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Department of Community Planning and Economic Development – Planning Division

Small Area Plan: Chicago Avenue Corridor Plan
Comprehensive Plan Amendment
Zoning Map Amendments: Chicago Avenue Rezoning Study

Date: December 12, 2011

Project Name: Chicago Avenue Corridor Plan and associated comprehensive plan amendments, Chicago Avenue Rezoning Study

Submitted By: CPED Community Planning Division

Planning Staff and Phone: Paul Mogush, 612-673-2074

Wards: 6 and 9

Neighborhood Organizations:

- Ventura Village
- Phillips West
- Midtown Phillips

Current Minneapolis Plan Designations:

- Commercial Corridors: Chicago Avenue (north of Franklin Avenue), Franklin Avenue
- Community Corridor: Chicago Avenue (south of Franklin Avenue)
- Wells Fargo/Hospitals Area Growth Center

Initiator of Zoning Amendment: Councilmember Schiff

Date of Zoning Amendment Introduction at City Council: November 4, 2011

Affected Section of the Zoning Code: Chapter 521: Zoning Districts and Maps Generally

Existing Zoning: Attached

Proposed Zoning for Map Amendment: Attached

Zoning Plate Numbers: 20 and 26

SMALL AREA PLAN: CHICAGO AVENUE CORRIDOR PLAN

Background and Planning Process

Beginning with a community meeting in January 2010, Planning staff began engaging area residents, institutions, and other stakeholders in a corridor planning process for Chicago Avenue between Interstate 94 and the Midtown Greenway. Several factors converged making this an appropriate time to take a comprehensive look at the future of the Chicago Avenue corridor:

- *Completion of the 2008 update to The Minneapolis Plan for Sustainable Growth*, which reaffirms the City's designation of the Wells Fargo/Hospitals Area Growth Center. The Minneapolis Plan for Sustainable Growth directs that Growth Centers be the subject of small area planning efforts to guide decision-making and prioritize investments.
- S*mall area planning in the Phillips West Neighborhood*. The Phillips West Neighborhood Organization recently completed a small area plan for the neighborhood, which is west of Chicago Avenue. The City Planning Commission and City Council adopted the plan in 2009. At the request of CPED, the adopted plan does not include policy recommendations for parcels that front Chicago Avenue. This work served as one starting point for a broader look at the area that includes both sides of Chicago Avenue and extends north of Franklin Avenue.
- *Children's Hospital Expansion*. The hospital expansion currently underway is a substantial investment in the Chicago Avenue corridor, representing a long-term commitment from the health care industry to both the Phillips Community and the City of Minneapolis. Along with designation of Chicago Avenue as the Minneapolis Life Sciences Corridor, the Children's Hospital expansion highlighted the need to think proactively about future expansion plans up and down the corridor and how they relate to urban design, transportation, and relationships with area stakeholders.
- *National Planning Conference*. In April 2009 planners from around the country engaged area residents and other stakeholders in a day-long community planning workshop focusing on Chicago Avenue. The workshop brought a national perspective to the corridor and helped identify important issues to be addressed in future planning. A summary of this workshop is available at http://planning.org/communityassistance/.

The planning process was guided by a steering committee with representatives appointed by neighborhood groups, elected officials, business associations, and area hospitals. Community engagement has included focus groups, interviews, a project web site, and three community meetings with presentations and facilitated small-group discussions. A final community meeting to review the draft plan was held on November 15, and the draft plan has been available for review since October 25.

Plan Summary

While the draft plan covers the typical array of small area plan topics – land use, transportation, urban design, and community development – the main policy questions to be answered by this plan

are about the role of the area's existing cluster of health care and life sciences on the future development of Chicago Avenue. A market assessment conducted for this planning process indicates that for the foreseeable future, the hospitals will remain within their existing footprint and that previously-hoped-for spin-off land uses such as research facilities and medical labs are much more likely to locate near the University of Minnesota if Minneapolis is their preferred location within the region. At the same time, a handful of block faces in the study area are in need of reinvestment of some kind, be it housing rehabilitation or redevelopment. The market assessment also alluded to a demand for a limited amount of new retail space and market rate housing. A key point raised in the market study as well as public input was the improvement of neighborhood amenities such as parks, schools and other transportation options, all deemed critical for continued investment in the corridor.

