

**Department of Community Planning and Economic Development – Planning Division**  
Conditional Use Permit  
BZZ-5443

**Date:** January 9, 2012

**Applicant:** The Ackerberg Group, Attn: Thatcher Imboden, 3033 Excelsior Boulevard, Suite 10, Minneapolis, MN 55416, (612) 924-6411

**Address of Property:** 1340 – 1354 Lagoon Avenue (1320 Lagoon Avenue)

**Project Name:** Mozaic Mixed-Use Development

**Contact Person and Phone:** The Ackerberg Group, Attn: Thatcher Imboden, 3033 Excelsior Boulevard, Suite 10, Minneapolis, MN 55416, (612) 924-6411

**Planning Staff and Phone:** Becca Farrar, Senior City Planner, (612) 673-3594

**Date Application Deemed Complete:** November 30, 2011

**End of 60-Day Decision Period:** January 29, 2012

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

**Ward:** 10            **Neighborhood Organization:** Lowry Hill East Neighborhood Association (LHENA)

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

**Proposed Zoning:** Not applicable for this application.

**Zoning Plate Number:** 24

**Lot area:** 109,196 square feet or 2.5 acres

**Legal Description:** Not applicable for this application.

**Proposed Use:** Master sign plan.

**Concurrent Review:**

- The Ackerberg Group has submitted an application to amend the previously approved Conditional Use Permit (CUP) for a Planned Unit Development (PUD) for a proposed master sign plan for the Mozaic development located on the properties at 1340 – 1354 Lagoon Avenue (1320 Lagoon Avenue).

**Applicable zoning code provisions:** Article VII, Conditional Use Permits, Chapter 527, Planned Unit Development.

**Background:** In November of 2010, the City Planning Commission approved land use applications for a new three-phase, mixed-use Planned Unit Development on the property located at 1340 – 1354 Lagoon Avenue (BZZ-

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4954). The property is zoned C3A and is located within the PO Overlay District. Construction is currently underway on the development which includes a 10-story parking ramp and office structure, with ground level commercial uses centered on a public plaza. At the time of the original approvals the future tenants of the building were unknown. Now that some of the tenants have been identified, the developer is proposing a comprehensive sign plan for the building.

Signs are subject to the requirements of Chapter 543, On-premise Signs. In the C3A zoning district, one-and-a-half square feet of signage for every one foot of primary building wall is permitted. However, if there is a freestanding sign on the zoning lot then signage is limited to one square foot for every one foot of primary building wall. Wall signs are limited to 180 square feet in size and projecting signs are limited to 48 square feet in size and shall not extend outward from the building more than four feet. There is no height limitation for either wall signs or projecting signs. Freestanding signs are limited to 80 square feet and can be no taller than eight feet. The zoning code also limits the number of freestanding signs on a zoning lot to one. Backlit signs are prohibited. Further the PO Overlay District prohibits pole signs, backlit awning and canopy signs as well as backlit insertable panel projecting signs.

The applicant is proposing to have three freestanding signs on the site; therefore, one square foot of signage would be allowed for every one foot of primary building wall. A primary building wall is defined as “an exterior building wall that faces a street or that faces an accessory parking area and contains a public entrance. When the exterior building walls are not parallel to a street, they shall be assigned to the street frontage to which they are most oriented”. Due to the configuration of the site, there is only one primary building wall. The east elevation of the building facing Fremont Avenue is approximately 199 feet in length; therefore, there can be up to 199 square feet of signage on this elevation of the building.

The applicant has submitted a sign plan that illustrates how much signage is being proposed. Overall, the applicant has requested a total of 17 signs. Of these 17 signs, three are freestanding, four are projecting and ten are wall mounted. All proposed signage would be internally illuminated. The signage proposed for the site far exceeds what would typically be allowed in Chapter 543 of the Zoning Code. Further, the applicant proposes to locate signage on non-primary building walls. The applicant has applied for a modification to the previously approved conditional use permit for a Planned Unit Development to exceed the total amount of signage on the premises.

