

Department of Community Planning and Economic Development – Planning Division
Rezoning Petition, Conditional Use Permit, Variance, and Site Plan Review
BZZ – 5190

Date: July 18, 2011

Applicant: TE Miller Development, LLC

Address of Property: 701 North 2nd Street and 700 Washington Avenue North

Project Name: 701 2nd Street Apartments

Contact Person and Phone: Robb Miller, (952) 345-7857

Planning Staff and Phone: Janelle Widmeier, (612) 673-3156

Date Application Deemed Complete: June 23, 2011

End of 60-Day Decision Period: August 22, 2011

Ward: 7 Neighborhood Organization: North Loop

Existing Zoning: I2 Medium Industrial District, IL Industrial Living Overlay District, DP Downtown Parking Overlay District

Proposed Zoning: C3A Community Activity Center District (701 North 2nd Street only)

Zoning Plate Number: 13

Legal Description: Lot 2, Block 1, NOWARE ADDITION, Hennepin County, Minnesota.

Proposed Use: Multiple-family dwelling with 100 units.

Concurrent Review:

Petition to rezone the property of 701 2nd Street North from I2 to C3A and to remove the IL Overlay District.

Conditional use permit amendment to add 100 dwelling units to allow a total of 243 dwelling units in a planned unit development.

Variance to reduce the minimum lot area requirement by 4.1 percent.

Site plan review amendment.

Applicable zoning code provisions: Chapter 525, Article VI, Zoning Amendments; Chapter 525, Article VII, Conditional Use Permits; Chapter 525, Article VII Conditional Use Permits; Chapter 525, Article IX Variances, Section 525.520 (2) “To vary the lot area...requirements up to 30 percent...”; and Chapter 530, Site Plan Review.

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Background: The applicant proposes to construct a 6-story, multiple-family dwelling with 100 units located at the property of 701 2nd Street North. The existing industrial building would be demolished. The subject site includes 700 Washington Avenue North because these two properties were included in a planned unit development (PUD) that was approved by the planning commission in 2004. In addition to the conditional use permit for a PUD, site plan review and plat applications were also approved. The Tower Lofts, located at 700 Washington Avenue North, is a building converted from a warehouse to a multiple-family dwelling with 143 dwelling units and ground floor retail fronting on Washington Avenue. To attain the lot area needed to allow 143 dwelling units, lot area from 701 2nd Street North was used. It was intended that 701 2nd Street North would be developed at a later date for a second residential phase (a different developer obtained approvals for the first phase of the PUD). Under the existing zoning of I2 with the IL overlay district, the proposed number of dwelling units could not be established. Therefore the applicant is petitioning to rezone the property of 701 2nd Street North from I2 to C3A Community Activity Center District and to remove the IL overlay district to allow additional density. The zoning of the property of 700 Washington Avenue North would not change with this application. Please note that as long as 700 Washington Avenue is zoned I2 with the IL overlay neither site can withdraw from the PUD without making the Tower Lofts use and building nonconforming. The other required applications include amending the conditional use permit for the PUD, a variance to reduce the minimum lot area by 4.1 percent, and site plan review. Through the PUD amendment, an increase of the allowed building height and floor area ratio are also requested. Upon approval of a conditional use permit, the action must be recorded with Hennepin County as required by state law. The variance to reduce the minimum lot area is required to allow 10 additional units. Site plan review is required for the addition of 5 or more dwelling units. The amendment to the site plan does not include any proposed changes to the property of 700 Washington Avenue North and the staff findings apply to the proposed development unless otherwise noted.

The North Loop Rezoning Study is currently underway. The purpose of the rezoning study is to implement policies set forth in the *North Loop Small Area Plan* adopted by the City Council on April 16, 2010. The subject site is within the boundaries of the small area plan and rezoning study. The proposed base zoning for 700 Washington Avenue North is B4N Downtown Neighborhood District and the proposed base zoning for 701 2nd Street North is C3A. The IL overlay district will also be removed from 701 2nd Street North as part of the study. On June 13, 2011, the planning commission recommended to the City Council to approve the rezoning study. The study will proceed to the July 14th Zoning and Planning Committee meeting before the full Council considers it for adoption most likely on July 22nd. Because the land use application for this project is proceeding to the planning commission public hearing before the rezoning study can be adopted by Council, a rezoning petition as part of the land use applications needs to be requested to allow the proposed density. Upon the adoption of the rezoning study recommendations, the rezoning petition made by the applicant, along with the lot area variance, would not be needed.

Most of the parking for the Tower Lofts building is enclosed with access to and from Washington Avenue. An easement exists to allow parking spaces with drive aisle access adjacent to the dwelling units facing the property of 701 2nd Street North. The boundaries of the parking space and drive aisle easements fall 3 feet short of the width requirements of the zoning code because stairs and a 5 foot wide walkway were constructed within the easement area dedicated to the parking spaces. There is also a drive access easement to connect the easements for the parking area to 2nd Street North. The applicant

has indicated the drive access easement will be shifted to the north end of the site to align with the proposed driveway location to allow continued access to the parking area for Tower Lofts. Eleven surface parking spaces are also proposed for the 701 2nd Street building opposite the Tower Lofts parking. Sufficient room would be provided to accommodate the required widths for the Tower Lofts parking.

The property of 701 2nd Street North is not located in a designated national or local historic district although it abuts two district boundaries. The property of 700 Washington Avenue North is located in the Minneapolis Warehouse Historic District. The St. Anthony Falls Historic District is located on the north side of 2nd Street.

Correspondence from the neighborhood group, North Loop Neighborhood, was received and attached to this report. Staff will forward comments, if any are received, at the City Planning Commission meeting.

REZONING: Petition to rezone the property of 701 2nd Street North from I2 to C3A and to remove the IL overlay district.

Findings as required by the Minneapolis Zoning Code for the rezoning petition:

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

In *The Minneapolis Plan for Sustainable Growth*, the future land use of the subject property is designated as mixed use. It is also within the Downtown growth center. Specific to the Downtown growth center, the plan states:

As the physical and economic center of the city, Downtown is a logical place for a concentration of employment, housing, and other complementary uses....The land use pattern strengthens the concentrated office core with surrounding entertainment, cultural, and residential development. High intensity uses are encouraged to make the best use of the premium location and to strengthen the city's core.

According to the principles and polices outlined in the plan, the following apply to this proposal:

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.

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

The property is also located within the boundaries of the *North Loop Small Area Plan* that was adopted by the City Council into the comprehensive plan. The recommended land use for the site is high density mixed use in the area referred to as Warehouse West. According to the principles and polices outlined in the plan, the following guidance applies to this proposal:

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- Land uses in the North Loop that support the strength and character of the Downtown Core instead of competing with it.
- Preference for mid- to high-density mixed-use developments that combine residential, commercial, and retail (where appropriate) uses.
- Service-oriented commercial uses are appropriate in areas off the designated Commercial Corridors.
- Promotion of an overall increase in neighborhood housing density that includes a continuum of housing choices.
- Land uses organized to encourage and support public transit, cycling, and walking as viable alternatives to the private automobile.

Staff comment: The existing I2 and IL zoning would not allow the high to very high density that is supported in the Downtown growth center. The C3A district would allow high residential density, which is appropriate on this site. It would also allow small-scale retail sales and services uses. The range of uses allowed in the C3A district are more appropriate downtown, rather than the limited and mostly industrial uses allowed by the I2 and IL districts. The uses and density allowed in the C3A district can also support alternative forms of transportation. The proposal to rezone to C3A is consistent with these goals of the comprehensive plan.

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

Because of the property's location in the downtown growth center, high density residential and small-scale retail sales and services uses would be a more appropriate use of the land than mostly industrial uses allowed in the existing district. These uses are also more likely to support alternative forms of transportation and reduce reliance on automobiles. The amendment is in the public interest and not solely in the interest of the property owner.

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 site is located in an area transitioning from industrial to high-density residential and neighborhood serving retail uses. Zoning in the immediate area is C3A, B4S-1 and I1 and I2 with the IL overlay district. The proposed zoning would be compatible with surrounding uses and zoning.

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.

Although the IL overlay district allows residential development, it would not allow the density supported by the comprehensive plan on this property.

- 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 property is located in an area transitioning from industrial to high-density residential and neighborhood serving retail uses.

CONDITIONAL USE PERMIT: to allow a planned unit development with 243 dwelling units.

Findings as Required by the Minneapolis Zoning Code for Conditional Use Permits:

The Community Planning and Economic Development Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

- 1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.**

Increasing the number of dwelling units from 143 to 243 in a planned unit development should not prove detrimental to public health, safety, comfort or general welfare provided the development complies with all applicable building codes and life safety ordinances as well as Public Works Department standards.

- 2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.**

The site abuts three properties with multiple-family residences and a nonresidential property. A high-density residential use should have little impact to the surrounding uses in a neighborhood with existing high density. With the installation of the proposed semi-public walkway through the site and landscape improvements, a much needed and utilized connection will be provided for the neighborhood. The placement of the building should minimize any adverse effects of the proposed scale, which is characteristic of buildings in the immediate area. Although the building may impact some private views, it would not impede any significant public view corridors that focus attention on natural or built features, including landmark buildings, significant open spaces or water bodies.

