

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

Conditional Use Permits, Variance and Site Plan Review  
BZZ-2645

**Date:** October 31, 2005

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

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

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

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

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

**Date Application Deemed Complete:** September 16, 2005

**End of 60-Day Decision Period:** November 15, 2005

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

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

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

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

**Zoning Plate Number:** 24

**Lot area:** 110,692 square feet or 2.54 acres

**Legal Description:** See attachment.

**Proposed Use:** Amend a mixed-use, Planned Commercial Development. The project would include the previously approved 10-story condominium building with lower level retail, 8-story condominium building, 6-story office building, restaurants, commercial/retail space and a newly constructed Lagoon Theater centered on a public plaza. Parking would be provided in a 4-story underground ramp.

**Concurrent Review:**

- Amend the Conditional Use Permit for a Planned Unit Development.
- Conditional Use Permit for a new Lagoon Theatre.
- Variance of the required interior side yard setback.
- Site Plan Review.

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

**Background:** The applicant proposes to construct a mixed-use Planned Commercial Development by amending the previously approved Conditional Use Permit. The property is currently zoned C3A and is located within the PO district. The 312,224 square foot project would include a 10-story condominium building with lower level retail, 8-story condominium building, 6-story office building, restaurants, commercial/retail space and a newly constructed 30,317 square foot Lagoon Theater centered on a 23,000 square foot public plaza. Parking would be provided in a 4-story underground ramp. The project would replace an existing 262 stall surface parking lot. The project site is bounded by the Midtown Greenway to the North, Lagoon Avenue to the South, Fremont Avenue to the East and Hennepin Avenue to the West.

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

The principal changes between this amended PUD proposal and accompanying applications and the original PUD application and accompanying applications previously approved by the City Council include:

- An increase in the number of condominium units from 112 to 166 units through the addition of units within the condominium buildings on the east side of the site;
- A decrease in the amount of office space from 100,000 square feet to 40,000 square feet;
- New theatre instead of expanding the existing theatre;
- Location of the office building and commercial space on to Lagoon Avenue frontage (replacing the existing theatre);
- Location of walk-up condominium units on the Fremont Avenue frontage;

- Pedestrian connection to the plaza area and an increase in the plaza size from 19,000 square feet to 23,000 square feet.
- Construction of a 4-story underground parking garage instead of a 3-story underground parking garage with an above-ground 2-story parking ramp.
- Construction of 830 parking spaces instead of 760 parking spaces.

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

The revised office building as proposed would be approximately 40,000 square feet in size and 6 stories or 76 feet tall. The proposed height is commensurate with what was originally approved, however the location has changed. The office building is located up to the street along Lagoon Avenue replacing the existing Lagoon Theatre, with an approximate 7,000 square foot ground-level commercial space to activate the street. The building has been designed to incorporate a roof garden on the second floor and a green roof on the top floor of the office.

The revised project includes a condominium building on the east side of the site, in addition to the previously approved 10-story building located on the west side of the site. The 10-story, 112 foot residential building as approved would include 81 units. The second condominium located on the east side of the site would step back from the Greenway, with the tallest portion of the building oriented towards Fremont Avenue. The east side condo would contain 85 units and would range in height from 5 stories or 56 feet to 8 stories or 84 feet at the tallest point. The building would incorporate roof gardens on various floor levels as well. A variance of the interior (north) setback is required as a setback of 5 feet 8 inches is being proposed and a 19 foot setback is required.

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

As mentioned above, the applicant proposes to install both intensive and extensive green roofs on both the office and residential buildings. The intensive green roofs would be more of a site amenity with traditional garden spaces composed of large trees, shrubs and smaller groundcover intended to be accessible by the building tenants. The extensive green roofs would be for environmental purposes and only accessible for maintenance

purposes. The green roofs as proposed would provide 25,214 square feet of green roof terraces. The applicant proposes to install 5,345 square feet of pervious materials at ground level for a total of 30,559 square feet of pervious material.

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

Three commercial spaces would be located in the lower level of the 10-story condominium building just as originally proposed. Those three commercial spaces totaling approximately 13,000 square feet would be designated for restaurants and a coffee shop.

