are helping the implementation of this last goal.
- **9th and 10th St. streetscapes:** The Update recommends a 10-ft. building setback to allow for small front yards (p. 29).

e. **Project Consistency with City Plans and Policies:**

- The residential portion of the project will have a total of 167 units on two of the three lots to be re-platted. This calculates to 111 units per

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acre for the site. The high-density residential category of the *Minneapolis Plan* fits this density. This is consistent with Policies 2 and 4 in the “Downtown 2010 Plan” and the Five-Year Goals that call for housing and making Downtown a premier destination.

- Consistent with the “Downtown 2010 Plan,” the *Minneapolis Plan*, the above City Goals, and the New Mills District Master Plan and Update, this project will provide needed housing, retail, and a hotel for the area. As specifically called for in the Update, the project includes first floor retail and eating and drinking establishments at the corners of Washington, 9th, and 10th Avenues; and at 9th Ave. and 2nd St. It also includes underground parking for the residents and 64% of the parking needed for the hotel guests.
- The completion of projects in this block will help to encourage other new development within the Mills District, particularly along Washington Avenue South. The addition of new workers, residents, and visitors to the area will help to solidify the market for neighborhood retail and commercial services and for hotel accommodations.
- Building heights for all three components of the project are within the policy (8-9 stories/112 ft.) in the Master Plan and its Update. The rectangular, 5-9-story design is consistent with the scale and form of other existing and proposed buildings in the area including the taller Guthrie Theater, the proposed Bridgewater (10 stories) at 1010 Washington Ave. S., and The Revue (5 stories) at 225 Chicago. The dominant building materials include stucco, metal panels, and glass, and they are comparable with existing structures in the area.
- Building setbacks: Policy 9.11 calls for buildings in commercial areas to be oriented to the street via traditional urban form. This implies building close to the property line. Also, the Master Plan and Update have specific setback recommendations (refer to the site plan review section of this report for more information on this matter).
 - Washington Ave.: The Zoning Code requirement that buildings be located within 8-feet of the property line matches the approximate 20-foot setback from the curb called for in the Historic Mills District Master Plan and its Update for this block face of Washington Ave. The hotel component of the project will have a sidewalk that varies from 17 to 23 feet, and boulevard planters. The hotel setback will vary between 5 ft. and 11 ft. This is partially inconsistent with the Master Plan and its Update, which recommends an 8-ft. setback.
 - 9th Ave.: The hotel and condominium components will have 7-8-ft. setbacks, sidewalks that are 15-17-ft. wide, and an 11-ft.-

wide landscaped boulevard. This is consistent with the Master Plan and its Update.

- 10th Ave.: The respective measurements for Condominium Building C and the hotel are setbacks of 11 and 14 ft., sidewalks of 10 and 21 ft., and a 12-ft.-wide landscaped boulevard. This is consistent with the Master Plan and its Update with the exception that the hotel setback exceeds the 11-ft.-wide setback by 3 ft.
- 2nd St.: The respective measurements for Condominium Building B and C are setbacks of 10 and 11 ft., sidewalks of 16 and 9 ft., and an 8-ft.-wide landscaped boulevard.
- The project will be consistent with the transportation and CPTED policies in the “Downtown 2010 Plan” and the *Minneapolis Plan*.

6. And does in all other respects conform to the applicable regulations of the district in which it is located upon approval of these conditional use and other permits.

The recommendations and conditions of approval herein will ensure the project conforms to the applicable regulations of the C3A District. The other sections of the Zoning ordinance that apply to this proposal are Section 551.760 (2), which addresses the need for a CUP for accessory parking lots in the Downtown Parking Overlay District; Sections 551.855 and 525.520 (20), which deal with the sign regulations in the Downtown Height Overlay District and the needed variance; 530, Site Plan Review; and Chapter 598, which deals with the preliminary plat.

B. Special Findings as Required by the Minneapolis Zoning Code for the Planned Residential Development:

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 proposed project is compatible with the surrounding uses (refer to Finding # 1 above).

- 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.

As detailed below regarding exceptions to the Zoning Code, the staffs of the Planning and Public Works Departments are satisfied that the project will not result in significant parking, loading, or traffic impacts.

- 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.**

Refer to the section C below for a listing of the project amenities.

- 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.**

Refer to the findings concerning site plan review approval in the following section. The following section that deals with exceptions to the Zoning Code addresses the parking issue in detail.

- 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.**

Refer to the findings concerning site plan review approval in the following section.

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

Refer to the section of this report that addresses the preliminary plat.

C. Exceptions to Zoning Ordinance Standards for Planned Unit Developments

Chapter 527, Planned Unit Development authorizes the City Planning Commission to approve exceptions to the zoning regulations that are applicable to the zoning district in which the development is located. This may be done only upon finding that the Planned Unit Development includes adequate site amenities to address any adverse effects of the exception.

The Zoning Code at 527.10 defines the purpose of a Planned Unit Development “. . . to better utilize the special features of sites and to obtain a higher quality of development

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which incorporates high levels of amenities and which meets public objectives for protection and preservation of natural and historic features.” Acceptable mitigating amenities include the rehabilitation and reuse of locally designated historic structures and design of new construction which is similar in form, scale and materials to existing structures on the site and to surrounding development.

