

Community Planning and Economic Development -- Planning Division Report

Zoning Code Map Amendments Downtown Rezoning Study

Date: June 13, 2011

Initiator of Amendment: Council Member Goodman

Date of Introduction at City Council: September 24, 2010

Wards: 5, 7

Neighborhood Organizations: Citizens for a Loring Park Community, Downtown Minneapolis Neighborhood Association, Elliot Park Neighborhood Inc, North Loop Neighborhood Association.

Planning Staff and Phone: Beth Elliott, Principal City Planner, 612-673-2442, and Joe Bernard, Senior City Planner, 612-673-2422.

Intent of the Ordinance: The intent of the ordinance is to implement the future land use policies found in the following land use plans which address areas within Downtown Minneapolis:

- The Minneapolis Plan for Sustainable Growth (adopted 2009)
- *Downtown East/North Loop Master Plan* (adopted 2003)
- *North Loop Small Area Plan* (adopted 2010)

Appropriate Section(s) of the Zoning Code:

Chapter 521, Zoning Districts and Maps

Chapter 551, Overlay Districts

Existing Zoning: Various primary and overlay districts

Proposed Zoning for Map Amendment: Attached

Zoning Plate Numbers: 13, 14, 18, 19, 20, 21

Study Background:

The *North Loop Small Area Plan* was adopted by the City Council on April 16, 2010. As part of their action, the City Council directed staff to begin work on a rezoning study to implement the policies set forth in the plan. The North Loop Rezoning Study analysis took place during the summer of 2010 and recommendations were presented to the public in October 2010.

One of the recommendations coming out of that process was to create a new zoning district that would be a good fit for the residential neighborhoods surrounding the Downtown office core. The B4N Downtown Neighborhood district is being established to provide an environment that promotes the

development of higher density neighborhoods surrounding the Downtown office core with a variety of goods and services to support Downtown living. Because the proposed district can be applied throughout Downtown, the North Loop Rezoning Study was expanded to incorporate all five Downtown neighborhoods to demonstrate the immediate applicability of the B4N.

Public Process:

As part of the initial North Loop Rezoning Study, a Community Advisory Committee set up for the planning process continued to meet to provide guidance in the implementation of the policy. A community meeting - advertised through sending flyers to every North Loop property owner and taxpayer - was held in October 2010 to present the proposed zoning changes.

Once the rezoning study expanded to the other Downtown neighborhoods, staff met regularly with the Downtown Neighborhood Group, an informal monthly meeting of representatives from each neighborhood. This group provided feedback and direction that led to initial staff recommendations. Staff presented these recommendations to each neighborhood association individually during April 2011 for input, and a community meeting was held to present the recommendations to the general public May 4, 2011. This meeting was advertised by mailing flyers to over 4,500 property owners and taxpayers who are in affected areas of the rezoning study.

Decision Making Process for Recommended Zoning:

The decision-making process for the Downtown Rezoning Study is split into two main components:

- Recommended changes to implement the *North Loop Small Area Plan*
- Recommended changes to implement the proposed B4N district

North Loop Changes

The zoning changes recommended in the North Loop neighborhood follow a pattern to generally:

- Recognize the eclectic nature of the existing mix of uses.
- Support the transit-oriented development the neighborhood is currently seeing.
- Better align with the Warehouse Historic District Design Guidelines.

This pattern is exemplified in three main areas that correspond with the attached maps.

North Loop Core Area

Most of the core of the North Loop is included in the Warehouse Historic District. For these properties mainly north of the viaduct, both the *North Loop Small Area Plan* and the historic guidelines recommend height of between 2 and 10 stories. The plan envisions a mix of uses that could maintain the historic character but also increase density of housing and commercial offerings. The majority of properties in the neighborhood core are zoned I2 and those north of the viaduct also have the Industrial Living Overlay District (ILOD). Even with the ILOD, residential development is dramatically limited in height and overall density for an area near Minneapolis' regional transit hub, The Interchange.

For properties within the historic district – generally between 5th and 10th Avenues North and Washington Avenue North and the viaduct – the recommended zoning is the new B4N

Downtown Neighborhood district. The B4N complements adopted planning and historic policies by:

- Permitting the existing mix of uses in the North Loop
- Supporting the policy height of 10 stories
- Allowing the housing density appropriate in a transit-oriented district

The Freeway West District includes properties along the viaduct and 5th Street North and between 6th and 10th Avenues North. The *North Loop Small Area Plan* recognized some opportunities for development on under-utilized sites and offers flexibility for future uses while recognizing that residential is the likeliest option. Freeway West offers tremendous opportunities for increased housing density and/or improved opportunities for employment that build on direction from the original plan to view 5th Street as a major transit and pedestrian spine throughout Downtown as a whole. In order to implement this policy through zoning, the recommendation is to rezone these properties from I2 to the B4S-1 district. Some of the industrial uses will become legal non-conformities because of their medium industrial nature but many will continue to be permitted under the new zoning. As with any legal non-conforming uses, a business can continue to operate as usual as long as it is not abandoned for a period of more than 12 months. A legal nonconformity can also be altered by going through a Planning Commission process, can be rebuilt if destroyed, and will be able to receive loans.