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

The applicant is also proposing a freestanding sign as part of the revised development proposal. The applicant has chosen to submit a freestanding sign for the Lagoon Theatre to be located at the entrance to the public plaza along Lagoon Avenue. The proposed theatre sign is an 8 foot by 8 foot freestanding sign that would be 84 feet tall. The sign would be faced with stone veneer with the name “Lagoon” placed vertically on the sign with backlit letters on a backlit, translucent glazing system. Backlit movie posters would be incorporated into the structure of the sign as well as two video screens at eye level.

A preliminary plat was previously approved for the proposed development. The applicant is aware that building permits cannot be obtained until a final plat has been submitted to Staff for review and scheduled for the Planning Commission for approval.

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

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

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

**Exceptions requested:**

**(1) Building Height:** The height requirement in the C3A zoning district is four stories or 56 feet, whichever is less. In a Planned Unit Development the height of structures may be increased for the purposes of promoting an integrated project that provides additional site amenities. The proposed height of the buildings within the amended CUP would be: **(1)** The previously approved 10 story or 112 foot condominium building on the west side of the site, **(2)** 8 stories or 84 feet for the condominium building located on the east side of the site, and **(3)** 6 stories or 76 feet tall for the proposed office building located adjacent to Lagoon Avenue (previously located on the east side of the site but was approved for the same height). Staff believes that due to the relocation of the office building on site, the impacts of the proposed height increase need to be re-evaluated for the building within the context of the adjacent surroundings.

**(2) Number of parking spaces (Off-street parking):** The required number of parking spaces for the proposed development per Chapter 541 is 927 parking spaces. Utilizing the shared parking computations for the proposed development 802 parking spaces are necessary to meet the peak parking demand for the Lagoon Development according to the applicant. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD to 722 spaces. The applicant proposes to provide a total of 830 parking spaces for the proposed development which includes 722 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. Should the Planning Commission grant an exception to 722 parking spaces for the Lagoon Development, and provide 80 spaces for 1300 and 1400 Lagoon Avenue, there would be 28 additional spaces that the applicant considers excess. The applicant proposes that those 28 parking spaces be available to fulfill demand generated by other Uptown Area uses.

**(3) Number of loading spaces (Off-street loading):** The applicant is required to provide the following: 1 small loading space for the theatre, 1 large for the office (previously was 2), 1 small for the restaurant and commercial spaces and the residential component is required as approved by the conditional use permit. The applicant is looking for an exception as they propose to provide 1 small and 2 large. This would be the number of spaces generally required for the theatre, office and commercial uses. The residential use is subject to a loading space requirement as approved by the conditional use permit. The 2 large loading spaces are proposed to be located internally in the east-

side building with access from Fremont Avenue. These loading spaces would satisfy the needs for the office use, theatre use, residential uses on the east side of the site and the commercial use located on the first level of the office building. The 1 small loading space is proposed to be located adjacent to the west property line on the opposite side of the site and would be expected to serve the residential and restaurant uses in that building.

**(4) Signage:** All signs in a planned unit development are required to conform to a master sign plan and must conform to the requirements of Chapter 543, except as otherwise authorized by the Planning Commission. The applicant has not submitted a master plan sign at this time as prospective tenants have not been identified for the office and non-theatre commercial/retail spaces within the project. The applicant would be required to return to the Planning Commission at a future date for review and approval of a master sign plan. The applicant has chosen to submit a freestanding sign for the Lagoon Theatre to be located at the entrance to the public plaza along Lagoon Avenue. The proposed theatre sign is an 8 foot by 8 foot freestanding sign that would be 84 feet tall and would include a total of 685 square feet of signage. The sign would be faced with stone veneer with the name “Lagoon” placed vertically on the sign with backlit letters on a backlit, translucent glazing system. Backlit movie posters would be incorporated into the structure of the sign as well as two video screens at eye level.

Only one freestanding sign per zoning lot is permitted in the C3A district. Further, freestanding signs in the C3A district are only permitted to be 25 feet tall and the maximum sign area allowed is 80 square feet. Freestanding signs are permitted in the C3A district in a required front or corner side yard but are not allowed to be higher than 8 feet tall.

