

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

Date: November 17, 2008

Initiator of Amendment: Council Member Schiff

Date of Introduction at City Council: March 31, 2006

Ward: Citywide **Neighborhood Organization:** Citywide

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Intent of the Ordinance: The intent of the amendment is to revise the City's off-street parking and loading regulations to better align with adopted applicable city policies.

Appropriate Section(s) of the Zoning Code:

Chapter 525: Administration and Enforcement

Chapter 541: Off-Street Parking and Loading

Chapter 551: Overlay Districts

The following chapters were also introduced. However, staff is not recommending changes to these chapters as part of this amendment and therefore recommends returning them to the author:

Chapter 520: Introductory Provisions

Chapter 527: Planned Unit Development

Chapter 531: Nonconforming Uses and Structures

Chapter 536: Specific Development Standards

Background: The City's zoning ordinance regulates the number of off-street parking and loading spaces that must be provided when establishing or expanding land uses in Minneapolis. While a number of improvements were made to the City's parking regulations in conjunction with the comprehensive zoning code rewrite adopted in 1999, many of the City's off-street parking provisions date to 1963. Since that time, City goals and strategies related to land use and transportation have evolved, as have best practices. The primary objective of the amendment is to ensure that the City's off-street parking regulations align with its adopted policies related to land use, transportation, urban design, economic development, and environmental sustainability.

The City Council recently approved (pending Metropolitan Council review) a new comprehensive plan, *The Minneapolis Plan for Sustainable Growth*, which includes policies that help to inform changes to City ordinances, including standards related to off-street parking.

In addition to our own policy documents, staff has consulted a variety of sources to help inform the proposed revisions, including but not limited to: parking standards and best practices from peer cities, professional and academic research related to off-street parking, and information from implementation of the City's current off-street parking requirements, including analysis of past parking variances. An

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analysis of City action on requests for variances from parking requirements for individual uses (usually commercial uses) reveals that the City has overwhelmingly granted such requests. The following statistics represent action on parking variances from 2004 through the middle of 2008:

- The City Planning Commission granted 101 of 109 parking variances, a 93% approval rate
- The Board of adjustment granted 56 of 59 parking variances, a 95% approval rate

The City has often found that granting parking variances results in an outcome that is more consistent with adopted policy objectives than compliance with minimum parking requirements. A number of businesses have been confronted with the choice of either applying for a parking variance or obtaining additional/adjacent property to replace existing buildings with additional parking.

CPED-Planning staff assembled a cross-department work team that has also included staff from Minneapolis Development Review (MDR), Public Works, Business Licensing, and CPED-Business Development. The group has met regularly to review and comment on draft revisions. The proposed revisions have been discussed with the City Planning Commission on at least three occasions. A project web site was created at the beginning of September (www.ci.minneapolis.mn.us/cped/parking.asp) to help inform people of the forthcoming amendment. Staff conducted targeted outreach to industry stakeholders. Finally, the revisions have been the subject of additional public engagement, as follows:

- *Downtown-focused open house.* City Hall. September 18th
- *Business association focus group.* Northeast Library. October 1st
- *Neighborhood-focused open house.* Martin Luther King Recreation Center. October 16th

Proposed revisions respond to policies that call for balancing the demand for parking with other important objectives such as maintaining the city's traditional urban form and encouraging the use of alternative modes of transportation. More flexible off-street parking minimums, combined with widespread maximums, would essentially allow the market to play a greater role in determining the amount of off-street parking that would be provided for individual land uses, but within a range deemed acceptable by the City. That "acceptable range" would be based on policies in the comprehensive plan that acknowledge the negative consequences of either substantial undersupply or oversupply of parking.

The following is a summary of the primary components of the amendment:

- **Commercial uses.** Most commercial uses currently have an off-street parking requirement of one space per 300 square feet of gross floor area in excess of 4,000 sq. ft., with a minimum of four spaces per use. This amendment will reduce this requirement, for most uses, to one space per 500 sq. ft. while retaining the four-space minimum. By making urban infill development more feasible, Minneapolis has been well-served by its relatively low off-street parking standards for small-scale uses. Proposed revisions would not significantly change the minimum parking requirement for most small-scale uses. For example, retail sales and services uses up to 5,200 sq. ft. are currently required to provide only four off-street parking spaces. (5,200 – 4,000 = 1,200; 1,200 / 300 = 4) A 5,200 sq. ft. retail use would continue to have a four-space minimum. Staff proposes to continue to allow uses to subtract the first 4,000 square feet subject to providing a minimum of four spaces per use. For larger scale uses, travel demand

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management plans have often demonstrated a lower demand for off-street parking than the zoning code requires outside of downtown.