The project requires the following exceptions to the zoning regulations:

- **Section 527.140 (b), Bulk regulations:** The Zoning Code authorizes the Planning Commission to increase the allowable height for the purpose of promoting an integrated project that provides additional site amenities. The project is within the Downtown Height Overlay District. This allows buildings of up to 112 feet and 8 stories, whichever is less. All three buildings meet the 112-ft. height limit, but the two condominium buildings are 9 stories high. As stated above in the response to Finding 5, the Historic Mills District Master Plan and its Update call for buildings that are up to 9 stories high and 112 ft. The rectangular, 5-9-story designs for the three buildings are consistent with the scale and form of other existing and proposed buildings in the area including the significantly taller Guthrie Theater, the proposed Bridgewater (10 stories) at 1010 Washington Ave. S., and The Revue (5 stories) at 225 Chicago. Several of the historic buildings in the area are also taller than the proposed 112-ft. height. The top two floors of the buildings step back 7 or more feet from the building footprints. The dominant building materials include stucco, metal panels, and glass, and they are comparable with existing and proposed structures in the area.

Project amenities include the following:

- **Mixed use and structured parking:** Consistent with the applicable goals and policies for the area (refer to the response to the Finding 5 in the CUP section of this report), the project includes first floor retail and eating and drinking establishments at the corners of Washington, 9th, and 10th Avenues; and at 9th Ave. and 2nd St. It also includes underground parking for the residents and 64% of the parking needed for the hotel guests.
- **Landscaping and the interior courtyard open to the public:** The project includes landscaping both on site and on the boulevards. Accounting for the total landscaping, the project includes 28% of the adjusted net site (refer to the landscaping detail in the site plan review portion of this report). Also, the project will include 95 trees (including trees in the public right of way), 74 more than the minimum required by the Zoning Code, and more than 2,500 plantings of grasses and perennials. The project includes a large landscaped courtyard area between the two condominium buildings that provides pedestrian access for the users of the buildings and to the public and connects the interior of the site to 9th and 10th Avenues and 2nd St. It includes walkways made of decorative pavers, ornamental metal fencing and railings, and decorative pedestrian-oriented lighting.
- **Wood planking, pervious surfaces, and stormwater management:** The project maximizes the use of pervious surfaces by using wood planks in the

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boardwalk area between the two condominium buildings and the hotel drop-off area (6,970 sq. ft.). The spaces between the planks allow stormwater to percolate through a filtering layer where it is directed into two underground filtration storage pipes. The roof drains for the buildings and the rest of the site also drain to these filtration storage pipes. As such, the project includes 24,852 sq. ft. of pervious surfaces, which equals 24% of the site. Although there are no impervious surface maximums that apply to the project; for comparison purposes, it's useful to know that the Zoning Code requires a minimum of only 15% in the high-density residential and office residential districts. The project's stormwater management plan will have to meet the City's requirements of treatment of 100% of the stormwater and removal of 70% of the totally suspended particles.

- **Outdoor seating:** The plan includes an outdoor seating area at the corner of Washington and 10th Avenues.
- **Use of glass:** The project significantly exceeds the minimums required by the Zoning Code for glass on all building facades (with a few exceptions which are the subject of Alternative Compliance).
- **Residential patios and upper-floor balconies:** Condominium Building C includes patios for all of the ground floor units on 9th Ave. and 2nd St. and both condominium buildings include upper floor balconies and roof-top terraces.
- **Integrated project and architecture:** The three buildings will be architecturally compatible with one another to create an integrated design through the use of similar façade materials, windows and doors, and lighting and landscaping plans. The interior courtyard and the service drive and hotel drop-off will also help to unify the site visually as well as functionally. Also, the residents will be able to use the work-out facilities in the hotel.

Based on the above, Planning staff recommend the Planning Commission approve this exception per 527.140 (b) to allow the height of Condominium Buildings B and C to be increased to 9 stories.

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The applicant's statement follows (however, a CUP is not required as stated):

The buildings are within the allowable height prescribed by the Downtown Height Overlay. Sherman Associates, Inc. seeks a conditional use permit to increase the maximum number of stories from eight to nine for the two residential buildings along 2nd Street S. This height increase is consistent with the heights proposed for the site in the city's Update to the Historic Mills District Plan, as well as with the adjacent Bridgewater project currently under construction between 10th Ave S and 11th Ave S, Washington Avenue S and 2nd Street S. Given that the scale of the proposed buildings is consistent with the other buildings in the area, including the new Guthrie Theater, it is not anticipated that these buildings would negatively impact access to light and air or create other negative impacts for surrounding property owners. The proposed building heights will facilitate development at the appropriate density outlined in city policies and plans for the area.

- **Section 527.160, Yards:** The C3A District requires no yards on the four street fronts but Table 548-3 specifies a 15 ft. rear yard for the three buildings. In order to match up the proposed platting with the walls of the shared underground garage, the proposed lot lines place the two condominium buildings in their own required rear yards. However, Section 527.160 authorizes the Planning Commission to reduce or eliminate yards that would otherwise be required. The project includes sufficient separation between the three buildings (a minimum of 55 ft. between the two condominiums and a minimum of 38 ft. between the hotel and the condominiums). As such, Planning staff recommend the Planning Commission approve this exception per 527.160 to reduce the required rear yards from 15 ft. to zero. The applicant, working with Inspections Department staff, must ensure that the proposal complies with relevant provisions of the building code.
- **Section 527.170, On premise signs:** The Zoning Code authorizes the Planning Commission to allow signs that vary from the otherwise applicable Code requirements, provided the project includes a master sign plan. The project includes one sign that exceeds the size limitation as defined in Table 543-1. The 9' X 25' (225 sq. ft.) rooftop sign proposed for the west (9th Ave.) side of the hotel exceeds the 180-sq.-ft. maximum for signs in the C3A District. Since the sign is a rooftop sign, it requires a variance that is addressed in the variance section of this report. The size of the sign can be addressed as an exception to the Zoning Code. Attachment 6b summarizes the master sign plan. The plan includes a total of 15 signs for the three buildings which cover a total of 930 sq. ft. Table 543-2 does not limit the number of signs. The entrances to the hotel, to the three commercial spaces, and to the two condominium buildings all have signs that are 32 or 45 sq. ft. in size, with one exception, a 180 sq. ft. sign for the main entrance to the hotel on Washington Ave. Three of the signs for the entrances for hotel and its two commercial uses are internal to the site. There is also an entrance sign for the garage on 9th Ave. All but the garage sign are 14 ft. high at the top (the garage sign is 12 ft.). Planning staff believe the size and number of first floor signs are reasonable. The proposed roof sign is

