

**Department of Community Planning and Economic Development – Planning
Division**

Conditional Use Permit and Site Plan Review
BZZ-2889

Date: April 10, 2006

Applicant: The Ackerberg Group, Stuart Ackerberg, 3033 Excelsior Blvd., Suite 10,
Minneapolis, MN 55416 (612)924-6400

Addresses of Property: 1320 Lagoon Avenue South, 2900, 2904 and 2908 Fremont
Avenue

Project Name: MoZaic Mixed-Use Development

Contact Person and Phone: Gretchen Camp, BKV Group, 222 N. 2nd Street,
Minneapolis, MN 55401, (612)373-9122

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

Date Application Deemed Complete: February 21, 2006

End of 60-Day Decision Period: April 21, 2006

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

Ward: 10 **Neighborhood Organization:** Lowry Hill East Neighborhood Assn.

Existing Zoning: C3A (Community Activity Center District), PO (Pedestrian Oriented)
Overlay District

Proposed Zoning: Not applicable for this application

Zoning Plate Number: 24

Lot area: 110,692 square feet or 2.54 acres

Legal Description: See attachment.

Proposed Use: Amend a mixed-use, Planned Commercial Development.

Concurrent Review:

- Amend the Conditional Use Permit for a Planned Unit Development.
- Site Plan Review.

Applicable zoning code provisions: Chapter 525, Article VII, Conditional Use Permits & Chapter 530 Site Plan Review.

Background: The applicant proposes to construct a mixed-use Planned Commercial Development by amending the approved Conditional Use Permit. The property is currently zoned C3A and is located within the PO district. The 319,890 square foot project would include a 10-story condominium building with lower level retail, 8-story mixed-use building including 40,000 square feet of office space, restaurants, commercial/retail space and a newly constructed 30,317 square foot Lagoon Theater centered on a 23,000 square foot public plaza. Parking would be provided in a 4-story underground ramp. The project would replace an existing 262 stall surface parking lot. The project site is bounded by the Midtown Greenway to the North, Lagoon Avenue to the South, Fremont Avenue to the East and Hennepin Avenue to the West.

The original project was proposed to include a 6-story office building, 112-unit 13-story residential building, restaurant, art gallery, retail spaces and expanded theatre. The original proposal and all associated applications were approved with conditions by the Planning Commission on May 23, 2005 (BZZ-2286). Two separate appeals were filed during the 10 day appeal period. The two appeals were filed regarding the Conditional Use Permit (CUP) for a Planned Unit Development (PUD), and the variance of the required rear and interior side yard setbacks for the proposed residential structure. On June 23, 2005, the Zoning and Planning Committee denied one of the appeals regarding the CUP for a PUD and upheld the other appeal regarding the CUP for a PUD and the yard variances. On July 1, 2005 the City Council approved a compromise on the residential building height to 10 stories or 112 feet and approved the applications.

The amended or second proposal (BZZ-2645) was approved by the Planning Commission on October 31, 2005 and was not appealed during the 10 day appeal period. The principal changes between the original proposal and the second proposal included: an increase in the number of condominium units from 112 to 166 units through the addition of units within the condominium buildings on the east side of the site; a decrease in the amount of office space from 100,000 square feet to 40,000 square feet; new theatre instead of expanding the existing theatre; location of the office building and commercial space on to Lagoon Avenue frontage (replacing the existing theatre); location of walk-up condominium units on the Fremont Avenue frontage; pedestrian connection to the plaza area and an increase in the plaza size from 19,000 square feet to 23,000 square feet; construction of a 4-story underground parking garage instead of a 3-story underground parking garage with an above-ground 2-story parking ramp; construction of 830 parking spaces instead of 760 parking spaces. Additionally, the applicant applied for and received approval for an interior yard variance along the north property line from the required 19 feet to 5 feet 8 inches.

The current proposal to amend the PUD integrates two, mixed use-buildings centered on a public plaza with underground parking. The 10-story condominium building on the west side of the site remains unchanged other than a reduction in the number dwelling

units. The applicant seeks approval for revisions to the eastern portion of the project to allow an 8-story building (to be referred to as Condo 2) in place of the previously approved two buildings with a shared ground level. No additional yard variances are needed as the applicant received approval to locate the building at 5 feet 8 inches from the north property line. The principal changes between the current proposal and the last proposal are as follows:

