

**Department of Community Planning and Economic Development – Planning Division**  
Conditional Use Permit, Variances and Site Plan Review  
BZZ-3585

**Date:** June 25, 2007

**Applicant:** Pacific Flats, LLC

**Address of Property:** 206, 214, 214 ½ and 218 Washington Avenue North and 216 2<sup>nd</sup> Avenue North

**Project Name:** The Pacific Development – 10-Story Condominium

**Contact Person and Phone:** Walter Rockenstein II with Faegre & Benson LLP, (612) 766-7208

**Planning Staff and Phone:** Hilary Dvorak, (612) 673-2639

**Date Application Deemed Complete:** May 30, 2007

**End of 60-Day Decision Period:** July 29, 2007

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

**Ward: 7      Neighborhood Organization:** North Loop Neighborhood Association

**Existing Zoning:** B4C-1, Downtown Commercial District and DP Downtown Parking Overlay District

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

**Zoning Plate Number:** 19

**Legal Description (properties to be rezoned):** Not applicable for this development

**Proposed Use:** Mixed-use building including 80 dwelling units and four levels of commercial uses

**Concurrent Review:**

**Conditional use permit:** for an accessory surface parking lot located in the DP Downtown Parking Overlay District

**Variance:** to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District

**Variance:** to reduce the east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building

**Variance:** to reduce the loading space requirement from the required four small spaces to three small spaces

**Site plan review**

**Applicable zoning code provisions:** Chapter 525, Article VII, Conditional Use Permits, Chapter 525, Article IX, Variances, specifically Section 525.520(20) “to vary the standards of any overlay district,

other than the SH Shoreland Overlay District or the FP Floodplain Overlay District”, Section 525.520(1) “to vary the yard requirements, including permitting obstructions into required yards not allowed by the applicable regulations” and Section 525.520(6) “to reduce the applicable off-street parking, stacking or loading requirements by up to twenty (20) percent of the applicable regulations or one (1) space, whichever is less,” and Chapter 530, Site Plan Review.

**Background:** The Pacific Development encompasses the entire block bounded by Washington Avenue North, Third Avenue North, North Second Street and Second Avenue North which is located in the North Loop neighborhood. Currently on the block there are a total of six buildings; the Pacific Flats building, the Monte Carlo Club, the Northwestern building, the Gehl-Dolphin building, the Lowry-Morrison building and an auto repair building (see the building location map that is attached to this report). Of these six buildings the Pacific Flats building, the Monte Carlo Club, the Northwestern building and the Lowry-Morrison building will remain. At this time the Gehl-Dolphin building will also remain on the block as there are no redevelopment plans for this site. However, the applicant anticipates redeveloping this site in the future. The auto repair building will be demolished in order to make room for the proposed mixed-use building.

This application is for the construction of a new 11-story (10 floors), mixed-use building including 80 dwelling units and four levels of commercial. The first floor of the building is proposed to be retail, the second office space, the third a medical clinic and the fourth a spa facility. The applicant is proposing to connect the spa facility to the hotel via a skyway over the existing alley, which the applicant has applied to vacate. The main entrance to the building will be located along Washington Avenue North. This entrance will provide access to the residential lobby and elevators and the elevators serving the commercial uses on the second, third and fourth floors of the building. The retail uses on the first floor of the building will have their own entrances facing the street.

All of the parking for the building will be provided in either an underground parking garage or a surface parking lot located on the back side of the building. The entrance to the parking garage is proposed to be located along 2<sup>nd</sup> Avenue North and the surface parking is accessible from the “alley”. In the B4C-1 zoning district the parking requirement for all non-residential uses is one space for every 1,400 square feet of gross floor area and the parking requirement for residential uses is .9 spaces per dwelling. With 59,885 square feet of commercial space and 80 dwelling units the parking requirement is 115 spaces. The applicant is providing a total of 196 spaces in the underground parking garage (not including those parking spaces underneath the hotel) and 38 in the surface parking lot.

**Floor Area Ratio Premiums:** There are no height limits in the B4C-1 zoning district. Heights of buildings are limited by the maximum floor area ratio (FAR). To calculate FAR, one would divide the total square footage of the building (excluding that portion of the building devoted to accessory off-street parking or loading facilities, including aisles, ramps and maneuvering space) by the total square footage of the site. The lot size is 29,887 square feet. The gross floor area of the proposed building is 146,287 square feet. The resulting FAR is 4.89.