- 3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.**

The site is served by existing infrastructure. The Public Works Department will review the project for appropriate drainage and stormwater management as well as to ensure the safety of the position and design of improvements in or over the public right of way. The new development will have vehicle access to 2nd Street North. The proposed driveway will tie into the Tower Lofts parking easement area and sufficient room would be provided to accommodate the required widths for the parking.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

The use would comply with all minimum parking and loading requirements and would not exceed the maximum parking requirement. A total of 92 parking spaces are required for the new building with 100 units. The 92 space requirement includes two required guest parking spaces. A total of 113 parking spaces are proposed for the new building. Bicycle parking is also required at one space for every two dwelling units, or 50 spaces for 100 units. The applicant would provide 100 long-term spaces and 6 short-term spaces. One small loading space is required and one small loading space would be provided. The close proximity to the central business district and multiple transit options should also help to minimize traffic congestion.

5. Is consistent with the applicable policies of the comprehensive plan.

In addition to the principles and policies discussed in the rezoning section of this staff report, the following apply to the proposed use:

Policy 1.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.

1.8.1 Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.

Policy 3.1: Grow by increasing the supply of housing.

3.1.1 Support the development of new medium- and high-density housing in appropriate locations throughout the city.

Policy 3.2: Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities.

3.2.1 Encourage and support housing development along commercial and community corridors, and in and near growth centers, activity centers, retail centers, transit station areas, and neighborhood commercial nodes.

In the Warehouse West area, the *North Loop Small Area Plan* calls for the removal of surface parking lots and other underdeveloped sites to continue the eclectic mix of commercial, residential, and industrial uses.

Staff comment: The proposed use and density is appropriate in the Downtown Growth Center and is consistent with these policies.

The following principles and policies apply to the proposed building scale and placement:

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 10.1: Promote building designs and heights that enhance and complement the image and form of the Downtown skyline, provide transition to the edges of Downtown and protect the scale and quality in areas of distinctive physical or historical character.

- 10.1.2 Building placement should preserve and enhance public view corridors that focus attention on natural or built features, such as landmark buildings, significant open spaces or water bodies.

- 10.1.3 Building placement should allow light and air into the site and surrounding properties.

Policy 10.2: Integrate pedestrian scale design features into Downtown site and building designs and infrastructure improvements.

- 10.2.7 Locate buildings so that shadowing on public spaces and adjacent properties is minimized.

Policy 10.5: Support the development of multi-family residential dwellings of appropriate form and scale.

- 10.5.3 Large-scale, high-rise, multi-family residential development is more appropriate in the Downtown Minneapolis Growth Center.

Policy 10.6: New multi-family development or renovation should be designed in terms of traditional urban building form with pedestrian scale design features at the street level.

- 10.6.1 Design buildings to fulfill light, privacy, and view requirements for the subject building as well as for adjacent properties by building within required setbacks.

- 10.6.2 Promote the preservation and enhancement of view corridors that focus attention on natural or built features, such as the Downtown skyline, landmark buildings, significant open spaces or bodies of water.

The *North Loop Small Area Plan* categorizes the 701 2nd Street North property in the Development Intensity District A. District A is intended to support new development that is compatible with the existing density and pattern of an area. Appropriate building types in this district include residential, commercial, or industrial buildings of two to six stories. In commercial areas, buildings may include commercial businesses on the ground floor.

The small area plan categorizes the 700 Washington Avenue North property in the Development Intensity District B. District B is intended to support land areas that are developing in a pattern consistent with medium density building types of up to ten stories. Appropriate building types in this district include housing, commercial, and industrial structures of two to ten stories. This type is generally consistent with the bulk and height of historic warehouse structures in the neighborhood.

The small area plan recognizes that there may be situations where it is appropriate for new development to be allowed additional height in the development review process. The plan specifically states that

“...in District A, the height guidance of six stories is consistent with both the Warehouse Historic District regulation of two to six stories and the St. Anthony Falls Historic District regulation of four to six stories. In cases where the underlying zoning district permits less height than the plan calls for, a property owner or developer should be achieving a plan priority outlined above in order to be supported for a Conditional Use Permit.”

Four plan priorities are identified, including “Design of the site to allow for a pedestrian and/or bicycle public easement connecting opposite sides of the block.”

Staff comment: The proposed building scale and placement would be consistent with these policies. Building heights in the immediate area range from one to seven-stories. Longer building lengths are characteristic of massing in this area as well. Substantial setbacks from adjacent structures and properties are proposed that will minimize any adverse effects on access to light and air and from increased shadowing. The combination of a 4 foot setback from the front lot and the 6 foot wide interior boulevard allows for an enhanced landscaped buffer between the building and the public sidewalk on 2nd Street North. Significant public view corridors would not be impeded. A semi-public pedestrian walkway would be provided through the site as a connection between 2nd Street and Washington Avenue that will fulfill the intent of one of the small area plan priorities.

The following principles and policies apply to the rest of the site plan features:

Policy 10.2: Integrate pedestrian scale design features into Downtown site and building designs and infrastructure improvements.

- 10.2.1 The ground floor of buildings should be occupied by active uses with direct connections to the sidewalk.
- 10.2.2 The street level of buildings should have windows to allow for clear views into and out of the building.
- 10.2.3 Ensure that buildings incorporate design elements that eliminate long stretches of blank, inactive building walls such as windows, green walls, architectural details, and murals.

Policy 10.4: Support the development of residential dwellings that are of high quality design and compatible with surrounding development.

- 10.4.1 Maintain and strengthen the architectural character of the city's various residential neighborhoods.
- 10.4.2 Promote the development of new housing that is compatible with existing development in the area and the best of the city's existing housing stock.

Policy 10.6: New multi-family development or renovation should be designed in terms of traditional urban building form with pedestrian scale design features at the street level.

- 10.6.4 Orient buildings and building entrances to the street with pedestrian amenities like wider sidewalks and green spaces.
- 10.6.5 Street-level building walls should include an adequate distribution of windows and architectural features in order to create visual interest at the pedestrian level.
- 10.6.6 Integrate transit facilities and bicycle parking amenities into the site design.

Policy 10.18: Reduce the visual impact of automobile parking facilities.

10.18.3 Locate parking lots to the rear or interior of the site.

Policy 10.19: Landscaping is encouraged in order to complement the scale of the site and its surroundings, enhance the built environment, create and define public and private spaces, buffer and screen, incorporate crime prevention principles, and provide shade, aesthetic appeal, and environmental benefits.

10.19.1 In general, larger, well-placed, contiguous planting areas that create and define public and private spaces shall be preferred to smaller, disconnected areas.

10.19.2 Plant and tree types should complement the surrounding area and should include a variety of species throughout the site that include seasonal interest. Species should be indigenous or proven adaptable to the local climate and should not be invasive on native species.

10.19.7 Boulevard landscaping and improvements, in accordance with applicable city polices, are encouraged.

In addition to the small area plan development guidelines that reiterate the above comprehensive plan policies, the plan also supports building structured parking below development projects and building new publicly-accessible open spaces that improve pedestrian connectivity in the neighborhood. The plan further elaborates on the importance of connections: “To ensure equal access to all of the amenities the North Loop neighborhood has to offer, more meaningful connections should be created between the Mississippi River, the Downtown office core, neighboring communities, and destinations within the neighborhood.”

Staff comment: The proposed development would be consistent with these policies. The ground floor facing 2nd Street would contain multiple entrances and an abundant amount of fenestration. Architectural elements would be provided on all sides of the building to prevent long expanses of blank walls. Exterior materials would be compatible with materials found in surrounding structures. Most parking would be located below grade and the surface parking would be located at the interior of the site. Bicycle facilities would also be provided. Landscaped areas and plantings would help to define the site features and improve the aesthetic appeal of the site.

Between 5th Avenue North and 10th Avenue North, there are no through streets or other publicly accessible means for connection between Washington Avenue and 2nd Street. A semi-public pedestrian walkway would be provided through the site as a connection between 2nd Street and Washington Avenue that will fulfill the intent of one of the small area plan priorities. The walkway was proposed as one of the original Tower Lofts amenities. It goes through the Tower Lofts building and was proposed to extend along the very southerly edge of the 701 2nd Street North property between the lot line and surface parking. Although an access easement was recorded, the 701 2nd Street portion was never established. With the proposed site plan, an enhanced walkway connection would be provided. Landscaping would flank the 5-foot wide walkway with small areas reserved for dog walkers. The space would have high visibility from adjacent community spaces to improve pedestrian safety. However, the walkway would not line up with the existing easement. Staff is requesting that the easement be modified to reflect the new proposal. With these improvements, a much needed and utilized connection will be provided for the neighborhood.

6. **And, does in all other respects conform to the applicable regulations of the district in which it is located upon approval of this conditional use permit.**

The proposed use will conform to the applicable regulations upon the approval of the rezoning petition, conditional use permit, variance, and site plan review.