The combination of factors discussed above has led to recommending a flexible future land use and zoning approach that allows for the range of desired future possibilities – rehab, multifamily redevelopment, office, and some retail – while providing certainty to property owners that the hospitals will not expand beyond their existing properties. In this case that flexible approach is a broader application of the OR2 zoning district, in areas that do not already have such zoning, to encourage both housing and office, limit retail to neighborhood-serving businesses in mixed-use buildings, and to limit hospital expansion to existing property. The draft future land use map shows this designation as "Mixed Use (Residential and/or Office)" and is applied in locations that are not currently occupied by a hospital or major institution and are not on a designated Commercial Corridor.

Following are the highlights of each of the policy chapters of the plan:

Land Use

- Encourage rehabilitation of existing structures
- Allow offices and clinics in existing structures, as well as housing
- Support redevelopment into multifamily housing or offices where land can be assembled
- Future hospital expansion is held to existing campuses
- Encourage new mixed-use (housing/office with retail) development north of Franklin Avenue.

Urban Design

- New buildings should be oriented to Chicago Avenue, with prominent front entrances that invite pedestrians.
- Integrate green spaces and landscaping with new and existing development.
- Any new multi-story buildings should step down in height away from Chicago Avenue.
- Encourage hospitals to create more of a presence on Chicago Avenue as remodeling and expansion projects take place.

Transportation

- Support ongoing improvements to streets, pedestrian routes, bicycle facilities, and transit to build on the area's existing multimodal environment.
- Improve Park, Portland, 26th, and 28th for pedestrians.
- Construct a promenade on the northern edge of the Midtown Greenway.
- Continue to require off-street parking for new development, but minimize new large parking structures and encourage shared parking arrangements.

Community Development

- Build on past successes, with a renewed focus on Chicago Avenue
- Fill vacant housing and office space; redevelop where opportunities arise
- Expand housing options for existing residents and employees
- Brand Chicago Avenue as The Wellness Corridor
- Improve the built environment, starting with Peavey Park

Comprehensive plan conformance. The Chicago Avenue Corridor Plan offers guidance and strategies that are consistent with the policies of the City's comprehensive plan. The following are comprehensive plan policies that are furthered by the development guidance and implementation strategies of the Chicago Avenue Corridor Plan:

- Policy 1.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.
    - 1.8.1 Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.
    - 1.8.2 Advance land use regulations that retain and strengthen neighborhood character, including direction for neighborhood-serving commercial uses, open space and parks, and campus and institutional uses.
- Policy 1.9: Through attention to the mix and intensity of land uses and transit service, the City will support development along Community Corridors that enhances residential livability and pedestrian access.
    - 1.9.1 Support the continued presence of existing small-scale retail sales and commercial services along Community Corridors.
    - 1.9.2 Support new small-scale retail sales and services, commercial services, and mixed uses where Community Corridors intersect with Neighborhood Commercial Nodes.
    - 1.9.3 Discourage uses that diminish the transit and pedestrian oriented character of Community Corridors, such as automobile services and drive-through facilities.

- 1.9.4 Discourage the conversion of existing residential uses to commercial uses outside of Neighborhood Commercial Nodes.
- 1.9.5 Encourage the development of low- to medium-density housing on Community Corridors to serve as a transition to surrounding low-density residential areas.
- 1.9.6 Promote more intensive residential development along Community Corridors near intersections with Neighborhood Commercial Nodes and other locations where it is compatible with existing character.