In this particular case, the maximum FAR allowed in the B4C-1 zoning district is 4.0. In order to construct a building of the size proposed, the applicant has applied for one of the floor area ratio premiums that are allowed in the downtown districts of the zoning code. The premium that the

applicant has applied for is mixed-use residential. FAR premiums are reviewed administratively by staff and are subject to appeal to the planning commission.

The following are the standards that the development needs to meet in order to qualify for the floor area ratio premium:

- **Mixed-use residential, subject to the following standards:**
  - At least ten (10) percent of the gross floor area of the principal structure shall be occupied by dwelling units.
  - The dwelling units shall be located above the first floor.
  - The dwelling units shall be maintained in good order for the life of the principal structure.
- **COMMUNITY PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT – PLANNING DIVISION RESPONSE**
  - The applicant is proposing to construct 80 dwelling units in the building starting on floor five and continuing all the way to the top of the building. Approximately 59 percent of the building will be residential. The remaining 41 percent of the building will be commercial. The Planning Division has determined that this project qualifies for a floor area ratio premium of two.
- **Value awarded = 2**

In conclusion, the Planning Division finds that this project qualifies for a total floor area ratio premium of two. This along with the base floor area ratio (4.0) of the district, the applicant could build a building with a floor area ratio of up to 6.0.

**Travel Demand Management Plan (TDMP):** Public Works has requested that a discretionary TDMP be completed for this development. A draft copy of the TDMP was submitted to Public Works in April of 2006. Since the TDMP was submitted the project scope has changed so the document is being revised. A revised draft copy is expected to be submitted soon. Given that the TDMP is not required by the zoning code it does not have to be approved before the Planning Commission takes action on the project but it will have to be approved before any building permits are issued.

**Preliminary Development Review Comments:** The project was reviewed at a Preliminary Development Review (PDR) meeting on June 6, 2007. Several comments were made about this project at the meeting (see the PDR report that is attached to this report for further information). For purposes of this report only those comments that impact the layout of the development will be discussed.

- Parks – Forestry discouraged the use of tree grates along the four sides of the block and instead recommended installing green boulevards. Parks – Forestry also indicated that the use of Red Oaks will not be allowed and instead the applicant will need to use Swamp White Oaks.
- Related to this topic, both Street Design and Sidewalks indicated that green boulevards should be installed along 2<sup>nd</sup> Street North and 3<sup>rd</sup> Avenue North instead of tree grates. Along both streets the sidewalks should be 10 feet in width with the remaining area dedicated to the green boulevard. In

addition to this recommendation, the Planning Division believes that a green boulevard should also be installed along 2<sup>nd</sup> Avenue North in order to complete the look of the block.

The streetscape plan for this development (trees, lighting, etc) includes all four sides of the block but stops short of what will be the new Gehl-Dolphin site. The Planning Division is recommending that the streetscape plan be continued along the length of both 2<sup>nd</sup> Street North and 2<sup>nd</sup> Avenue North. Even though this building is not being modified as part of this development the footprint of the lot is being enlarged through the plat application.

- Right-of-Way indicated that Public Works is recommending approval of the alley vacation. However, if the alley vacation were not approved, constructing above (the skyway) and below (the parking garage) the alley could be addressed through an encroachment permit. This item will be discussed in more detail in the alley vacation section of this report.
- Traffic and Parking indicated that there should be only one curb cut along 3<sup>rd</sup> Avenue North. As the site is designed now there are two curb cuts along 3<sup>rd</sup> Avenue North; one for the hotel drop off area and the other for the “alley”. Both the hotel drop off area and the “alley” entrance have been designed to flow in a one-way direction eastbound to minimize conflicts between vehicles entering the site and pedestrians on the public sidewalk. This is an item that will be addressed in more detail in the TDMP. If the result is that there can only be one curb cut along 3<sup>rd</sup> Avenue North the Planning Division would recommend that the “alley” curb cut be kept. The Planning Division believes that a hotel drop off could still be accommodated with only one curb cut by rearranging the landscaped area that is in between the property line and the hotel drop off area.

The other comment that Traffic and Parking made was that the underground parking garage should be accessed from the “alley” not 2<sup>nd</sup> Avenue North. Again, this is an item that will be addressed in more detail in the TDMP. The Planning Division does not have an opinion on this specific comment.