- The building footprint is essentially the same as the approved building footprint. Therefore, no additional variances are required.
- The ground floor uses and locations are the same as the previous proposal. Commercial space would be located adjacent to Lagoon Avenue, theatre located off of the public plaza, and liner residential along Fremont Avenue with 4, 2-story condominium units with walk-up entrances on Fremont.
- The massing of the building is being reoriented with the proposal as floors 3-8 of Condo 2 are now oriented north and south adjacent to the plaza and the building steps down to only 3 stories along Fremont Avenue. The green roof would now be located adjacent to the Fremont Avenue side of the site atop the office level of the Condo 2 building. Previously, the massing of the upper floors of the building was predominantly oriented towards the lots lines surrounding an interior green roof.
- The overall height of 84 feet for the Condo 2 building is the same height that was previously approved in the amended proposal.
- The amount of green roof area being proposed is 24,757 square feet. Previously, 25,214 square feet were proposed and approved.
- A total of 145 residential dwelling units are being proposed. A total of 166 dwelling units were previously approved.
- There is a decrease in the amount of commercial space in the development.
- No changes are being proposed in relation to the circulation and access points for vehicular traffic.
- The amount of required parking and the number of parking stalls provided has decreased.
- There is an increase in FAR from 2.8 to 2.9 which is still below the allowable FAR.

The project as proposed would provide an approximately 23,000 square foot public plaza. The plaza is proposed to include water elements, sculptures and numerous plantings. Just as proposed in the original and amended application, the applicant proposes to provide a connection to the lower level of the Midtown Greenway via a new pedestrian bridge, accessible ramp and stairway. The connection would provide a link to the Midtown Greenway from Fremont Avenue to Hennepin Avenue.

As previously approved in the amended PUD application, the proposed development would have approximately 40,000 square feet of office space, however, the space would be included in the Condo 2 building located on the east side of the site. The office space would now be located on one floor level as the entire second floor of the Condo 2

building would be office and would surround the green courtyard on top of the theatre roof. A green roof would also be located on top of the office level that is adjacent to Fremont.

The revised project includes a condominium building on the east side of the site, in addition to the previously approved 10-story building located on the west side of the site. The 10-story, 112 foot residential building as approved could include 81 units. The revised Condo 2 building on the east side of the site would step back from the Greenway and would range in height from 3 to 8 stories. The main residential entry to the Condo 2 building would be off-of the public plaza. Walk-up townhome units would be located off of Fremont Avenue. The building would incorporate roof gardens on various floor levels as well.

In order to accommodate a request by Metro Transit for creation of a bus bypass in the bus lane along the northwest portion of the project area, the developer would exchange a portion of its property for a portion of the Metro Transit property. This transfer has not yet occurred, thus the site plan shows a small corner of the 10-story condominium on the west side of the property as being located on Metro Transit property. Staff would require that the land transfer occur prior to obtaining any construction permits for the development.

As mentioned above, the applicant proposes to install both intensive and extensive green roofs on both of the mixed-use buildings. The intensive green roofs would be more of a site amenity with traditional garden spaces composed of large trees, shrubs and smaller groundcover intended to be accessible by the building tenants. The extensive green roofs would be for environmental purposes and only accessible for maintenance purposes. The green roofs as proposed would provide 24,757 square feet of green roof terraces. The applicant proposes to install 6,200 square feet of pervious materials at ground level for a total of 30,957 square feet of pervious material.

The parking for the proposed development would be provided for in a 4-story underground parking ramp. Overall, a minimum of 792 spaces are proposed. The previous proposal included parking for 830 spaces, but due to engineering restraints, the number has been reduced. Public access to the underground parking would be primarily off of Lagoon Avenue with secondary access off of Hennepin Avenue. Parking for the residential uses on site would enter and exit off of Fremont Avenue. Exiting from the parking ramp would primarily be on to Fremont Avenue and also on to Hennepin Avenue. The proposal includes parking for 62 bicycles as well.

Three commercial spaces would be located in the lower level of the 10-story condominium building just as originally proposed. Those three commercial spaces totaling approximately 10,300 square feet would be designated for restaurants and a coffee shop. A commercial retail space of approximately 3,300 square feet is proposed for the ground floor of the revised Condo 2 building, fronting onto Lagoon Avenue at the opening to the plaza.

The existing Lagoon Theatre provides 5 screens with approximately 800 seats. This theatre would be demolished to make way for the construction of a new approximately 30,317 square foot theatre with 8 screens and approximately 1,550 seats. The theatres would all be located on the ground floor and would vary in size from 120 seats to 260 seats incorporating stadium style seating. The main theatre lobby would be located off of the public plaza. The theatre use previously received approval for a conditional use permit.

A preliminary plat was previously approved for the proposed development. The applicant is aware that a final plat must be submitted for review and approval by the Planning Commission.