- Policy 1.10: Support development along Commercial Corridors that enhances the street's character, fosters pedestrian movement, expands the range of goods and services available, and improves the ability to accommodate automobile traffic.
  - 1.10.1 Support a mix of uses – such as retail sales, office, institutional, high-density residential and clean low-impact light industrial – where compatible with the existing and desired character.
  - 1.10.2 Encourage commercial development, including active uses on the ground floor, where Commercial Corridors intersect with other designated corridors.
  - 1.10.3 Discourage uses that diminish the transit and pedestrian character of Commercial Corridors, such as some automobile services and drive-through facilities, where Commercial Corridors intersect other designated corridors.
  - 1.10.4 Encourage a height of at least two stories for new buildings along Commercial Corridors, in keeping with neighborhood character.
  - 1.10.5 Encourage the development of high-density housing on Commercial Corridors.
  - 1.10.6 Encourage the development of medium-density housing on properties adjacent to properties on Commercial Corridors.

- Policy 1.15: Support development of Growth Centers as locations for concentration of jobs and housing, and supporting services.
  - 1.15.1 Support development of Growth Centers through planning efforts to guide decisions and prioritize investments in these areas.
  - 1.15.2 Support the intensification of jobs in Growth Centers through employment-generating development.
  - 1.15.3 Encourage the development of high- to very high-density housing within Growth Centers.
  - 1.15.4 Promote the integration of major public and private institutional campuses located in Growth Centers, including health care and educational services, with the function and character of surrounding areas.

- Policy 3.1: Grow by increasing the supply of housing.
  - 3.1.1 Support the development of new medium- and high-density housing in appropriate locations throughout the city.

    - 3.1.2 Use planning processes and other opportunities for community engagement to build community understanding of the important role that urban density plays in stabilizing and strengthening the city.

- Policy 3.2: Support housing density in locations that are well connected by transit, and are close to commercial, cultural and natural amenities.
    - 3.2.1 Encourage and support housing development along commercial and community corridors, and in and near growth centers, activity centers, retail centers, transit station areas, and neighborhood commercial nodes.

- Policy 3.5: Improve the stability and health of communities of concentrated disadvantage through market building strategies, and strategies that preserve and increase home ownership.
    - 3.5.1 Work to improve the stability and sustainability of the city's disadvantaged communities by taking measures to diversify the household mix and allay historic patterns of concentration of poverty.
    - 3.5.2 Pursue an integrated array of development and revitalization strategies to attract a broadened socio-economic mix of residents to communities of concentrated disadvantage.
    - 3.5.5 Focus development activities strategically in priority areas within disadvantaged communities so that it results in the greatest impact.
    - 3.5.9 Utilize and expand the city's development programs and tools to jumpstart investment in the city's disadvantaged communities.

- Policy 3.6: Foster complete communities by preserving and increasing high quality housing opportunities suitable for all ages and household types.
    - 3.6.1 Promote the development of housing suitable for people and households in all life stages that can be adapted to accommodate changing housing needs over time.
    - 3.6.2 Promote housing development in all communities that meets the needs of households of different sizes and income levels.

- Policy 3.7: Maintain the quality, safety and unique character of the city’s housing stock.
    - 3.7.1 Promote and incentivize private investment in housing maintenance and renovation.
    - 3.7.4 Utilize decision-making criteria when considering possible demolitions that recognize the value that the original housing stock typically has for surrounding properties and the community.

- Policy 4.1: Support private sector growth to maintain a healthy, diverse economy.
    - 4.1.1 Use public development resources and other tools to leverage maximum private sector investment for public benefit.
    - 4.1.2 Seek out and implement long-term redevelopment projects that catalyze revitalization and private sector investment.

    - 4.1.4 Improve the coordination of economic development activity among units of government, the business community, neighborhood organizations and nonprofit agencies.

- Policy 4.2: Promote business start-ups, retention and expansion to bolster the existing economic base.
    - 4.2.1 Promote access to the resources and information necessary for successful operation of healthy businesses.
    - 4.2.3 Continue to assist businesses in identifying appropriate locations within the city.

- Policy 4.9: Focus economic development efforts in strategic locations for continued growth and sustained vitality.
    - 4.9.1 Prioritize economic development efforts around designated neighborhood commercial nodes, commercial corridors, activity centers, and growth centers.

Public Comments

Public input received throughout the planning process is documented in Chapter 4 of the plan. Comments received since the release of the draft plan on October 25 are attached to this staff report.