Findings Required for Planned Unit Developments:

- A. **The planned unit development conforms to the applicable standards for alternatives and amenities. (See Section A Below for Evaluation)**
- B. **Additional uses. (See Section B Below for Evaluation)**
- C. **The planned unit development conforms to the required findings for a planned unit development. (See Section C Below for Evaluation)**

Section A: Authorized Alternatives and Amenities Provided

- All planned unit developments shall provide at least one (1) amenity or a combination of amenities that total at least ten (10) points, beyond those required for any alternative(s), and even if no alternative(s) is requested.
- For each alternative requested, an amenity or a combination of amenities totaling at least five (5) points, in addition to the amenity(ies) required in section 527.120(1), shall be provided. For multiple requests of the same alternative only one (1) amenity shall be required for those alternatives.
- Unless otherwise determined by the city planning commission, each phase of the planned unit development shall include the amenities provided for any alternatives in that phase, as a part of the construction of that phase.
- In no case shall any item be counted as an amenity for an alternative if it is utilized to qualify for a density bonus in any zoning district, a floor area ratio premium in the Downtown Districts, or any other amenity in Table 527-1, Amenities.
- Where an amenity is provided that meets the standards required in Table 527-1, Amenities, the full point value assigned to said amenity shall be obtained. Where the amenity does not meet all of the standards required in Table 527-1, Amenities, no points shall be awarded. Partial points for alternatives shall not be awarded, except as otherwise allowed in Table 527-1, Amenities.

Alternatives requested:

- **Placement and number of principal residential structures.** – No alternatives requested.
- **Bulk regulations.**

Maximum Floor Area: The total lot area of the PUD is 92,349 square feet. The maximum FAR allowed in the I2 and C3A District is 2.7. Both buildings qualify for a density bonus to increase the maximum FAR by 20 percent because all required parking would be enclosed within the building. This increases the maximum FAR to 3.24. The gross floor area of the Tower Lofts building is 227,860 square feet. The proposed gross floor area of the 701 2nd Street North building would be 93,678 square feet. Therefore the buildings would have a total of 321,538 square feet, which is an FAR of 3.48.

Building Height: In the C3A district, the maximum height is limited to 4 stories or 56 feet, whichever is less. The building would have 6 stories and would be 82 feet tall as measured from the natural grade 10 feet away from the front center of the building.

In addition to the conditional use standards and planned unit development standards, the city planning commission shall consider, but not be limited to, the following factors when determining maximum height:

1. Access to light and air of surrounding properties.

The proposed building location would exceed all minimum yard requirements. The proposed setbacks would minimize any adverse effects on surrounding properties access to light and air. The upper floors of the proposed building would be setback 95 feet from the Tower Lofts building, 72 feet from Mill City Apartments (625 2nd Street North), 85 feet from River Station Condominiums (located across 2nd Street at 680 2nd Street North), and 27 feet from a nonresidential building with few windows located at 715 2nd Street North.

2. Shadowing of residential properties or significant public spaces.

A shadow study has been submitted as part of this application and is attached to this report. The building would not be adjacent to any significant public spaces. The River Station Condominiums (680 2nd Street North) would be most affected by shadowing. However, shadowing would occur only in the evening hours during spring, fall and winter. A 4-story, 56 foot tall building would also have similar shadowing impacts. Increases in shadows on other residential properties would be minimal.

3. The scale and character of surrounding uses.

There is a mix of new development and rehabilitated buildings in the immediate area and the proposed building would be located between two designated historic districts. As explained in the *North Loop Small Area Plan*, a height of six stories is consistent with both the Warehouse Historic District regulation of two to six stories and the St. Anthony Falls Historic District regulation of four to six stories. The rehabbed buildings that front Washington Avenue range in height from three to seven floors, but 6-floor buildings are predominant. They also occupy large expanses of street frontage on all floors right up to the lot line. For context, the height of the Tower Lofts building is 5 floors and 77 feet where it is adjacent to 701 2nd Street North. It is also over 260 feet wide. There are also rehabbed and new buildings on 1st Street North that range in height from one to seven floors that are of similar scale and building placement. Newer development is primarily located along 2nd Street with predominant height of 4 stories. One exception is the 5th Avenue Lofts located at the property of 401 2nd Street North, just north of the railroad trench. The 5th Avenue Lofts is a 7-story multiple-family dwelling. The scale of the 5th Avenue frontage of that development is very similar to the scale of the proposed 2nd Street frontage of this project; however, this project will contain more recesses and projections and a landscaped buffer would be located between the public sidewalk and the building. Longer expanses of building frontage adjacent to streets are characteristic along 2nd Street as well. The proposed building would be similar to the scale and character of surrounding uses.

4. Preservation of views of landmark buildings, significant open spaces or water bodies.

The *North Loop Small Area Plan* does not identify any view corridors in close proximity to 701 2nd Street North. Although the building may impact some private views, it would not impede any significant public view corridors that focus attention on natural or built features, including landmark buildings, significant open spaces or water bodies.

- **Lot area requirements.** – Alternatives for the minimum lot area requirement were approved in 2004 for the first phase of development. Amenities previously approved included preserving an historic building (at the time, it was not located in a local historic district), providing a pedestrian walkway through the site from Washington Avenue to 2nd Street, and awnings and other streetscape improvements. Additional density is proposed as part of this phase of the project, but no additional amenities are required.
- **Yards.** – No alternative requested.
- **On-premise signs.** – No alternative requested.
- **Off-street parking and loading.** – No alternative requested.

Points required:

- Minimum required amenity(ies) and minimum lot area – Per section 527.90(c), planned unit developments approved before August 28, 2009 shall only be required to provide amenities for any alternatives requested as a part of an amendment. Because the original land use applications were adopted in 2004, the applicant is only required to provide an amenity(ies) worth five points for any new alternatives that are being requested. As noted above, amenities to reduce the minimum lot area requirement were provided as part of the first phase. For this phase of the PUD, the applicant is requesting new alternatives to the building bulk regulations.
- Bulk regulations, maximum FAR – **5 points.**
- Bulk regulations, height – **5 points.**
- **Total – 10 points.**

Amenities provided: The applicant has provided a supplemental document (attached to this report) describing all of the amenities proposed and believes they are worth 18 points. For the new alternatives requested, staff believes 14 points worth of amenities are proposed as described below.

Table 527-1 Amenities

The applicant proposes the following amenities from Table 527-1: Energy Efficiency, Pedestrian Improvements, Reflective Roof, Shared Vehicle, Heated Drives or Sidewalks, and Recycling Storage Area.

Energy efficiency – The required standards (in bold) for energy efficiency are:

- **Utilization of energy design assistance programs or commissioning to ensure that building systems are designed to operate efficiently and exceed the Minnesota State Energy Code by at least thirty (30) percent of the annual energy costs.** The applicant will work with the design

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assistance program offered by Xcel Energy to create a design that exceeds the code requirement by at least 30 percent. The energy saving design will include roof insulation value exceeding the minimum required by code, occupancy sensors, Energy Star appliances, high efficiency water heaters, LED exterior lighting, and compact fluorescent interior lighting in public spaces. Supports for a future solar panel array will be installed on the roof. The applicant has also indicated that they are willing to incorporate any additional suggestions made by Xcel that will have a payback period of four years or less.

- **The developer must submit documentation to the city including a letter signed by the owner or a licensed design professional, that shows the project will comply with this standard.** The building systems have not yet been designed. The applicant has indicated that once an electrical and mechanical engineer complete the design, the required documentation will be submitted.

This provision is worth 3 points.

Pedestrian improvements – The required standards (in bold) for pedestrian improvements are:

- **A site and building design that allows for exceptional and accessible pedestrian and/or bicycle access through and/or around a site that exceeds the requirements of Chapter 530, Site Plan Review.** A main entrance would be provided with access to 2nd Street and private entrances would be provided for ground level units. In addition to the proposed building entrances, a semi-public walkway that extends from Washington Avenue to 2nd Street would be provided. Along the walkway, there would be areas for pets to relieve themselves along with a pet bag dispensing station for owners. The applicant has also noted that one bicycle parking space for each unit would be provided, whereas one space for every two units is required. Six spaces near the semi-public walkway would also be provided.
- **The improvements shall use a combination of landscaping, decorative materials, access control and lighting to create a safe, clear and aesthetically pleasing access through and/or around the site that complies with the Americans with Disabilities Act accessibility requirements.** Lighting and landscaping would be provided adjacent to all entrances and along the semi-public, heated, accessible pathway to provide safe and aesthetically pleasing access for pedestrians. An abundant amount of windows on all sides of the building would also provide additional opportunities for natural surveillance.

This provision is worth 3 points. However, section 527.120 of the zoning code does not allow items to be counted as amenity for an alternative if it is utilized to qualify for another amenity or alternative. With the previous PUD approval, the semi-public walkway was proposed as an amenity to allow an alternative to the minimum lot area requirement. The applicant has indicated that with the sale of the land the easement for the walkway will dissolve. However, the requirement to provide this walkway is still in effect as required by the PUD approval. Also, the enhanced landscaping and heated sidewalks are part of other proposed amenities. For these reasons, the full point value for this amenity cannot be granted. The design for the semi-public walkway includes other features that have not been included with other amenities that contribute to an enhanced site plan. Staff has added an additional amenity proposed by the applicant below, referred to as Other Pedestrian Improvements, to evaluate these other features.

