

Community Planning and Economic Development Planning Division Report

Conditional Use Permits, Variance, and Site Plan Review
BZZ-4405

Date: June 8, 2009

Applicant: Bluff Street Development

Address Of Property: 600 Main Street SE

Project Name: Stone Arch Phase II

Contact Person And Phone: Gretchen Camp – BKV Group 612-373-9122

Planning Staff And Phone: Jim Voll 612-673-3887

Date Application Deemed Complete: May 6, 2009

End of 60 Day Decision Period: July 5, 2009

Ward: 3 **Neighborhood Organization:** Marcy-Holmes

Existing Zoning: I2 Medium Industrial District

Existing Overlay District: IL Industrial Living Overlay District, SH Shoreland Overlay District, and MR Mississippi River Critical Area Overlay District.

Proposed Zoning: Not applicable.

Plate Number: 15

Legal Description: Not applicable.

Proposed Use: Six-story building with 79 dwelling units.

Concurrent Review:

Conditional Use Permit: To allow 79 dwelling units.

Conditional Use Permit: To increase the height from 4 stories, or 56 feet in the I2 Medium Industrial District to 6 stories, or 70 feet.

Variance: To reduce the minimum lot area per dwelling unit by 30 percent.

Site Plan Review.

Appropriate Section(s) of the Zoning Code: Chapter 525, Article VII Conditional Use Permits; Chapter 525, Article IX Variances, specifically Section 525.520(2) “To vary the lot area or lot width requirements up to thirty (30) percent”; and Chapter 530 Site Plan Review.

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Background: The applicant is proposing a six-story residential building with 79 units on a site that currently contains a surface parking lot. The parcel is just outside of the St. Anthony Falls Historic District. The eastern boundary of the district is 6th Avenue SE. The project is within the boundaries of the University Area Moratorium, but is not subject to the moratorium, as it has more than four dwelling units.

In 2001, this site was proposed as a second phase of a planned unit development for the Stone Arch Apartments. Phase I is across Main Street SE to the north. After staff review and public hearings the proposal was modified to eliminate the planned unit development; however, the 600 Main Street SE “triangle” was rezoned to add the Industrial Living Overlay District (ILOD) at the same time as the Stone Arch Apartments Phase I site (BZZ-186). While the original Phase I of the Stone Arch Apartments was approved for 273 units, as a part of a lawsuit brought by Metal-Matic, the Hennepin County District Court issued an Order and Memorandum on September 24, 2002, determining in part that the variances granted by the City exceeded the minimum lot density limitations in the Minneapolis Zoning Code and required the project to reapply for a density variance, “up to 20 percent off the statutory minimum for and ILOD as per 525.520.” At this time the City revised the zoning code to increase the maximum allowable variance to 30 percent. The City Planning Commission approved a 30 percent variance to allow 221 units for Stone Arch Phase I on March 17, 2003 (BZZ-1050). On March 3, 2005, the Board of Adjustment approved a nonconforming use certificate for vehicle parking on the 600 Main Street SE site (BZZ-2201). At its meeting of March 23, 2009, the City Planning Commission denied the following applications (BZZ-4319) :

Rezoning: From the I2 Medium Industrial District and ILOD Industrial Living Overlay District to the C3A Community Activity Center District.

Conditional Use Permit: To allow 98 dwelling units.

Conditional Use Permit: To increase the height from 2.5 stories in the SH Shoreland Overlay District and from 4 stories in the C3A District to 6 stories 70 feet.

Variance: To reduce the south interior side yard setback from 15 feet to various distances down to zero feet at the closest point to the property line.

Site Plan Review.

This decision of the City Planning Commission was appealed. The City Council denied the appeal at its meeting of April 24, 2009, in part based on findings of fact that high density residential development is not appropriate on the parcel, which is outside of an Activity Center.

The revised project is still six stories, but now has no ground floor retail and is proposed for 79 units. There is no longer an application to rezone the site. Also, the building location has been moved north to eliminate the need for a setback variance and to move it out of the SH Shoreland Overlay District. It is still in the MR Mississippi River Critical Area District. The conditional use permit to increase height is now only to increase the height in the I2 Medium Industrial District from four stories, or 56 feet, to six stories, or 70 feet. A variance to decrease the lot area per dwelling unit by the maximum allowable 30 percent is now requested to increase the number of units, from the 56 allowed in the district with two density bonuses, to 79 units. A conditional use permit and site plan review is required for any project with five or more units.


