

**Department of Community Planning and Economic Development – Planning  
Division  
Variance  
BZZ-3372**

**Date:** January 8, 2007

**Applicant:** Mr. Brett Thielen, Sexton Lofts, LLC, 12600 Creek View Avenue  
Savage, MN 55378-2369, (952) 894-0376

**Address of Property:** 516 8<sup>th</sup> Street South

**Project Name:** The Sexton Phase II

**Contact Person and Phone:** Erika Arms, Tanek, Inc., 118 E. 26<sup>th</sup> Street, Suite 300,  
Minneapolis, MN 55404, (612) 879-8225

**Planning Staff and Phone:** Becca Farrar, (612) 673-3594

**Date Application Deemed Complete:** December 13, 2006

**End of 60-Day Decision Period:** February 10, 2007

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

**Ward: 7     Neighborhood Organization:** Elliot Park Neighborhood Inc.

**Existing Zoning:** B4S-1 (Downtown Service District) and DP overlay (Downtown  
Parking Overlay District)

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

**Zoning Plate Number:** 19

**Lot area:** 27,225 square feet or .63 acres

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

**Proposed Use:** Construction of a 34-story mixed-use building with 252 residential units  
and 8 levels of above-grade parking.

**Concurrent Review:**

- Variance to increase the maximum permitted floor area ratio (FAR) for a previously approved project on site from the allowable 12.6 to 13.3. The FAR variance results from interior refinements. No alterations to height, bulk or setbacks are proposed.

**Applicable zoning code provisions:** Chapter 525, Article IX, Variances.

**Background:** The applicant, Sexton Lofts, LLC, proposes to construct a new 34-story mixed-use, 252 unit residential building on the property located at 516 8<sup>th</sup> Street South. The property is zoned B4S-1 and is located in the Downtown Parking (DP) Overlay District. The proposed use is permitted in the B4S-1 district. The DP Overlay District is not applicable for the proposed development as the district was created to preserve significant and useful buildings, 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. No surface parking lots are proposed as part of the project. The project (BZZ-3146), received approval for site plan review by the Planning Commission on August 14, 2006.

Alterations to the approved plan have resulted in the necessity to apply for a floor area variance. The proposed modifications are due to internal changes and refinements within the structure. Parking areas were converted to useable/livable square feet and additional square footage was gained as a result of structural refinements (exterior wall thickness, stair and elevator core alterations, etc.). Parking would no longer be located on the second floor as this area was converted to residential amenity space and one full floor level of parking was converted to a residential level. No alterations to the previously approved height, bulk, number of units or setbacks are proposed.

The maximum FAR allowed in the B4S-1 District for dwellings is 8. Under the previously approved site plan proposal the applicant qualified for a 20 percent floor area bonus ( $1.6 + 8 = 9.6$ ) for enclosed parking, as allowed by section 549.110 of the zoning code. With this density bonus, the applicant was allowed up to 261,360 square feet of gross floor area (GFA).  $27,225 \times 8 = 217,800$ , plus a 20 percent bonus of 43,560 = 261,360. Further, the proposal was approved for an increase in the maximum permitted floor area as allowed through an administrative review of the floor area ratio premiums applicable in the Downtown Districts. The applicable premiums for street level retail and sidewalk widening added an additional permitted FAR of 3 (or a total of 12.6), which would allow up to 343,035 square feet of GFA. The applicant proposes 361,987 square feet of GFA or an FAR of 13.3 which requires a variance.

The proposed increase in FAR results in a reduction in the number of on-site parking spaces as an entire floor level would be altered from parking to residential space. Under the previous site plan approval the applicant proposed to provide a total of 436 parking spaces for both the proposed building and the existing Sexton building. The current proposal would provide a total of 379 which still exceeds the minimum requirement. Chapter 541 of the zoning code requires one off-street parking space per dwelling unit. In the B4S-1 district, the requirement is 90% of that amount specified in Chapter 541. Based on this provision, 338 off-street parking spaces would be required to provide parking for both the existing Sexton building and the proposed building. The restaurant proposed as part of the development received prior approval to vary the parking requirement to zero.

The structure as approved included liner uses on the ground floor with an approximate 4,800 square foot restaurant at the corner of Portland Avenue and 8<sup>th</sup> Street South and residential units potentially with home occupations uses as well. A total of 8 floors of above grade parking would be provided on floors 3-10 (9 floors were previously approved). One level of underground parking would be dedicated to parking and building support services. Residential units would be located on floors 11-34.

The first phase of the development was approved in January of 2004 (BZZ-2119), and involved the restoration of the existing Sexton building located on the property at 521 7<sup>th</sup> Street South and the construction of a new multi-use building on the property located at 516 8<sup>th</sup> Street South. A revised project submission was heard by the Planning Commission in May of 2006 (BZZ-2877), which was denied. The most recent submission (BZZ-3146), was approved as previously mentioned in August of 2006.

The surrounding land uses are varied as one would expect in a downtown area. To the east and north are surface parking lots, to the west is the House of Charity Building and a surface parking lot and to the south is the Kraus Anderson one- story office building.

Prior to the printing of this report, Staff has not received official correspondence from Elliot Park Neighborhood Inc. (EPNI) stating a position on the application.

## **VARIANCE –**

### **Findings as Required by the Minneapolis Zoning Code for the Variances:**

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

The property could likely be put to a reasonable use under the conditions allowed, however, strict adherence to the regulations of the zoning ordinance would likely cause undue hardship. The structure was previously approved and no changes to the approved height, bulk, number of units or setbacks are proposed. The necessity to attain the variance results from proposed modifications due to internal changes and refinements within the structure. Parking areas were converted to useable/livable square feet and additional square footage was gained as a result of structural refinements (exterior wall thickness, stair and elevator core alterations, etc.).

**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.**

The circumstances could be considered unique as the property is relatively small in size and located within a fully developed downtown area. Further, the structure maintains the

exterior design that was previously approved. As a result of internal alterations, the structure now exceeds the allowable FAR.

**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.**

The granting of the variance to increase the maximum permitted FAR would likely be in keeping with the spirit and intent of the ordinance and would not alter the essential character of the locality or be injurious to the use and enjoyment of other property in the vicinity. As previously mentioned, no alterations to the previously approved height, bulk, number of units or setbacks are proposed. The only alterations are internal changes as a result of floor plan modifications and structural refinements within the building.

**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 proposed FAR variance would 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 applicant has shown that all parking necessary for the proposed development would be provided for on-site.

**RECOMMENDATIONS:**

**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 **approve** the variance application to allow an increase in the maximum permitted floor area ratio (FAR) from 12.6 to 13.3 for property located at 516 8<sup>th</sup> Street South subject to the following conditions:

1. The addendum to the approved Travel Demand Management Plan must be approved prior to submission of plans for final approval and building permit issuance.

**Attachments:**

1. Findings
2. Correspondence
3. Zoning map
4. Plans – site, elevations
5. Photos