Reflective roof – **Utilize roofing materials for seventy five (75) percent or more of the total roof surface having a Solar Reflectance Index (SRI) equal to or greater than the values as required by the US Green Building Council (USGBC) for low-sloped and steep-sloped roofs.** The entire roof

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would have an Energy Star rated white roof system that has a SRI equal to or greater than the values recommended by the USGBC. This provision is worth 3 points.

Shared vehicles – **Access to a shared passenger automobile available for short-term use. For residential uses, a minimum of one (1) car per one hundred (100) dwelling units is required.** At least one shared car is required. The applicant would provide the shared vehicle in the below grade parking garage. Correspondence from the HOURCAR program manager indicates that locating a car at this site is acceptable provided the applicant covers the purchase cost. This provision is worth 3 points.

Heated drives or sidewalks – **Heated drives or sidewalks that are designed to provide snow and ice free surfaces.** All on-site sidewalks and the pedestrian plaza would be heated to provide snow and ice free surfaces. This provision is worth 1 point.

Recycling storage area – **Provide an easily accessible area that serves the entire building and is dedicated to the collection and storage of non-hazardous materials for recycling, including but not limited to paper, corrugated cardboard, glass, plastics and metals. The recycling storage area shall be located entirely below grade or entirely enclosed within the building.** Recycling areas would be located in each trash room on each floor with separate bins for glass, plastic and metal. A paper and cardboard recycling bin would also be provided on the first floor refuse storage room. This provision is worth one point.

Amenities that significantly exceed standards described in Table 527-1

The commission may consider up to an additional five (5) points to the point value listed for any amenity in Table 527-1, Amenities, where the commission finds the proposed amenity substantially exceeds the standards required in Table 527-1, Amenities, for the amenity. The applicant is requesting an additional 1 point for the Recycling Storage Area amenity. In addition to the recycling bins, the project would include separate trash chutes for refuse and compostables. The compostables would be collected twice a week and transported to designated Hennepin County compost landfills. For the dual trash system in addition to the recycling storage areas, staff believes an additional 1 point is warranted.

Amenities proposed by the applicant

The city planning commission may consider other amenities not listed in Table 527-1, Amenities, that are proportionally related to the alternative requested. The commission may assign points based on the proportionality. The applicant is proposing four other amenities, three of which are similar to amenities identified in Table 527-1. For those similar amenities, the required standards have been included for comparison.

Enhanced landscaping and bicycle parking – The required standards for enhanced landscaping are:

- **A landscaping plan of exceptional design that has a variety of native tree, shrub, and plant types that provide seasonal interest and that exceed the requirements of Chapter 530, Site Plan Review.** The Chapter 530 tree and shrub requirement for this site is 11 and 52 respectively. The applicant would provide 5 canopy trees and 43 shrubs on-site. The landscape plan would not provide the minimum number of on-site required trees and shrubs. As an alternative, the applicant would provide 3 ornamental trees and perennials on-site as well as 4 canopy trees, 10 ornamental trees, 24 shrubs and perennials in the 2nd Street right-of-way. A variety of plants are proposed. The remainder of the landscaped area would be covered with sod. Over the below-grade parking garage

deck, 14 planters and a vegetable garden for residents would be provided. An 866 square foot green roof over the garage entrance would be installed.

- **The landscaped areas shall have a resource efficient irrigation system.** A rainwater harvesting system would be installed to supply irrigation water for the landscaped areas.
- **The landscaping plan shall be prepared by a licensed landscape architect.** The landscape plan has been prepared by a licensed architect.

The applicant is requesting 1 point for this amenity. These items have direct proportionality to building height and building FAR by providing semi-public gathering spaces and enhancements for use and enjoyment by the community. Because enhanced landscaping would be provided in the right-of-way, with planters, and by providing a green roof in addition to the proposed on-site landscaping, staff believes 1 point is warranted for this amenity.

Other pedestrian improvements – As noted above, the full point value for this amenity from Table 527-1 is not authorized by the zoning code because it was an amenity proposed for a previously approved alternative. Pedestrian improvements that are not included as part of other amenities already proposed include bicycle parking that is more than two times that required, private entrances for ground level units, areas for pets to relieve themselves, and adequate lighting to improve safety. These items have direct proportionality to building height and building FAR by providing semi-public gathering spaces, increased positive street level activity and enhancements for use and enjoyment by the community. For these reasons, staff believes 1 point is warranted for this amenity.

Enhanced stormwater management – The required standards for enhanced stormwater management are:

- **Provide capacity for infiltrating stormwater generated onsite with artful rain garden design that serves as a visible amenity.** A rain garden is not proposed because of the unsuitable clay soils on the site. As an alternative, the applicant would provide a treatment chamber for the water before it would enter the public system, ponding on the roof to slow down the rate at which it flows into the system, an 866 square foot green roof, and a rainwater harvesting system for irrigation as needed.
- **Rain garden designs shall be visually compatible with the form and function of the space and shall include for long-term maintenance of the design.** A rain garden is not proposed.
- **The design shall conform to requirements of the stormwater management plan approved by public works.** The Public Works Department will review the project for appropriate drainage and stormwater management.

The applicant is requesting 1 point for this amenity. According to the Sewer Division of the Public Works Department, the proposed stormwater management system would not provide enhanced management. It also does not provide a feature visible by the general public. A resource efficient irrigation system is part of the enhanced landscaping amenity. Section 527.120 of the zoning code does not allow an item to be counted as an amenity for an alternative if it is utilized to qualify for any other amenity. For these reasons, staff does not believe that this item warrants a point.

Dual flush toilets – The applicant is proposing to install dual flush toilets in all of the bathrooms. The applicant is requesting 1 point for this item because it will reduce the water consumption and therefore the sewer discharge of 100 residential units and the impact on the public infrastructure required to treat such waste. Further, these lines and systems should be used minimally by each development so that the capacity of the existing infrastructure will be able to handle growth for years to come and costs and other inconveniences associated with replacing and expanding infrastructure can be minimized. Although this is a sustainable feature, staff does not believe it warrants a point on its own.

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With alternatives proposed by an applicant, the level of value for users of the site, neighborhood and City must be considered with how they have direct proportionality to the alternatives requested. Staff has not identified any proportionality between dual flush toilets and building height and building FAR.

Points Summary

<i>Amenity</i>		<i>Points Requested by Applicant</i>	<i>Points Recommended by Staff</i>
Amenities from Table 527-1	Energy Efficiency	3	3
	Pedestrian Improvements	3	0
	Reflective Roof	3	3
	Shared Vehicle	3	3
	Heated Drives and Sidewalks	1	1
	Recycling Storage Areas	1	1
Amenities that significantly exceed standards described in Table 527-1	Recycling Storage Areas / Dual Trash System	1	1
Amenities proposed by the applicant	Enhanced Landscaping	1	1
	Other Pedestrian Improvements	0	1
	Enhanced Stormwater Management	1	0
	Dual Flush Toilets	1	0
Total		18	14

Phasing plan. – The development would not be phased.

Section B: Additional Uses

- In general. The city planning commission may authorize additional uses in the zoning district in which the planned unit development is located as provided below and subject to section 527.210. An amenity is not required in order to allow an additional use.
- Residence and OR1 Districts. The city planning commission may authorize additional residential uses, small neighborhood serving retail sales and services uses as allowed in the OR2 and OR3 Districts, child care centers, offices and clinics within a planned unit development located in the Residence and OR1 Districts. The additional small neighborhood serving retail sales and services uses as allowed in the OR2 and OR3 Districts, child care centers, offices and clinics shall not exceed two thousand (2,000) square feet per use, unless otherwise allowed by the zoning district in which the use is located.
- OR2 and OR3 Districts. The city planning commission may authorize additional residential uses and retail sales and services uses as allowed in the C1 District within planned unit developments located in the OR2 and OR3 Districts. Notwithstanding section 547.30(f)(2) and (3), the city planning commission may authorize retail sales and services uses greater than two thousand (2,000) square feet, but not to exceed four thousand (4,000) square feet per use. The city planning commission may allow more than two (2) such retail sales and services uses per zoning lot.

Additional uses are not proposed.

Section C: Conformance with Required Planned Unit Development Findings

In addition to the conditional use permit standards contained in Chapter 525, Administration and Enforcement, before approval of a planned unit development the city planning commission also shall find:

1. That the planned unit development complies with all of the requirements and the intent and purpose of this chapter. In making such determination, the following shall be given primary consideration:

a. The character of the uses in the proposed planned unit development, including in the case of residential uses, the variety of housing types and their relationship to other site elements and to surrounding development.

A multiple-family dwelling with 143 units exist in the Tower Lofts building on one-half of the PUD. A multiple-family dwelling with 100 units is proposed on the other half. The mix of units includes studio, one- and two-bedrooms. Ground floor units would have private entrances. Amenities would be provided that would benefit the residents as well as the neighborhood.

b. The traffic generation characteristics of the proposed planned unit development in relation to street capacity, provision of vehicle access, parking and loading areas, pedestrian access, bicycle facilities and availability of transit alternatives.

