

**Department of Community Planning and Economic Development  
Zoning Code Text Amendment**

**Date:** February 19, 2013

**Initiator of Amendment:** Council Member Lilligren

**Date of Introduction at City Council:** March 9, 2012

**Specific Site:** Nicollet Franklin area Pedestrian Oriented Overlay District

**Ward:** 6, 7    **Neighborhood Organization:** Whittier, Stevens Square, Loring Park

**CPED Staff and Phone:** Aly Pennucci, (612) 673-5342

**Intent of the Ordinance:** To revise the regulations related to parking lots in the Nicollet Franklin area Pedestrian Oriented Overlay District.

**Appropriate Section(s) of the Zoning Code:** Chapter 551: Overlay Districts

**Background:** An ordinance was introduced by Council Member Lilligren to the City Council on March 9, 2012, to amend Title 20, Chapter 551 of the Minneapolis Code of Ordinances relating to Overlay Districts. Specifically staff was directed to consider additional limitations on surface parking lots in the Pedestrian Oriented Overlay District (PO) in the Nicollet Franklin area. The draft ordinance language has been attached for review.

Currently, a principal parking lot (surface parking lot) is permitted as a conditional or interim use in commercial zoning districts, including within the Nicollet Franklin area PO district. Any surface parking lot that is the primary use of a property is considered a principal parking lot. Recently, a principal parking lot was approved as an interim use at 2644 Nicollet Avenue to provide the required off-street parking for the Icehouse Restaurant located at 2528 Nicollet Avenue. This project raised the question within that neighborhood of whether or not principal parking lots are appropriate or the best use of land in the Nicollet Franklin area PO. Subsequently, staff was directed to address this question through a zoning code text amendment.

Principal parking lots are already prohibited in the Downtown Parking Overlay District (DP) and commercial parking lots are prohibited in the Transit Station area PO districts. Given the proximity to downtown, access to transit and the policy guidance in this area, staff is recommending that surface parking lots (as a principal use of a property) be prohibited within the Nicollet Franklin area PO. In addition to prohibiting principal parking lots, staff is recommending the following changes:

- Eliminating the minimum off-street parking requirement for non-residential uses.
- Increasing opportunities for shared parking by allowing commercial uses to share parking with institutional and public uses.
- Increasing the minimum bicycle parking space requirement.
- Discouraging new curb cuts off of Nicollet Avenue when appropriate.

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- Extending the northern border of the Nicollet Franklin area PO to 14th Street.

In conjunction with the proposal to prohibit new principal parking lots, the amendment would also eliminate minimum parking requirements for nonresidential uses. Under the existing minimum parking requirements, one way businesses can meet the parking requirement is by providing parking off-site in a principal parking lot. Prohibiting principal parking lots without eliminating minimum parking requirements may make it more difficult for business to locate in the area or may increase the number of parking variances requested. Parking requirements can prevent new uses for many older buildings that lack the parking spaces required for the new uses. Eliminating minimum parking requirements for nonresidential uses meets the needs of smaller businesses by giving business owners more flexibility while creating a vibrant urban neighborhood. In addition, staff is recommending that opportunities for shared parking arrangements are expanded in this area to give businesses additional tools to provide parking in the neighborhood if it is needed. These changes will allow the neighborhood businesses to determine what the parking needs are and give them and residents more tools to work together to share existing available parking.

Discouraging new curb cuts, particularly on corner lots, goes further to promote pedestrian oriented development through site design. Currently the Nicollet Franklin area PO district extends to 19th Street at its most northern point. The standard PO district then extends five blocks further north to 14th Street. Extending the northern boundary of the Nicollet Franklin area PO to the northern terminus of the existing PO district will ensure that development along this corridor is consistent and held to the same development standards.

Staff consulted a variety of sources to help inform the proposed ordinance language, including but not limited to: zoning regulations and best practices from peer cities and professional research related to overlay districts and parking policy. Staff has met with the Whittier Alliance multiple times, Stevens Square Community Organization, Citizens for a Loring Park Community and the Loring Business Association to discuss the proposed changes. Staff also sent an informational flyer about the proposed changes and details about the City Planning Commission public hearing to property owners and business owners within the existing and proposed Nicollet Franklin area PO. In addition to the changes staff is recommending, the Whittier Alliance has submitted a letter requesting some additions or modifications to the staff recommendation.