**Master Sign Plan Information and Analysis:**

<b>Freestanding / Monument Signs - 3 proposed</b>				
<b>Sign plan location</b>	<b>Purpose</b>	<b>Proposed Area (square feet)</b>	<b>Proposed Height</b>	<b>Staff Recommendation</b>
1	Project Id	166.5 (83.25 x 2)	25 feet	<i>Reduce Height to 15 feet</i>
2	Parking	30	12 feet	<i>Reduce Height to 8 feet</i>
14	Parking	30	12 feet	<i>Reduce Height to 8 feet</i>

As previously noted, freestanding/monument signs are typically limited to one per zoning lot, to 80 square feet in size and to 8 feet in height. The applicant proposes to install one project identification monument sign that is 25 feet in height with an area of approximately 83 feet. Further, two additional freestanding parking signs are proposed at 12 feet and are approximately 30 square feet in size. It is Planning Staff’s position that while allowing a project identification sign that is taller than what is typically permitted is acceptable given the site constraints and the configuration of the building on site, it is not appropriate to allow one that is three times taller. Planning Staff believes that 15 feet is appropriate in this circumstance given the context.

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Further, Planning Staff cannot justify allowing an increase in height beyond 8 feet for the two additional freestanding signs requested on the premises. While Planning Staff will support the request two allow additional freestanding signs, they will need to comply with the standard height requirements.

<b>Projecting Signs - 4 proposed</b>				
<b>Sign plan location</b>	<b>Tenant</b>	<b>Proposed Area (square feet)</b>	<b>Project length</b>	<b>Staff Recommendation</b>
4	Café	15	5 feet	<i>Approve as proposed</i>
7	Restaurant	15	4 feet, 4 inches	<i>Deny</i>
11	Restaurant	105	7 feet	<i>Approve as proposed</i>
12	Parking	2	16 inches	<i>Approve as proposed</i>

Projecting signs are limited to 48 square feet in size and shall not extend outward from the building more than four feet. Planning Staff believes that it is unnecessary to install two projecting signs for the proposed restaurant, especially when one of the signs far exceeds what would typically be permitted at nearly 7 feet wide and 15 feet tall. Planning Staff is recommending that the smaller of the two projecting signs be denied. Planning Staff supports the other requests as noted above.

<b>Wall Mounted Signs - 10 proposed</b>				
<b>Sign plan location</b>	<b>Tenant</b>	<b>Proposed Area (square feet)</b>	<b>Primary wall</b>	<b>Staff Recommendation</b>
3	Café	36	No	<i>Approve as proposed</i>
5	Café	30	Yes	<i>Approve as proposed</i>
6	Office	30	Yes	<i>Approve as proposed</i>
8	Restaurant	19	Yes	<i>Deny</i>
9 a&b	Restaurant	30	Yes	<i>Approve as proposed</i>
10	Restaurant	20	Yes	<i>Deny</i>
13	Project Id	39	No	<i>Approve as proposed</i>
15	Office	39	No	<i>Approve as proposed</i>
16	Office	39	No	<i>Approve as proposed</i>
17	Office	39	Yes	<i>Approve as proposed</i>

The applicant is proposing to have three freestanding signs on the site; therefore, one square foot of signage would be allowed for every one foot of primary building wall. Due to the configuration of the site, there is only one primary building wall which would typically allow up to 199 square feet of signage on the east elevation of the building. The applicant proposes a total of 168 square feet of signage on the east elevation and another 153 square feet on non-primary building walls. Planning Staff is recommending approval of all requested wall mounted signs, even those not on primary building walls, with two exceptions. Planning Staff is concerned with the sheer volume of signage proposed for the restaurant tenant. The proposed combination of two projecting signs and three walls signs results in a façade with sign clutter. Planning Staff has recommended that a singular projection sign be approved that is significantly larger than what is typically permitted. Planning Staff will also

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support the restaurant identification wall sign as proposed while recommending denial of the signage proposed stating (1) “Restaurant – Cocktail Lounge” and (2) “Hot Food – Cold Beer – Lunch – Dinner”.

Planning Staff has not received official correspondence from LHENA or any neighborhood letters prior to the printing of this report. Any correspondence received after the printing of this report shall be forwarded on to the Planning Commission for further consideration.

**CONDITIONAL USE PERMIT** - Modification to the previously approved conditional use permit for a Planned Unit Development for a master sign plan.

**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 modifying the previously approved conditional use permit to include a master sign plan for the Mozaic PUD would be detrimental to or endanger the public health, safety, comfort or general welfare. With the modifications to the proposed signage suggested by Planning Staff, the amount of signage would be proportional to the size of the building and the location of the signage is appropriate given the configuration of the building on the site and the access to and from the on-site parking. The recommendations made in the above listed section allow for ample signage, yet reduce the potential for visual clutter.