The applicant has met with the official neighborhood group, Lowry Hill East Neighborhood Association (LHENA), as well as other neighborhood groups in the vicinity including Calhoun Area Residents Action Group (CARAG) and East Isles Residents Association. Further, the applicant has continued to work with the Midtown Greenway Coalition, Uptown Business Association, Metro Transit (MT) and the Hennepin County Regional Rail Authority (HCRRA). All applicable correspondence has been attached for reference.

CONDITIONAL USE PERMIT – Amend the Conditional Use Permit for a Planned Commercial Development

Exceptions to Zoning Ordinance Standards: Chapter 527, Planned Unit Development authorizes the City Planning Commission to approve exceptions to the zoning regulations that are applicable to the zoning district in which the development is located. This may be done only upon finding that the Planned Unit Development includes adequate site amenities to address any adverse effects of the exception.

Exceptions requested:

(1) Building Height: The height requirement in the C3A zoning district is four stories or 56 feet, whichever is less. In a Planned Unit Development the height of structures may be increased for the purposes of promoting an integrated project that provides additional site amenities. The proposed height of the buildings within the amended CUP would be: **(1)** The previously approved 10 story or 112-foot condominium building on the west side of the site; **(2)** 8 stories or 84 feet for the Condo 2 building located on the east side of the site. Staff believes that due to the redistribution/reorientation of height within the development, the impacts of the proposed height of the Condo 2 building need to be re-evaluated within the context of the adjacent surroundings.

(2) Number of parking spaces (Off-street parking): The required number of parking spaces for the proposed development per Chapter 541 is 860 parking spaces based on the

new proposal. Previously, a total of 927 parking spaces were required. The decrease is due to the reduction in the overall number of dwelling units and the amount of commercial space in the project. Utilizing the shared parking computations for the proposed development 672 parking spaces are necessary to meet the peak parking demand for the Lagoon Development according to the applicant. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD to 672 spaces. The applicant proposes to provide a total of at least 792 parking spaces for the proposed development which includes 672 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. Should the Planning Commission grant an exception to 672 parking spaces for the Lagoon Development, and provide 80 spaces for 1300 and 1400 Lagoon Avenue, there would be 40 additional spaces that the applicant considers excess. The applicant proposes that those 40 parking spaces be available to fulfill demand generated by other Uptown Area uses.

(3) Number of loading spaces (Off-street loading): The applicant is required to provide the following: 1 small loading space for the theatre, 1 large for the office (previously was 2), 1 small for the restaurant and commercial spaces and the residential component is required as approved by the conditional use permit. The applicant is looking for an exception as they propose to provide 1 small and 2 large. This would be the number of spaces generally required for the theatre, office and commercial uses. The residential use is subject to a loading space requirement as approved by the conditional use permit. The 2 large loading spaces are proposed to be located internally in the east-side building with access from Fremont Avenue. These loading spaces would satisfy the needs for the office use, theatre use, residential uses on the east side of the site and the commercial use located on the first level of the office building. The 1 small loading space is proposed to be located adjacent to the west property line on the opposite side of the site and would be expected to serve the residential and restaurant uses in that building.

Findings as Required by the Minneapolis Zoning Code:

The Community Planning and Economic Development Department – 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.

The Planning Division does not generally believe that a planned commercial development would be detrimental to or endanger the public health, safety or general welfare. The property is currently a surface parking lot and development in general is a more desirable use of the subject properties.

Building height: Staff would not expect that the proposed increase in height for the Condo 2 building on the east side of the site would endanger the public health, safety, general welfare or the general comfort of the public. The height has previously been approved on site; however, the re-orientation of the structure necessitated the need to re-evaluate the redistributed height.

Number of parking spaces (Off-street parking): Staff would not expect that the proposed reduction in off-street parking would endanger the public health, safety, comfort or general welfare. The revised TDM is approvable and would be signed following the decision of the Planning Commission.

Number of loading spaces (Off-street loading): Staff would not expect that allowing an exception to allow a reduction in the number of loading spaces required as a part of the development would endanger the public health, safety, comfort or general welfare.

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 Planning Division does not generally believe that a planned commercial development would be injurious to the use and enjoyment of surrounding property nor would it impede the normal development of the surrounding area. The overall design has been much improved since the original submittal with integration of active uses along both Lagoon Avenue and Fremont Avenue. The proposed scale of the development could be deemed to have an injurious effect on the use and enjoyment and could also impact the improvement of surrounding properties; however, the building most likely to have such impacts has previously been approved as part of the original application for the PUD. The proposed Condo 2 building to be located on the east side of the site would not exceed the previously approved height for this specific development of 8 stories or 84 feet.