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

The Community Planning and Economic Development Department – Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

**1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.**

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

**Building height:** Staff would not expect that the proposed increase in height for the office building and the residential building on the east side of the site would endanger the public health, safety, general welfare or the general comfort of the public.

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

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

**Signage:** Staff believes that there is the potential that a large freestanding sign could be detrimental to or endanger the public health, safety and/or general welfare. Such a massive sign could be a distraction for drivers in an already busy part of town. While a unique sign may be appropriate for this location and development, the sign as proposed at such an extreme height is inappropriate. Staff would prefer to evaluate the sign within the context of a master sign plan in order to comprehensively evaluate the potential impacts.

**2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.**

The Planning Division does not generally believe that a planned commercial development would be injurious to the use and enjoyment of surrounding property nor would it impede the normal development of the surrounding area. The overall design has been much improved since the original submittal with integration of active uses along both Lagoon Avenue and Fremont Avenue. The proposed scale of the development could be deemed to have an injurious effect on the use and enjoyment and could also impact the improvement of surrounding properties; however the building most likely to have such impacts has previously been approved as part of the original application for the PUD. The proposed office building and residential building to be located on the east side of the site would not exceed the previous Staff recommendation on appropriate height for this specific development of 6-8 stories.

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

commercial development that two additional buildings be permitted to exceed this requirement. As previously mentioned, Staff will be re-evaluated the height of the office building due to its relocation on the site.

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

The proposed office building would be constructed to a height of 6 stories or 76 feet tall. The office building in its original location adjacent to the Midtown Greenway on the north side of the site was previously approved as part of the CUP for the original PUD application. A re-evaluation of appropriateness is necessary due to the relocation of the building on the site. There are other buildings located in the vicinity that are constructed to that general height. A six-story building could be considered to fit into the scale and character of the area even though the majority of buildings located in this part of Uptown are not that tall. Additionally, the location of the office structure adjacent to Lagoon Avenue on the southeast portion of the parcel and the lack of impact on any adjacent residential structures factored into Staff's decision on appropriateness. Staff believes that the proposed height of the office building is appropriate for the area even though it exceeds the underlying district requirement.

The proposed residential building on the east side of the site would be constructed to a maximum height of 8 stories or 84 feet tall. In the original application the office building was generally proposed where this residential building would be located. An 8 story building could be considered to fit into the scale and character of the area even though the majority of buildings are not that tall in this part of Uptown. Similar to the analysis used by Staff in determining the appropriateness of the proposed office building height, the location of the residential building on the northeast portion of the site adjacent to the Midtown Greenway and the lack of adjacent residential structures allows Staff to support the proposed height.

**Number of parking spaces:** Staff does not believe that allowing a reduction in the number of off-street parking spaces for the proposed development would be injurious to the use and enjoyment of surrounding property nor would it impede the normal development of the surrounding area. While Staff is aware that this is an extremely busy area of Uptown, the applicant has worked with Public Works to compile a TDM which addresses the impacts of the development on traffic, circulation, numbers of parking, etc. The 722 parking spaces proposed for the development, appear to be satisfactory according to the shared parking computations which are located within the zoning code. Further, Staff concurs that it is reasonable to allow the 28 excess parking spaces to be available for other uses within the Uptown area. The TDM is approvable and will be signed pending the outcome of the Planning Commission's decision.

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

**Signage:** Staff believes that it is possible that allowing such a massive sign would be injurious to the use and enjoyment of surrounding property, however, unlikely that it would impede normal development of the surrounding area. Staff would argue that in order to determine the impacts a master sign plan should be evaluated simultaneously with the proposed freestanding sign.

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

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

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

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

The required number of parking spaces for the proposed development per Chapter 541 is 927 parking spaces. Utilizing the shared parking computations for the proposed development 722 parking spaces are necessary to meet the peak parking demand for the Lagoon Development according to the applicant. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD to 722 spaces. The applicant proposes to provide a total of 830 parking spaces for the proposed development which includes 722 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. Should the Planning Commission grant an exception to 722 parking spaces for the Lagoon Development, and provide 80 spaces for 1300 and 1400 Lagoon Avenue, there will be 28 additional spaces that the applicant considers excess. The applicant proposes that those 28 parking spaces be available to fulfill demand generated by other Uptown Area uses. The proposal includes parking for 62 bicycles as well. Staff believes that adequate measure would be provided to minimize traffic congestion in the public streets.