The use would comply with all minimum parking and loading requirements and would not exceed the maximum parking requirement. A total of 92 parking spaces are required for the new building with 100 units. The 92 space requirement includes two required guest parking spaces. A total of 113 parking spaces are proposed for the new building. Bicycle parking is also required at one space for every two dwelling units, or 50 spaces for 100 units. The applicant would provide 100 long-term spaces and 6 short-term spaces. One small loading space is required and one small loading space would be provided. All vehicle access for the new building would occur through one curb cut on 2nd Street. The applicant will modify the easement to allow continued access to the Tower Lofts surface parking. The close proximity to the central business district and multiple transit options should also help to minimize traffic generation. Pedestrian access to, from and through the site would be convenient with multiple ground floor entrances and a walkway that extends from Washington Avenue to 2nd Street.

c. The site amenities of the proposed planned unit development, including the location and functions of open space, the preservation or restoration of the natural environment or historic features, sustainability and urban design.

The site amenities proposed by the applicant include an energy-efficient building design, pedestrian improvements, a reflective roof, a shared vehicle, enhanced landscaping, enhanced stormwater management, heated sidewalks, recycling storage areas, a dual trash system, and dual flush toilets. Many of these amenities will make the project more sustainable while also exhibiting urban design. Currently no landscaping exists on the site. The proposed landscaped areas will improve the areas adjacent to the street. The proposed design of the

walkway connection through the site would be enhanced by increased landscaped areas that would create a buffer from adjacent parking areas and would have reserved dog relief areas.

- d. The appearance and compatibility of individual buildings and parking areas in the proposed planned unit development to other site elements and to surrounding development, including but not limited to building scale and massing, microclimate effects of the development, and protection of views and corridors.**

There is a mix of new development and rehabilitated buildings in the immediate area. The proposed building would be located between two designated historic districts. As explained in the *North Loop Small Area Plan*, a height of six stories is consistent with both the Warehouse Historic District regulation of two to six stories and the St. Anthony Falls Historic District regulation of four to six stories. The rehabbed buildings that front Washington Avenue range in height from three to seven floors, but 6-floor buildings are predominant. They also occupy large expanses of street frontage on all floors right up to the lot line. For context, the height of the Tower Lofts building is 5 floors and 77 feet where it is adjacent to 701 2nd Street North. It is also over 260 feet wide. There are also rehabbed and new buildings on 1st Street North that range in height from one to seven floors that are of similar scale and building placement. Newer development is primarily located along 2nd Street with predominant height of 4 stories. One exception is the 5th Avenue Lofts located at the property of 401 2nd Street North, just north of the railroad trench. The 5th Avenue Lofts is a 7-story multiple-family dwelling. The scale of the 5th Avenue frontage of that development is very similar to the scale of the proposed 2nd Street frontage of this project; however, this project will contain more recesses and projections and a landscaped buffer would be located between the public sidewalk and the building. Longer expanses of building frontage adjacent to streets are characteristic along 2nd Street as well. The proposed building would be similar to the scale and character of surrounding uses.

Exterior materials of surrounding development include brick, metal, concrete, and glass. The proposed building materials and abundant amount of windows on each elevation would be compatible with the appearance of surrounding development.

The *North Loop Small Area Plan* does not identify any view corridors in close proximity to 701 2nd Street North. Although the building may impact some private views, it would not impede any significant public view corridors that focus attention on natural or built features, including landmark buildings, significant open spaces or water bodies.

Most of the parking is enclosed within the buildings. The parking area would be located at the interior of the site with minimal visibility from the street. It would be adjacent to existing surface lots both to the north and south of the site. Landscaping will be added at the south side of the site to increase screening and reduce impervious surface coverage.

- e. An appropriate transition area shall be provided between the planned unit development and adjacent residential uses or residential zoning that considers landscaping, screening, access to light and air, building massing, and applicable policies of the comprehensive plan and adopted small area plans.**

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The proposed building location would exceed all minimum yard requirements. The proposed setbacks would minimize any adverse effects on surrounding properties access to light and air. The upper floors of the proposed building would be setback 95 feet from the Tower Lofts building, 72 feet from Mill City Apartments (625 2nd Street North), and 85 feet from River Station Condominiums (located across 2nd Street at 680 2nd Street North). Proposed landscaping on the southwest and southeast sides of the building would provide appropriate transition areas.

A shadow study has been submitted as part of this application and is attached to this report. The building would not be adjacent to any significant public spaces. The River Station Condominiums (680 2nd Street North) would be most affected by shadowing. However, shadowing would occur only in the evening hours during spring, fall and winter. A 4-story, 56 foot tall building would also have similar shadowing impacts. Increases in shadows on other residential properties would be minimal.

As described under finding #5 of this conditional use permit section, the proposed transition areas would be consistent with the applicable policies of the comprehensive plan and small area plan.

f. The relation of the proposed planned unit development to existing and proposed public facilities, including but not limited to provision for stormwater runoff and storage, and temporary and permanent erosion control.

The Public Works Department will review the project for appropriate drainage and stormwater management as well as to ensure the safety of the position and design of improvements in or over the public right of way. A rainwater harvesting system will be installed to supply irrigation water for the landscaped areas. An 866 square foot green roof will be installed as well to increase water quality and reduce the amount of stormwater runoff from the site.

g. The consideration, where possible, of sustainable building practices during the construction phases and the use of deconstruction services and recycling of materials for the demolition phase.

The applicant will use material recycling during the demolition and construction process with a target of 75 percent recycled. As practical, durable, sustainable, and local materials including brick, cement board, concrete, framing lumber, cabinetry and window materials will be used.

2. That the planned unit development complies with all of the applicable requirements contained in Chapter 598, Land Subdivision Regulations.

The properties within the PUD were platted as part of the first phase and comply with all of the applicable subdivision requirements.

VARIANCE - To reduce the minimum lot area requirement by 4.1 percent.

Findings Required by the Minneapolis Zoning Code for the Proposed Variance:

1. The property owner proposes to use the property in a reasonable manner.

The applicant is requesting to reduce the minimum lot size requirement per dwelling unit from 396.4 square feet to 380 square feet to allow 10 additional units. The property is located within walking distance of the downtown core and the Mississippi River. To help support and encourage economic growth, higher residential densities are desired in and near downtown.

2. Practical difficulties exist due to circumstances unique to the property. The unique circumstances were not created by persons presently having an interest in the property and are not based on economic considerations alone.

The properties in the PUD are former industrial sites with close proximity to the downtown core. Adopted policies in the comprehensive plan, including the *North Loop Small Area Plan*, support high density at this location. A rezoning study is underway that will allow much greater density than the existing zoning, but will not be completed before the public hearing for this project. These circumstances are unique to the property.

3. If granted, the variance will be in keeping with the spirit and intent of the ordinance and the comprehensive plan and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.

Lot area requirements are established to ensure compatibility with surrounding uses. Many other high density residential projects have been approved in the area. Establishing a higher density residential development downtown meets the intent of the ordinance and comprehensive plan. The granting of the variance should not affect surrounding uses.

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 variance should not increase the danger of fire or endanger public safety. Adequate parking facilities are provided on-site. The additional traffic generated by the development should not have a large impact on the public streets.

SITE PLAN REVIEW

Findings as required by the Minneapolis Zoning Code for the site plan review:

A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)

- B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with applicable policies of the comprehensive plan and applicable small area plans adopted by the city council. (See Section B Below for Evaluation.)**

Section A: Conformance with Chapter 530 of the Zoning Code

BUILDING PLACEMENT AND DESIGN:

- Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
- First floor of the building shall be located not more than eight (8) feet from the front lot line (except in C3S District or where a greater yard is required by the zoning ordinance). If located on corner lot, the building wall abutting each street shall be subject to this requirement.
- The area between the building and the lot line shall include amenities.
- The building shall be oriented so that at least one (1) principal entrance faces the public street. In the case of a corner lot, the principal entrance shall face the front lot line.
- Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.
- For new construction, the building walls shall provide architectural detail and shall contain windows as required by Chapter 530 in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility.
- In larger buildings, architectural elements, including recesses or projections, windows and entries, shall be emphasized to divide the building into smaller identifiable sections.
- Blank, uninterrupted walls that do not include windows, entries, recesses or projections, or other architectural elements, shall not exceed twenty five (25) feet in length.
- Exterior materials shall be durable, including but not limited to masonry, brick, stone, stucco, wood, metal, and glass.
- The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.
- The use of plain face concrete block as an exterior material shall be prohibited fronting along a public street, public sidewalk, public pathway, or adjacent to a residence or office residence district.
- Entrances, windows, and active functions:
 - Residential uses:

Principal entrances shall be clearly defined and emphasized through the use of architectural features such as porches and roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Twenty (20) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

 - a. Windows shall be vertical in proportion.
 - b. Windows shall be distributed in a more or less even manner.
 - Nonresidential uses:

Principal entrances shall be clearly defined and emphasized through the use of architectural features such as roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Thirty (30) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

 - a. Windows shall be vertical in proportion.
 - b. Windows shall be distributed in a more or less even manner.
 - c. The bottom of any window used to satisfy the ground floor window requirement may not be more than four (4) feet above the adjacent grade.
 - d. First floor or ground floor windows shall have clear or lightly tinted glass with a visible light transmittance ratio of 0.6 or higher.
 - e. First floor or ground floor windows shall allow views into and out of the building at eye level. Shelving, mechanical equipment or other similar fixtures shall not block views into and out of the building in the

area between four (4) and seven (7) feet above the adjacent grade. However, window area in excess of the minimum required area shall not be required to allow views into and out of the building.