**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 modifying the previously approved conditional use permit to include a master sign plan for the Mozaic PUD would be injurious to the use and enjoyment of other property in the vicinity or impede the normal or orderly development and improvement of surrounding property. As previously noted, with the modifications proposed by Planning Staff, the amount of signage would be proportional to the size of the building and the location of the signage would be appropriate given the context and configuration of the building on the site as well as the access to and from the on-site parking.

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

Modifying the previously approved conditional use permit to include a master sign plan for the Mozaic PUD will not impact utilities, access roads, drainage or other necessary facilities.

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

Modifying the previously approved conditional use permit to include a master sign plan for the Mozaic PUD will not impact traffic congestion in the public streets.

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

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According to *The Minneapolis Plan for Sustainable Growth*, the subject site is located within the boundaries of the designated Uptown Activity Center, has frontage on Lagoon Avenue which is a designated Commercial Corridor in this location and less than a half block off of Hennepin Avenue which is also a designated Commercial Corridor in this location, and directly abutting the Midtown Greenway on the north side of the site. According to *The Minneapolis Plan for Sustainable Growth*, the following policies and implementation steps apply to this master sign proposal:

Urban Design Policy 10.20 states: “Promote an attractive environment by minimizing visual clutter and confusion caused by a proliferation of signage.” This policy includes the following applicable implementation step (10.20.2), “Master sign plans shall be submitted for multi-tenant buildings to ensure a complementary relationship between signage and the architecture of a building.”

The Planning Division believes that with the suggested modifications to the proposed master sign plan, it is in conformance with the above policies of *The Minneapolis Plan for Sustainable Growth*.

There are two additional plans that must be considered when evaluating the proposal which include the *Midtown Greenway Land Use & Development Plan*, which was adopted by the City Council on February 23, 2007, and the *Uptown Small Area Plan* which was adopted by the City Council on February 1, 2008. A portion of the *Uptown Small Area Plan* study area overlaps with the *Midtown Greenway Land Use & Development Plan* area. Parcels north of Lagoon Avenue, east of Humboldt Avenue, south of 28<sup>th</sup> Street, and west of Bryant Avenue are included in both plans.

The *Midtown Greenway Land Use & Development Plan* states the following about signs: a preference that no freestanding signs should be allowed on sites abutting the Midtown Greenway. It further states that identification signs and building addresses placed on walls facing the Greenway cannot exceed 18 inches in height unless the establishment chooses to open a public entrance facing onto the Midtown Greenway. Also, no off-premise signs are allowed to be placed in yards or on roofs visible from the Greenway.

The *Uptown Small Area Plan* states the following about signs: improve signage and wayfinding (LCD screens with directional arrows to available parking spaces) to public parking areas and use “smart signs” and consistent signing practices to assist motorists in finding available parking thereby reducing cruising.

The Planning Division believes that with the suggested modifications to the proposed master sign plan, it is in conformance with the applicable standards outlined in the adopted *Midtown Greenway Land Use & Development Plan* and the *Uptown Small Area Plan*.

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

City Planning Commission can approve alternatives to the zoning regulations applicable to the zoning district in which the planned unit development is located where the planned unit development includes site amenities. Site amenities are subject to the following standards:

- All planned unit developments shall provide at least one amenity or a combination of amenities that total at least ten points, beyond those required for any alternative(s), and even if no alternative(s) is requested.
- For each alternative requested, an amenity or a combination of amenities totaling at least five points, in addition to the amenity(ies) required in section 527.120(1), shall be provided. For multiple requests of the same alternative only one amenity shall be required for those alternatives.

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- Unless otherwise determined by the city planning commission, each phase of the planned unit development shall include the amenities provided for any alternatives in that phase, as a part of the construction of that phase.
- In no case shall any item be counted as an amenity for an alternative if it is utilized to qualify for a density bonus in any zoning district, a floor area ratio premium in the Downtown Districts, or any other amenity in Table 527-1, Amenities.
- Where an amenity is provided that meets the standards required in Table 527-1, Amenities, the full point value assigned to said amenity shall be obtained. Where the amenity does not meet all of the standards required in Table 527-1, Amenities, no points shall be awarded. Partial points for alternatives shall not be awarded, except as otherwise allowed in Table 527-1, Amenities.