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25% larger than the maximum allowed in the Code. Considering that it is the only sign on the west side of the hotel and at 70 ft. above the street on top of a 5-story building, this increase in size should not be perceived as excessive. It is integrated into the west end of an artistic signature rooftop element that provides a sweeping design along the south façade. This rooftop design element above the hotel roof is 32 ft. wide and runs the entire 309-ft. length of the hotel.

Based on the above, Planning staff recommend the Planning Commission approve this exception per 527.170 to allow an increase in the permitted size of the hotel sign from 180 to 225 sq. ft.

- **Section 527.180, Off-street parking, loading, and traffic impacts:** This section of the Zoning Code authorizes the Planning Commission to reduce the parking and loading requirements provided it considers the “parking and loading requirements for the individual uses within the PUD as specified in Chapter 541, the nature of the uses and population served, documentation supplied by the applicant regarding the actual and loading demand for the proposed use, the potential for shared parking and loading, and the use of alternative forms of transportation.”

Attachment 6a describes the parking requirements based on the Zoning Code. To summarize, the residential components of the two condominium buildings will provide underground parking at the rate of 1.3 stalls per unit. When comparing the Zoning Code’s total parking requirement for the non-residential components of the project (i.e. the hotel, its meeting and dining rooms, and the three commercial spaces), the project has a parking gap of 92 stalls. However, the Zoning Code over-predicts the actual demand in this case because it treats the dining and meeting spaces in the hotel as if it were a stand-alone restaurant when, in fact, most of the users will likely be hotel guests whose parking demand is already accounted for and others who have already parked in the area for other purposes (e.g. patrons of the Guthrie, Mill City Museum and Metrodome). Thus, the actual demand for the 3,375 sq. ft. of hotel dining and meeting spaces will be a fraction of the 68 stalls required by the Code.

The Travel Demand Management (TDM) Plan developed for Parcel E and Parcel F (dated 9/14/05; refer to p. 24 of Attachment 7) predicted a parking gap of 302 stalls which would be satisfied by the adjacent Guthrie ramp except for a peak event gap of 195 stalls. The plan includes the following conclusion as regards parking demand and supply: “...Sufficient parking supply is expected in all of the scenarios except the [Guthrie’s] peak Wednesday matinee time period, assuming the TDM Goals are met. . . . The peak Wednesday matinee event occurs over only a 6-8-week period in November and December . . . [when] only 36% (195 users) of the displaced vehicles would need to locate outside of the study area to accommodate the proposed project parking demand during a peak matinee event.” However, this TDM Plan studied a much more intense project for Parcel F than currently proposed. The actual project has a parking stall gap that is 210 stalls less than predicted by the TDM Plan. This will result in the elimination of the peak-event parking gap. There are also

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approximately 174 on-street parking stalls which are easily accessible to both blocks that were not figured into the TDM Plan analysis. Attachment 8 provides a letter from the Public Works Department that commits to establish a parking validation program for hotel guests. Both Planning and Public Works staff are satisfied that the project will not have a significant adverse effect on parking in the area.

As regards traffic impacts, the TDM Plan states on page 32 that “there are no significant impacts on the local roadway network resulting from the development of the Parcel E and Parcel F sites. As such, no improvements are required to the intersection geometrics or signal timing.” Furthermore, the joint TDM plan studied a much more intense project for Parcel F than currently proposed.

As regards alternative transportation, Metro Transit operates three routes on Washington Ave. Routes 7, 19, and 20. The Gateway Transit Center, located 4 blocks to the west, serves 13 other routes, and the LRT station is 4 blocks to the southwest. Also, the City maintains several bike paths on surrounding and nearby streets.

Attachment 6a also describes the loading requirements. As for the hotel, the Code specifies 2 large (12 ft. by 50 ft.) loading areas and for the condominiums, it specifies “as approved by CUP.” The project includes one large loading area between the hotel and Condominium Building B to be shared by all of the uses. Both Planning and Public Works staff believe this single, shared loading area, in combination with the service drive, will be sufficient for all of the uses on the site.

Based on the above, Planning staff recommend the Planning Commission approve this exception per 527.180 to allow the reduction of required on-site parking for the non-residential uses from 136 to the 46 stalls that are proposed, provided the applicant maintain a parking validation program for the hotel guests; and a reduction in the required loading areas from two to one.

The applicant’s statement follows (however, a variance is not required as stated):

Sherman Associates, Inc. seeks a parking variance to reduce the amount of parking required for the hotel and commercial building along Washington Avenue South, as well as for the first floor commercial space located on the ground floor of the condominium building at 9th Avenue S and 2nd Street S. A calculation of the required parking is supplied above. Given the proximity of light rail transit (two blocks from the site), bus service along Washington Avenue S and the amount of structured parking available in the adjacent Riverfront and Mill District ramps, Sherman Associates, Inc. proposes to build thirty two underground parking stalls for the hotel and twelve surface short-term parking stalls for the retail space and seeks a variance to reduce the required parking requirement from 166 stalls to 44. The balance of the parking for the hotel and long-term parking for the commercial tenants would be provided in the adjacent

Guthrie parking ramp through a validation agreement with the city's Public Works department. See attached letter outlining the terms of the agreement.