- f. Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.
- g. In multiple tenant buildings, each individual ground level tenant space that faces a public street, public sidewalk, public pathway, or on-site parking lot shall comply with the minimum window requirements of this section.

Minimum window area shall be measured as indicated in section 530.120 of the zoning code.

- Ground floor active functions:
Except for industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, the first floor or ground level of buildings shall be designed to accommodate active functions by ensuring that parking, loading, storage, or mechanical equipment rooms are limited to no more than thirty (30) percent of the linear building frontage along each wall facing a public street, public sidewalk, or public pathway.
- The form and pitch of roof lines shall be similar to surrounding buildings.
- Parking Garages: The exterior design shall ensure that sloped floors do not dominate the appearance of the walls and that vehicles are screened from view. In addition to compliance with minimum window requirements, principal and accessory parking garages shall comply with provisions requiring active functions on the ground floor. In the downtown districts, the more restrictive parking garage provisions of Chapter 549, Downtown Districts, shall apply.

Conformance with above requirements:

The first floor of the proposed building would be located within 8 feet of the lot line adjacent to 2nd Street, except where the main entrance and other common areas located on the south end would be set back 10 feet. Recessing the wall with the main entrance combined with a wall of glass emphasizes the significance of this area. It also provides sufficient room for an accessible walkway leading to the entrance. For these reasons, staff is recommending that the planning commission grant alternative compliance to allow a part of the ground floor building to be set back 10 feet.

Between the building and 2nd Street, landscaping and decks leading to private entrances are proposed.

The main entrance would face 2nd Street.

The surface parking would be located at the interior of the site.

The building design includes recesses and projections, windows, and changes in materials to divide the building into smaller identifiable sections.

There would not be any blank, uninterrupted walls that do not include windows, entries, recesses or projections or other architectural elements that exceed 25 feet in length.

The primary exterior materials would include brick, metal panels, cementitious panels, and glass. Please note, exterior material changes at a later date would require review by the Planning Commission and an amendment to the site plan review.

All sides of the building would be compatible by incorporating each exterior material on all elevations.

Plain face concrete block would not be used as a primary exterior building material.

The principal entrance would be clearly defined and architectural features, including windows and a recess in the building, would be used to emphasize its importance.

The wall facing 2nd Street is subject to the minimum window requirements. At least 316.8 square feet of windows are required to meet the twenty percent window requirement on the first floor. Measured between 2 and 10 feet above the adjacent grade, almost 31 percent of the wall would be windows. On each of the upper floors, at least 240 square feet of windows are required to meet the 10 percent window requirement. Almost 41 percent of each upper floor level would be windows.

All windows would be vertical in proportion and distributed in a more or less even manner.

Less than 30 percent of the linear building frontage along 2nd Street would be occupied by mechanical equipment rooms.

A flat roof is proposed as is typical in the immediate area.

ACCESS AND CIRCULATION:

- **Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.**
- **Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.**
- **Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.**
- **Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.150 (b) related to alley access.**
- **Site plans shall minimize the use of impervious surfaces.**

Conformance with above requirements:

The building entrance would be connected to the public sidewalk with a walkway that exceeds four feet in width.

No transit shelters are proposed.

Two existing curb cuts currently provide access to the site from 2nd Street. The proposed vehicle access would be from 2nd Street through one curb cut 24 feet in width. Circulation would occur at the interior of the site. The proposed access and circulation should have little effect on the surrounding residential properties and minimal impact on pedestrians.

The site is not adjacent to an alley.

The amount of impervious surface for surface parking would be greatly reduced with this proposal.

LANDSCAPING AND SCREENING:

- **The composition and location of landscaped areas shall complement the scale of the development and its surroundings.**

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- Not less than twenty (20) percent of the site not occupied by buildings, including all required landscaped yards, shall be landscaped as specified in section 530.160 (a).
- Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.
- Except as otherwise provided, required screening shall be at least ninety-five (95) percent opaque throughout the year.
- Screening shall be satisfied by one or a combination of the following:
 - A decorative fence.
 - A masonry wall.
 - A hedge.
- Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.170 (b), including providing landscape yards along a public street, public sidewalk or public pathway and abutting or across an alley from a residence or office residence district, or any permitted or conditional residential use.
- The corners of parking lots where rows of parking spaces leave areas unavailable for parking or vehicular circulation shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks or bicycle parking.
- In parking lots of ten (10) spaces or more, no parking space shall be located more than fifty (50) feet from the center of an on-site deciduous tree. Tree islands located within the interior of a parking lot shall have a minimum width of seven (7) feet in any direction.
- All other areas not governed by sections 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.
- Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.210.
- The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.80, as provided in section 530.220.

Conformance with above requirements:

The zoning code requires that a least 20 percent of the site not occupied by buildings be landscaped. The lot area of the PUD site is approximately 92,349 square feet. The footprint of the Tower Lofts building is 42,957 square feet and the footprint of the 701 2nd Street building including the below grade parking garage would be 23,422 square feet. Therefore the combined building footprints would be approximately 66,379 square feet. The lot area minus the building footprints therefore consists of approximately 25,970 square feet. At least 20 percent of the net site area (5,194 square feet) must be landscaped. Approximately 3,100 square feet of the site would be landscaped. That is equal to 11.9 percent of the net lot area. No landscaping exists on the property of 700 Washington Avenue North, therefore all of the landscaped area would be provided on the 701 2nd Street North property. With the previous site plan approval, the planning commission granted alternative compliance to allow only 1 percent of the net lot area to be landscaped with the understanding that the landscape requirement would be fulfilled with the second phase of development. The Tower Lofts parking area easements occupy approximately 43 percent of the net lot area. The remaining areas would be occupied by walkways, decks, a community patio and a parking area for the proposed building. As an alternative to meeting the 20 percent requirement, the applicant is proposing to provide landscaping, including trees, shrubs, and perennials, in the 2nd Street right-of-way. For these reasons, staff is recommending that the planning commission grant alternative compliance to allow 11.9 percent of the net lot area to be landscaped.

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The zoning code requires at least one canopy tree for each 500 square feet of required green space and at least one shrub for each 100 square feet of required green space. The tree and shrub requirement for this site is 11 and 52 respectively. The applicant would provide 5 canopy trees and 43 shrubs on-site. In addition to those plantings, the applicant would provide 3 ornamental trees and perennials on-site as well as 4 canopy trees, 10 ornamental trees, 24 shrubs and perennials in the 2nd Street right-of-way. A variety of plants are proposed. The remainder of the landscaped area would be covered with sod. The applicant is also proposing a walkway that would connect neighborhood residents from Washington Avenue to 2nd Street. On the previously approved site plan, the walkway was located between two parking areas with no landscape buffer. Staff is recommending that the planning commission grant alternative compliance to the minimum on-site tree and shrub requirement because the landscape plan will enhance the area and provide an enhanced amenity for the neighborhood.

A 7-foot wide landscaped yard with screening that is 95 percent opaque is required adjacent to the residential property, Mill City Apartments, located to the south of the site. The applicant would provide a landscaped yard that varies in width from 2 to 9 feet where no landscaped yard was previously required. Landscaping would provide additional screening as well.

Areas unavailable for parking would be landscaped.

The 11 surface parking spaces for the 701 2nd Street building would not be within 50 feet of an on-site tree because they are located above a parking garage and are separated from the main landscaped area by a community patio. This provision was adopted after the original site plan was approved and none of the existing Tower Lofts surface parking spaces are currently within 50 feet of a canopy tree. With the proposed landscaped plan, 3 of the Tower Lofts spaces would be located within 50 feet of a canopy tree. For these reasons, staff is recommending that the planning commission grant alternative compliance to allow none of the 11 spaces for the 701 2nd Street building to be within 50 feet of a tree.

Installation and maintenance of all landscape materials must comply with the standards outlined in section 530.210.

ADDITIONAL STANDARDS:

- All parking lots and driveways shall be designed with wheel stops or discontinuous curbing to provide on-site retention and filtration of stormwater. Where on-site retention and filtration is not practical, the parking lot shall be defined by six (6) inch by six (6) inch continuous concrete curb.
- To the extent practical, site plans shall minimize the blocking of views of important elements of the city.
- To the extent practical, buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.
- To the extent practical, buildings shall be located and arranged to minimize the generation of wind currents at ground level.
- Site plans shall include crime prevention design elements as specified in section 530.260 related to:
 - Natural surveillance and visibility
 - Lighting levels
 - Territorial reinforcement and space delineation
 - Natural access control
- To the extent practical, site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.

Conformance with above requirements:

The parking area would be defined by 6 inch by 6 inch concrete curbing because the clay soils in the site are not conducive to retention and filtration of stormwater.

The *North Loop Small Area Plan* does not identify any view corridors in close proximity to 701 2nd Street North. Although the building may impact some private views, it would not impede any significant public view corridors that focus attention on natural or built features, including landmark buildings, significant open spaces or water bodies.