Comments received in large-group and one-on-one discussions at the November 15 community meeting were generally supportive of the plan. However, one area of clear disagreement from stakeholders did emerge. The draft plan recommended that 22nd Street be reopened between Peavey Park and Hope Academy in order to reconnect the street grid and improve a feeling of safety from the standpoint of Crime Prevention Through Environmental Design (CPTED). This was an idea that emerged early in the planning process as one possible improvement to Peavey Park. A subsequent planning process for the park, led by the Metropolitan Design Center, did not recommend that street connection, after giving it some consideration. At the November 15 public meeting, several stakeholders (including representatives of Hope Academy) expressed concern that reconnecting 22nd Street would be detrimental to the safety of the students at Hope Academy who travel between the school and the park on a daily basis. As a result of these comments, staff has removed the 22nd Street connection as a recommendation in the Transportation and Community Development chapters. One drawing in the Urban Design chapter still shows this connection, but the accompanying text makes clear that the reconnection is not a recommendation of the plan.

Concurrent and Future Related Actions

- Comprehensive plan changes. Modification of the City's comprehensive plan is proposed as a concurrent action to adoption of the Chicago Avenue Corridor Plan. Changes to the comprehensive plan's Future Land Use map will be required to align with this Plan's future land use guidance. And the Chicago Avenue Corridor Plan in its entirety is recommended to be amended to the comprehensive plan, given that it articulates comprehensive plan policies for Chicago Avenue. Staff will submit this amendment to the Metropolitan Council following City Council approval.

- Zoning changes. Zoning changes are recommended as another companion action to adoption of the

Chicago Avenue Corridor Plan. Changing the zoning of property is the most important measure that can be taken to implement the land use guidance in the Plan. It will help to ensure that new development in the Chicago Avenue corridor advances the approved vision and development policies for Chicago Avenue. The proposed zoning changes are consistent with the existing future land use map in the comprehensive plan, so the intent is that the City Planning Commission and City Council will act on the zoning changes concurrently with the small area plan adoption rather than waiting for Metropolitan Council approval of the comprehensive plan amendment.

- Development review. Future development proposals for property in the study area will require Planning Commission review of land use applications such as rezonings, conditional use permits, and site plan review. The Chicago Avenue Corridor Plan will provide guidance for decisions regarding those applications.

Attachments

- Chicago Avenue Corridor Plan
- Public Comments

COMPREHENSIVE PLAN AMENDMENT

The Chicago Avenue Corridor Plan articulates the policies of The Minneapolis Plan for Sustainable Growth, the City's comprehensive plan, as they relate to the outlined study area. The existing comprehensive plan policies for the study area are outlined in Chapter 6 of the Chicago Avenue Corridor Plan. The land use policies of this plan provide further definition to the comprehensive plan policies, but do not propose fundamental changes to that framework.

The Chicago Avenue Corridor Plan will be submitted to the Metropolitan Council as an amendment to the comprehensive plan, giving the policies of the former the official status of the latter. That amendment will include some changes to individual parcels on the future land use map of the comprehensive plan, some that are housekeeping changes and some that are intended to better match the policy direction of the Chicago Avenue Corridor Plan. These changes are shown in the appendix of the plan, attached to this report, and summarized below:

- One property at 18th and Chicago will be shown as Mixed Use rather than Public and Institutional (its existing land use), consistent with practice in the rest of citywide future land use map to indicate Mixed Use on designated Commercial Corridors.

- Two properties in Peavey Park that were shown as Urban Neighborhood will be shown as Parks and Open Space.

- Three properties on 25th Street will be shown as Urban Neighborhood rather than Public/Institutional.

- Properties bounded by Columbus Avenue, 10th Ave S, 28th Street E, and the Midtown Greenway will be shown as Public and Institutional, better reflecting the intent of the Chicago Avenue Corridor Plan than the previous designation of Commercial.

Beyond these proposed comprehensive plan map amendments, City small area plans are, as a matter of practice, adopted as amendments to the City's comprehensive plan in their entirety. This reflects the fact that the policies of small area plans articulate the City's comprehensive plan policies at a detailed level for a defined geographical area.