Glenwood Avenue Area

The *North Loop Small Area Plan* recommended designation of Glenwood Avenue as a Commercial Corridor and this has been formalized in Comprehensive Plan. This identification recognizes the commercial potential along this corridor in the Lower North Loop and is also consistent with the designation of Glenwood as a Commercial Corridor just west of the study area in the Bassett Creek Valley redevelopment area. The current uses include warehousing, retail, supportive housing, a bar, a publicly-owned parking lot, and a towing company. Rezoning the existing I2 to the proposed C3A would better recognize the land use designation and its potential for future commercial uses as well as bring some existing businesses into conformance. These changes will create a few non-conforming uses along Glenwood while bringing other properties into compliance.

Old Warehouse Area

This district covers the area where the historically-designated Warehouse District originated. There are possibilities for large-scale redevelopment along Hennepin Avenue that should include a mix of uses. Otherwise, new development should maintain and enhance the historic character of the district. A concentration of street-level destination retail, services, and entertainment establishments are encouraged along Washington and Hennepin Avenues. Both the plan and historic guidelines call for a height of 2-6 stories in the district and transitioning to 10+ stories for the sites near Hennepin Avenue.

The current B4C zoning has no height limit and allows for more auto-oriented uses, both items not envisioned in the *North Loop Small Area Plan*. In order to better match the policy, the proposed zoning for most properties in this area is the new B4N. The B4N will align with existing density and parking standards of zero but still allows for more height than allowed by

policy. To alleviate this issue, staff is proposing to remap the Downtown Height Overlay District to cover this area and apply its height limit of 6 stories.

B4N Changes

The B4N zoning district as proposed will provide an appropriate transition of heights and uses from the Downtown office core into the surrounding neighborhoods. Current zoning districts either require unnecessary setbacks in a Downtown environment, are limited in their uses, allow uses that are not neighborhood oriented, or do not adequately represent opportunities for height while still applying a limitation. As with any zoning district with a height limit, property owners can apply for a Conditional Use Permit (CUP) to increase the maximum permitted height in the B4N.

Because a new zoning tool may be adopted, it was important to revisit Downtown planning policies as a key for how to implement it. The *Minneapolis Plan for Sustainable Growth* and the *Downtown East/North Loop Master Plan* were the primary documents to serve this purpose.

Staff is proposing zoning changes in two additional areas outside of the North Loop that correspond with the attached maps.

Downtown East/Elliot Park Core Area

This area is part of the adopted Downtown East/Elliot Park Master Plan and many sites were rezoned to implement that plan in 2006; however, the City did not have ideal zoning districts to implement height standards, specifically. In many cases the policy calls for development in the range of 5-13 stories but most sites were rezoned to the B4S district because the City did not have an appropriate zoning district to accommodate the bulk standards. The new B4N district is a good fit to accommodate the uses desired near the LRT station and bring the zoning height in conformance with adopted policy.

Loring Park Core Area

Hennepin Avenue south of 10th Street starts to see a character shift from major regional destinations to neighborhood uses such as residential and smaller-scale neighborhood-serving retail. A consistent theme of *The Minneapolis Plan for Sustainable Growth* relates to appropriate transitions between uses, intensity of use, and density. By rezoning the Harmon Historic District on the east side of Hennepin, and Laurel Village on the west side, to B4N, it will better articulate this transition from the Hennepin Theater District to the Loring Park neighborhood in both height and uses.

Comments Received:

During the public process we have received comments that primarily affect two areas – Old Warehouse and Downtown East/Elliot Park Core. Comments for both areas relate to height constraints.

Old Warehouse Area

Property owners in this part of the North Loop are concerned about applying a zoning and overlay district that will limit by-right height to 6 stories. The current B4C district has been in place for at least

ten years and has become obsolete. Many of the uses that required that district – industrial and automotive – are not in the area anymore. Additionally, new policy guidance in the *North Loop Small Area Plan* and Warehouse Historic District Design Guidelines sets a height limit of 6 stories. In order to implement these policies and retain the character of this portion of the Warehouse Historic District, a height limit is necessary. The introduction of B4N is beneficial over other districts staff looked at, such as the C3A, because it has the same parking and density standards of the existing zoning.