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

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

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

Implementation Step:

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

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

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

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

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

Implementation Step:

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

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

Implementation Steps:

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

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

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

Implementation Steps:

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

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

4.9 Minneapolis will grow by increasing its supply of housing.

Implementation Steps:

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

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

Implementation Steps:

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

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

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

With the approval of the conditional use permits, variance, and site plan review this development will meet the requirements of the C3A zoning district.

### **Additional Findings Required for a Planned Unit Development**

**(1) That the planned unit development complies with all of the requirements and the intent and purpose of this chapter. In making such determination, the following shall be given primary consideration:**

a. The character of the uses in the proposed planned unit development, including in the case of a planned residential development the variety of housing types and their relationship to other site elements and to surrounding development.

The character of the uses in the proposed planned commercial development would be compatible with the surrounding area. The development would include a mix

of office, retail/commercial and residential uses. The proposed uses are similar to others that exist in the area and the proposed site elements are accessible to both potential residents of the development as well as non-residents.

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

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

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

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

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

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

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

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

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

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

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

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

**CONDITIONAL USE PERMIT** - for construction of a new Lagoon Theatre

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

The Department of Community Planning and Economic Development – Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

**1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.**

Staff does not believe that the construction of a new theatre will be detrimental to or endanger the public health, safety or general welfare. The existing Lagoon Theatre provides 5 screens with approximately 800 seats. The applicant proposes to demolish the

existing theatre and construct a new theatre a total of 8 screens and 1,550 seats. Theatres will vary in size and will incorporate stadium-style seating. The principal entrance to the theatre would be located off of the plaza as the theatre is proposed to be relocated to the north side of the site.

**2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.**

Staff does not believe that the construction of a new theatre would be injurious to the use and enjoyment of surrounding property nor would it impede the normal development of the surrounding area. Relocating the theatre to the north side of the site and adding more theatre space than what currently exists would likely be beneficial to this area of Uptown.

**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.

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

The required number of parking spaces for the proposed development is 927 parking spaces. Utilizing the shared parking computations for the proposed development 722 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD. The applicant proposes to provide a total of 830 parking spaces which includes 722 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. An excess of 28 parking stalls would be available for other uses in the Uptown area. The proposal includes parking for 62 bicycles as well.

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

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

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

Implementation Steps:

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

4.7 Minneapolis will identify and support Activity Centers by preserving the mix and intensity of land uses and enhancing the design features of each area that give it a unique and urban character.

Implementation Steps:

- Ensure that land use regulations support diverse commercial and residential development types which generate activity all day long and into the evening.
- Develop parking facilities and management strategies that accommodate high customer demand, promote shared facilities and minimize visual impact and adverse effects on pedestrian and sidewalk traffic.
- Ensure that regulations balance the transition between high traffic land uses and adjoining residential areas.
- Require that buildings in Activity Center districts incorporate a pedestrian orientation at the street edge.

Activity centers are defined as districts with a diversity of uses that draw traffic citywide and from regional destinations; compliment medium and high density residential uses; have a significant pedestrian and transit orientation; have daytime and evening uses; and are unique because of their urban character with a mix of complementary types of uses as well as the traffic the area generates.

The development site is located directly adjacent to the Midtown Greenway, which the Hennepin County Regional Rail Authority identifies as a location for future Light Rail Transit (LRT). Additionally, HCRRA identifies Hennepin Avenue as a potential transit stop. If that plan becomes reality, this site would be appropriate for transit-oriented development (the defining features are similar to that of an Activity Center). The proposed development supports this because it is mixed-use, pedestrian-oriented to the public plaza, and medium to high density residential.

The proposal to construct a new Lagoon Theatre is in conformance with the above noted principles, policies and implementation steps of the comprehensive plan.