D. Findings as Required by the Minneapolis Zoning Code for the Conditional Use Permit for an Accessory Parking Lot in the Downtown Parking Overlay District:

The Community Planning and Economic Development Department – Planning Division has analyzed the application and from the findings below concludes that the establishment, maintenance, or operation of the proposed conditional use:

1. Will not be detrimental to or endanger the public health, safety, morals, comfort, or general welfare.

The purpose of the Downtown Parking Overlay District is “to preserve significant and useful buildings and to protect the unique character of the downtown area and the mixed-use downtown neighborhoods by restricting the establishment or expansion of surface parking lots.” The project includes 13 surface stalls that are located in the interior of the site and to the rear of the two commercial spaces that will front on Washington Ave. and be on the east end of the hotel building. These 13 stalls help reduce the 84-stall, on-site parking gap and provide needed parking primarily for the three retail uses that will be on site (the Zoning Code requires 17 stalls for these three commercial uses). Although the attached landscape plan does not currently show it, the eastern end of the parking lot will include landscaping and screening consistent with the Zoning Code. The proposed surface parking lot will be compatible with the surrounding uses.

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.

As stated above in the prior response, the proposed surface parking lot will be compatible with the surrounding uses.

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

Refer to the response to Finding #3 in the above CUP analysis.

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

Refer to the section that deals with exceptions to the Zoning Code and addresses the parking issue in detail.

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

Refer to the response to Finding #5 in the above CUP analysis.

- 6. And does in all other respects conform to the applicable regulations of the district in which it is located upon approval of these conditional use and other permits.**

Refer to the response to Finding #6 in the above CUP analysis.

VARIANCE

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

The Board of Adjustment and Planning Commission shall not vary the regulations of the zoning code, unless it makes each of the following findings based upon the evidence presented to it in each specific case:

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

The applicant is proposing to integrate a 9' X 25' (225 sq. ft.) rooftop sign into the roof design on the west (9th Ave.) side of the hotel (refer to sheet A3.1 in Attachment 4). Although the Zoning Code has a general prohibition of rooftop signs, the Code includes an exception which took into account the historic character of existing rooftop signs on large-scale buildings in the Historic Mills District. Section 551.855, which deals with the Downtown Height Overlay District, allows rooftop signs for buildings of 100,000 sq. ft. or larger in a specific area of the City within the historic district.¹ The site is within this area but the building is less than 100,000 sq. ft. (86,400 sq. ft.). Sherman Associates has applied for a sign variance to vary the 100,000 sq.-ft. requirement to 86,400 sq. ft. per Section 525.520 (20). This particular variance allows the Commission to vary the standards of any overlay district.

The applicant's statement follows: "Sherman Associates, Inc. seeks a variance to allow a 250 square foot roof top sign on the hotel building. The proposed sign is designed to complement the exterior architecture of the hotel building, while also reflecting the character of the historic roof tops signs found in the Mill District (e.g. the Gold Medal Flour and North Star blanket factory signs). Given that roof top signs are characteristic of the area, the zoning code allows them for buildings over 100,000 square feet. However, given that the hotel building is 86,400 square feet, a variance is required to accommodate the sign."

¹ 551.855. Roof signs. Notwithstanding any other provision to the contrary, on-premise roof signs may be allowed on nonresidential, multiple story buildings containing at least one hundred thousand (100,000) square feet of gross floor area located within the area bounded by Tenth Avenue South, Washington Avenue South, Third Avenue South and the Mississippi River, when approved as a sign adjustment pursuant to Chapter 543, On-Premise Signs, and Chapter 525, Administration and Enforcement.

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Recently, the MacPhail Center for Music applied for this same sign variance to reduce the 100,000 sq.-ft. requirement for the 55,596 sq. ft. music building. Planning staff recommended denial of this permit and the Commission agreed with this recommendation. MacPhail chose not to appeal the decision. As was the case with the MacPhail project, there are no compelling reasons that prevent this new hotel structure from complying with the sign ordinance and removing the sign from the roof.

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.**

Refer to the response to the prior finding.

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.**

As stated above, Planning staff believe the size and number of first floor signs are reasonable and the proposed roof sign, which is 25% larger than the maximum allowed in the Code is also reasonable (refer to the first CUP section of this report that deals with exceptions to the Zoning Code). It will be the only sign on the west side of the hotel and will be located 70 ft. above the street on top of a 5-story building. It will be integrated into the west end of an artistic signature rooftop element that provides a sweeping design along the south façade. This partial roof above the hotel roof is 32 ft. wide and runs the entire 309-ft. length of the hotel. There are three other buildings with rooftop signs to the west on 2nd Street: the North Star Blankets sign at Portland Ave., the Mill City Museum sign, and the three large pillar signs on the new Guthrie Theater.

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 sign variance will have no significant effect on congestion, the danger of fire, public welfare, or public safety.

SITE PLAN REVIEW

Required Findings for 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 and applicable small area plans adopted by the city council. (See Section B Below for Evaluation.)

Section A: Conformance with Chapter 530 of Zoning Code

BUILDING PLACEMENT AND 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. In the case of a corner lot, the principal entrance shall face the front lot line.
- Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.
- For new construction, the building walls shall provide architectural detail and shall contain windows as required by Chapter 530 in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility.
- In larger buildings, architectural elements, including recesses or projections, windows and entries, shall be emphasized to divide the building into smaller identifiable sections.
- Blank, uninterrupted walls that do not include windows, entries, recesses or projections, or other architectural elements, shall not exceed twenty five (25) feet in length.
- Exterior materials shall be durable, including but not limited to masonry, brick, stone, stucco, wood, metal, and glass.
- The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.
- The use of plain face concrete block as an exterior material shall be prohibited fronting along a public street, public sidewalk, public pathway, or adjacent to a residence or office residence district.
- Entrances and windows:
 - Residential uses:

Principal entrances shall be clearly defined and emphasized through the use of architectural features such as porches and roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Twenty (20) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

 - a. Windows shall be vertical in proportion.
 - b. Windows shall be distributed in a more or less even manner.
 - Nonresidential uses:

Principal entrances shall be clearly defined and emphasized through the use of architectural features such as roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Thirty (30) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

 - a. Windows shall be vertical in proportion.
 - b. Windows shall be distributed in a more or less even manner.