**Minimum required amenity(ies) of 10 points.** This requirement was previously satisfied under the associated CUP approval for the Mozaic PUD (BZZ-4954) in November of 2010. The minimum required amenity(ies) of ten (10) points was fulfilled by the following components: 1. *Plaza (five points)*; 2. *Living wall system (three points)*; 3. *Enhanced exterior lighting (one point)*; and 4. *Recycling storage area (one point)*.

**Placement and number of principal residential structures:** No alternative requested as part of this amended CUP application. The applicant did request an alternative from the building placement requirement in the PO district as part of the associated CUP approval for the Mozaic PUD as the structure as proposed was not located within 8 feet of the front lot line. Five points were required and provided as part of the ten (10) points awarded for the Midtown Greenway bridge and ramp.

**Bulk regulations - floor area:** No alternative requested.

**Bulk regulations - height:** No alternative requested as part of this amended CUP application. The applicant did request an alternative to exceed the maximum height allowed in the C3A district from 4 stories or 56 feet to 10 stories or 112 feet as part of the associated CUP approval for the Mozaic PUD. Five points were required and provided as part of the ten (10) points awarded for the Midtown Greenway bridge and ramp.

**Lot area requirements:** No alternative requested.

**Yards:** No alternative requested.

**On-premise signs:** The total amount and height of the signage proposed for the Mozaic PUD exceeds what is allowed in Chapter 543 of the Zoning Code. Further, signage is proposed on non-primary building walls. The applicant needs to provide an amenity or a combination of amenities totaling at least five points for the above sign exceptions being requested. See “amenities provided” section below.

**Off-street parking and loading:** No alternative requested.

**Amenities provided:** The applicant must provide an amenity or a combination of amenities totaling at least five points for the proposed master sign plan. The applicant proposes the following amenities: art feature (three points) and reflective roof (three points).

**Art feature:** In order to qualify for the three points, the art feature must meet the following criteria: Provision of art that shall strive to promote quality design, enhance a sense of place, contribute to a sense of vitality, show value for artist and artistic processes, and use resources wisely. The art shall be maintained in good order for the life of the principal structure. The art shall be located where it is highly visible to the public. If located indoors, such space shall be clearly visible and easily accessible from adjacent sidewalks or streets. The art shall be valued at not less than one-fourth (.25) of one (1) percent of the capital cost of the principal structure.

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The applicant has stated that at least .25% of the capital cost of the principal building will be allocated to public art. The phase I capital cost of the principal building is approximately \$20,000,000, which would require a minimum investment of \$50,000. So far, there are art installations contracted at over \$144,000 in the public plaza.

**Reflective roof:** In order to qualify for the three points, the reflective roof must meet the following criteria: Utilize roofing materials for seventy five (75) percent or more of the total roof surface having a Solar Reflectance Index (SRI) equal to or greater than the values as required by the US Green Building Council (USGBC) for low-sloped and steep-sloped roofs.

The roof, which is currently being constructed, includes a fully adhered thermo plastic membrane system consisting of a 60 mil white TPO with a 2-ply, 6 mil vapor retarder adhered to insulation with Type II asphalt.

*A total of 5 points are needed based on this amended CUP proposal for the Mozaic PUD. The applicant is providing 6 points which exceeds the requirement.*

**Phasing plan:** As approved in the associated CUP approval for the Mozaic PUD (BZZ-4954) in November of 2010, the project involves three phases. Phase I and Phase II are currently under construction. Phase I includes the construction of 11,080 square feet of ground floor restaurant/commercial space and six floors of parking in a 436 space open air public parking ramp. Phase II includes the construction of 3 additional floors totaling 65,000 square feet of office space on top of the open air public parking ramp proposed as part of Phase I. The West Building would total 10 stories or 112 feet upon completion of Phase II.

As part of Phases I and II, a portion of the public plaza has been constructed as has the pedestrian/bicycle bridge across the Midtown Greenway and the ramp down to the Midtown Greenway. The surface parking lot on the premises has been modified to accommodate the structure. A portion of the surface parking remains and will be operated as a 122 space surface parking lot until Phase III construction commences.

Phase III is still conceptual at this time and will be submitted to the City for review as the phase is further defined. At this time it is expected that approximately 14,500 square feet to 29,000 square feet of restaurant or commercial space would be located within one or two-story buildings. Depending on market demand, residential units, hotel, or office uses would potentially be proposed on the east side of the site within a 9-story structure. Additional parking would be proposed within two levels of below grade parking.