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

With the approval of the conditional use permits, variance, and site plan review this development will meet the requirements of the C3A zoning district.

**VARIANCE – interior side yard setback along the north property line from 19 feet to 5 feet 8 inches**

**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 and strict adherence to the regulations of this zoning ordinance would cause undue hardship.**

**Interior side yard setback (north):** The setback requirement is directly related to the height of the proposed residential structure on the east side of the site adjacent to the north property line. Only the northeast corner of the building is a residential use subject to the setback requirement as the majority of the north face of the building would be the new Lagoon Theatre. Staff believes that granting the setback variance is reasonable and strict adherence to the regulations of the zoning code could cause an undue hardship.

**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.**

**Interior side yard setback (north):** The circumstances could be considered unique as the north property line directly abuts the existing bus transit lane. The setback requirement is necessary due to the location of the walkout condominium unit located at the northeast corner of the site.

**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.**

**Interior side yard setback (north):** Granting the setback variance would likely be in keeping with the spirit and the intent of the ordinance as the proposed height of the building has been deemed appropriate. Further, granting a setback variance along the north property line for the proposed development would likely not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity due to the adjacent bus transit lane and the Midtown Greenway to the north.

**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.**

**Interior side yard setback (north):** Staff believes that the granting of the variance would likely have little impact on congestion of area streets or fire safety, nor would the proposed setback be detrimental to welfare or public safety.

## **SITE PLAN REVIEW:**

### **Required Findings for Site Plan Review**

- A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)**
- B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with applicable policies of the comprehensive plan and applicable small area plans adopted by the city council. (See Section B Below for Evaluation.)**

### **Section A: Conformance with Chapter 530 of Zoning Code**

#### **BUILDING PLACEMENT AND FAÇADE:**

- Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
- First floor of the building shall be located not more than eight (8) feet from the front lot line (except in C3S District or where a greater yard is required by the zoning ordinance). If located on corner lot, the building wall abutting each street shall be subject to this requirement.
- The area between the building and the lot line shall include amenities.
- The building shall be oriented so that at least one (1) principal entrance faces the public street. In the case of a corner lot, the principal entrance shall face the front lot line.
- Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.
- For new construction, the building walls shall provide architectural detail and shall contain windows as required by Chapter 530 in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility.
- In larger buildings, architectural elements, including recesses or projections, windows and entries, shall be emphasized to divide the building into smaller identifiable sections.
- Blank, uninterrupted walls that do not include windows, entries, recesses or projections, or other architectural elements, shall not exceed twenty five (25) feet in length.
- Exterior materials shall be durable, including but not limited to masonry, brick, stone, stucco, wood, metal, and glass.
- The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.
- The use of plain face concrete block as an exterior material shall be prohibited fronting along a public street, public sidewalk, public pathway, or adjacent to a residence or office residence district.
- Entrances and windows:
- Residential uses:
  - Principal entrances shall be clearly defined and emphasized through the use of architectural features such as porches and roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Twenty (20) percent of the walls on the first floor and ten (10) percent of the walls on each floor

above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

- a. Windows shall be vertical in proportion.
- b. Windows shall be distributed in a more or less even manner.

- **Nonresidential uses:**

Principal entrances shall be clearly defined and emphasized through the use of architectural features such as roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Thirty (30) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:

- a. Windows shall be vertical in proportion.
- b. Windows shall be distributed in a more or less even manner.
- c. The bottom of any window used to satisfy the ground floor window requirement may not be more than four (4) feet above the adjacent grade.
- d. First floor or ground floor windows shall have clear or lightly tinted glass with a visible light transmittance ratio of 0.6 or higher.
- e. First floor or ground floor windows shall allow views into and out of the building at eye level. Shelving, mechanical equipment or other similar fixtures shall not block views into and out of the building in the area between four (4) and seven (7) feet above the adjacent grade. However, window area in excess of the minimum required area shall not be required to allow views into and out of the building.
- f. Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.

Minimum window area shall be measured as indicated in section 531.20 of the zoning code.