**Heritage Preservation Commission:** The entire block, except for the lot that is occupied by the Gehl-Dolphin building, is located in the locally designated North Loop Warehouse Historic District (see the map that is attached to this report). The entire block is located in the nationally designated Minneapolis Warehouse Historic District (see the map that is attached to this report). In November of 2006 the Minneapolis Heritage Preservation Commission (HPC) approved applications for the creation of a pocket park between the Pacific Flats building and the Monte Carlo Club, a rehabilitation plan for the Lowry-Morrison building and a demolition permit for the auto repair building. Also at this time, the HPC and subsequently the City Council denied applications for the construction of a 28-story condominium building on the Gehl-Dolphin building site, construction of a parking structure over the existing alley, construction of an 18-story condominium building on the auto repair building site and construction of a 10-story hotel on the Northwestern building site.

After the denials from the City Council the applicant revised the plans and submitted new applications in March of this year for the rehabilitation and addition to the Northwestern building for a hotel and the construction of a 10-story mixed-use building on the site of the existing auto repair building. In April and then again in June of this year the Pacific Development was reviewed and approved by the HPC. At the April meeting the HPC requested that the landscaping plan for the hotel and the Washington Avenue

North elevation for the mixed-use building be redesigned and brought back to them for review. In June both of these plans were approved by the HPC (see the HPC reports that are attached to this report).

**Neighborhood Review and Comments:** The North Loop Neighborhood Association reviewed the proposed development plans in February of this year. The Planning and Zoning Committee of the neighborhood and subsequently the North Loop Neighborhood Association Board voted to approve the development stating that it provides overall benefits to the neighborhood including addition retail and restaurant amenities and increases neighborhood sustainability by promoting safety and livability through its parking accommodations and green space (see the letter from the neighborhood that is attached to this report).

**CONDITIONAL USE PERMIT** - for an accessory surface parking lot located in the DP Downtown Parking Overlay District

**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:

**1. The establishment, maintenance, or operation of the conditional use will not be detrimental to or endanger the public health, safety, comfort or general welfare.**

The Planning Division does not believe that a 38-space surface parking lot, properly landscaped and screened, will be detrimental to the surrounding area given that an 84-space surface parking lot currently occupies the site.

**2. The conditional use 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 believe that a 38-space surface parking lot would be injurious to the use and enjoyment of other property in the area as the site is currently used as a surface parking lot. The proposed configuration of the parking lot is much enhanced in comparison to the existing parking lot. It will no longer be visible from either Washington Avenue North or 3<sup>rd</sup> Avenue North and approximately half of the surface parking lot will be located underneath the building.

**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, 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.

As for vehicular access, there are currently two access points leading into the surface parking area; one is along Washington Avenue North and the other is along 2<sup>nd</sup> Avenue North. The applicant is proposing to eliminate both of these vehicle access points and only provide access to the parking lot via the “alley”.

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

The parking requirement for all of the uses on the block is 255 spaces. On the block there are a total of 299 parking spaces provided. The spaces are located in the underground parking garage or in one of two surface parking areas on the block.

**5. The conditional use is consistent with the applicable policies of the comprehensive plan.**

The *Downtown 2010 Plan* is the adopted comprehensive plan for the downtown area. According to the Principles and Policies outlined in the *Downtown 2010 Plan* and *The Minneapolis Plan*, the following apply to this proposal:

- Improve the appearance of downtown parking lots by providing landscaping and other visual enhancements (Downtown’s Physical Setting Policy 5).
- Ensure a sufficient supply of short-term parking (Downtown Movement Policy number 9).
- Promote design solutions for automobile parking facilities that reflect principles of traditional urban form (City Form Policy number 9.12).

The proposed configuration of the parking lot is much enhanced in comparison to the existing parking lot. It will no longer be visible from either Washington Avenue North or 3<sup>rd</sup> Avenue North and approximately half of the surface parking lot will be located underneath the building. However, no landscaping is proposed to be located between the parking area and the public sidewalk along 2<sup>nd</sup> Avenue North. To bring the parking lot into compliance with the above policies of the *Downtown 2010 Plan* and *The Minneapolis Plan* the Planning Division is recommending that a seven-foot wide landscaped area be installed between the parking lot and the property line along 2<sup>nd</sup> Avenue North.

**6. The conditional use shall, in all other respects, conform to the applicable regulations of the district in which it is located.**

With the approval of the conditional use permit, variances and site plan review this development will be in conformance with the applicable regulations of the B4C-1 zoning district.

