

**Department of Community Planning and Economic Development
Planning Division Report
Zoning Code Text and Map Amendment**

Date: September 18, 2006

Initiator of Amendment: City Council

Date of Introduction at City Council: October 10, 2003

Ward: 5 and 7

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Intent of the Ordinance: The purpose of this amendment is to rezone portions of existing commercial, residential, office-residential, industrial, and downtown districts, their purpose, uses, floor area ratio premiums, and associated regulations to comply with the policies adopted and set forth by the Minneapolis City Planning Commission and the Minneapolis City Council in the *Downtown East/North Loop Master Plan*.

Appropriate Section(s) of the Zoning Code:

Chapter 549: Downtown Districts

Background:

The *Minneapolis Downtown East/North Loop Master Plan* was adopted by the Minneapolis Planning Commission and the Minneapolis City Council in October 2003. The master plan is intended to serve as a vision and strategy for how new growth should occur in the underdeveloped districts of Downtown Minneapolis, particularly in those areas that are dominated by surface parking lots and in those areas that surround new and proposed rail transit stations. Because a large proportion of space on the eastern and western ends of Downtown is underdeveloped and underutilized, the introduction of rail transit service offers new opportunities to rethink how the economic potential of these districts can be captured. With this goal in mind, the primary objective of the Master Plan is to encourage renewed interest in living, working, and shopping in Downtown Minneapolis through the creation of a high-quality, easy-to-use physical environment; one that enhances the everyday urban experience.

The *Minneapolis Downtown East/North Loop Master Plan* provides a vision that aims to:

- Articulate the market potential inherent in underdeveloped districts of Downtown.
- Integrate transportation and land use planning in order to encourage and realize more "complete" neighborhoods and communities.
- Capitalize on the introduction of rail transit and encourage a less auto-dependent downtown by concentrating high density, mixed-use development within easy walking distance of transit stations.

- Encourage the design and delivery of high quality public spaces and streetscapes while reinforcing pedestrian linkages to existing downtown amenities.
- Foster the development of mixed-use precincts through modifications to the local regulatory framework in a way that encourages redevelopment while protecting and advancing city and community interests.

The adopted master plan provides a land use plan and policy framework for how new growth should occur in the underdeveloped districts of Downtown Minneapolis, particularly in the areas surrounding new or proposed rail transit stations. The plan calls for the creation of a series of mixed-use, “Complete Communities” that will reinforce and expand the character and economic vibrancy of Downtown Minneapolis.

Please note: Bound copies of the adopted *Downtown East/North Loop Master Plan* were distributed to the Commissioners in 2003. If you need a hard copy of the plan, please contact staff. Otherwise the plan can be found on the City’s website at:

<http://www.ci.minneapolis.mn.us/master-plans/downtown-east-north-loop/>

Purpose for the Amendment:

What is the reason for the amendment?

In order to realize the maximum benefit of the policies adopted by the City Council in the master plan, it’s critical to formally adopt regulatory changes into the City’s Zoning Code. Consistency of the Zoning Code with adopted area plans is a requirement on Minnesota state law. Furthermore consistency between policy and regulation is a necessity for ensuring that the vision called for in the plan is ultimately realized.

What problem is the amendment designed to solve?

The cumulative effect of policies within this plan would be to jump-start development in two very hard to develop areas - Downtown East and the North Loop. At its heart, the master plan is a vision for a much different kind of downtown than we currently have in Minneapolis. By establishing a vision for a series of “Complete Communities” that are at once self-sufficient while also being interdependent on one another, the master plan seeks to build upon the existing strengths of downtown while taking advantage of the unique opportunities coming up in the next decade or two. Taking advantage of these opportunities in a thoughtful, deliberate way will allow the City to enhance downtown’s role in the region by solidifying it as an exciting, attractive, and economically productive place to be. Adopting the master plan sends a signal that the City is willing to move forward on addressing long entrenched problems.

What public purpose will be served by the amendment?

The public purpose served by adopting this amendment is to formalize regulations that will coincide with policies adopted by the City Council. Through ongoing use of these regulatory changes, the vision and strategy for how new growth should occur in the underdeveloped districts of Downtown Minneapolis.

CPED Planning Division Report

An extensive public process was conducted throughout the compilation of the master plan and in preparation of the related rezoning work:

In the summer of 2001, the Minneapolis Planning Department commissioned a consultant team led by the IBI Group to collect information, conduct analysis, and complete the scope of services called for in the *Minneapolis Downtown East/North Loop Master Plan*. Throughout the second half of 2001 and the first half of 2002, the Consultant Team met on a regular basis with a Technical Advisory Committee (TAC) convened specifically for this project. During that time, the Consultant Team also conducted four workshops for a larger group of stakeholders - the Steering Committee - that included civic, neighborhood, and business leaders. Likewise, four Open Houses were conducted in order to engage the general public and to seek their input into the master plan as it evolved. Over the course of the project, the work program followed a general planning sequence beginning with data collection and problem identification. Once this was completed, data analysis was initiated and various alternatives for potential outcomes were generated. Alternatives were reviewed and discussed by the Technical Advisory Committee, the Steering Committee and the general public in order to develop and strengthen a series of recommendations and proposals for action and implementation.