- The form and pitch of roof lines shall be similar to surrounding buildings.
- **Parking Garages:** The exterior design shall ensure that sloped floors do not dominate the appearance of the walls and that vehicles are screened from view. At least thirty (30) percent of the first floor building wall that faces a public street, public sidewalk or public pathway shall be occupied by active uses, or shall be designed with architectural detail or windows, including display windows, that create visual interest.

All proposed structures other than the 10-story residential building are located within 8 feet of the property line. The location of that building was previously approved by the City Council. Three principal structures would be located on the lot including the expanded theatre/residential condominiums on the east side of the site, office building and residential/commercial building previously approved on the west side of the site. Buildings are both oriented towards the interior of the lot where the public plaza is proposed and along the frontages of Lagoon Avenue and Fremont Avenue. Staff is still concerned with the extensive use of bollards along the drop off lane adjacent to the plaza. Staff will recommend that the Planning Commission require more attractive, permanent type structures, such as planters be used to define the space. The use of progressive design and street-oriented building alignments is reinforced with the proposed development. As previously mentioned the design of the development looks both inward into the plaza area and outward to reinforce the street edge with the proposed office building and lower level retail along Lagoon Avenue as

well as the walk-out condominium units along Fremont Avenue.

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

The façade of the office building located along Fremont Avenue incorporates windows that meet the Pedestrian Overlay District Standards. There are walk-out condominium units located along the Fremont Avenue Frontage as well as an entry to the condominium building. The windows proposed between 2 and 10 feet provide natural surveillance and visibility by having active uses located along public streets. The proposed development meets the 10% window requirement on each floor above the first floor that faces the public street and public sidewalk.

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

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

#### **ACCESS AND CIRCULATION:**

- **Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.**
- **Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.**
- **Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.**
- **Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.150 (b) related to alley access.**
- **Site plans shall minimize the use of impervious surfaces.**

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

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

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

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

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

#### **LANDSCAPING AND SCREENING:**

- **The composition and location of landscaped areas shall complement the scale of the development and its surroundings.**
  - **Not less than twenty (20) percent of the site not occupied by buildings, including all required landscaped yards, shall be landscaped as specified in section 530.160 (a).**
- **Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.**
- **Except as otherwise provided, required screening shall be at least ninety-five (95) percent opaque throughout the year. Screening shall be satisfied by one or a combination of the following:**
  - **A decorative fence.**
  - **A masonry wall.**
  - **A hedge.**
- **Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.170 (b), including providing landscape yards along a public street, public sidewalk or public pathway and abutting or across an alley from a residence or office residence district, or any permitted or conditional residential use.**
- **The corners of parking lots where rows of parking spaces leave areas unavailable for parking or vehicular circulation shall be landscaped as specified for a required landscaped**

yard. Such spaces may include architectural features such as benches, kiosks or bicycle parking.

- In parking lots of ten (10) spaces or more, no parking space shall be located more than fifty (50) feet from the center of an on-site deciduous tree. Tree islands located within the interior of a parking lot shall have a minimum width of seven (7) feet in any direction.
- All other areas not governed by sections 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.
- Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.210.
- The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.80, as provided in section 530.220.

The proposal does not meet the 20% landscape requirement without the inclusion of the proposed green roof vegetation which is considered an alternative compliance measure. There are no true yards proposed for the development. The plaza area is proposed to incorporate trees, shrubbery and plants predominantly within planters. The total site area is 110,692 square feet and the proposed building footprint on the site would be 66,050 square feet. A total of 8,928 square feet of landscaping would be necessary to meet the 20% requirement. The zoning code requires that there be at least 17 trees and 83 shrubs planted on the site. The applicant is proposing to have 18 trees (previously proposed 32 trees), 71 shrubs and 1,579 perennials located on site in ground/planter plantings or approximately 5,345 square feet or 13% of the ground level of the site would be landscaped. These numbers do not include the vegetation proposed for the green roofs.

According to the applicant, once the project is complete approximately 27% percent of the site will be composed of pervious materials. The proposed development would provide 5,781 square feet of pervious materials at ground level (previously proposed 6,871 square feet) and 25,214 square feet of green roof terraces (previously proposed 23,793 square feet) for a total of 30,559 square feet (previously proposed 30,664) square feet. The proposed green roof vegetation will consist of 20 trees, 159 coniferous shrubs and 7,772 sedum perennials.