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

- 1. That the planned unit development complies with all of the requirements and the intent and purpose of this chapter. In making such determination, the following shall be given primary consideration:**
  - a. The character of the uses in the proposed planned unit development, including in the case of residential uses, the variety of housing types and their relationship to other site elements and to surrounding development.**

The mix of office and commercial uses, and potential residential uses within the development will fit in well with the surrounding area which includes residential and commercial uses that are of varying heights, styles, and designs. The uses are similar to others that exist in the area and the proposed site elements are accessible to both potential residents of the development as well as non-residents. District parking

facilities are encouraged in the Uptown area as is the incorporation of daytime users. In addition to the proposed public plaza, pedestrian connections and the proposed Midtown Greenway bridge and ramp will be amenities for the surrounding community.

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

The development would not be expected to have a negative impact on traffic movement in the vicinity according to the approved Travel Demand Management Plan (TDMP) from 2008. The applicant is providing parking that meets the minimum and maximum parking requirements for the uses as outlined in the Zoning Code. Further, a total of 36 bicycle parking spaces are provided. The site is adjacent to the Uptown Transit Station and the Midtown Greenway. The proposed plaza area, pedestrian connections and the proposed Midtown Greenway bridge and ramp will improve the accessibility to the site and the broader Uptown area.

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

The site amenities that were included as part of the associated Mozaic PUD approval in November 2010 included the plaza, living wall system, enhanced exterior lighting, recycling storage area as well as the new Midtown Greenway bridge and ramp. As proposed, the master sign plan requires additional amenities that are being satisfied through an art feature located in the public plaza as well as the reflective roof located on the building.

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

The appearance and compatibility of individual buildings and parking areas within the PUD development to other site elements and to surrounding development is apparent. The proposed building scale and massing is taller than what currently exists in the area. The surrounding context and uses within the vicinity are varied within the Uptown Activity Center. The development would have microclimate effects and will impact views in the neighborhood. In regard to the proposed sign materials, Planning Staff will recommend that: 1) no backlit signs are permitted; and 2) all new signs shall relate in size, shape, material, color, illumination and character to the function and architectural character of the building.

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

There are no adjacent residential uses or zoning within the immediate vicinity. The Midtown Greenway provides a separation as there are residential uses and residential zoning classifications to the north across the Midtown Greenway. The surrounding land uses and zoning classifications on the south side of the Midtown Greenway are commercial.

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

The applicant is 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. Further, the project complies with all applicable City requirements for stormwater, as well as permanent and temporary erosion control.

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

The applicant has recycled building construction debris as well as asphalt and concrete. The applicant has also sourced a high percentage of local materials, with regional concrete and aggregates making up a large part of the project's materials. Post construction the developer intends to use automatic faucets that plug in (so no batteries), low VOC paint and carpet as well. Further, a water -saving irrigation system would be installed for the green wall and potentially within all of the plaza area as well.

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

As required by Section 527.60 of the Zoning Code, there is a platting requirement for PUDs. The applicant submitted a Register Land Survey (RLS) for the subject site that was approved in November of 2010 which satisfies the requirement.

**RECOMMENDATIONS:**

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

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application to amend the previously approved conditional use permit application for the Mozaic Planned Unit Development to include a master sign plan on the properties located at 1340 – 1354 Lagoon Avenue (1320 Lagoon Avenue) subject to the following conditions:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.
2. As previously required (BZZ-4954) by section 527.120 of the zoning code, the development shall include the following amenities from Table 527-1: proposed plaza, living wall system, enhanced exterior lighting, and recycling storage area.; and as required by section 527.120 of the zoning code, the development shall also include the following amenities: a new Midtown Greenway bridge and ramp.
3. As required for the master sign plan by section 527.120 of the zoning code, the development shall include the following amenities from Table 527-1: art feature and reflective roof.

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4. All new signs shall relate in size, shape, material, color, illumination and character to the function and architectural character of the building.
5. A total of three freestanding/monument signs shall be permitted on the premises. The proposed Mozaic monument identification sign shall not exceed 15 feet in height. The freestanding parking signs shall not exceed 8 feet in height.
6. A total of three projecting signs shall be permitted on the premises per the specifications noted in the staff report.
7. A total of eight wall signs shall be permitted on the premises per the specifications noted in the staff report.
8. Backlit signs are prohibited.

**Attachments:**

1. Statement of use and description
2. Findings
3. Correspondence
4. Zoning Map
5. Master sign plans
6. Photos