A shadow study has been submitted as part of this application and is attached to this report. The building would not be adjacent to any significant public spaces. The River Station Condominiums (680 2nd Street North) would be most affected by shadowing. However, shadowing would occur only in the evening hours during spring, fall and winter. A 4-story, 56 foot tall building would also have similar shadowing impacts. Increases in shadows on other residential properties would be minimal.

Wind currents should not be major concern.

The site includes crime prevention design elements. The building would have an abundant amount of windows on all sides of the building. The applicant has submitted a lighting plan that indicates adequate lighting will be provided around the site that will not create glare. Landscaping, walkways, and lighting would be used to guide people through the site. Entrance locations would also distinguish between private and public areas.

The 701 2nd Street North building on the site would be demolished. The building is not locally or nationally designated or identified as eligible for designation.

Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan and Applicable Small Area Plans Adopted by the City Council

ZONING CODE: The site is zoned I2 Medium Industrial District, IL Industrial Living Overlay District, and DP Downtown Parking Overlay District. The applicant is petitioning to rezone the property of 701 2nd Street North from I2/IL to C3A Community Activity Center District. A multi-family dwelling with 5 or more units and a planned unit development in the I2/IL and C3A districts is a conditional use.

In the DP overlay district, an accessory parking lot is a conditional use. The parking lot must be located on the same zoning lot as the principal use served and the number of spaces shall not exceed 20. A parking lot with 52 spaces exists at the property of 701 2nd Street North as shown on the previously approved site plan, including 28 spaces for Tower Lofts. As part of this project, the parking lot will be reduced in size to 39 spaces, including the 28 Tower Lofts spaces and 11 spaces for 701 2nd Street North. Because the number of spaces is being reduced, a variance is not needed to allow more than 20 spaces. Although there is an easement in place for the Tower Lofts parking at 701 2nd Street North, the Tower Lofts will need to obtain a variance to have parking located on a different zoning lot as the

principal use served (section 551.760(b)) if the Tower Lofts building is removed from the PUD. Accessible parking would also have to be provided for the Tower Lofts surface parking.

Parking and Loading:

Minimum automobile parking requirement: The minimum parking requirement in Table 541-1 of the zoning code is one parking space per dwelling unit, or 243 spaces. In the DP overlay district, the minimum parking requirement is reduced to no less than 90 percent of the number spaces specified in Table 541-1, or 219 spaces. The total number of spaces in the PUD would be 326. Tower Lofts has 213 spaces including commercial parking (with the DP overlay district, no parking is required for the commercial uses because they are each less than 4,000 square feet in area). The number of spaces proposed for 701 2nd Street North is 113.

Not more than 75 percent of the proposed spaces used to meet the minimum parking requirement can be compact. Seven of the 701 2nd Street North spaces would be compact.

Accessible parking must be provided. Two percent, but not less than one, of each type of parking (enclosed and surface) must be accessible. For the surface parking area, one accessible space must be provided. For the 701 2nd Street North building, three enclosed accessible spaces must be provided. One surface and four enclosed accessible spaces would be provided.

In the DP overlay district, designated visitor parking is required for multi-family dwellings of 50 or more units at not less than one space per 50 units in addition to the parking required by Table 541-1. Two visitor spaces are required and at least two will need to be designated.

All surface parking spaces must be located at least 6 feet away from a dwelling. A dwelling includes any portion of the building, such as decks. As shown on the landscaping plan, the setback between the surface parking spaces and all parts of the dwelling would be at least six feet.

Maximum automobile parking requirement: In the DP overlay district, the maximum parking requirement for multi-family dwellings of 10 or more units is 1.7 spaces per unit. Required accessible parking and visitor parking do not count toward the maximum requirement. Not including required accessible and visitor parking (6 spaces combined), 1.07 spaces per unit are proposed for the 701 2nd Street North building. This provision was not in effect when Tower Lofts was established.

Bicycle parking requirement: The minimum bicycle parking requirement is equal to one space per two dwelling units. Not less than 90 percent of the required bicycle parking must meet the standards for long term parking. All required bicycle parking spaces must be accessible without moving another bicycle and its placement shall not result in a bicycle obstructing a required walkway. Bicycle racks shall be installed to the manufacturer's specifications, including the minimum recommended distance from other structures. In addition, required long-term bicycle parking spaces must be located in enclosed and secured or supervised areas providing protection from theft, vandalism and weather and shall be accessible to intended users. Required long-term bicycle parking for residential uses shall not be located within dwelling units or within deck or patio areas accessory to dwelling units. The total minimum requirement is 50 spaces, of which at least 45 must meet the long-term parking requirements. The applicant would provide 100 long-term spaces and 6 short-term spaces.

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Loading: One small loading space (10 feet wide by 25 feet deep) is required for multiple family dwellings with 100 to 250 units. One small loading space is proposed. If the Tower Lofts building is removed from the PUD, one small loading space will also be required for that property.

Maximum Floor Area: The total lot area of the PUD is 92,349 square feet. The maximum FAR allowed in the I2 and C3A District is 2.7. Both buildings qualify for a density bonus to increase the maximum FAR by 20 percent because all required parking would be enclosed within the building. This increases the maximum FAR to 3.24. The gross floor area of the Tower Lofts building is 227,860 square feet. The proposed gross floor area of the 701 2nd Street North building would be 93,678 square feet. Therefore the buildings would have a total of 321,538 square feet, which is an FAR of 3.48. Through the PUD, the applicant is requesting an alternative of this ordinance by providing additional amenities on-site. The planning commission may authorize an increase in the maximum FAR by up to 20 percent (an FAR of 3.78) when additional amenities are provided. For a detailed description of the amenities proposed, please see the conditional use permit section of this report.

Minimum Lot Area: The total lot area of the PUD is 92,349 square feet. In a PUD, the required lot area of individual lots may be reduced provided any such reductions are compensated for by an equivalent amount of lot area elsewhere in the PUD. When the PUD was originally approved this provision was used to allow the 143 units in the Tower Lofts building. To allow the proposed density, the applicant is proposing to rezone the property of 701 2nd Street North to C3A and apply for a variance to reduce the lot area by 4.1 percent. With the I2/IL and C3A zoning, the allowed density is calculated as follows:

The minimum lot area requirement in the I2/IL district is 900 square feet per dwelling unit. With a lot area of 47,742 square feet for the property of 700 Washington Avenue North (Tower Lofts), 53 units are allowed. The building qualifies for a density bonus to increase the maximum number of allowed units by 20 percent because all required parking would be enclosed within the building. This increases the number of allowed units to 63. When the PUD was originally approved, the planning commission authorized a reduction in the minimum lot area requirement by 20 percent for amenities proposed (pedestrian walkway through the site and protecting and preserving a contributing structure, which is now in a designated historic district). This reduces the minimum lot area per unit from 757.8 square feet to 606.2 square feet allowing a total of 78 units.

The minimum lot area requirement in the C3A district is 400 square feet per dwelling unit. With a lot area of 66,607 square feet for the property of 701 2nd Street North, 111 units are allowed. The building qualifies for a density bonus to increase the maximum number of allowed units by 20 percent because all required parking would be enclosed within the building. This increases the number of allowed units to 133. When the PUD was originally approved, the planning commission authorized a reduction in the minimum lot area requirement by 20 percent for amenities proposed. The aforementioned amenities will be part of the PUD; therefore additional amenities are not required for the PUD alternative to increase the maximum number of units by 20 percent. With the PUD density bonus, the maximum number of allowed units increases to 155.

Combined, the total number of allowed units is 233 and the minimum amount of lot area required per dwelling unit is 396.4 square feet. The total proposed number of units in the PUD is 243, 100 of which

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would be located at 701 2nd Street North. The requested minimum lot area per dwelling unit is 380 square feet. A variance to reduce the minimum lot area by 4.1 percent is required.

Dwelling Units per Acre: A density of 114.6 dwelling units per acre is proposed in the PUD.

Lot Coverage: Not applicable.

Impervious Surface Coverage: Not applicable.

Building Height: In the C3A district, the maximum height is limited to 4 stories or 56 feet, whichever is less. The building would have 6 stories and would be 82 feet tall as measured from the natural grade 10 feet away from the front center of the building. Through the PUD, the applicant is requesting an alternative of this ordinance by providing additional amenities on-site. For a detailed description of the amenities proposed, please see the conditional use permit section of this report.

Yard Requirements: In the C3A district, yards are only required where the property is adjacent to a residential or office residential district or permitted or conditional residential use or where a residential use with windows is facing a side lot line. An interior side yard is required adjacent to the property of 625 2nd Street North where a multi-family dwelling is located in the I2 and IL districts. All sides of the building facing an interior or rear lot line are also subject to a yard requirement because it is a residential use with windows. The minimum interior side/rear yard requirement is $5 + 2x$, where x is equal to the number of stories above the first floor. Therefore the minimum interior side/rear yard requirement for the building is 15 feet. All sides of the building would be at least 15 feet from the interior side and rear lot lines. Adjacent to 625 2nd Street North, all other obstructions are subject to a 5 foot interior side yard setback. Landscaped areas are proposed within 5 feet of the side lot line.