Thus, the applicant is proposing to provide 38 trees (previously 50 trees), 230 shrubs and 9,351 perennials on the entire site. The applicant would meet the quantity requirements by combing the proposed ground level vegetation and the proposed green roof vegetation. However, as previously mentioned this would be an alternative compliance measure.

#### **ADDITIONAL STANDARDS:**

- All parking lots and driveways shall be designed with wheel stops or discontinuous curbing to provide on-site retention and filtration of stormwater. Where on-site retention and filtration is not practical, the parking lot shall be defined by six (6) inch by six (6) inch continuous concrete curb.
- Lighting shall comply with the requirements of Chapter 535 and Chapter 541. A lighting diagram may be required.
- Parking and loading facilities and all other areas upon which vehicles may be located shall be screened to avoid headlights shining onto residential properties.

- To the extent practical, site plans shall minimize the blocking of views of important elements of the city.
- To the extent practical, buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.
- To the extent practical, buildings shall be located and arranged to minimize the generation of wind currents at ground level.
- Site plans shall include crime prevention design elements as specified in section 530.260 related to:
  - Natural surveillance and visibility
  - Lighting levels
  - Territorial reinforcement and space delineation
  - Natural access control
- To the extent practical, site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.

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

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

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

**Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan and Applicable Small Area Plans Adopted by the City Council**

**ZONING CODE** - The proposed use is conditional in the C3A District

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

**Specific Development Standards for a planned commercial development:**

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

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

**Placement of Structures:** In a Planned Unit Development there may be more than one principal structure located on a lot. There will be one lot in this development with 3 separate buildings located on the lot. The 1300 Lagoon Avenue South property (currently Bar Abilene) is being platted as a separate lot and is not included within the Planned Unit Development.

**Bulk Regulations:**

**Floor Area:** The floor area ratio for the C3A zoning district is 2.7. In a Planned Unit Development the floor area ratio may be increased up to 20 percent for the purpose of promoting an integrated project that provides additional site amenities. Staff is recommending approval of the 20 percent increase as the project is clearly providing additional amenities which include: underground parking and loading (no surface parking), mixed-use commercial and residential development, extensive Midtown Greenway improvements, green roof technology, etc. With the 20 percent increase for an integrated project providing additional site amenities, the FAR would be 3.2. The FAR of the proposed development is 2.8. This proposal is for 166 residential units and a total of 312,224 square feet.

**Building Height:** The height requirement in the C3A zoning district is four stories or 56 feet, whichever is less. In a Planned Unit Development the height of structures may be increased for the purposes of promoting an integrated project that provides additional site amenities. The previously approved residential building is 10 stories or 112 feet tall, the proposed office building is 6 stories or 76 feet tall and the new residential building is proposed at 8 feet or 84 feet tall.

**Lot Requirements:**

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

**Density Bonus:** The minimum lot area per dwelling unit in the C3A zoning district is 400 square feet. In a Planned Unit Development the minimum lot area per dwelling unit may be reduced up to twenty percent. This development could provide up to 276 dwelling units without a lot area reduction and 345 dwelling units on this site with a lot area reduction. The applicant is proposing to have 166 dwelling units on this site.

**Yards:** Given that this site and the adjacent properties are zoned commercial there are no setback requirements for the office building however, the proposed residential buildings have setback requirements. The 10-story building was processed with accompanying interior and rear yard setback variances which were previously approved. The applicant has applied to vary the setback requirement along the north property lines for the new residential condominium building located on the east side of the site.

**On-Premise Signs:** The applicant has not submitted a master plan sign at this time as prospective tenants have not been identified for the office and non-theatre commercial/retails spaces within the project. The applicant would be required to return to the Planning Commission at a future date for review and approval of a master sign plan. The applicant has chosen to submit a freestanding sign for the Lagoon Theatre to be located at the entrance to the public plaza along Lagoon Avenue. The proposed theatre sign is an 8 foot by 8 foot freestanding sign that would be 84 feet tall and would include a total of 685 square feet of signage. The sign would be faced with stone veneer with the name “Lagoon” placed vertically on the sign with backlit letters on a backlit, translucent glazing system. Backlit movie posters would be incorporated into the structure of the sign as well as two video screens at eye level. This sign has been addressed under the exception section under the amended CUP application for a PUD as listed above. Staff is not supportive of the design of the proposed freestanding sign.