Downtown East/Elliott Park Core Area

Members of the Downtown Minneapolis Neighborhood Association’s board expressed concern about introducing a height limit in the area around the Metrodome. Many of these properties are currently zoned B4S-1 and have an FAR maximum of 4. Since the B4N as proposed does not have a maximum FAR, a property owner can actually achieve more development bulk by-right under the recommended B4N. The current B4S is also not in line with policy in the *Downtown East/North Loop Master Plan*. With adoption of the B4N District, the City will now have a tool to better match the general policy of 5-13 stories in this area.

Findings as required by the Minneapolis Zoning Code:

1. **Whether the amendment is consistent with the applicable policies of the comprehensive plan.**

The *Downtown East/North Loop Master Plan* and *North Loop Small Area Plan* are both incorporated into the City’s Comprehensive Plan. The rezoning recommendations are therefore consistent with the comprehensive plan because they directly implement land use recommendations found within the small area plans and The Minneapolis Plan for Sustainable Growth.

Designated land use features found in the study area include:

- Growth Center: Downtown
- Transit Station Areas: Downtown East/Metrodome, Target Field (pending)
- Commercial Corridors: Washington Avenue, Chicago Avenue, Hennepin Avenue, Glenwood Avenue

The following general land use policies of the *Minneapolis Plan for Sustainable Growth* apply:

Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.

1.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

1.1.7 Invest in targeted place-making strategies to build upon and enhance existing community assets and encourage private sector development.

Policy 1.2: Ensure appropriate transitions between uses with different size, scale, and intensity.

1.2.1 Promote quality design in new development, as well as building orientation, scale, massing, buffering, and setbacks that are appropriate with the context of the surrounding area.

Policy 1.13: Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places.

1.13.5 Concentrate highest densities and mixed use development adjacent to the transit station and along connecting corridors served by bus.

Policy 1.15: Support development of Growth Centers as locations for concentration of jobs and housing, and supporting services.

1.15.1 Support development of Growth Centers through planning efforts to guide decisions and prioritize investments in these areas.

1.15.2 Support the intensification of jobs in Growth Centers through employment-generating development.

1.15.3 Encourage the development of high- to very high-density housing within Growth Centers.

1.15.4 Promote the integration of major public and private institutional campuses located in Growth Centers, including health care and educational services, with the function and character of surrounding areas.

The following policies from the *Downtown East/North Loop Master Plan* apply:

- Promote downtown living by forging Complete Communities that include a mixture of transit stations, commercial office, retail, housing, and parks/plazas.
- All land uses within one-quarter mile of new and potential rail transit stations in Downtown Minneapolis to incorporate either high- or medium density mixed-use development in order to capitalize on the benefits of creating vibrant transit nodes that can become the heart of both new and revitalized Downtown neighborhoods.
- Medium-density mixed-use development (generally 5 – 14 floors) should be considered the norm for new construction and rehabilitation projects in the Project Area. This recommendation is made specifically because medium-density, mixed-use projects have already become the norm in most parts of the Project Area, particularly the Warehouse District.

The following policies from the *North Loop Small Area Plan* apply:

- Conduct a rezoning study to best match the regulations with the policy. New zoning districts should be considered as a possible way to create consistency between policies found in this document and regulations in the Zoning Ordinance.
- Promote an overall increase in neighborhood housing density that includes a continuum of housing choices.
- Increase development intensity consistent with the character of a Downtown neighborhood.

2. Whether the amendment is in the public interest and is not solely for the interest of a single property owner.

The recommended zoning changes affect 490 parcels, and thus are not in the interest of a single property owner. The recommendations implement plans that involved the participation of multiple stakeholders.

3. Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.

The proposed changes to primary and overlay zoning designations are guided by the adopted small area plans and the Comprehensive Plan. These plans and policies consider the growth and evolution of the entire area, including integration with and transition between surrounding land uses.

4. Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.

The proposed zoning identifies reasonable changes to fulfill long-term land use objectives of adopted city plans. In some cases, uses become legally non-conforming so that future uses are consistent with the plans. In most cases, zoning changes increase development potential to realize the density and/or use objectives of the plans.

5. Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.

The last major rezoning to affect the study area took place in 2006 in preparation for development associated with the opening of the Hiawatha LRT line. Other parts of the study area were included in a city-wide rezoning in 1999. Since that time downtown has experienced dramatic changes with the introduction of fixed LRT and commuter rail and almost 5,700 more people residing in Downtown than in 2000.

Recommendation of the Community Planning and Economic Development--Planning Division:

The Community Planning and Economic Development Planning Division recommends that the City Planning Commission and City Council find that obtaining consent signatures for the rezoning of properties from residential to commercial in the Downtown Rezoning Study Area would be impractical and further recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning map amendment for the rezoning of parcels in the attached exhibits.

Attachments:

1. Proposed zoning maps (can also view at http://www.ci.minneapolis.mn.us/cped/downtown_rezoning.asp)
2. Zoning Comparison table
3. List of Proposed Changes by Parcel
4. Future land use and development intensity maps from adopted plans
5. Comments received