Building height: Staff believes that developing the property as a planned unit development is appropriate. While the overall height of the 10-story residential building is still a concern to Staff, as it would clearly be the tallest building in this part of Uptown the building was previously approved as part of the original PUD. Staff is not required to re-evaluate the subject building as the structure is not being significantly altered and conforms with the previously approved height requirement. Staff still believes that these parcels are likely the most appropriate location within this part of Uptown for increased height due to the size of the lot, proximity to the Midtown Greenway, etc. In the original application and in the amended application, Staff did recommend that generally, 6-8 stories could be accommodated on site without negatively affecting future development of nearby parcels. The Planning Commission approved the height of structures on the east side up to 8 stories or 84 feet. The underlying zone district requires that the height of buildings not be any greater than 4 stories or 56 feet, whichever is less. The applicant is requesting an exception under the planned commercial development that the Condo 2

building be permitted to exceed this requirement. As previously mentioned, Staff must re-evaluate the height of the Condo 2 building due to its relocation/redistribution/reorientation on the site.

For background and reference purposes, the approved height of the residential structure on the west side of the site is 10 stories or 112 feet tall. The residential structure will be located on the northwest side of the property adjacent to the Midtown Greenway. It has been determined that the residential structure will not likely have an impact on any adjacent residential structures due to the location. Shadowing will likely impact the Midtown Greenway and the industrial parcels located to the north of the site.

The proposed Condo 2 building would be constructed to a height that ranges from 3 to 8 stories (35 feet, 5 inches to 84 feet tall). A re-evaluation of appropriateness is necessary due to the redistribution and reconfiguration of the building on the site. An 8-story building could be considered to fit into the scale and character of the area even though the majority of buildings are not that tall in this part of Uptown. The location of the Condo 2 building on the east portion of the site adjacent to the Midtown Greenway and the lack of adjacent residential structures allows Staff to support the proposed height.

Number of parking spaces: Staff does not believe that allowing a reduction in the number of off-street parking spaces for the proposed development would be injurious to the use and enjoyment of surrounding property nor would it impede the normal development of the surrounding area. While Staff is aware that this is an extremely busy area of Uptown, the applicant has worked with Public Works to compile a TDM which addresses the impacts of the development on traffic, circulation, numbers of parking, etc. The 672 parking spaces proposed for the development, appear to be satisfactory according to the shared parking computations which are located within the zoning code. Further, Staff concurs that it is reasonable to allow the 40 excess parking spaces to be available for other uses within the Uptown area.

Number of loading spaces: Staff does not believe that allowing a reduction in the number of loading spaces for the proposed development would be injurious to the use and enjoyment of surrounding property nor would it impede the normal development of the surrounding area.

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

The applicant will be working closely with the Public Works Department and with the Plan Review Section of the Inspections Department and the various utility companies during the duration of the development to ensure that all procedures are followed in order to comply with city and other applicable requirements.

The applicant has submitted an addendum to the approved TDM (Travel Demand Management) Plan which has been deemed approvable. Public Works will formally approve the document pending the outcome of the Planning Commission meeting.

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

The required number of parking spaces for the proposed development per Chapter 541 is 860 parking spaces. Previously, a total of 927 parking spaces were required. The decrease is due to the reduction in the number of dwelling units and the amount of commercial space in the project. Utilizing the shared parking computations for the proposed development 672 parking spaces are necessary to meet the peak parking demand for the Lagoon Development according to the applicant. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD to 672 spaces. The applicant proposes to provide a total of at least 792 parking spaces for the proposed development which includes 672 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. Should the Planning Commission grant an exception to 672 parking spaces for the Lagoon Development, and provide 80 spaces for 1300 and 1400 Lagoon Avenue, there will be 40 additional spaces that the applicant considers excess. The applicant proposes that those 40 parking spaces be available to fulfill demand generated by other Uptown Area uses. The proposal includes parking for 62 bicycles as well. Staff believes that adequate measure would be provided to minimize traffic congestion in the public streets.

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

According to the *Minneapolis Plan*, the subject parcels are located adjacent to an Activity Center and at the intersection of two Commercial Corridors. According to the Principles and Policies outlined in the *Minneapolis Plan*, the following apply to this proposal:

1.2 Minneapolis will encourage both private and public development that provides gathering spaces in city neighborhoods.

Implementation Step:

- Encourage private developers to include gathering spaces in new developments.

The proposed development would include a 23,000 square foot public plaza.

2.1 Minneapolis will increase its share of economic prosperity in the region.

The developer is proposing to add approximately 40,000 square feet of office space. The proposal would result in daytime office users which would support the existing businesses located in this area of Uptown and provide for more balanced activity throughout the daytime and evening.