**Off-Street Parking and Loading:** The required number of parking spaces for the proposed development is 927 parking spaces. Utilizing the shared parking computations for the proposed development 722 parking spaces are required. However, the applicant is not proposing to apply for shared parking; the applicant is applying for an exception under the PUD. The applicant proposes to provide a total of 830 parking spaces which includes 722 specifically for the proposed development as well as 25 parking spaces for 1400 Lagoon Avenue and 55 spaces for 1300 Lagoon Avenue. An excess of 28 parking stalls would be available for other uses in the Uptown area. The proposal includes parking for 62 bicycles as well. Please note that the applicant is working with the Planning Division and the Public Works Department to complete a revised Travel

Demand Management Plan. According to Public Works the revised TDM is now approvable.

## **MINNEAPOLIS PLAN**

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

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

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

### **ALTERNATIVE COMPLIANCE**

**The Planning Commission may approve alternatives to any site plan review requirement upon finding any of the following:**

- **The alternative meets the intent of the site plan chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, green roof, decorative pavers, ornamental metal fencing, architectural enhancements, transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.**
- **Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.**
- **The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.**

Alternative compliance is necessary in order for the applicant to meet the on-site landscaping requirement. The green roof component would need to be included in order for the proposal to meet the required 20%. The proposed development would provide 5,781 square feet of pervious materials at ground level (previously proposed 6,871 square feet) and 25,214 square feet of green roof terraces (previously proposed 23,793 square feet) for a total of 30,559 square feet (previously proposed 30,664) square feet or 68% pervious materials on the site not occupied by buildings.

According to the applicant, once the project is complete approximately 27% percent of the site will be composed of pervious materials. The applicant is proposing to provide a total of 38 trees (previously 50 trees), 230 shrubs and 9,351 perennials on the entire site.

The applicant would meet the quantity requirements by combing the proposed ground level vegetation and the proposed green roof vegetation. Staff would recommend that additional trees be incorporated at the ground level. The size of the proposed plaza has increased approximately 4,000 square feet since the original proposal, however the applicant has reduced the number of trees at ground level. Staff would suggest that the Planning Commission require that the applicant install at least 12 additional trees at ground level as originally proposed. Staff believes that with the inclusion of the additional ground level trees, that the combination of ground level and green roof vegetation is an acceptable alternative compliance measure.

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

### **RECOMMENDATIONS:**

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

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

1. All signs shall comply with the regulations of Chapter 543 of the zoning code.
2. As a basis for approval of applicable exceptions to zoning ordinance standards as authorized by Chapter 527 of the zoning code, the development shall include not less than 20,000 square feet of green roof area.
3. Final plat approval is required prior to building permit issuance.

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

The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit to allow for new theatre with eight (8) screens on property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue.

**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 of the required interior side yard setbacks for the proposed residential structure along the north property line for property located at 1320 Lagoon Avenue South, 2900 Fremont Avenue, 2904 Fremont Avenue and 2908 Fremont Avenue from 19 feet to 5 feet 8 inches.

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

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

1. Planning Staff review and approval of the final site, elevation and landscaping plans.
2. All site improvements shall be completed by October 31, 2007 unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.
3. The applicant shall submit a lighting plan showing foot candle measurements before final plans are approved.
4. The Travel Demand Management Plan must be approved by the Planning Director prior to submission of plans for final approval and building permit issuance.
5. Review and approval of a security plan as outlined by the City’s CPTED officer.
6. Proposed bollards in the plaza shall be replaced with landscape planters.
7. Approval of the amended conditional use permit for a Planned Unit Development.
8. The land transfer with Metro Transit must be finalized prior to obtaining any construction permits for the development.
9. As an alternative compliance measure, the development shall include not less than 20,000 square feet of green roof area.

**Attachments:**

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