The first item where staff and the Whittier neighborhood differ is related to minimum parking requirements. The neighborhood is requesting that minimum parking requirements are reduced to 50 percent of the minimum rather than eliminating the minimum parking requirement. The relationship between a prohibition on principal parking lots and eliminating minimum parking requirements is described above.

The second item where staff and the Whittier neighborhood differ is regarding landscaping requirements. The neighborhood has requested that the minimum landscaping requirement is increased from 20 percent of the un-built lot area to 30 percent. In discussions with the neighborhood staff heard that this request is meant to move forward sustainable development goals for the neighborhood, and soften the building edge to enhance the pedestrian experience. Currently landscaping requirements are regulated within Chapter 530, site plan review, of the zoning code and apply to all new developments. That requirement can be met by providing landscaping and does not include living walls, green roofs or planter boxes unless approved through an alternative compliance request. If an additional requirement

was added to a specific overlay district alternative compliance would not be available. Changes to landscaping requirements would more appropriately be part of a larger initiative to review the site plan review requirements and is not something that has typically been included within a Pedestrian Oriented Overlay district with a purpose to preserve and encourage the pedestrian character of commercial areas.

The final request from the Whittier neighborhood is that “these amendments shall apply in intent and application to the presumed and future reestablishment of the Nicollet Ave right of way between 29th and Lake Streets.” Staff is aware that the neighborhood would like the Nicollet Franklin area PO regulations extended across the existing Kmart site and further south along Nicollet in anticipation of a future reopening of Nicollet Avenue. Because this text amendment is not part of a rezoning study and those parcels are not currently within the general PO overlay district, those parcels cannot be rezoned as part of this process.

In addition to the letter submitted by the Whittier Alliance, staff has received two letters in support of the proposed text amendment. Any additional comments, if received, will be forwarded to the Commission.

**Purpose for the Amendment:**

**What is the reason for the amendment?**

**What problem is the Amendment designed to solve?**

**What public purpose will be served by the amendment?**

**What problems might the amendment create?**

The Pedestrian Oriented Overlay District (PO) is established to preserve and encourage the pedestrian character of commercial areas and to promote street life and activity by regulating building orientation and design and accessory parking facilities, and by prohibiting certain high impact and automobile-oriented uses. The purpose of the amendment is to consider additional limitations on surface parking lots in the Nicollet Franklin area PO. The amendment is designed to ensure that future development is in keeping with the traditional urban form found in this area. It will further the goals of creating a more walkable environment and promoting alternative transportation. The amendment will help preserve the existing character and enhance investment in the area. This amendment will also further many of the goals outlined in the City’s comprehensive plans. The proposed changes balance a need to maintain the existing urban form found in the Nicollet Franklin area PO while also incorporating changes that challenge future developments, businesses and residents to realize the more visionary policies related to reducing automobile use by prioritizing walking, biking and taking transit in this area.

The proposed amendment will prohibit new principal parking lots, a solely automobile-oriented use. The proposal to eliminate the minimum parking requirements will encourage the use of alternative modes of transportation. This will allow the market to play a greater role in determining the amount of off-street parking needed for individual non-residential land uses. It also allows businesses to move into existing commercial buildings more easily. The maximum off-street parking regulations will still apply and residential developments will still be required to provide off-street parking.

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Staff conducted an informal survey of existing land uses located within the existing and proposed Nicollet Franklin area PO. This included estimating each building's existing parking requirement under the current regulations using the gross floor area information of buildings on file with the City, previous land use approval records and building permit information. In addition, staff inventoried existing surface parking stalls in the area using aerial photos and limited site visits. These numbers are estimates based on the information available with limited staff resources; with that caveat staff has estimated that there are approximately 2,400 parking spaces provided within this area, of which approximately 1,400 are needed to meet the existing minimum requirements, leaving an excess of approximately 1,000 stalls. Staff has included a map in the appendix that identifies parcels that meet, exceed or are nonconforming to the existing minimum parking requirements. This is an example of how minimum parking requirements sometimes create an excess of parking which also makes choosing the personal automobile the preferred mode of transportation, and can run counter to the livability and sustainability strategies outlined in the comprehensive plan. By eliminating minimum parking requirements coupled with more flexible shared parking options, uses that have parking lots that are currently underutilized will have the ability to lease out parking spaces to other businesses and this may minimize requests to add surface parking areas in the future.