**VARIANCE:** to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District

**Findings as Required by the Minneapolis Zoning Code for the Variance:**

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

**Number of surface parking stalls in DP Overlay:** The applicant is seeking a variance to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District. This application is needed because of the significant reconfiguration of the parking lot. The applicant has indicated that there are currently 84-spaces on the site. Providing only 38 spaces in the future is a 45 percent reduction from what is currently on the site.

**2. The circumstances are unique to the parcel of land for which the variance is sought and have not been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.**

**Number of surface parking stalls in DP Overlay:** The fact that the applicant will be reducing the number of parking spaces within the parking lot by 46 spaces is a unique condition that warrants the granting of the variance.

**3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.**

**Number of surface parking stalls in DP Overlay:** The granting of the variance will be in keeping with the spirit and intent of the ordinance. Reducing the number of parking spaces from 84 to 38 will bring the site into greater compliance with the standards of the zoning code.

**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.**

**Number of surface parking stalls in DP Overlay:** The Planning Division believes that the granting of the variance would have little impact on congestion of area streets or fire safety, nor would the proposed variance be detrimental to welfare or public safety.

**VARIANCE** - to reduce the east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building

**Findings as Required by the Minneapolis Zoning Code for the Variance:**

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

**East, north and west interior side yard setback:** In the B4C-1 zoning district setback requirements do not typically apply. But when the use is either residential or a hotel and there are windows facing an interior side or rear property line a setback of  $5+2x$ , where  $x$  equals the number of stories above the first floor, is required. However, the resulting setback shall not be greater than 15 feet. An 11 story building

results in a setback of 15 feet.

The applicant is seeking a variance to reduce the east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building. The residential floors of the building do not start until the fifth floor. Along the east and west sides of the building are historic structures that are going to remain on the block. Both of the adjacent structures are three stories tall. Along the north side of the building is a 16-foot wide “alley” which runs the entire length of the block. The applicant has indicated that because all of the surrounding properties are under the same ownership that no-build easements can be placed on them to ensure adequate fire separation and access to light and air.

**2. The circumstances are unique to the parcel of land for which the variance is sought and have not been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.**

**East, north and west interior side yard setback:** The fact that the buildings to the east and west of the site are historic and that an “alley” runs along the north side of the property are unique circumstances of this parcel of land.

**3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.**

**East, north and west interior side yard setback:** The intent of having yard controls is to provide for the orderly development and use of land and to minimize conflicts between adjacent land uses by regulating the dimension and use of yards in order to provide adequate light, air, open space and separation of uses. The Planning Division believes that if the developer places no-build easements over the adjacent properties that the intent of the zoning code will be met.

**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.**

**East, north and west interior side yard setback:** The Planning Division believes that the granting of the variance would likely have little impact on congestion of area streets or increase the danger of fire, nor would the proposed variance be detrimental to welfare or public safety as long as no-build easements are placed over a portion of the adjacent properties to the east, west and north.

**VARIANCE** - to reduce the loading space requirement from the required four small spaces to three small spaces

**Findings as Required by the Minneapolis Zoning Code for the Variance:**

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

**hardship.**

**Loading space reduction:** The applicant is seeking a variance to reduce the loading space requirement from the required four small spaces to three small spaces. Loading requirements are based on the use of the property and the size of the use itself. Each of the uses within the building has its own loading requirement. The loading requirement for residential uses is as determined by the conditional use permit. However, residential uses do not require a conditional use permit in the downtown zoning districts. There is 9,817 square feet of retail space which requires one small loading space. There is 17,955 square feet of office space which requires one small loading space. There is 17,955 square feet of clinic space which requires one small loading space. And the sports and health facility is 14,158 square feet in size which requires one small loading space. In total the loading space requirement is four small loading spaces. Small loading spaces are required to be 10 feet in width and 25 feet in length. The applicant is providing a total of three small loading spaces on the site.

The applicant has indicated that because the different uses within the building will be able to share the loading spaces that are being provided that it would not be necessary to provide a fourth loading space on the site.

**2. The circumstances are unique to the parcel of land for which the variance is sought and have not been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.**

**Loading space reduction:** The fact that all of the uses within the building will have access to any of the three loading space on the site is a unique condition that warrants the granting of the variance.