2.6 Minneapolis will focus resources and efforts on connecting residents to living wage jobs.

Implementation Step:

- Promote efforts at coordinating development for new business sites and housing construction within the city.

4.1 Minneapolis will support development in Commercial Corridors where it enhances the street's character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.

Implementation Steps:

- Support a mix of uses on Commercial Corridors – such as retail sales, office, institutional, higher density residential, and clean low-impact light industrial – where compatible with the existing and desired character of the street.
- Ensure that commercial uses do not negatively impact nearby residential areas.
- Develop parking facilities and management strategies that balance the following goals: improved customer access, protection of sidewalk traffic, reduced visual impacts and shared use of parking facilities.

The developer is proposing a variety of uses that include office, retail, public space, and housing at this intersection of two commercial corridors. The site is unique in the respect that it is located within the interior of a retail block and adjacent to the Midtown Greenway; there are no residential properties in the immediate vicinity. The site is currently a surface parking lot. The developer proposes to build underground parking for the existing and proposed uses.

4.3 Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

Implementation Steps:

- Provide for a range of commercial districts that provide the services required by the residents and businesses.
- Encourage the economic vitality of the city's commercial districts while maintaining compatibility with the surrounding areas.

By adding more daytime office users it would allow for more balanced activity throughout the daytime and evening, which is a defining characteristic of a designated Activity Center.

4.9 Minneapolis will grow by increasing its supply of housing.

Implementation Steps:

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

- Support the development of infill housing on vacant lots.

4.11 Minneapolis will improve the availability of housing options for its residents.

Implementation Steps:

- Provide and maintain moderate and high-density residential areas.

The development proposal is in conformance with the above noted principles, policies and implementation steps of the comprehensive plan.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located.

With the approval of the amended conditional use permit and site plan review this development would meet the requirements of the C3A zoning district.

Additional Findings Required for a Planned Unit Development

(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 a planned residential development the variety of housing types and their relationship to other site elements and to surrounding development.

The character of the uses in the proposed planned commercial development would be compatible with the surrounding area. The development would include a mix of office, retail/commercial and residential uses. The proposed uses are similar to others that exist in the area and the proposed site elements are accessible to both potential residents of the development as well as non-residents.

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 and availability of transit alternatives.

The Public Works Department has reviewed an addendum to the approved Travel Demand Management (TDM) Plan which analyzed the traffic generation characteristics of the proposed development in relation to street capacity, vehicular access, parking and loading areas, pedestrian access as well as the availability of transit alternatives. The revised plan has been deemed approvable by Public Works.

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

There are several proposed amenities which have been included in the proposal. A large public plaza is proposed at the interior of the site. The applicant has also proposed green roofs on various floor levels of buildings within the development. As a part of the proposed development, the applicant proposes to provide a connection to the lower level of the Greenway via a new pedestrian bridge, accessible ramp and stairway.

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.

The appearance and compatibility of individual buildings and parking areas within the proposed planned commercial development to other site elements is apparent. The proposal in relation to surrounding development is not as apparent. Staff would argue that the previously approved 10-story building is out of scale and the massing is not compatible with what exists in the area; however that building has already been approved as part of the original CUP for the PUD. The proposed Condo 2 building to be located on the east side of the site appears to be compatible with the scale of surrounding land uses. Staff continues to believe that this may be the most appropriate location in this part of Uptown for additional height above four stories. The buildings as proposed, have been designed to have minimal impacts on the views and corridors that exist in the area, but will be relatively tall in relation to other buildings located in the general area.

The exterior materials and appearance of the rear and side walls of the proposed buildings are proposed to be similar to and compatible with the front of the buildings within the development. The proposed materials will be natural stone, glass, steel and wood.

The revised proposal, incorporates design that allows for active uses both centered on the public plaza and along Fremont Avenue and Lagoon Avenue. There are now street-facing entrances, activity and a street presence that has been created. The proposed elevations along Fremont Avenue and Lagoon Avenue are much improved compared to the original facades that were previously approved. The facades appear to be pedestrian oriented, incorporate liner/active uses along the street and meet the Pedestrian Overlay District requirement of 40% fenestration for non-residential uses that face a public street or sidewalk on the first floor.

e. 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.

Public Works will be reviewing the relation of the proposed planned unit development to existing and proposed public facilities. The development would need to comply with all applicable city regulations.

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

With the approval of the final plat which has yet to be submitted, the proposed planned commercial development complies with all of the applicable requirements contained in Chapter 598, Land Subdivision Regulations.

