

**Department of Community Planning and Economic Development – Planning Division**  
Conditional Use Permits, Variances, Site Plan Review and Preliminary Plat  
BZZ-3915 and PL-178

**Date:** February 11, 2008

**Applicant:** Capital Growth Madison Marquette

**Address of Property:** 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue

**Project Name:** Calhoun Square

**Contact Person and Phone:** Carol Lansing with Faegre & Benson LLP, (612) 766-7005

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

**Date Application Deemed Complete:** January 16, 2008

**End of 60-Day Decision Period:** March 16, 2008

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

**Ward:** 10    **Neighborhood Organization:** Calhoun Area Residents Action Group, East Calhoun Community Organization, East Isles Residents Association, Lowry Hill East Neighborhood Association

**Existing Zoning:** C3A, Community Activity Center District with the PO Pedestrian Oriented Overlay District

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

**Zoning Plate Number:** 24

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

**Proposed Use:** Planned Commercial Development including approximately 246,690 square feet of commercial space and 108 dwelling units

**Concurrent Review:**

**Conditional use permit:** Planned Commercial Development including approximately 246,690 square feet of commercial space and 108 dwelling units

**Conditional use permit:** for 108 dwelling units

**Conditional use permit:** for a shopping center

**Conditional use permit:** for a major sports and health facility

**Conditional use permit:** for extended hours for the major sports and health facility

**Variance:** of the PO Pedestrian Oriented Overlay District

**Variance:** to increase the gross floor area of individual retail sales and services spaces within the shopping center from the maximum 4,800 square feet

**Site plan review**

**Preliminary Plat (PL-178)**

**Applicable zoning code provisions:** Chapter 525, Article VII, Conditional Use Permits, Chapter 525, Article IX, Variances, specifically Section 525.520(20) “to vary the standards of any overlay district...” and Section 525.520(3) “to vary the gross floor area, the floor area ratio and seating requirements of a structure or use”, Chapter 530, Site Plan Review, Chapter 598, Land Subdivision Regulations

**Background:** In December of 2005 the Minneapolis City Planning Commission reviewed a development proposal for Calhoun Square. The Planning Commission approved a rezoning for the properties located at 1301 and 1311 West Lake Street from C2 to C3A, a conditional use permit for a Planned Commercial Development including approximately 245,763 square feet of commercial and office space and 108 dwelling units, a conditional use permit for a shopping center, a conditional use permit for 108 dwelling units, a conditional use permit for a parking ramp expansion, a conditional use permit for 24-hour operations of the parking ramp, a variance to increase the gross floor area of six individual retail sales and services spaces within the shopping center from the maximum 9,600 square foot limitation, site plan review, an alley vacation and a preliminary plat. Although some of the application approvals were appealed by the Calhoun Area Residents Action Group the Minneapolis City Council ultimately approved the project in January of 2006.

Since the approvals were granted the ownership of Calhoun Square has changed hands. The new owner, ROF Calhoun Square, LLC, along with The Norman J. Ackerberg Irrevocable Trust F/B/O Lisette Ackerberg, who owns one underlying parcel of land near the intersection of Hennepin Avenue South and West Lake Street, has hired Capital Growth Madison Marquette as the developers for their new project proposal. Although the general concept for the redevelopment is similar to what was approved previously, enough has changed to warrant another review by the City of Minneapolis. One component of the original approval that has not changed is the expansion of the parking ramp and its 24 hour operations. Since the approvals were granted in 2006 the parking ramp has been open to the public 24 hours a day, seven days a week. In addition, the applicant has submitted a building permit for the parking ramp expansion that is in compliance with the approvals from 2006. Construction is expected to begin soon.

As part of the approvals in 2006 the northern portion of the public alley, located on the block between Fremont Avenue South and vacated Girard Avenue South, was vacated and a new leg of the alley was approved to be built leading out towards Fremont Avenue South. The alley was never reconfigured per the approvals of the City Council. As part of this development the alley needs to be rebuilt per the 2006 approvals in order for there to not be a dead-end alley on the block.

Calhoun Square is an existing shopping center located on the southeast corner of the intersection of West Lake Street and Hennepin Avenue South in the middle of the area known as Uptown in Minneapolis. The proposed development site encompasses more land than the actual shopping center building does today. The development site includes the entire block bounded by West Lake Street on

Department of Community Planning and Economic Development – Planning Division  
BZZ-3915 and PL-178

the north, Hennepin Avenue on the west, West 31<sup>st</sup> Street on the south and vacated Girard Avenue South on the east. The site also includes the entire west half of the block located on the east side of vacated Girard Avenue South and the properties located on the southwest corner of West Lake Street and Fremont Avenue South including 1301 and 1311 West Lake Street and 3008 and 3012 Fremont Avenue South.