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- c. The bottom of any window used to satisfy the ground floor window requirement may not be more than four (4) feet above the adjacent grade.
- d. First floor or ground floor windows shall have clear or lightly tinted glass with a visible light transmittance ratio of 0.6 or higher.
- e. First floor or ground floor windows shall allow views into and out of the building at eye level. Shelving, mechanical equipment or other similar fixtures shall not block views into and out of the building in the area between four (4) and seven (7) feet above the adjacent grade. However, window area in excess of the minimum required area shall not be required to allow views into and out of the building.
- f. Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.

Minimum window area shall be measured as indicated in section 530.120 of the zoning code.

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

Conformance:

- Building placements and amenities between the buildings and the lot lines are as follows:
 - **Washington Ave.:** The hotel setback is 11 ft along all but the western 20% of its length, where it reduces to 5 ft. for the main entrance. As stated above, the Update's streetscape design for Washington Ave. includes a pedestrian zone that has an 11-13-ft. sidewalk, and 2 ft. of landscaping between the sidewalk and the curb; however, the text refers to a 13-17-ft. sidewalk. The project has an 18-ft.-wide, clear sidewalk on the eastern portion of the hotel between the building and the 4-ft.-wide portion of the sidewalk closest to the curb for the tree grates and street lights. This narrows to 12 ft. on the western 20% of the hotel. This design is partially inconsistent with the Zoning Code because most of the hotel setback exceeds the 8-ft.-minimum by 3 ft. The Alternative Compliance section below presents the case for granting alternative compliance as regards this inconsistency.
 - **9th Ave.:** Condominium Building B (which will have a commercial use on the first floor and entrances on 9th Ave. and 2nd St.) and the hotel will have 7-8-ft. setbacks, sidewalks that are 15-17-ft. wide, and an 11-ft.-wide landscaped boulevard. This is consistent with the Zoning Code and the sidewalk widths called for in the Master Plan and its Update.
 - **10th Ave.:** The respective measurements for Condominium Building C and the hotel are setbacks of 11 and 14 ft., sidewalks of 10 and 21 ft., and a 12-ft.-wide landscaped boulevard. The ground floor units in the condominium building include 6-ft.-deep patio areas that are enclosed by a 3-ft.-tall wall. Sidewalk covers the 3-ft. space between the patio walls and the property line. This is partially inconsistent with the Zoning Code because the hotel and condominium building setback exceeds the 8-ft.-wide setback maximum by 3-6 ft. The Alternative Compliance section below presents the case for granting alternative compliance as regards this inconsistency.
 - **2nd St.:** The respective measurements for Condominium Building B and C are setbacks of 10 and 11 ft., sidewalks of 16 and 9 ft., and an 8-ft.-wide landscaped

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boulevard. As with the 10th Ave. side of the Condominium Building C, the ground floor units include patio areas that are enclosed by a 3-ft. tall wall. Additional sidewalk covers the 3-ft. space between the walls and the property line. This is inconsistent by 2-3 ft. with the Zoning Code. The Alternative Compliance section below presents the case for granting alternative compliance as regards this inconsistency.

- The principal entrances for the three buildings all face streets and are clearly defined by architectural treatments that include recesses and canopies, additional glass, access stairs and ramps, and identification signs.
- All of the residential parking and most of the hotel parking is underground. The entrance to the garage is on 9th Ave. The surface parking is interior to the site and also accessed via 9th Ave.
- Attachment 6c lists the percentage of glass for all of the sides of the three buildings. The chart shows that all facades exceed the minimum glass requirement in the Code and they are spaced in an even, rhythmical pattern, with the following exceptions:
 - **10th Ave. façade:** Attached plans for the east side of the hotel and Attachment 6c show that the first floor has no glass and the other four floors only 4% glass. The developer stated that “on the ground floor, we plan to add glazing to the southern third of the east elevation at the first floor. On the upper floors, we can achieve 10% by widening the windows.”
 - **Corner of Washington Ave. and 9th Ave.:** The first floor facades on this corner have a limited amount of glass and the windows are long and thin and placed horizontally rather than vertically as required by the Code. The 9th Ave. façade does not meet the minimum 30% requirement on the first floor. The applicant states that “the program spaces behind these walls are not public-oriented, so glazing is not as appropriate as for retail or lobby spaces. We are working to provide more visual interest to these walls, including the possibility of adding clerestory windows, but it is unlikely we will achieve 30% glazing in these walls.”
 - The Alternative Compliance section below presents the case for granting alternative compliance as regards these inconsistencies.
- Primary façade materials for the hotel include spandrel and vision glass, colored metal panels, stucco, and Prodema (impregnated wood); and for the two condominium buildings: vision glass, colored metal panels, and stone. There are no blank walls longer than 25 ft. and all sides of all of the buildings are compatible with each other. There are vertical design elements that visually break up the longer facades into smaller identifiable sections.
- The roofs are flat as is the case for virtually all of the buildings in the area.