In the previous PUD approval, the planning commission allowed a rear yard setback between the building and the rear lot line (shared with 701 2nd Street North) of 10 feet (15 feet is required). If the Tower Lofts building is removed from the PUD, the Tower Lofts will need to obtain a variance to reduce the rear yard requirement to prevent creating a nonconforming building setback.

Specific Development Standards: Not applicable.

Refuse screening: Refuse storage containers would be stored in the building.

Screening of mechanical equipment: All mechanical equipment is required to be arranged so as to minimize visual impact by using screening and must comply with Chapter 535 and district requirements including:

535.70. Screening of mechanical equipment. (a) *In general.* All mechanical equipment installed on or adjacent to structures shall be arranged so as to minimize visual impact using one (1) of the following methods. All screening shall be kept in good repair and in a proper state of maintenance.

- (1) *Screened by another structure.* Mechanical equipment installed on or adjacent to a structure may be screened by a fence, wall or similar structure. Such screening structure shall comply with the following standards:

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- a. The required screening shall be permanently attached to the structure or the ground and shall conform to all applicable building code requirements.
 - b. The required screening shall be constructed with materials that are architecturally compatible with the structure.
 - c. Off-premise advertising signs and billboards shall not be considered required screening.
- (2) *Screened by vegetation.* Mechanical equipment installed adjacent to the structure served may be screened by hedges, bushes or similar vegetation.
- (3) *Screened by the structure it serves.* Mechanical equipment on or adjacent to a structure may be screened by a parapet or wall of sufficient height, built as an integral part of the structure.
- (4) *Designed as an integral part of the structure.* If screening is impractical, mechanical equipment may be designed so that it is balanced and integrated with respect to the design of the building.

Lighting: Existing and proposed lighting must comply with Chapter 535 and Chapter 541 of the zoning code including:

535.590. Lighting. (a) *In general.* No use or structure shall be operated or occupied as to create light or glare in such an amount or to such a degree or intensity as to constitute a hazardous condition, or as to unreasonably interfere with the use and enjoyment of property by any person of normal sensitivities, or otherwise as to create a public nuisance.

(b) *Specific standards.* All uses shall comply with the following standards except as otherwise provided in this section:

- (1) Lighting fixtures shall be effectively arranged so as not to directly or indirectly cause illumination or glare in excess of one-half (1/2) footcandle measured at the closest property line of any permitted or conditional residential use, and five (5) footcandles measured at the street curb line or nonresidential property line nearest the light source.
- (2) Lighting fixtures shall not exceed two thousand (2,000) lumens (equivalent to a one hundred fifty (150) watt incandescent bulb) unless of a cutoff type that shields the light source from an observer at the closest property line of any permitted or conditional residential use.
- (3) Lighting shall not create a sensation of brightness that is substantially greater than ambient lighting conditions as to cause annoyance, discomfort or decreased visual performance or visibility to a person of normal sensitivities when viewed from any permitted or conditional residential use.
- (4) Lighting shall not create a hazard for vehicular or pedestrian traffic.
- (5) Lighting of building facades or roofs shall be located, aimed and shielded so that light is directed only onto the facade or roof.

Signs: Two wall signs are proposed. The signs must comply with the standards for C3A signage. Any new signage will require Zoning Office review, approval, and permits.

Solar energy systems: Support pedestals for a solar energy system would be installed on the roof although the panels would not be installed at the time of building construction. Solar energy systems are

subject to the requirements of Chapter 535 of the zoning code. Roof mounted systems cannot extend more than 10 feet above a flat roof and must be set back from the parapet wall if it extends above the parapet. The applicant has indicated the solar installation would comply with the height and placement restrictions.

MINNEAPOLIS PLAN: Please see the rezoning and conditional use permit sections of this staff report.

ALTERNATIVE COMPLIANCE:

The Planning Commission or zoning administrator may approve alternatives to any site plan review requirement upon finding any of the following:

- The alternative meets the intent of the site plan chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, green roof, decorative pavers, ornamental metal fencing, architectural enhancements, transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.
- Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.
- The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.

Alternative compliance is requested by the applicant to meet the following standards:

- First floor of the building located within 8 feet of a lot line adjacent to a street

The first floor of the proposed building would be located within 8 feet of the lot line adjacent to 2nd Street, except where the main entrance and other common areas located on the south end would be set back 10 feet. Recessing the wall with the main entrance combined with a wall of glass emphasizes the significance of this area. It also provides sufficient room for an accessible walkway leading to the entrance. For these reasons, staff is recommending that the planning commission grant alternative compliance to allow a part of the ground floor building to be set back 10 feet.

- Twenty percent landscaping

The zoning code requires that a least 20 percent of the site not occupied by buildings be landscaped. The lot area of the PUD site is approximately 92,349 square feet. The footprint of the Tower Lofts building is 42,957 square feet and the footprint of the 701 2nd Street building including the below grade parking garage would be 23,422 square feet. Therefore the combined building footprints would be approximately 66,379 square feet. The lot area minus the building footprints therefore consists of approximately 25,970 square feet. At least 20 percent of the net site area (5,194 square feet) must be landscaped. Approximately 3,100 square feet of the site would be landscaped. That is equal to 11.9 percent of the net lot area. No landscaping exists on the property of 700 Washington Avenue North, therefore all of the landscaped area would be provided on the 701 2nd Street North property. With the previous site plan approval, the planning commission granted alternative compliance to allow only 1 percent of the net lot area to be landscaped with the understanding that the landscape requirement would be fulfilled with the second phase of development. The Tower

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Lofts parking area easements occupy approximately 43 percent of the net lot area. The remaining areas would be occupied by walkways, decks, a community patio and a parking area for the proposed building. As an alternative to meeting the 20 percent requirement, the applicant is proposing to provide landscaping, including trees, shrubs, and perennials, in the 2nd Street right-of-way. For these reasons, staff is recommending that the planning commission grant alternative compliance to allow 11.9 percent of the net lot area to be landscaped.

- Minimum number of on-site trees and shrubs

The zoning code requires at least one canopy tree for each 500 square feet of required green space and at least one shrub for each 100 square feet of required green space. The tree and shrub requirement for this site is 11 and 52 respectively. The applicant would provide 5 canopy trees and 43 shrubs on-site. In addition to those plantings, the applicant would provide 3 ornamental trees and perennials on-site as well as 4 canopy trees, 10 ornamental trees, 24 shrubs and perennials in the 2nd Street right-of-way. A variety of plants are proposed. The remainder of the landscaped area would be covered with sod. The applicant is also proposing a walkway that would connect neighborhood residents from Washington Avenue to 2nd Street. On the previously approved site plan, the walkway was located between two parking areas with no landscape buffer. Staff is recommending that the planning commission grant alternative compliance to the minimum on-site tree and shrub requirement because the landscape plan will enhance the area and provide an enhanced amenity for the neighborhood.

- Parking spaces within 50 feet of a tree

The 11 surface parking spaces for the 701 2nd Street building would not be within 50 feet of an on-site tree because they are located above a parking garage and are separated from the main landscaped area by a community patio. This provision was adopted after the original site plan was approved and none of the existing Tower Lofts surface parking spaces are currently within 50 feet of a canopy tree. With the proposed landscaped plan, 3 of the Tower Lofts spaces would be located within 50 feet of a canopy tree. For these reasons, staff is recommending that the planning commission grant alternative compliance to allow none of the 11 spaces for the 701 2nd Street building to be within 50 feet of a tree.

RECOMMENDATIONS

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the Rezoning:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the petition to rezone the property of 701 North 2nd Street from I2 to C3A and to remove the IL Overlay District.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Conditional Use Permit:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit amendment to add 100 dwelling units to allow a total of 243 dwelling units in a planned unit development for the properties located at 701 North 2nd Street and 700 Washington Avenue North, subject to the following condition:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.
2. As required by section 527.120 of the zoning code, the development shall comply with the standards for some combination of the following amenities from Table 527-1, Amenities and those proposed by the applicant totaling a minimum of 10 points: Energy Efficiency, Reflective Roof, Shared Vehicle, Heated Sidewalks, Recycling Storage Area, Dual Trash System, Enhanced Landscaping and Other Pedestrian Improvements.
3. As required by section 527.90 of the zoning code, the development shall provide amenities, including the easement for the semi-public walkway, proposed for the previous alternatives approvals.
4. The applicant shall implement all amenities as required by section 527.120 of the zoning code by August 19, 2013.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Variance:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a variance to reduce the minimum lot area requirement by 4.1 percent for the properties located at 701 North 2nd Street and 700 Washington Avenue North.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Site Plan Review:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for site plan review amendment for the properties located at 701 North 2nd Street and 700 Washington Avenue North, subject to the following conditions:

1. Community Planning and Economic Development Department – Planning Division staff review and approval of the final building elevations, floor, site and landscape plans.
2. Site improvements required by Chapter 530 or by the City Planning Commission shall be completed by August 19, 2013, or the permit may be revoked for non-compliance.
3. At least two parking spaces shall be designated for visitor parking as required by section 551.765 of the zoning code.

Attachments:

1. PDR report
2. Applicants statement of use
3. Applicants findings and amenity descriptions
4. Correspondence received
5. Zoning map
6. Zoning district comparison
7. Plans
8. Photos