**3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.**

**Loading space reduction:** The Planning Division believes that because all of the loading spaces will be accessible to everyone within the building that the granting of this variance would be in keeping with the spirit and intent of the ordinance.

**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.**

**Loading space reduction:** The Planning Division believes that the granting of the variance would likely have little impact on congestion of area streets or increase the danger of fire, nor would the proposed variance be detrimental to welfare or public safety. All of the maneuvering associated with the loading spaces will occur on the block so as to not block traffic on the surrounding streets (see the Auto Turn Exhibit that is attached to this report).

**SITE PLAN REVIEW**

**Findings as Required by the Minneapolis Zoning Code:**

- 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 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 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.

- **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 530.120 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.**

**PLANNING DEPARTMENT RESPONSE:**

- The building reinforces the street wall, facilitates pedestrian access and maximizes natural surveillance. The building is set close to the front property line, all of the ground floor uses have their own entrance oriented towards the street and there are windows located along all four sides of the building where people can see in and out.
- The first floor of the building is located at the front property line along Washington Avenue North.
- The main entrance to the building will be located along Washington Avenue North. This entrance will provide access to the residential lobby and elevators and the elevators serving the commercial uses on the second, third and fourth floors of the building. The retail uses on the first floor of the building will have their own entrances facing the street.

- All of the on-site parking associated with this development is located underground or in a surface parking lot located on the back side of the building.
- The primary exterior materials of the building will include concrete, stone, brick, metal and glass. All four sides of the building are similar to and compatible with one another.
- There are no areas of the building that are over 25 feet in length and void of windows, entries, recesses or projections, or other architectural elements.
- At least 30 percent of the first floor of the building is required to be windows and at least 10 percent of the upper floors of the building are required to be windows on the sides of the building facing Washington Avenue North and the surface parking lot. The analysis of the project's compliance with these requirements follows:
  - Washington Avenue North: the percentage of windows on the first floor of the building is approximately 52 percent and each of the upper floors of the building has more than 10 percent glass
  - Parking lot, north elevation: the surface parking lot is located towards the back of the building and extends along the back side of the adjacent Lowry-Morrison building and a portion of the adjacent Pacific Flats building. The majority of the building that is located towards the back of the proposed building is located underneath the building. The percentage of windows on the first floor of the building is approximately 15 percent and each of the upper floors of the building has more than 10 percent glass. The majority of the wall that abuts the surface parking lot on the first floor is an internal corridor. The Planning Division is recommending that there be a total of 30 percent windows provided along the first floor. Increasing the amount of windows facing the surface parking lot will provide better security.
  - Parking lot, east elevation: the surface parking lot is located towards the back of the building and extends along the back side of the adjacent Lowry-Morrison building and a portion of the adjacent Pacific Flats building. The majority of the building that is located towards the back of the proposed building is located underneath the building. Given the design of the building there is no first floor from which to calculate a window percentage. The percentage of windows each of the upper floors of the building has more than 10 percent glass.
- The windows in the building are vertical in nature and are evenly distributed along the building walls.
- The principal roof line of the building will be flat. This is the dominate roof type in the surrounding 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.**

**PLANNING DEPARTMENT RESPONSE:**

- All of the entrances leading into the building open directly to the public sidewalk along Washington Avenue North.
- No transit shelters are proposed as part of this development.
- The access point to the underground parking garage and the curb cut for the “alley” are both located along 2<sup>nd</sup> Avenue North. The curb cuts are located approximately 50 feet from one another. Spacing them out like this will help minimize conflicts between vehicles entering and exiting the site and pedestrians on the public sidewalk.
- The applicant is proposing to vacate the existing alley that connects 2<sup>nd</sup> Avenue North to 3<sup>rd</sup> Avenue North. However, the area where the existing alley is located will remain open and visually will still look like an alley. The alley vacation application is discussed in the BZZ-3584 staff report. The Planning Division is recommending that the alley vacation be denied.
- There is no maximum impervious surface requirement in the B4C-1 zoning district. In addition, this development is not subject to the general landscaping and screening requirements of Chapter 530, Site Plan Review. According to the submitted materials there will be no landscaping at grade level but there will be 3,250 square feet of landscaping on the roof of the building.