SITE PLAN REVIEW:

Required Findings for 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 Zoning Code

BUILDING PLACEMENT AND FAÇADE:

- 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 and windows:
 - 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.
- Minimum window area shall be measured as indicated in section 531.20 of the zoning code.
- 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. At least thirty (30) percent of the first floor building wall that faces a public street, public sidewalk or public pathway shall be occupied by active uses, or shall be designed with architectural detail or windows, including display windows, that create visual interest.

The proposed Condo 2 building is located within 8 feet of the property line; however the 10-story residential building on the west side of the site is not. The location of that building was previously approved by the City Council. Two principal structures

would be located on the lot including the Condo 2 building which includes the theatre, residential condominiums, office and commercial space and the residential/commercial building previously approved on the west side of the site. Buildings are both oriented towards the interior of the lot where the public plaza is proposed and along the frontages of Lagoon Avenue and Fremont Avenue. The use of progressive design and street-oriented building alignments is reinforced with the proposed development. As previously mentioned the design of the development looks both inward into the plaza area and outward to reinforce the street edge with the proposed lower level retail and office entry along Lagoon Avenue as well as the walk-out condominium units along Fremont Avenue.

There are principal entrances that face the public streets. The proposed development does incorporate principal entries to the retail/commercial space and to the office space located on the first floor of the Condo 2 building along Lagoon Avenue. The building reinforces the street wall, maximizes natural surveillance and facilitates pedestrian access. The area between the building and the public streets will have new and existing tree plantings along the Fremont Avenue and Lagoon Avenue frontages. Based on the active uses proposed along the Lagoon Avenue and Fremont Avenue frontages, Staff does consider this to be a pedestrian oriented development along both streets.

The Condo 2 building located along Lagoon Avenue and Fremont Avenue incorporates windows that meet the Pedestrian Overlay District Standards. There are walk-out condominium units located along the Fremont Avenue frontage. The principal entry to the condominium building would be located off of the public plaza. The windows proposed between 2 and 10 feet provide natural surveillance and visibility by having active uses located along public streets. The proposed development meets the 10% window requirement on each floor above the first floor that faces the public street and public sidewalk.

The exterior materials and appearance of the rear and side walls of the proposed buildings are proposed to be similar to and compatible with the front of the buildings within the development. The proposed materials will be natural stone, glass, steel and wood. The proposed building appears to incorporate architectural elements including recesses and projections, windows and entries. Along the south and east ground floor elevations of the Condo 2 building there appears to be blank uninterrupted walls that exceed 25 feet in width. Alternative compliance is necessary. Staff doesn't believe that is practical to require alterations to the facades as a condition of approval as those walls will not be visible as they back up to the existing 1300 Lagoon building located at the corner of Lagoon and Fremont Avenue. The Planning Commission previously granted alternative compliance for both elevations.

There is one 4-story underground parking ramp associated with the proposed development. Sloped floors do not dominate the appearance of the façade as the ramp is located underground. Active uses would be located on the Fremont Avenue

frontage as walk-out condominiums are proposed.

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.**

There is a public plaza that connects the principal entrances of the proposed buildings and the parking ramp to the public sidewalks. The majority of pedestrian traffic would need to utilize the public plaza as the principal entrances for the proposed theatre, restaurant uses and Condo 2 building including the condominium lobby are located off of the public plaza. There are principal entrances to individual townhome units on the Fremont Avenue frontage as well as access to the retail/commercial and office space being proposed in the Condo 2 building along Lagoon Avenue.

While there are no transit shelters within the development itself, the site is adjacent to a transit station that serves multiple bus routes.

There is one 4-story underground parking ramp associated with the proposed development. The underground ramp would have two access points, one off of Lagoon Avenue which would split into two lanes as it ramps down to the parking and the other is a single lane access off of Hennepin Avenue. The public exit from the underground ramp would be out to Hennepin Avenue and Fremont Avenue. There is a condominium parking entry and exit on to Fremont Avenue. The proposed development has been designed to minimize conflicts with pedestrian traffic.

There would likely be some impacts on the residential neighborhood to the north as a result of the proposed development, however, the project has been designed to minimize those impacts by attempting to direct traffic away from the neighborhood. There are no public alleys adjacent to the site.

The site has been designed to minimize the use of impervious surfaces through a combination of green roof gardens and landscaping throughout the plaza area.