Increasing the amount of bicycle parking in the area will make it easier and more convenient for people to travel to and from the area without the use of an automobile. Discouraging new curb cuts, particularly on corner lots, goes further to promote pedestrian oriented development through site design. Currently the Nicollet Franklin area PO district extends to 19th Street at its most northern point. The standard PO district then extends five blocks further north to 14th Street. Extending the northern boundary of the Nicollet Franklin area PO to the northern terminus of the existing PO district will ensure that regulations along this corridor are consistent and development projects will be held to the same standards.

Some businesses in the area have been confronted with the choice of either applying for a parking variance or obtaining additional property to provide parking, as was the case for the Icehouse restaurant. This text amendment stems directly from concerns raised by the neighborhood regarding the proposed interim parking lot that serves the Icehouse Restaurant. The proposed amendment will not allow new principal parking lots in the Nicollet Franklin area PO. Removing the minimum parking requirements for nonresidential uses, combined with increasing opportunities for shared parking, will eliminate the need for most parking-related variances and will give business more flexibility in determining how much parking to provide and where to provide it. Increasing opportunities for shared parking will give businesses and the neighborhood more tools to address parking.

Weighing the pros and cons of minimum parking requirements is always a balancing act and is ultimately a decision to prioritize investment in an auto-oriented environment versus changing the regulatory environment to better support transit, biking and pedestrian transportation options, and compact, dense development. As described previously, the proposed amendments stem from a discussion initiated by the Whittier Alliance and will further many of the goals they have outlined in addition to implementing policies of the City's comprehensive plan, outlined below.

One of the potential impacts of eliminating parking requirements is spillover into nearby residential neighborhoods' on-street parking. One way to address this concern is through permit parking. While residents may resist the transition to permit parking it is one option for residential areas immediately adjacent to successful commercial corridors. Further, staff is recommending that the minimum parking requirements for residential developments within the Nicollet Franklin area PO are maintained making

this an incremental change to the area and ensuring that new residential developments will have access to off-street parking. Finally, the existing Nicollet Franklin area PO regulations include a requirement for a transportation demand management plan for all developments containing more than 10,000 square feet of new or additional commercial gross floor area or more than 75 residential units. With this, additional conditions, including the provision of off-street parking, can be attached to any zoning approval.

There are also two existing principal parking lots approved as interim uses within the existing Nicollet Franklin area PO. If these changes are adopted, the existing principal surface parking lots approved through interim use permits would not be eligible to apply to become permanent and the use of those lots could not be extended beyond the expiration of the interim use permit. In addition, there are a few principal parking lots in the area between Franklin and 24<sup>th</sup> that would become nonconforming. Those parking lots could continue to operate but could not be expanded. A final potential problem is that there is no mechanism to vary a use that is prohibited. This means that prohibiting principal parking lots would preclude any opportunity, for example, to establish a shared district parking lot. It would not prohibit establishing a district parking facility (structured parking) but would limit a shared parking facility to either structured or underground parking.

**Timeliness:**

**Is the amendment timely?**

**Is the amendment consistent with practices in surrounding areas?**

**Are there consequences in denying this amendment?**

This amendment is part of the continual process of updating the zoning ordinance in order to improve our processes and better align our regulations with our adopted policies. As described above, this text amendment stems from discussions with the Whittier neighborhood regarding the interim parking lot that was approved to serve the Icehouse Restaurant. In the letter from the Whittier Alliance regarding that parking lot they noted that a surface parking lot is in conflict with Whittier's development goals, the Commercial Corridor component of the newly adopted Whittier Neighborhood Strategic Plan, the Commercial Area Design Guidelines adopted in 2010 and the spirit of the Nicollet Franklin area PO. The proposed changes will further the goals of the Nicollet Franklin area PO by adding regulations aimed at creating a more walkable environment by prohibiting low density, auto-oriented parking lots and encouraging alternative modes of transportation by eliminating minimum parking requirements and requiring additional bicycle parking. Minimum parking requirements have also been eliminated in the Dinkytown area and Stadium Village are PO districts, in addition to all downtown zoning districts.