- **Industrial uses.** The amendment does not propose substantial changes to minimum parking standards for most industrial uses. However, some industrial uses would see reduced parking requirements for components such as office, sales, and display area.
- **Residential uses.** Substantial changes are not proposed for minimum parking standards for residential uses outside of downtown. Special residential parking standards near the University of Minnesota are being considered through a separate process.
- **Minimum threshold for off-street parking.** Currently, all uses over 100 sq. ft. (outside of downtown) must provide off-street parking. The amendment would increase this to 1,000 square feet but would limit the number of small-scale uses that could be exempted from parking requirements within any single development.
- **Food and beverage uses.** Because of the City's relatively high off-street parking requirement for food and beverage uses (e.g., restaurants and coffee shops), the City has received many variance applications to reduce the parking requirement for these uses. The zoning code requires parking equal to 30 percent of the capacity of persons (with capacity meaning the maximum number of persons that can be accommodated under the building code).

Because many restaurants move into existing commercial spaces that were formerly occupied by uses with a lower parking requirement, restaurant operators must either obtain additional parking or obtain a variance prior to obtaining necessary permits. Obtaining additional parking would often require tearing down housing for off-street parking, which can be cost prohibitive and would often be inconsistent with the City's objectives for corridors and neighborhood commercial nodes. Variance applications have typically been granted.

Balancing the desire to accommodate neighborhood restaurants and coffee shops with the recognition these uses often have a higher peak parking demand than retail sales and services uses, staff proposes a graduated off-street parking requirement. In addition, based on feedback received from Council Member Schiff, staff proposes to differentiate between restaurants that have general entertainment and restaurants that do not feature such entertainment. Restaurants with entertainment often have a parking demand similar to the parking demand for nightclubs and receptions halls.

Compared to current standards, this amendment will result in substantially lower off-street parking requirements for food and beverage uses. Small-scale restaurants and coffee shops without general entertainment would have the same parking requirement as retail sales and services uses while larger restaurants and coffee shops would have a higher parking requirement, as follows:

Restaurants without general entertainment: 1 space per 500 sq. ft. of GFA up to 2,000 sq. ft. + 1 space per 300 sq. ft. of GFA in excess of 2,000 sq. ft. (Note that a four-space minimum would apply.)

Restaurants with general entertainment: Parking equal to 20% of the capacity of persons. (This is the same standard proposed for nightclubs and reception halls.)

- ***Parking maximums.*** Off-street parking maximums are proposed for all uses. Maximums currently apply only in the Pedestrian Oriented Overlay Districts. Staff proposes maximums—one space per 200 sq. ft. of gross floor area for most uses—that are intended to allow significant flexibility while preventing substantial oversupply of off-street parking.
- ***Bicycle parking.*** The City currently does not require bicycle parking citywide. Minimum bicycle parking requirements are proposed for most uses. Standards are proposed to ensure that a certain percentage of required bicycle parking would accommodate either long-term users (for uses such as offices) or short-term users (for uses such as retail). In addition, there would be an incentive for nonresidential uses to exceed minimum bicycle parking standards. Staff is proposing to not allow residential uses to continue to replace one automobile parking space with at least four bicycle parking spaces. Other incentives (e.g., a shared automobile) likely hold greater promise in terms of encouraging households to forego automobile ownership. Locker and shower facilities would still be required for large developments in the downtown districts.
- ***Pedestrian Oriented Overlay Districts.*** Based on feedback from the City Planning Commission, the amendment would reduce the minimum parking requirement in PO Overlay Districts to 75% of the “normal” requirement. This is the standard that is currently in effect near LRT stations. The amendment would replace existing bicycle parking requirements in PO Overlay Districts with citywide bicycle parking standards. The amendment would eliminate minimum non-residential parking requirements in the PO Overlay around Stadium Village, similar to the standards that have been in place in Dinkytown since 1999. Similar conditions exist in both areas: publicly available parking facilities, a large student population that is typically not driving to businesses in the district, and frequent transit service.
- ***Administrative incentives.*** Staff received feedback from business associations regarding the importance of efficiently utilizing existing parking by encouraging shared parking among two or more uses. Proposed revisions encourage this by making shared parking calculations more generous. A new section would allow applicants to submit a parking study to attempt to justify a greater shared parking reduction than is allowed by applying the shared parking table. A new provision would allow a residential parking reduction when a shared vehicle is provided within a development. Staff is proposing to retain existing transit and transit shelter incentives.
- ***Downtown parking.*** Staff is suggesting that the City further recognize the availability of transportation alternatives and publicly available parking and eliminate all minimum automobile parking requirements in the B4, B4S, and B4C Districts. The revisions also propose downtown parking maximums that are more restrictive than those outside of downtown. Staff has worked with downtown developers to arrive at a reasonable