ACCESS AND CIRCULATION:

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

Conformance:

- The project includes two new curb cuts on 9th Ave. for entrances to the garage and service drive, and a curb cut on 10th Ave. for the service drive.
- Wide sidewalks surround the site on all sides and there are connecting sidewalks to all building entrances. The ground floor units in Condominium Building C have private entrances from the sidewalks on 10 Ave. and 2nd St. The private service alley that runs east-west between the hotel and the condominium buildings provides access for the surface parking stalls, the hotel drop-off zone, and for emergency vehicles. It also provides space for loading and trash and recycling management. There will be public access through the site.
- There are no on-site transit shelters proposed.
- All areas not needed for buildings or access are landscaped.

LANDSCAPING AND SCREENING:

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

Conformance:

- With the exception of the service drive, sidewalks and stoops, and parking and loading areas, the entire site is landscaped. The net site (102,916-52,050) equals 50,866 sq. ft. and the Code requires 10,173 sq. ft. of landscaping (20%). The project has 8,750 sq. ft. of on-site landscaping, which equals 17% of the net site, and an additional 7,544 sq. ft. of landscaping in the public right-of-way. Adjusting for this additional landscaping equals 28% of the net site. However, the Code requires 20% on-site landscaping of the net site. The Alternative Compliance section below presents the case for granting alternative compliance as regards the inconsistency.
- The Code requires a minimum of 21 trees and 102 shrubs. The project will include 97 trees (53 on-site and 44 trees in the public right of way), 74 more than the minimum required; and 54 shrubs, 48 less than the minimum required. However, the project also includes 988 grasses in 1-gallon containers and 1,524 perennials.
- The applicant has committed to provide the required landscaping and screening between the surface parking lot and 10th Ave. The above figures do not account for this additional landscaping.
- The Code requires two additional trees in the surface parking lot and the applicant has committed to add them to the landscape plan.

ADDITIONAL STANDARDS:

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

Conformance:

- The project will comply with the Code as regards needed curbing and drainage.
- As stated above, the applicant has committed to provide the required landscaping and screening between the surface parking lot and 10th Ave.

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- Lighting will be consistent with the Code through the use of full cut-off fixtures and proper placement. The lighting for the roof top sign, if approved, will be designed to minimize glare. The Police Department and CPTED¹ staff reviewed the design as regards crime prevention design elements.
- As regards blocking views of important downtown buildings, the project will, to some degree, block views from the proposed Bridgewater residential development proposed to the east of the site and from the proposed McGuire Foundation Park to be built to the northeast of the site. It will also block views of the Historic Mills District buildings and the Guthrie Theater located to the northwest of the site for people to the southeast and south of the site. However, the height and scale of the project is consistent with the approved Master Plan and its Update so this blockage is considered an acceptable byproduct of appropriate development.
- With heights at 5 and 9 floors, the buildings will have no significant impact on the generation of pedestrian-level winds.

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

Zoning Code: The proposed use is conditional in the C3A District.

Off-Street Parking and Loading: As stated above, the residential components of the two condominium buildings will provide underground parking at the rate of 1.4 stalls per unit. When comparing the Zoning Code's total parking requirement for the non-residential components of the project, the project has a parking gap of 84 stalls. Based on the TDM Plan developed for Parcel E and Parcel F, both Planning and Public Works staff are satisfied that the project will not have a significant adverse effect on parking in the area, and that the single loading area, in combination with the service drive, will be sufficient for all of the uses on the site.

Maximum Floor Area: The maximum floor area in the C3A District is 2.7. The project is eligible for two bonuses: a 20% bonus for enclosed parking and the 20% bonus as a Planned Unit Development. This increases the allowable FAR to 5.6. The floor area ratio for this project (371,700/102,916) equals 3.6.

Building Height: Building height in the C3A District is limited to 4 stories or 56 feet, whichever is less. The project is within the Downtown Height Overlay District which increases the allowable height for multi-family developments located between Washington Ave. and 2nd St. to 8 stories or 112 ft., whichever is less. All three buildings meet the 112-ft. height limit, but the two condominium buildings are 9 stories high. The additional story is addressed in the section of this report that deals with the exceptions to the Zoning Code in the CUP for the Planned Unit Development.

Minimum Lot Area: The minimum lot area for planned unit developments in the C3A District is 400 sq. ft. per unit. The lot area per unit for the project is (102,916/167) equals 616 sq. ft. per unit. The lot area requirements would allow a maximum of 257 units on the site, not counting the 20% density bonus the project is eligible for as a Planned Unit Development and the additional 20% bonus for the structured parking.

Yard Requirements: The C3A District requires no yards on the four street fronts. Table 548-3 specifies a 15 ft. rear yard for the three buildings. The matter of eliminating these required rear yards is addressed in the section of this report that deals with the exceptions to the Zoning Code in the CUP for the Planned Unit Development.

Specific Development Standards: The hotel use must provide a minimum of 50 guest sleeping rooms. The hotel has 155 rooms.

Hours of Operation: The C3A District specifies the hours open to the public for the retail uses only (the residential and hotel uses are exempt) as Sunday through Saturday from 6 a.m. to 1 a.m.

Signs: Signs are subject to Chapter 531 and 543 of the Zoning Code. The master sign plan for the project is consistent with the Zoning Code with two exceptions. The section of this report that deals with the exceptions to the Zoning Code in the CUP for the Planned Unit Development addresses the proposed rooftop sign which exceeds the 180-sq.-ft.-maximum allowed in the Code. The variance section of this report addresses the requested variance for this same rooftop sign.

Refuse storage: All storage of refuse and recyclable materials will be enclosed in the buildings and accessed via the service drive.

Minneapolis Plan: Refer to the Conditional Use Permit section of this report.