**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.**

**PLANNING DEPARTMENT RESPONSE:**

- When a development is over 50,000 square feet in size and located in a downtown zoning district the development is exempt from the general landscaping and screening requirements. However, the parking and loading landscaping and screening requirements shall apply.
- A seven-foot wide landscaped yard is required between the property line along 2<sup>nd</sup> Avenue North and the surface parking lot in order to screen the parking area from the adjacent uses. The applicant is not proposing to landscape this area. The Planning Division is recommending that a seven-foot wide landscaped area be installed between the parking lot and the property line along 2<sup>nd</sup> Avenue North.
- Screening consisting of a masonry wall, fence, berm or hedge or combination thereof that forms a screen three feet in height and not less than 60 percent opaque is required between the property line along 2<sup>nd</sup> Avenue North and the surface parking lot in order to screen the parking area from the adjacent uses. The Planning Division is recommending that the correct screening be installed.
- Not less than one tree is required to be provided for each 25 linear feet or fraction thereof of parking or loading area lot frontage. The parking lot occupies approximately 50 feet of street frontage and therefore requires that two trees be planted in the landscaped area. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require the two trees in this area.
- In parking lots of 10 spaces or more, no parking space shall be located more than 50 feet from an on-site deciduous tree. None of the parking spaces are located within 50 feet of an on-site deciduous tree. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require that all parking spaces be located within 50 feet of an on-site deciduous tree.
- Tree islands in parking lots must have a minimum width of seven feet in any direction. No tree islands are proposed in this parking area.

**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.**

**PLANNING DEPARTMENT RESPONSE:**

- The majority of the stormwater runoff will be drained to an underground filtering system. The remainder of the stormwater runoff will be captured by the green roofs.
- There are no height limits in the B4C-1 zoning district because it is in the downtown zoning districts where it is expected that taller buildings will be built. The footprint of the building is relatively small. Therefore, the blocking of views of prominent buildings from various vantage points should be minimized.
- Although this development will most likely cast shadows on surrounding properties, staff believes that the affects will be minimal.
- All four sides of the building has been desinged with small step backs at different levels which will help minimize ground level winds.
- The site plan complies with crime prevention design elements as there are delineted walkways and stairways that direct people through the site and to the building entrances, there are balconies and terraces along all four sides of the building which will maximize opportunities for people to observe adjacent properties, streets and sidewalks, there are windows where people can see in and out along all levels of the building and there will be lights located near all of the pedestrian entrances.
- The entire block, except for the lot that is occupied by the Gehl-Dolphin building, is located in the locally designated North Loop Warehouse Historic District (see the map that is attached to this report). The entire block is located in the nationally designated Minneapolis Warehouse Historic District (see the map that is attached to this report). In November of 2006 the Minneapolis Heritage Preservation Commission (HPC) approved applications for the creation of a pocket park between the Pacific Flats building and the Monte Carlo Club, a rehabilitation plan for the Lowry-Morrison building and a demolition permit for the auto repair building. Also at this time, the HPC and subsequently the City Council denied applications for the constriction of a 28-story condominium building on the Gehl-Dolphin building site, construction of a parking structure over the existing alley, construction of an 18-story condominium building on the auto repair building site and construction of a 10-story hotel on the Northwestern building site. After the denials from the City Council the applicant revised the plans and submitted new applications in March of this year for the rehabilitation and addition to the Northwestern building for a hotel and the constriction of a 10-story mixed-use building on the site of the existing auto repair building. In April and then again in June of this year the Pacific Development was reviewed and approved by the HPC. At the April meeting the HPC requested that the landscaping plan for the hotel and the Washington Avenue North elevation for the mixed-use building be redesigned and brought back to them for review. In June both of these plans were approved by the HPC (see the HPC reports that are attached to this report).

**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**

- **Use:** Residential uses, general retail sales and service uses, offices, clinics and sports and health facilities are permitted in the B4C-1 zoning district.
- **Off-Street Parking and Loading:** In the B4C-1 zoning district the parking requirement for all non-residential uses is one space for every 1,400 square feet of gross floor area and the parking requirement for residential uses is .9 spaces per dwelling. With 59,885 square feet of commercial space and 80 dwelling units the parking requirement is 115 spaces (43 for the commercial portion and 72 for the residential portion). The applicant is providing a total of 196 spaces in the underground parking garage (not including those parking spaces underneath the hotel) and 38 in the surface parking lot.

On the block there are a total of 299 parking spaces provided. The spaces are located in the underground parking garage or in one of two surface parking areas on the block. The total parking requirement for the all of the uses on the block is 255 spaces.