LANDSCAPING AND SCREENING:

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

The proposal does not meet the 20% landscape requirement without the inclusion of the proposed green roof vegetation which is considered an alternative compliance measure. There are no true yards proposed for the development. The plaza area is proposed to incorporate trees, shrubbery and plants predominantly within planters. The total site area is 110,692 square feet and the proposed building footprint on the site would be 66,100 square feet. A total of 8,918 square feet of landscaping would be necessary to meet the 20% requirement. The zoning code requires that there be at least 17 trees and 89 shrubs planted on the site. The applicant is proposing to have 23 trees and 194 shrubs located on site in ground/planter plantings or approximately 6,200 square feet or 14% of the ground level of the site would be landscaped. These numbers do not include the vegetation proposed for the green roofs.

According to the applicant, once the project is complete approximately 28% percent of the site will be composed of pervious materials. The proposed development would provide 6,200 square feet of pervious materials at ground level (previously proposed 5,781 square feet) and 24,757 square feet of green roof terraces (previously proposed 25,214 square feet) for a total of 30,957 square feet (previously proposed 30,559) square feet. The proposed green roof vegetation will consist of 17 trees, 159 coniferous shrubs and 7,772 sedum perennials.

Thus, the applicant is proposing to provide a total of 40 trees, 353 shrubs and 7,772 perennials on the entire site. Staff would require however, a more diverse species list for

the proposed vegetation in the final landscape plan.

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.**
- **Lighting shall comply with the requirements of Chapter 535 and Chapter 541. A lighting diagram may be required.**
- **Parking and loading facilities and all other areas upon which vehicles may be located shall be screened to avoid headlights shining onto residential properties.**
- **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.**

The applicant is proposing to install decorative pedestrian-scale light fixtures throughout the site. A photometric plan was not submitted as part of the application. Staff is recommending that a photometric plan showing footcandles be submitted as part of the final review of the plans. All lighting will need to be downcast and shielded to avoid undue glare. All lighting shall comply with Chapters 535 and 541. The City's CPTED officer requested a security plan as outlined at the Preliminary Development Review meeting. A detailed security plan would be required to be submitted for review and approval by the City's CPTED officer prior to permit issuance. Further, the City's CPTED officer has recommended that any additional plantings follow the 3' – 7' rule to allow visibility on site.

The proposed parking facilities are located in a 4-story underground ramp. With the exception of one loading space, all loading spaces will be located within the interior of the proposed building on the east side of the site. The other loading space is located on the southwest portion of the site behind the existing buildings located on Lagoon Avenue and Hennepin Avenue. The parking and loading facilities have been designed to avoid headlights from shining on adjacent properties. There are no adjacent residential properties.

Due to the proposed heights of the buildings within the development, some blocking of views would be expected. Shadowing of adjacent properties including the Greenway would be expected. The proposed buildings would also be expected to have some impacts on light, wind and air in relation to the surrounding area.

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 proposed use is conditional in the C3A District

With the approval of the amended conditional use permit, site plan review, and a final plat (yet to be submitted) this development would meet the requirements of the C3A zoning district.

Specific Development Standards for a planned commercial development:

A planned commercial development shall conform to the standards of Chapter 527, Planned Unit Development.

Exceptions to Zoning Ordinance Standards: Chapter 527, Planned Unit Development authorizes the City Planning Commission to approve exceptions to the zoning regulations that are applicable to the zoning district in which the development is located. This may be done only upon finding that the Planned Unit Development includes adequate site amenities to address any adverse effects of the exception.

Placement of Structures: In a Planned Unit Development there may be more than one principal structure located on a lot. There will be one lot in this development with 2 separate buildings located on the lot. The 1300 Lagoon Avenue South property (currently Bar Abilene) is being platted as a separate lot and is not included within the Planned Unit Development.

Bulk Regulations:

Floor Area: The floor area ratio for the C3A zoning district is 2.7. In a Planned Unit Development the floor area ratio may be increased up to 20 percent for the purpose of promoting an integrated project that provides additional site amenities. Staff is recommending approval of the 20 percent increase as the project is clearly providing additional amenities which include: underground parking and loading (no surface parking), mixed-use commercial and residential development, extensive Midtown Greenway improvements, green roof technology, etc. With the 20 percent increase for an integrated project providing additional site amenities, the FAR would be 3.2. This does not include bonuses for underground parking and mixed commercial-

residential buildings which would allow an FAR on the property of 4.2. The FAR of the proposed development is 2.9. This proposal is for 145 residential units and a total of 319,890 square feet.

Building Height: The height requirement in the C3A zoning district is four stories or 56 feet, whichever is less. In a Planned Unit Development the height of structures may be increased for the purposes of promoting an integrated project that provides additional site amenities. The previously approved residential building is 10 stories or 112 feet tall, the proposed Condo 2 building is 8 stories or 84 feet tall.