maximum for multi-family residential uses in downtown as follows: B4 District: 1.5 spaces per dwelling unit; B4S & B4C Districts: 1.6 spaces per d.u.; the remainder of the Downtown Parking Overlay District: 1.7 spaces per d.u. Office uses in downtown districts could be provided up to one space per 1,000 sq. ft. of floor area. The revisions retain the Downtown Parking (DP) Overlay District and its limitations on surface parking. The purpose of the DP Overlay District would be expanded to also regulate the amount of parking required in those areas outside of the B4, B4S, and B4C Districts but still within the downtown freeway ring (south of Plymouth Ave.) and require less parking in the downtown area than is required for the same zoning districts (e.g., OR3, C3A) outside of downtown. A minimum requirement of one space per 4,000 sq. ft. for all non-residential uses outside of the downtown districts but inside the DP Overlay District would apply.

- ***Off-street loading.*** The amendment proposes relatively modest changes to the off-street loading standards. The minimum loading requirement would be reduced for certain uses. Also, rather than regulating residential loading requirements through by conditional use permit, the amendment would create a predictable loading requirement for large-scale residential developments.

Purpose for the Amendment:

What is the reason for the amendment?

What problem is the Amendment designed to solve?

What public purpose will be served by the amendment?

What problems might the amendment create?

The reason for this amendment is to bring the City's off-street parking and loading regulations into alignment with approved and adopted policies related to land use, transportation, community character, economic development, and environmental sustainability. Many of the City's off-street parking regulations have not changed since they were first adopted in 1963. Best practices have changed significantly since that time.

In addition to the general lack of alignment between current policies and regulations, the City receives a large number of variances from current parking regulations. These variances, other than the most extreme requests, are approved by the City Planning Commission and Board of Adjustment almost without exception. When a certain type of variance is granted in nearly every instance, this is a signal that the City should examine possible adjustments to the ordinance that is necessitating those variances.

The amendment would serve a public purpose by bringing our regulations into alignment with City goals and policies. There is a public interest in ensuring that parking is not substantially undersupplied or oversupplied. The amendment, by instituting more flexible minimum parking standards and reasonable maximum parking standards, would accomplish this objective. The following is a brief summary of the multi-faceted public benefits that the proposed revisions are expected to bring:

- ***Transportation*** – The proposed revisions support City goals and policies related to promoting a multi-modal transportation system. The region has invested in (and continues to invest in)

substantial transit improvements, including but not limited to high frequency bus service within a Primary Transit Network (PTN), bus rapid transit, light rail transit, commuter rail, as well as consideration of streetcar service. The Access Minneapolis plan identifies strategies and investments that will move the City forward toward a more multi-modal future. High minimum parking requirements (and no maximum parking requirements) create an automobile-centric environment that conflicts with these strategies and investments. In addition, new minimum bicycle parking requirements will build on Minneapolis' status as having the second highest rate of bicycle commuting among major cities in the U.S.

- *Land Use* – The proposed revisions help to strengthen Minneapolis' traditional land use pattern. High parking requirements are at odds with the goal of increasing development intensity on the City's corridors and in commercial nodes. Compliance with current parking requirements for restaurants and coffee shops, for example, results in significantly more parking area than building area, which is not an efficient use of urban land.
- *Urban Design/Community Character* – The urban and mixed-use character that the City's policies promote is challenging to achieve with current parking standards. In many cases, requests to reduce parking requirements for individual development projects have resulted in projects that are more consistent with our urban form policies than if the projects had complied with current parking requirements.
- *Economic Development* – Some peer cities have used reduced parking standards as an economic development tool. A number of important Minneapolis development projects would not have happened had the City not relaxed their parking requirements through a variance or through a reduction allowed in a planned unit development.
- *Environmental Sustainability* – The environmental impacts associated with mandating excessive off-street parking are substantial. An automobile-centric environment created by high minimum parking requirements has numerous side-effects, including increasing pollutants that contribute to climate change. Excessive paving for off-street parking contributes to the urban heat island effect and also sends pollutants into our lakes, rivers, and streams. Recognizing the link between parking and sustainability, the US Green Building Council's LEED (Leadership in Energy and Environmental Design) certification system provides a LEED credit when a project avoids excess parking capacity or provides no new parking.

Planning staff does not anticipate that substantial problems will arise from the amendment. Some residents have expressed concern about the possibility of increased parking spillover onto residential streets from commercial uses. However, the parking requirement for most smaller-scale commercial uses—the types of uses typically developed along our corridors and in our neighborhood commercial nodes—will not change substantially under this amendment. Further, travel demand management plans have demonstrated that our current regulations require more parking than is needed to satisfy parking demand for larger-scale uses outside of downtown. The most likely increase in spillover parking may come from the reduced parking requirement proposed for restaurants and coffee shops. However, these uses are already receiving variances at a high rate under current parking regulations.