Alternative Compliance: The Planning Commission or zoning administrator may approve alternatives to any site plan review requirement upon finding any of the following:

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

Conformance: The application meets all applicable provisions of the Zoning Code with the following exceptions:

- **Building setbacks:** The Code calls for buildings to be built within 8 feet of the property lines in the C3A District. This requirement applies to the four streets that surround the site. As detailed above in the section dealing with building placement and facades, the project is partially inconsistent with the Zoning Code because the some of the hotel and condominium

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building setbacks exceed the 8-ft.-minimum by 2-6 ft. on Washington Ave., 10th Ave., and 2nd St.

- **Building glass:** The first floors of the east and west façades of the hotel on 10th and 9th Avenues respectively are not likely to meet the Code’s 30% glass requirement even after the developer modifies the plans to add more glass.
- **Landscaping and screening:** The project does not meet the 20% on-site landscaping requirement and the Code.

The city planning commission or zoning administrator may approve alternatives to any site plan review requirement upon finding any of the following:

1. **The alternative meets the intent of this chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, green roof, decorative pavers, ornamental metal fencing, architectural enhancements, transit facilities, bicycle facilities, preservation of natural features, 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.**

As described above in the CUP section of this report, the project includes the following site amenities:

- **Mixed use and structured parking:** Consistent with the applicable goals and policies for the area (refer to the response to the Finding 5 in the CUP section of this report), the project includes first floor retail and eating and drinking establishments at the corners of Washington, 9th, and 10th Avenues; and at 9th Ave. and 2nd St. It also includes underground parking for the residents and 64% of the parking needed for the hotel guests.
- **Landscaping and the interior courtyard open to the public:** The project includes landscaping both on site and on the boulevards. Accounting for the total landscaping, the project includes 28% of the adjusted net site (refer to the landscaping detail in the site plan review portion of this report). Also, the project will include 95 trees (including trees in the public right of way), 74 more than the minimum required by the Zoning Code, and more than 2,500 containers of grasses and perennials. The project includes a large landscaped courtyard area between the two condominium buildings that provides pedestrian access for the users of the buildings and to the public and connects the interior of the site to 9th and 10th Avenues and 2nd St. It includes walkways made of decorative pavers, ornamental metal fencing and railings, and decorative pedestrian-oriented lighting.
- **Wood planking, pervious surfaces, and stormwater management:** The project maximizes the use of pervious surfaces by using wood planks in the boardwalk area between the two condominium buildings and the hotel drop-off area (6,970 sq. ft.). The spaces between the planks allow stormwater to percolate through a filtering layer where it is directed into two underground filtration storage pipes. The roof drains for the buildings and the rest of the site also drain to these filtration storage

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pipes. As such, the project includes 24,852 sq. ft. of pervious surfaces, which equals 24% of the site. Although there are no pervious surface maximums that apply to the project; for comparison purposes, it's useful to know that the Zoning Code requires a minimum of only 15% in the high-density residential and office residential districts. The project's stormwater management plan will have to meet the City's requirements of treatment of 100% of the stormwater and removal of 70% of the totally suspended particles.

- **Outdoor seating:** The plan includes an outdoor seating area at the corner of Washington and 10th Avenues.
- **Use of glass:** The project significantly exceeds the minimums required by the Zoning Code for glass on all building facades (with the above listed exceptions which are the subject of this Alternative Compliance analysis).
- **Residential patios and upper-floor balconies:** Condominium Building C includes patios for all of the ground floor units on 9th Ave. and 2nd St. and both condominium buildings include upper floor balconies and roof-top terraces.
- **Integrated architecture:** The three buildings will be architecturally compatible with one another to create an integrated design through the use of similar façade materials, windows and doors, and lighting and landscaping plans. The interior courtyard and the service drive and hotel drop-off will also help to unify the site visually as well as functionally.

2. Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.

There are no substantive site locations or conditions that prohibit the project from complying with the Zoning Code's requirements; however, the proposed alternatives and site amenities meet the intent of this chapter.

3. The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.

Hotel setback concerns: Since the hotel fronts on three streets and the main entrance is near the corner of Washington and 9th Avenues, the larger setback off 10th Ave. is understandable. The plan includes an outdoor seating area at this corner that helps to "hold the corner." There is a 6-ft. change in grade along Washington Ave. This necessitates the stairs and landing that serves the two retail store entrances on the eastern end of the building and for the hotel's main entrance, and these stairs are 2 ft. from the property line. Strict compliance with the Zoning Code would place the stairs one foot into the public right-of-way and reduce the sidewalk in those areas to 10 ft., which is less than that called for in the Master Plan and its Update.

2nd St. side of Condominium Building B: Most of this building is 10 ft. from the property line. If it were moved 2 ft. closer to 2nd St., the handicap access ramp would narrow the available sidewalk on the eastern portion of the building to 6 ft., which is less than that called for in the Master Plan and its Update. In addition, the developer anticipates that the

area inside the property line will include site furnishings such as planters, with the potential for outdoor seating in the future.

2nd St. and 10th Ave. sides of Condominium Building C: This building is 11 ft. from the property lines. If it were moved 3 ft. closer to 2nd St., the handicap access ramp would narrow the available sidewalk on the western portion of the building to 6 ft., which is less than that called for in the Master Plan and its Update. The ground floor units include 6-ft.-wide patio areas that are enclosed by a 3-ft. tall wall. Additional sidewalk covers the 3-ft. space between the walls and the property line. If the building were moved 3 ft. closer to 10th Ave. to comply with the Code, the patio walls would narrow the available sidewalk to 7 ft., which is less than that called for in the Master Plan and its Update. The proposed setback is only one foot further than that called for in the Master Plan Update on 10th Ave. to allow for small front yards (p. 29). To shrink the width of the patios to 3 ft. to conform to the Code while not compromising the sidewalk width would make the patios less useable. This three foot space in front of the retaining walls will be occupied by plantings, similar to other area developments including Metropolitan Lofts and Park Avenue Lofts.