Lot Requirements:

Generally: The minimum lot area for a Planned Unit Development in the C3A zoning district is two acres. This site is 110,692 square feet or 2.54 acres.

Density Bonus: The minimum lot area per dwelling unit in the C3A zoning district is 400 square feet. In a Planned Unit Development the minimum lot area per dwelling unit may be reduced up to twenty percent. This development could provide up to 276 dwelling units without a lot area reduction and 345 dwelling units on this site with a lot area reduction. The applicant is proposing to have 145 dwelling units on this site.

Yards: Given that this site and the adjacent properties are zoned commercial there are no setback requirements except along the north property line on the east side of the site. A variance was approved along the north property line from 19 feet to 5 feet 8 inches with the amended application. Given that the yard requirement has not changed, the project has approval for the yard variance. The 10-story building was processed with accompanying interior and rear yard setback variances which were previously approved.

On-Premise Signs: The applicant has not submitted a sign plan as part of this application. The applicant has stated that all signage proposed as part of the development will meet the Code. Please note that a sign plan and permits are required before signage may be installed.

Off-Street Parking and Loading: The required number of parking spaces for the proposed development is 860 parking spaces. Utilizing the shared parking computations for the proposed development 672 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD. The applicant proposes to provide a minimum of 792 parking spaces which includes 672 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. An excess of 40

parking stalls would be available for other uses in the Uptown area. The proposal includes parking for 62 bicycles as well. Please note that the applicant is working with the Planning Division and the Public Works Department to complete an addendum to the approved Travel Demand Management Plan. According to Public Works the revised plan is now approvable.

MINNEAPOLIS PLAN

See the above listed response to finding #5 in the conditional use permit application for the planned commercial development.

Section C: Conformance with Applicable Development Plans or Objectives Adopted by the City Council

No small area plans for this area of Minneapolis have been adopted by the City Council.

ALTERNATIVE COMPLIANCE

The Planning Commission 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 necessary in order for the applicant to meet the on-site landscaping requirement. The green roof component would need to be included in order for the proposal to meet the required 20%. The proposed development would provide 6,200 square feet of pervious materials at ground level and 24,757 square feet of green roof terraces for a total of 30,957 square feet square feet or 69% pervious materials on the site not occupied by buildings.

According to the applicant, once the project is complete approximately 28% percent of

the total site will be composed of pervious materials. The applicant is proposing to provide a total of 40 trees, 353 shrubs and 7,772 perennials on the entire site. Staff would require that a more diverse species list be incorporated into the final proposal as the applicant is proposing only one species of shrubs. Staff believes that the combination of ground level and green roof vegetation is an acceptable alternative compliance measure.

Along the south and east ground floor elevations of the Condo 2 building there appears to be blank uninterrupted walls that exceed 25 feet in width. Alternative compliance is necessary. Staff doesn't believe that is practical to require alterations to the facades as a condition of approval as those walls will not be visible as they back-up to the existing 1300 Lagoon building located at the corner of Lagoon and Fremont Avenue. Staff recommends that alternative compliance be granted as the intent of the provision isn't applicable.

RECOMMENDATIONS:

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the conditional use permit:

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit to allow for a Planned Commercial Development for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue subject to the following condition:

1. As a basis for approval of applicable exceptions to zoning ordinance standards as authorized by Chapter 527 of the zoning code, the development shall include not less than 20,000 square feet of green roof area.

Recommendation of the Department of Community Planning and Economic Development – Planning Division for the site plan review:

The Department of Community Planning and Economic Development– Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue subject to the following conditions:

1. Planning Staff review and approval of the final site, elevation and landscaping plans.
2. All site improvements shall be completed by April 10, 2008 unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.

3. The applicant shall submit a lighting plan showing foot candle measurements before final plans are approved.
4. The Travel Demand Management Plan must be approved by the Planning Director prior to submission of plans for final approval and building permit issuance.
5. Review and approval of a security plan as outlined by the City's CPTED officer.
6. Approval of the amended conditional use permit for a Planned Unit Development.
7. The land transfer with Metro Transit must be finalized prior to obtaining any construction permits for the development.
8. As an alternative compliance measure, the development shall include not less than 20,000 square feet of green roof area.
9. Incorporation of a more diverse species of plants within the final landscape plan.

Attachments:

1. Land Use Application packet – including statement of use, description, findings, photos, shadow studies, summary chart, etc.
2. Supplemental regarding exceptions for parking and signage, sign detail
3. Zoning map
4. Correspondence
5. Plans – site survey, site plan, floor plans, elevations, landscape plans
6. Memo re: Lagoon Development TDM addendum documentation