Because parking and loading facilities and access to the parking and loading facilities are being shared by all of the uses on the block access easement agreements will need to be provided. The Planning Division is recommending that the applicant record access easement agreements which will allow access between all of the lots on the block with Hennepin County.

- **Maximum Floor Area:** The maximum FAR in the B4C-1 zoning district is 4.0. The lot in question is 29,887 square feet in area. The applicant proposes a total of 146,287 square feet of gross floor area, an FAR of 4.89. The development qualifies for the mixed-use floor FAR premium which increases the maximum FAR to 6.0.
- **Building Height:** There are no height limits in the B4C-1 zoning district. Heights of buildings are limited by the maximum floor area ratio.
- **Minimum Lot Area:** The minimum lot area requirement for dwellings in the B4C-1 zoning district is 5,000 square feet. The lot area is 29,887.
- **Dwelling Units per Acre:** The site is .54 acres in size. There are 147 dwelling units per acre proposed on the site.
- **Yard Requirements:** In the B4C-1 zoning district setback requirements do not typically apply. But when the use is either residential or a hotel and there are windows facing an interior side or rear property line a setback of  $5+2x$ , where  $x$  equals the number of stories above the first floor, is required. However, the resulting setback shall not be greater than 15 feet. An 11 story building results in a setback of 15 feet. In this development, the east, west and north building walls are located at the property line and contain windows. Therefore the setback requirement along these three sides of the building is 15 feet. The applicant has applied for a variance to reduce the building setback to zero.

- **Specific Development Standards:** None of the proposed uses are subject to specific development standards.
- **Hours of Operation:** Residential uses are not subject to hours of operation. The hours of operation for the commercial uses within the building are 6 am to 1 am seven days a week.
- **Signs:** Signs are subject to the requirements of Chapter 543 of the Zoning Code. In the B4C-1 zoning district there can be 2.5 square feet of signage for every one foot of primary building wall. Wall signs are limited to 120 square feet in size. Projecting signs are limited to 48 square feet in size. The maximum height of a wall sign is 16 feet and the maximum height of a projecting sign is 24 feet. Projecting signs are limited to a four-foot projection from the building wall. Freestanding signs are allowed in the B4C-1 zoning district. Freestanding signs are limited to 32 square feet in size and the maximum height of a freestanding sign is eight feet. The zoning code also limits the number of freestanding signs on a zoning lot to one.

The applicant has not developed a sign plan at this time.

- **Refuse storage:** The refuse storage area is proposed to be located inside the building.
- **Lighting:** A lighting plan showing footcandles was not submitted as part of the application.

#### **MINNEAPOLIS PLAN:**

The *Downtown 2010 Plan* is the adopted comprehensive plan for the downtown area. According to the Principles and Policies outlined in the *Downtown 2010 Plan*, the following apply to this proposal:

- Promote street-level design of buildings that contribute to downtown's vitality and security encouraging individual entrances to street-level building tenants, windows and architectural detailing (Downtown's Physical Setting Policy 1).
- Promote retail and other interesting uses at street level in order to reinforce the linking function of streets and to create vitality. These uses should be encouraged at the street level throughout downtown and required where the continuity of retail is important (Downtown's Physical Setting Policy 2).
- Encourage improvements to the public right of way that support pedestrian and transit circulation and that beautify downtown (Downtown's Physical Setting Policy 3).
  - Priority areas for street tree planting, together with selective sidewalk widening, are areas in downtown where there are high concentrations of pedestrian activity, including the core of downtown and downtown residential areas.
- Promote building heights and designs that protect the image and form of the downtown skyline, that provide transition to the edges of downtown and that protect the scale and qualities in areas of distinctive physical or historic character (Downtown's Physical Setting Policy 7).
- Encourage the creation of new parks and plazas that are within easy access to the majority of the downtown workforce (Downtown's Physical Setting Policy 12).
- Encourage new buildings adjacent to historic buildings, sites and districts to be compatible in design (Downtown's Physical Setting Policy 18).

- Encourage restaurants in other areas [besides the retail and entertainment districts] of downtown (Retail Policy 5).
- Expand housing opportunities in downtown for all income levels, with an emphasis on providing additional moderate to high income, owner-occupied units (Downtown Living Policy 1).
- Ensure that new residential development contributes to the sense of neighborhoods through appropriate site planning and architectural design (Downtown Living Policy 5).