Timeliness:

Is the amendment timely?

**Is the amendment consistent with practices in surrounding areas?
Are there consequences in denying this amendment?**

This amendment has been on the CPED-Planning work plan for several years. The amendment is timely given that *The Minneapolis Plan for Sustainable Growth* has been approved by the City Council. While provisions of the proposed zoning code amendment are supported by *The Minneapolis Plan* (adopted in 2000), the new comprehensive plan provides more explicit policy guidance related to managing off-street parking.

The City’s off-street parking requirements are generally lower than those in surrounding communities. However, comparing the city’s parking requirements to those to most nearby communities is an “apples to oranges” comparison given the fact that Minneapolis’ context is relatively unique locally in terms of its development densities, mix of uses, availability of transportation alternatives, and the prevalence of households without a vehicle. A better comparison is to gauge our parking standards against best practices in similarly cities across the country.

<i>City</i>	<i>Comments</i>
St. Paul	Proposed parking requirements would generally be lower than those in St. Paul. However, St. Paul allows substantial parking reductions in their Traditional Neighborhood Districts and in the Central Corridor Overlay District.
Portland	Proposed parking requirements are similar to those in Portland.
Seattle	Proposed parking requirements are similar to those in Seattle. Seattle, however, has much lower parking requirements for office uses.
San Diego	Proposed parking requirements are similar to those in San Diego. Note, however, that San Diego’s parking requirements vary significantly depending on the location within the city.
Denver	Proposed parking requirements are similar to those in Denver. However, Denver has a higher parking requirement for retail uses.
Milwaukee	Most of Minneapolis’ parking requirements would still be higher than those found in Milwaukee.
Pittsburgh	Proposed parking requirements are similar to those in Pittsburgh. However, Pittsburgh exempts the first 2,400 square feet from parking requirements for many uses.

Most of the cities noted above, as well as many others, have instituted maximum parking standards and eliminated minimum parking requirements from their respective downtown areas a number of years ago. For the purpose of comparison in this report, staff did not include larger, more densely populated cities with more thorough transit networks. Parking requirements are generally lower in these cities. Washington, DC, for example is currently considering replacing most of their minimum parking requirements with maximum parking standards.

The most obvious consequence of denying the amendment is that our parking regulations would not sufficiently align with adopted goals and policies. The potential benefits of more flexible minimum parking standards, summarized referenced above, would not be realized. Further, the City would continue to receive many variance requests for which the outcome seems predictable. Reviewing

superfluous variance requests is not a good use of staff resources and does a disservice to our customers in terms of the time and money spent on such variances.

Comprehensive Plan:

How will this amendment implement the Comprehensive Plan?

The following Implementation Steps from *The Minneapolis Plan* (adopted in 200) are most relevant to this zoning code amendment:

- Encourage parking strategies that reduce the need for parking in order to avoid spillover into neighboring residential areas, including residential parking permits and the joint use of available parking in mixed-use areas.
- Establish reduced minimum and new maximum parking standards to discourage auto over-reliance.

The Minneapolis Plan for Sustainable Growth includes more explicit policy direction related to managing off-street parking. While many policies throughout the document intersect with the issue of off-street parking, the following policies relate most explicitly to the proposed amendment.

Policy 2.8: Balance the demand for parking with objectives for improving the environment for transit, walking and bicycling, while supporting the city's business community.

- 2.8.1 Implement off-street parking regulations which provide a certain number of parking spaces for nearby uses, while still maintaining an environment that encourages bicycle, pedestrian, and transit travel.
- 2.8.2 Design and implement incentives for shared parking and on-site car sharing programs, as well as carpooling and vanpooling.
- 2.8.4 Consider eliminating minimum parking requirements for certain small-scale uses as well as parking requirements in areas served by off-street parking facilities that are available to the general public.
- 2.8.5 Continue to prohibit new commercial surface parking lots and to restrict the size of accessory surface parking lots in Downtown.
- 2.8.7 Promote transit, walking, and biking as safe and comfortable transportation alternatives through reduced parking requirements, encouragement of employee transit incentive programs, and improved facilities.

Of course, a single zoning code text amendment cannot implement all policies related to parking. Following adoption of this amendment, future steps might include, for example, considering improvements to our travel demand management ordinance, identifying potential district parking

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strategies, and identifying ways the City may be assist with facilitating shared parking arrangements.

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 adopt the above findings and **approve** the zoning code text amendment, amending chapters 525, 541, and 551. Staff further recommends that chapters 520, 527, 531, and 536 be returned to author.