Impacts on Regional Systems

The review of potential impacts on regional systems primarily considers the policies of the Chicago Avenue Corridor Plan as a whole. Specifically, the Plan proposes and anticipates a modest amount of housing and employment growth over a 20-year time frame. Thus it should not be considered to have any effect on regional systems.

Population, housing, and employment forecasts. The Chicago Avenue Corridor Plan is a 20-year plan. Although it places an emphasis on fostering housing and employment growth along Chicago Avenue, such development would not affect the City's overall forecasts for population, housing and employment growth.

Housing. The Chicago Avenue Corridor Plan supports multifamily housing development along Chicago Avenue. It proposes multiple strategies for attracting new development, but recognizes that housing growth will occur over an extended period of time. No specific estimates were made as part of the planning process, but it is unlikely that new housing on Chicago would exceed 1,000 dwelling units over the 20 year life of the Plan.

Transportation. No significant road improvements are required or recommended in the Chicago Avenue Corridor Plan.

Transit. Over the long term, new housing and jobs along Chicago Avenue, and measures taken to encourage alternative modes of transportation, should result in modest increases in transit ridership.

Wastewater and water supply. Modest growth along Chicago Avenue is proposed over the next 20 years, but existing wastewater and water supply infrastructure is adequate to accommodate this growth.

Surface water. New development along Chicago Avenue will be captured by the City's stormwater ordinance, and should thus not place a burden on the existing stormwater infrastructure.

Regional parks. The Chicago Avenue Corridor Plan does not impact the regional parks system.

Wetlands, Mississippi River Critical Area, Airports. Adoption of the Chicago Avenue Corridor Plan has no implications for these regional assets.

Public Comments

"Proposed modifications to the city's comprehensive plan" was called out explicitly as a separate agenda item in the public notice for the December 12, 2011 City Planning Commission meeting. No comments have been received concerning the proposed amendments.

Reference Materials/Attachments

- Map of proposed comprehensive plan changes

ZONING MAP AMENDMENTS: CHICAGO AVENUE REZONING STUDY

Background

Zoning changes typically follow the adoption of small area plans because they are a critical tool for implementing the land use and development guidance that such plans offer. The proposed zoning changes that came out of the Chicago Avenue Rezoning Study are intended to support the land use and development guidance in the Chicago Avenue Corridor Plan.

A rezoning study has historically followed plan adoption by varying periods of time. In this instance, an effort is being made to engage in both processes concurrently. The benefits of this approach are several. First, the community engagement that is fostered in the process of developing a small area plan is built upon in the outreach and engagement associated with reviewing zoning recommendations. Secondly, community consensus is fostered in the small area plan process about how and where growth of different types ought to occur. This consensus, and the education process that fostered it, are still fresh when draft zoning changes consistent with the development vision are vetted. Thirdly, reviewing draft zoning changes serves to make future land use guidance more tangible, and may result in refinements to that guidance.

Summary of Recommended Changes

Zoning changes. The future land use map in Chapter 6 of this document provides parcel-specific guidance using the categories of Mixed Use (Commercial/Residential), Mixed Use (Residential/Office), Urban Neighborhood (Primarily Housing), Public/Institutional, and Parks/Open Space. Each of these designations is defined in the chapter narrative.

The current zoning map does not exhibit any stark inconsistencies with the comprehensive plan map as it exists or as proposed for modification. However, the more fine-grained land use policy offered in Chapter 6 of the Plan does present some inconsistencies with the current zoning map, specifically on some properties with the "Mixed Use (Residential/Office)" designation. The intent of this designation is as follows, as outlined in Chapter 6 of the Plan:

> Neighborhood Mixed-Use Blocks – The future land use map shows primarily "Mixed Use (residential and/or office)" on these properties. Community consensus is that properties with buildings in good condition should remain as they are when feasible, especially those that contribute to an aesthetically pleasing corridor. Some structures, particularly those closest to the hospitals, are good candidates for adaptive reuse into medical or other offices. The zoning should continue to allow this. Properties with structures in poor condition are good candidates for rehabilitation or redevelopment into multifamily housing and/or office uses. New buildings may include small neighborhood-serving retail spaces fronting Chicago Avenue, but retail should not be in new standalone buildings.