Staff conclusion: Considering the above, and the fact that this site is built to a very high density, staff believe the project meets the intent of this chapter and the site plan includes amenities and improvements that address any potential adverse effects.

PRELIMINARY PLAT

Required Findings:

- 1. The subdivision is in conformance with these land subdivision regulations, the applicable regulations of the zoning ordinance and policies of the comprehensive plan.**

The other sections of this report address in detail the project's conformance with the applicable regulations of the zoning ordinance and the policies of the comprehensive plan and other applicable adopted plans. The subdivision is in conformance with the design requirements of the zoning code and the land subdivision regulations. Staff of the Public Works Department reviewed and approved the proposed preliminary plat.

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

The subdivision will not be injurious to the use and enjoyment of other property. Refer also to the responses to the findings in the sections of this staff report on this project dealing with the Conditional Use Permit for a Planned Unit Development, Variance, and Site Plan Review).

- (3) All land intended for building sites can be used safely without endangering the residents or users of the subdivision or the surrounding area because of flooding,**

erosion, high water table, soil conditions, improper drainage, steep slopes, rock formations, utility easements or other hazard.

Stormwater Runoff: The project will have to obtain approval of a Stormwater Management Plan that will treat 100% of the stormwater on the site and ensure the removal of 70% of the totally suspended solids per the City's Stormwater management Ordinance.

Erosion Control: During construction, the general contractors in charge of construction will be responsible for obtaining an Erosion Control permit for the Public Works Department and establishing temporary erosion control. Temporary erosion control measures will include silt fences, bale checks, sediment traps for catch basins, and rock construction entrances.

- (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 City's Preliminary Development Review Committee reviewed the project and concluded there would be no significant problems as regards access and other permit concerns.

- (5) **The subdivision makes adequate provision for stormwater runoff, and temporary and permanent erosion control in accordance with the rules, regulations and standards of the city engineer and the requirements of these land subdivision regulations. To the extent practicable, the amount of stormwater runoff from the site after development will not exceed the amount occurring prior to development.**

Existing utility and drainage provisions are adequate for the proposed development.

RECOMMENDATIONS

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Conditional Use Permit for a Planned Unit Development:

The City Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the Conditional Use Permit / Planned Unit Development for the Parcel F Project at 900 Washington Ave. S., which includes a 5-story hotel with 155 rooms and 2 commercial/retail spaces on the ground floor; and two, 9-story condominium buildings with a total of 167 units and ground floor commercial space. The City Planning Division also recommends Planning Commission approve the following exceptions to the Zoning Code per Chapter 527:

- Approve an exception per 527.140 (b) to allow the height of Condominium Buildings B and C to be increased to 9 stories.
- Approve an exception per 527.160 to reduce the required rear yards from 15 ft. to zero.
- Approve an exception per 527.170 to allow an increase in the permitted size of the hotel sign from 180 to 225 sq. ft.
- Approve an exception per 527.180 to allow the reduction of required on-site parking for the non-residential uses from 136 to the 46 stalls that are proposed, provided the applicant maintains a parking validation program for the hotel guests; and a reduction in the required loading areas from two to one.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Conditional Use Permit to allow a 13-stall accessory parking lot:

The City Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the Conditional Use Permit to allow a 13-stall accessory parking lot for the Parcel F Project at 900 Washington Ave. S., which includes a 5-story hotel with 155 rooms and 2 commercial/retail spaces on the ground floor; and two, 9-story condominium buildings with a total of 167 units and ground floor commercial space.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Variance to allow a roof-top sign on a building less than 100,000 sq. ft.:

The City Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the Variance to allow a roof-top sign on a building less than 100,000 sq. ft. for the Parcel F Project at 900 Washington Ave. S., which includes a 5-story hotel with 155 rooms and 2 commercial/retail spaces on the ground floor; and two, 9-story condominium buildings with a total of 167 units and ground floor commercial space.

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

The City Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the Site Plan Review application for the Parcel F Project at 900 Washington Ave. S., which includes a 5-story hotel with 155 rooms and 2 commercial/retail spaces on the

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ground floor; and two, 9-story condominium buildings with a total of 167 units and ground floor commercial space, subject to the following conditions:

1. CPED Planning staff review and approval of the final site plan, elevations, lighting plan, and landscaping plan before the issuance of building permits.
2. To the extent feasible and prudent, the applicant shall modify the first floor elevations of the hotel to meet the Zoning Code's glass requirements.
3. Landscaping and screening shall be provided between the parking lot and the public sidewalk as required by section 530.160 of the Zoning Code.
4. All site improvements shall be completed by July 17, 2008, unless extended by the Zoning Administrator, or the permit may be revoked for noncompliance.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Preliminary Plat (PL-200):

The City Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the Preliminary Plat (PL-200) for the Parcel F Project at 900 Washington Ave. S., which includes a 5-story hotel with 155 rooms and 2 commercial/retail spaces on the ground floor; and two, 9-story condominium buildings with a total of 167 units and ground floor commercial space.

Attachments:

1. Zoning and lot lines in the area
2. Overlay Zoning
3. Aerial photo
4. Project plans
5. Information from the applicant and Gross Area Tabulation
6. Staff analyses:
 - a. Parking and Traffic
 - b. Master Sign Plan
 - c. Glass percentages
 - d. Data sheet
7. Travel Demand Management Plan summary
8. Letter from Public Works committing to parking validation program for the project, dated 6/6/06
9. Excerpts from the “Historic Mills District Master Plan” and the “Update to the Historic Mills District Plan”
10. Site photos
11. Preliminary Development Review report
12. Preliminary Plat