Staff performed a code search to obtain information on how other cities regulate parking lots and incorporate overlay districts aimed at promoting pedestrian oriented development. Several cities around the county, including Denver, CO, Arlington, VA, Baltimore, MD, Seattle, WA, and San Francisco, CA, have eliminated minimum parking requirements to some degree in their downtown neighborhoods, neighborhoods adjacent to downtown and neighborhoods with good transit access, in addition to having a variety of design standards and limitations on parking lots. Because this amendment is focused on an overlay district unique to a specific corridor in Minneapolis, it is difficult to find examples that meet all of the same conditions. Staff also consulted a variety of research materials related the impact of parking lots on urban design, best practices for parking management and design standards. Regulations related to

parking around the country are moving away from high parking minimums and focus more on regulations to support alternative modes of transportation. This amendment will continue the work that has already been done in Minneapolis to create a regulatory environment focused on all modes of transportation and supporting pedestrian and transit oriented development and will help realize many of the policies of the City's comprehensive plan, outlined below. Substantial changes to the City's off-street parking regulations were adopted in 2009.

If the proposed amendment is denied the area may see additional principal parking facilities proposed and requests to make the existing parking lots approved through an interim use permit, permanent. In addition, new business seeking to locate in this area and existing business seeking to expand may have difficulty meeting the minimum parking requirement. This amendment will provide flexibility for new and existing businesses in the area, will minimize the impacts of surface parking lots and promote and help maintain the pedestrian character of this commercial area. In addition, it will reduce staff time needed in reviewing applications for principal parking lots, parking variances and other related reviews.

### **Comprehensive Plan:**

#### **How will this amendment implement the Comprehensive Plan?**

The entire length of Nicollet Avenue within the existing and proposed Nicollet Franklin area PO overlay district is designated as a commercial corridor in the *The Minneapolis Plan for Sustainable Growth*. Franklin Avenue is a designated community corridor on the west side of Nicollet Avenue and is a designated commercial corridor on the east side of Franklin. In addition, 26<sup>th</sup> and Nicollet is a designated activity center. The following policies of the *Minneapolis Plan for Sustainable Growth* apply:

**Land Use Policy 1.1:** Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.

- 1.1.1 Ensure that the City's zoning code is consistent with The Minneapolis Plan and provides clear, understandable guidance that can readily be administered.
- 1.1.4 Support context-sensitive regulations for development and land use, such as overlay districts, in order to promote additional land use objectives.
- 1.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development

**Land Use Policy 1.3: Ensure that development plans incorporate appropriate transportation access and facilities, particularly for bicycle, pedestrian, and transit.**

- 1.3.1 Require safe, convenient, and direct pedestrian connections between principal building entrances and the public right-of-way in all new development and, where practical, in conjunction with renovation and expansion of existing buildings.

- 1.3.2 Ensure the provision of high quality transit, bicycle, and pedestrian access to and within designated land use features.

**Land Use Policy 1.4: Develop and maintain strong and successful commercial and mixed use areas with a wide range of character and functions to serve the needs of current and future users.**

- 1.4.1 Support a variety of commercial districts and corridors of varying size, intensity of development, mix of uses, and market served.
- 1.4.2 Promote standards that help make commercial districts and corridors desirable, viable, and distinctly urban, including: diversity of activity, safety for pedestrians, access to desirable goods and amenities, attractive streetscape elements, density and variety of uses to encourage walking, and architectural elements to add interest at the pedestrian level.

**Land Use Policy 1.5: Promote growth and encourage overall city vitality by directing new commercial and mixed use development to designated corridors and districts.**

- 1.5.2 Facilitate the redevelopment of underutilized commercial areas by evaluating possible land use changes against potential impacts on the surrounding neighborhood.
- 1.5.3 Promote the preservation of traditional commercial storefronts wherever feasible.