The Planning Division believes that this development meets the above policies of the *Downtown 2010 Plan*.

It should be noted that this block is located across Washington Avenue North from the area that is included in the *Downtown East/North Loop Master Plan*.

**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.**

**PLANNING DEPARTMENT RESPONSE:**

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

- **Not less than one tree is required to be provided for each 25 linear feet or fraction thereof of parking or loading area lot frontage:**  
The parking lot along 2<sup>nd</sup> Avenue North occupies approximately 50 feet of street frontage and therefore requires that two trees be planted in the landscaped area. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require the two trees in this area. The applicant is proposing to plant three trees in the right-of-way directly in front of this area.
- **In parking lots of 10 space or more, no parking space shall be located more than 50 feet from the center of an one-site deciduous tree:**

None of the parking spaces are located within 50 feet of an on-site deciduous tree. Because the landscaped area will be located directly over the underground parking garage the Planning Division is concerned that trees won't do well in this particular area. The Planning Division is recommending that alternative compliance be granted to not require that all parking spaces be located within 50 feet of an on-site deciduous tree.

## **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 conditional use permit application for an accessory surface parking lot located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2<sup>nd</sup> Avenue North subject to the following conditions:

1. A seven-foot wide landscaped area shall be installed between the parking lot and the property line along 2<sup>nd</sup> Avenue North.
2. 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.

### **Recommendation of the Department of Community Planning and Economic Development – Planning Division for the variance:**

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the variance application to increase the number of surface parking stalls from 20 to 38 located in the DP Downtown Parking Overlay District located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2<sup>nd</sup> Avenue North.

### **Recommendation of the Department of Community Planning and Economic Development – Planning Division for the variance:**

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the variance application to reduce the to east and west interior side yard and north rear yard setbacks from the required 15 feet to zero feet for the building from the required 15 feet to zero feet for the building located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2<sup>nd</sup> Avenue North subject to the following conditions:

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1. No-build easements of at least 15 feet in width shall be placed over the adjacent buildings to the east, west and north. Proof of filing the no-build easement shall be provided to Planning Staff.

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

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the variance to reduce the loading space requirement from the required four small spaces to three small spaces located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2<sup>nd</sup> Avenue North.

**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 for a mixed-use building including 80 dwelling units and four levels of commercial uses located at 206, 214, 214 ½ and 218 Washington Avenue North and 216 2<sup>nd</sup> Avenue North subject to the following conditions:

1. Green boulevards shall be installed along 2<sup>nd</sup> Street North, 3<sup>rd</sup> Avenue North and 2<sup>nd</sup> Avenue North instead of tree grates. Along all three streets the sidewalks shall be 10 feet in width and the remaining area shall be dedicated to the green boulevard.
2. The streetscape plan for this development (trees, lighting, etc) shall extend along all four sides of the block.
3. Access easement agreements which will allow access between all of the lots on the block shall be filed with Hennepin County. Such easements are subject to review and approval by the City Attorney's office.
4. A total of 30 percent windows shall be provided along the first floor of the building facing the surface parking lot as required by Section 530.120.
5. A seven-foot wide landscaped area shall be installed between the parking lot and the property line along 2<sup>nd</sup> Avenue North as required by section 530.170 of the zoning code.
6. Screening shall be installed between the property line along 2<sup>nd</sup> Avenue North and the surface parking lot as required by section 530.170 of the zoning code.
7. Approval of the final site, elevation, landscaping and lighting plans by the Department of Community Planning and Economic Development – Planning Division.

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8. All site improvements shall be completed by June 25, 2008, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.

**Attachments:**

1. Statement of proposed use and description of the project
2. Parking requirement chart
3. Floor area ratio chart
4. Floor area ratio premium application
5. Conditional use permit and variance findings
6. Preliminary Development Review report form meeting held on June 6, 2007
7. Stormwater management plan
8. May 11, 2007, letter to Council Member Goodman
9. May 11, 2007, letter to the Warehouse District –North Loop Neighborhood Association
10. March 8, 2007, letter from the North Loop Neighborhood Association
11. April 17, 2007 Heritage Preservation Commission staff report and minutes
12. June 5, 2007, Heritage Preservation Commission staff report
13. Zoning map
14. Building location map
15. North Loop Warehouse Historic District map
16. Minneapolis Warehouse Historic District map
17. Civil drawings, site plan, floor plans and elevations
18. Photos of the site and surrounding properties