The redevelopment of the site will happen in two phases. The first phase involves the rehabilitation and expansion of the existing shopping center including the demolition of three existing buildings. Two of the buildings that will be demolished are located along West Lake Street just west of vacated Girard Avenue South and the other is located along Hennepin Avenue South just south of the shopping center. In addition, portions of the shopping center itself will be demolished. The first phase also includes improvements to vacated Girard Avenue South, street enhancements around the entire site and other façade improvements to those portions of the existing shopping center that will remain. The second phase of the development includes the demolition of two additional buildings located on the corner of Hennepin Avenue South and West 31<sup>st</sup> Street and the construction of two new mixed-use buildings with underground parking. One of the new buildings is located on the corner of Hennepin Avenue South and West 31<sup>st</sup> Street and the other is located along West Lake Street between Fremont Avenue South and vacated Girard Avenue South.

The proposed mix of uses for the development site includes restaurants, retail uses and a fitness center. When the second phase of the development is constructed additional retail space will be constructed as well as 108 dwelling units. At this time the developer has not determined if the dwelling units will be rental or for sale.

The project is being reviewed as one unified development in accordance with the regulations of Chapter 527, Planned Unit Development. The purpose of developing under the provisions of a Planned Unit Development (PUD) is to "...provide flexibility in the use of land and the placement and size of buildings in order to better utilize the special features of sites and to obtain a higher quality of development which incorporates high levels of amenities and which meets public objectives for protection and preservation of natural and historic features". Flexibility in a PUD comes in the form of exceptions to the zoning code regulations that are applicable for the specific zoning district in which the development site is located. Exceptions, however, can only be granted when it is determined that the development includes adequate site amenities which address any adverse effects of the exception. Exceptions can be made for the following regulations: number of structures on a lot, bulk, height, lot area, density, yards, signage and parking and loading. In the conditional use permit application for the PUD this will be discussed in more detail.

The Calhoun Area Residents Action Group (CARAG), the official neighborhood group, has met with the applicant to discuss the development plans for Calhoun Square on several occasions. In a statement from CARAG adopted on January 22, 2008, they indicate that they cannot recommend approval or denial of the project as proposed and believe that several revisions to the plans should be made. CARAG further states that the development "fails to provide the sufficiently high levels of amenities required in the Planned Unit Development (PUD) ordinance to justify the requested zoning exceptions". The written statement from CARAG is attached as part of this staff report.

**Travel Demand Management Plan:** Developments containing more than 4,000 square feet of new or additional gross floor area, or more than four new or additional parking spaces located within the PO Overlay District in and around the intersection of West Lake Street and Hennepin Avenue South are required to prepare a Travel Demand Management Plan (TDMP). The TDMP shall address the transportation impacts of the development on air quality, parking and roadway infrastructure.

A TDMP was submitted to the City for review in January of 2008. The TDMP analyzed the transportation impacts of the proposed development on air quality, parking and roadway infrastructure. The conclusion of the TDMP was that the development would not have a negative impact on air quality, the parking supply in the area or on the roadway infrastructure. The TDMP is being reviewed by both the Planning Division and Public Works at this time.

Potentially significant issues related to the Travel Demand Management Plan have not been resolved as of the writing of this report. Because the TDMP is required per the PO Overlay district an approved TDMP would be required by the Planning Commission meeting. Staff is recommending that the development be continued to the February 25, 2008, Planning Commission hearing to provide an opportunity to resolve outstanding issues with the TDMP.

## **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 **continue** the conditional use permit application for a Planned Commercial Development including approximately 246,690 square feet of commercial space and 108 dwelling units located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue South to the February 25, 2008, City Planning Commission meeting.

### **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 **continue** the conditional use permit application for 108 dwelling units located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**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 **continue** the conditional use permit application for a shopping center located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**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 **continue** the conditional use permit application for a for major sports and health facility located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**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 **continue** the conditional use permit application for extended hours for the major sports and health facility from 5 am to 1 am Monday through Friday located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**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 **continue** the variance application of the PO Pedestrian Oriented Overlay District standards located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**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 **continue** the variance application to increase the gross floor area of individual retail sales and services spaces within the shopping center from the maximum 4,800 square feet located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**Recommendation of the Department of Community Planning and Economic Development – Planning Division for the site plan review:**

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **continue** the site plan review for a mixed-use development for the properties located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.

**Recommendation of the Community Planning and Economic Development Department – Planning Division for the preliminary plat:**

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission **continue** the preliminary plat application for Calhoun Square located at located at 1301 West Lake Street, 1311 West Lake Street, 3008 Fremont Avenue South, 3012 Fremont Avenue South, 1323 West Lake Street, 1401 West Lake Street, 1409 West Lake Street, 3003 Hennepin Avenue, 3027 Hennepin Avenue, 3037 Hennepin Avenue, 3043 Hennepin Avenue and 3045 Hennepin Avenue to the February 25, 2008, City Planning Commission meeting.