**Land Use Policy 1.7: Limit new and expanded auto-oriented uses in the city so impacts on the form and character of commercial areas and neighborhoods can be minimized.**

- 1.7.1 Discourage new and expanded high traffic, auto-oriented uses in neighborhood commercial nodes.
- 1.7.2 Direct auto-oriented uses to locations on Commercial Corridors that are not at the intersection of two designated corridors, where more traditional urban form would be appropriate.

**Land Use 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.

**Land Use 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.

**Land Use Policy 1.12: Support Activity Centers by preserving the mix and intensity of land uses and by enhancing the design features that give each center its unique urban character.**

- 1.12.4 Discourage uses that diminish the transit and pedestrian character of Activity Centers, such as automobile services, surface parking lots, and drive-through facilities.

**Transportation Policy 2.1: Encourage growth and reinvestment by sustaining the development of a multi-modal transportation system.**

- 2.1.1 Continue addressing the needs of all modes of transportation, emphasizing the development of a more effective transit network.

**Transportation Policy 2.3: Encourage walking throughout the city by ensuring that routes are safe, comfortable, pleasant, and accessible.**

- 2.3.5 Continue to enforce standards for building placement and design based primarily on the needs of pedestrians.
- 2.3.7 Minimize and consolidate driveway curb cuts as opportunities arise, and discourage curb cuts where alleys are available.

**Transportation Policy 2.4: Make transit a more attractive option for both new and existing riders.**

- 2.4.3 Encourage higher intensity and transit-oriented development to locate in areas well served by transit.

**Transportation Policy 2.5: Ensure that bicycling throughout the city is safe, comfortable and pleasant**

- 2.5.4 Implement and expand zoning regulations and incentives that promote bicycling, such as the provision of secured storage for bikes near building entrances, storage lockers, and changing and shower facilities.

**Transportation Policy 2.8: Balance the demand for parking with objectives for improving the environment for transit, walking and bicycling, while supporting the city's business community.**

- 2.8.1 Implement off-street parking regulations which provide a certain number of parking spaces for nearby uses, while still maintaining an environment that encourages bicycle, pedestrian, and transit travel.
- 2.8.2 Design and implement incentives for shared parking and on-site car sharing programs, as well as carpooling and vanpooling.
- 2.8.4 Consider eliminating minimum parking requirements for certain small-scale uses as well as parking requirements in areas served by off-street parking facilities that are available to the general public.
- 2.8.7 Promote transit, walking, and biking as safe and comfortable transportation alternatives through reduced parking requirements, encouragement of employee transit incentive programs, and improved facilities.

**Economic Development Policy 4.1: Support private sector growth to maintain a healthy, diverse economy.**

- 4.1.5 Continue to streamline City development review, permitting and licensing to make it easier to develop property in the City of Minneapolis.

**Environment Policy 6.2: Protect and enhance air quality and reduce greenhouse gas emissions.**

- 6.2.4 Endorse the use of alternative modes of transportation such as walking, bicycles, public transit, car and bike share programs, and carpools, as well as promote alternative work schedules.

**Environment Policy 6.5: Support the efficient use of land and development that reduces the reliance on fossil fuels.**

- 6.5.1 Support transit-oriented development, mixed-use projects and other multi-modal development patterns.

**Urban Design Policy 10.10: Support urban design standards that emphasize a traditional urban form in commercial areas.**

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10.10.3 Enhance pedestrian and transit-oriented commercial districts with street furniture, street plantings, plazas, water features, public art and improved transit and pedestrian and bicycle amenities.

10.10.7 Encourage the renovation of existing commercial buildings.

The proposed amendment is consistent with the above policies of the comprehensive plan.

**RECOMMENDATIONS:**

**Recommendation of the Department of Community Planning and Economic Development:**

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 code text amendment, amending chapter 551.

**Attachments:**

1. Ordinance amending Chapter 551, Overlay Districts, to revise the regulations related to parking in the Nicollet Franklin area Pedestrian Oriented Overlay District.
2. Map of existing and proposed Nicollet Franklin area PO
3. Map of existing land use features in the existing and proposed Nicollet Franklin area PO
4. Map of parking analysis in the existing and proposed Nicollet Franklin area PO
5. Correspondence