This designation fits well with the OR2 zoning district, which can be summarized as follows:

- Allows single-family homes, duplexes, and multifamily housing

- Allows offices, clinics, and birth centers, but not hospitals
- New offices and residences of at least 20,000 square feet can include retail, but retail-only buildings are not allowed
- New development can be 1-4 stories without a conditional use permit

Current zoning on properties with the "Mixed Use (Residential/Office)" designation includes a mix of R2B, OR1, OR2, and C1. The staff recommendation is to apply the OR2 zoning district on all parcels with "Mixed Use (Residential/Office)" designation.

Nonconformities. Staff is not aware of any existing land uses that would become nonconforming as a result of the proposed changes.

Alternative Zoning Proposal

Included in the attachments to this staff report is an alternative zoning proposal brought forward by Councilmember Gary Schiff. This alternative was presented and made available as a handout at the November 15 public meeting. It shows R2B zoning on the west side of the 2700 block of Chicago Avenue. Staff recommendation is for the existing OR2 zoning to remain, consistent with the rationale behind the "Mixed Use (Residential/Office)" future land use designation discussed above. The intent of Councilmember Schiff's R2B proposal is to downzone these properties to remove any regulatory incentive for redevelopment of valued homes. It was clear from the public process that these homes are important community assets. Included in the Land Use chapter is a recommendation that this area be the subject of a new survey to identify historic landmarks or potential historic districts.

The alternative zoning proposal also shows one property at the southwest corner of 24th and Chicago as R2B rather than the staff recommendation of OR2.

Findings as Required by the Minneapolis Zoning Code

The adoption of zoning changes requires the review of five findings as set out by state statute and the City's zoning code. They are as follows:

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

The proposed zoning changes are consistent at a parcel-specific level with the concurrently proposed Chicago Avenue Corridor Plan, existing comprehensive plan, and related comprehensive plan modifications. Like the Chicago Avenue Corridor Plan, they further the policies of the City's comprehensive plan. See excerpted policies above.

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

The recommended zoning changes affect 37 parcels, and thus are not in the interest of a

single property owner. The recommendations implement the Chicago Avenue Corridor Plan, which involved the participation of many stakeholders.

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

   The proposed changes to primary and overlay zoning designations are guided by the Chicago Avenue Corridor Plan. This Plan considers the growth and development of the entire area, including integration with and transition between surrounding land uses.

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

   The current zoning does permit reasonable uses. The proposed zoning identifies reasonable changes to fulfill long-term land use objectives of the comprehensive plan and the Chicago Avenue Corridor Plan.

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

   The last major rezoning to affect the study area took place when there was a city-wide rezoning in 1999. Since that time there have been substantial hospital improvements and expansions, new clinics, and new housing developments constructed in the study area. The entire length of Chicago Avenue through the study area was also reconstructed.

Public Comments

As of the writing of this staff report, staff has received no written comments related to the proposed zoning changes. Verbal comments at the November 15 community meeting were generally supportive of the staff recommendation, with some expressing support for the alternative zoning proposal.

Reference Materials/Attachments

- Map of existing and proposed zoning (staff recommendation and alternative proposal)
- Proposed ordinance (staff recommendation)

RECOMMENDATIONS OF THE DEPARTMENT OF COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT – PLANNING DIVISION:

Small Area Plan: Chicago Avenue Corridor Plan

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission and City Council **adopt** the Chicago Avenue Corridor Plan as an articulation of and amendment to the policies found in the City's Comprehensive Plan, pending Metropolitan Council review and approval of associated amendments to the City's comprehensive plan.

Comprehensive Plan Amendment

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission and City Council **adopt** the proposed map amendment to the City's comprehensive plan, as illustrated in the attached exhibits, pending Metropolitan Council review and approval.

Zoning Map Amendments: Chicago Avenue Rezoning Study

The Planning Division of the Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning map amendment as illustrated and listed in the attached exhibits.