Throughout the master plan process the Planning Department both publicized the project and informed the public about the work as it unfolded. This was done in order to encourage public participation in the analysis and review process. Specifically, the Planning Department used the following methods to inform and engage the public:

- Databases of US mail and e-mail contacts were set up for (a) participants in the four public meetings and (b) "interested parties" who sought to keep in touch with the process even if they had not attended a public meeting.
- Prior to each public meeting, hard copy notices/invitations were sent to approximately 2,000 property owners, taxpayers, and residents in and around the Project Area.
- The Consultant Team produced four newsletters during the analysis phase of the project; one each as a summary of each of the four open houses/public meetings. Newsletters were distributed by hard copy and/or digital copy to meeting participants and interested parties throughout the course of the project.
- A web site for the master plan was set up by the Planning Department and the City's ITS/BIS Department. On-line viewing was the chief venue for reading and reviewing the draft master plan during the public review and comment period, which was held in the summer of 2003.
- Hard copy versions of the draft master plan were distributed to various sites in Downtown Minneapolis for those who do not have access to the World Wide Web or for those who chose to review the plan in book form.
- Beyond the four public meetings/open houses conducted by the Consultant Team, the project manager in the Planning Department made more than thirty additional presentations to various neighborhood and community organizations, staff groups, and City boards and commissions.

The formal public review and comment period for the draft master plan was held from June 16th through August 1st 2003. At the close of the review and comment period, Planning Staff

assembled all written comments received throughout the course of the entire project into the *Public Comment Report* so that Planning Commissioners and City Council members could read the verbatim comments of members of the Downtown Community.

The *Public Comment Report* for the *Downtown East/North Loop Master Plan* was compiled and distributed to the City Planning Commission and the City Council for their review. Even a general reading of the *Public Comment Report* for this project indicates a high level of positive feedback for the ideals and recommendations put forth in the master plan. That this sort of feedback is the norm is not an accident or coincidence. Throughout the course of the project, the Consultant Team and the Technical Advisory Committee worked hard to ensure that the points of view offered by stakeholders and community members were well considered and weighed in relation to one another. The Consultant Team showed a particular talent for developing options and revising work based on community feedback received. For these reasons, Planning staff can say with complete confidence that the general thrust of the master plan is in keeping with the larger goals and aspirations of the Downtown community.

That said, not all comments submitted were of a positive nature. It should be noted however, that the vast majority of negative comments were those that called into question the City's ability to implement the master plan. There was particular concern about the City's ability to effectively accomplish dramatic changes to the regulatory framework (see notes on the Implementation of plan recommendations, below). Even for those that had negative comments or concerns about how the City would go about the implementing the plan, there seemed to be agreement and positive feedback that the substantive goals and ideals of the master plan are in the right direction.

What problems might the amendment create?

There are a number of properties in the project area that are currently non-conforming. Most of these properties are surface parking lots (which are prohibited in the central business district by the Downtown parking Overlay (DP)). Adopting the amendment will not change the non-conforming status of these properties; they will continue to be non-conforming.

Adopting the amendment will create several properties with non-conforming uses. Many of the properties where new non-conforming uses will be created are those that are currently occupied by a single-use, stand alone, structured parking facilities that do not include an integrated public transit component. The policies in the master plan adopted by the City Council in 2003 disallow any new stand alone, structured parking facilities. In order to be consistent with the adopted plan, the proposed amendment would disallow any new stand alone, structured parking facilities, *except* those that include an integral public transit facility. The purpose is to ensure that valuable Downtown land is developed with commercial, office, or residential uses as the primary use. In keeping with the policies of the master plan, parking should only be allowable as an accessory use for projects that have commercial, office, or residential uses as their primary use.

The rezoning study has carefully considered opportunities to avoid as many non-conformities as possible. These non-conformities are limited in number and the creation of new non-

conforming uses may be considered a necessary step toward toward a more transit-oriented Downtown.

Timeliness:

Is the amendment timely?

The adoption of the *Downtown East/North Loop Master Plan* was crucial for setting policy that guides future decision making. This was particularly important, because the comprehensive plan for Downtown Minneapolis, known as *Downtown 2010*, is largely silent on the specific issues and challenges that are inherent within the master plan project area. Beyond the primary task of setting a vision as a matter of record, the intention of the master plan was to move toward realization of the vision through the specific ways in which the plan is implemented, one of which was the primary zoning of downtown properties. The master plan has been adopted for nearly three years but it has been difficult to implement in a meaningful way because the primary means of implementation – through the regulatory framework of the Zoning Code – has been stalled.

Is the amendment consistent with practices in surrounding areas?

The amendment is consistent with practices in surrounding areas, including other areas of Minneapolis and other cities in the United States.

Are there consequences in denying this amendment?

There are consequences in denying this amendment. Specifically Minnesota State law requires that a city's zoning code must be consistent with the city's comprehensive plans and adopted area plans. To deny the rezoning amendment would be to prolong the inconsistency between the city's adopted policies and plans and the city's regulatory framework. On a more practical basis, to deny the proposed amendment would continue to complicate the day-to-day analysis of downtown projects as conducted by staff and reviewed for approval by the City Planning Commission and the City Council.

Comprehensive Plan:

How will this amendment implement the Comprehensive Plan?

The proposed Zoning Code text amendment will allow CPED to continue to ensure that the goals and policies of the comprehensive plan are implemented through the review of development applications. The proposed text amendment is in compliance with applicable policies in *Downtown 2010*, the City's comprehensive plan for Downtown, specifically:

Downtown's Physical Setting:

7. Promote building heights and designs that protect the image and form of the downtown skyline, that provide transition to the edges of downtown and that protect the scale and qualities in areas of distinctive physical or historic character.
12. Encourage the creation of new parks and plazas that are within easy access to the majority

of the downtown workforce.

13. Improve physical and visual access to the riverfront.
14. Emphasize good open space design.
15. Encourage the creation and improvement of indoor open spaces.
16. Preserve, restore and reuse historic buildings and sites in Downtown.
17. Support the retention of historic properties in publicly assisted redevelopment projects in downtown.
18. Encourage new buildings adjacent to historic buildings, sites and districts to be compatible in design.

Office

1. Maintain a compact downtown by concentrating office development in an area that supports downtown retail and encourages the use of mass transit.
2. Locate highest density office development in an area designated as the

Primary Office District

1. Maintain a compact downtown by concentrating office development in an area that supports downtown retail and encourages the use of mass transit.
2. Locate highest density office development in an area designated as the Primary Office District. This district should be the focus of major office activity in Minneapolis. Although this area is intended primarily for office uses, other uses including hotels and retail should be encouraged to add diversity and activity beyond the working day.
3. Locate medium-density office development in an area designated as the Secondary Office District. This district should provide opportunities for office development that is convenient to transit and retail and that provides a transition in density to housing and mixed-use areas.
4. Locate low-density office development outside the Primary and Secondary Office Districts where office use is compatible with other uses planned for the area.
5. Encourage street-level retail in the office districts in order to provide services and street-level vitality.
7. Provide the necessary transportation infrastructure to serve projected downtown employment growth and ensure that transportation improvements reinforce downtown's compact development pattern.
9. Provide a physical environment that will attract continued investment by ensuring that downtown remains attractive, clean and safe.

Retail

1. Maintain a compact retail core by concentrating major retail facilities within an area designated the Retail District that is bounded by 5th Street, 11th Street, Hennepin Avenue and Marquette Avenue. The Retail District should serve as the primary center of retailing activity in downtown.
3. Encourage a variety of retail with diverse price points in downtown in order to serve a broad range of residents.

Entertainment

2. Maintain downtown as the location for the region's professional sports teams, and ensure that future sports facilities are located where they can complement the existing retail and entertainment districts, take advantage of existing parking and transit facilities and maximize direct economic benefits to downtown.
5. Encourage restaurants in other areas of downtown.

Downtown Living

1. Expand housing opportunities in downtown for all income levels, with an emphasis on providing additional moderate to high income, owner-occupied units.
5. Ensure that new residential development contributes to the sense of neighborhoods through appropriate site planning and architectural design.
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.
9. Support the retention and development of neighborhood -serving retail.

Downtown Movement

8. Locate long-term parking and principle-use parking lots on the periphery of the office, retail and entertainment districts but outside of residential areas in order to preserve land for more intensive use, improve air quality and provide a pedestrian and transit oriented environment in these areas.
10. Encourage alternative modes of transportation by allowing reductions in long-term parking requirements in exchange for measurable and enforceable incentives for transit usage and ride sharing.

Management

1. Revise the organization and boundaries of the B4 districts to reflect current development patterns and objectives for future growth.
3. Revise the bonus system to more effectively match bonuses with amenities that benefit the public and develop design standards to ensure quality results.
4. Develop standards for street-level development such as street-level retail, street-level building design and parking lot landscaping.
5. Develop a residential-mixed use zoning district for downtown residential districts.

Recommendation of CPED-Planning Division:

The CPED Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning code text and map amendment.

Supporting Documents (attached):

- Current Zoning map
- Proposed Zoning map
- Zoning map indicating areas of change and no-change within the master plan project area