As of the writing of this report, staff has not received any correspondence from the neighborhood group on this revised proposal, but will forward comments, if any, at the Planning Commission meeting.

CONDITIONAL USE PERMIT (for 79 residential units)

Findings as required by the Minneapolis Zoning Code:

The Minneapolis City Planning Department 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.**



With a lot area of 36,377 square feet the site would be allowed to have 40 units under the ILOD minimum lot area requirement of 900 square feet per dwelling unit ($36,377 / 900 = 40$). The applicant qualifies for two density bonuses; one for enclosed parking and one for affordable housing, which would increase the number of allowable units to 56 ($40 * 20\% = 8$; $8 + 8 + 40 = 56$). The requested variance to decrease the minimum lot area per dwelling unit by the maximum allowable 30 percent would permit 79 units. The proposed development will replace a surface parking lot with a 79 unit residential building. The proposed building should not be out of character with the surrounding area, which has other large residential buildings built or approved to the north and west, and should not be detrimental to the public health, welfare, comfort, or safety. Staff is not recommending approval of the variance to reduce the minimum lot area per dwelling unit by the maximum allowable 30 percent (please see the variance section of this staff report). It will not be possible to construct a 79 unit building without the variance.

- 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.**

A 79 unit building, in the context of surrounding development, should not be detrimental to nearby properties or orderly development. The Stone Arch Apartments are to the north of the site and the University of Minnesota steam plant is to the south of the site. There are plans to redevelop various parcels near the site to the northwest in the future for the East Bank Mills project for up to 960 dwelling units in various buildings with the closest four buildings along Main Street SE ranging from 17 to 29 stories. A bike trail is planned to connect through this area on Main Street SE or along the railroad corridor to the south of the site. In addition, Main Street SE is proposed to be part of the connection to the East River Road. Park Board staff has indicated that they would prefer a 66 foot wide right-of-way for when the parkway is extended, but there is not an official plan at this point that indicates what the right-of-way width would be on any future connection. The current right-of-way is 60 feet. With the exception of the desire for a wider right-of-way on Main Street SE, the proposed development should not hinder future development. Staff is not recommending approval of the variance to reduce the minimum lot area per dwelling unit by the maximum allowable 30 percent (please see the variance section of this staff report). It will not be possible to construct a 79 unit building without the variance.

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

Utilities and access are existing and adequate. Public Works and the Fire Department have reviewed the

plans for access and circulation and they find the plans acceptable. The final drainage plan is required to be approved by Public Works before any permits may be issued.

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

Access to the enclosed parking is on the north side of the building from Main Street SE and from the westerly side off of 6th Avenue SE. The required parking is provided within the building and there is additional surface parking for tenants and visitors. The zoning code requires 79 parking spaces (one per dwelling unit). The development will provide 82 spaces within the building and 22 spaces in a surface lot for a total of 104 spaces. There is also one tandem space within the building. This building conforms to the .5 spaces per bedroom standard recommended by the *Marcy-Holmes Plan* for developments that have student housing. There are nine studio apartments, 59 one bedroom apartments, and 11 two bedroom apartments for a total of 90 bedrooms. At .5 per bedroom there would be 45 spaces needed. Due to the close proximity to downtown, bike routes, and transit this should be adequate parking. A Travel Demand Management Plan was completed and approved by Public Works and CPED-Planning staff for the previous 98 unit project (please see attached sheets from the TDMP for implementation steps).

5. Is not consistent with the applicable policies of the comprehensive plan.

The Minneapolis Plan does not have a specific designation for this parcel, but it is across the street from the east edge a designated Activity Center, which is the closest land use feature. While there is not a specific designation or land use feature on the site, the housing chapter provides guidance for residential development throughout the city. The plan has the following relevant policies and implementation steps from the housing chapter:

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. Use partnerships and incentives to reduce city subsidy level and duration of vacancy.

4.10 Minneapolis will increase its housing that is affordable to low and moderate income households.

Implementation Steps

Provide regulatory incentives for affordable housing development.

Foster partnerships with housing developers, financial institutions, faith communities and others to extend the City's capacity to create affordable housing.

Support mechanisms such as community land trusts and housing cooperatives to create long term affordable housing.

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

Implementation Steps

Increase the variety of housing styles and affordability levels available to prospective buyers and renters.

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Provide and maintain moderate and high-density residential areas.

Promote mixed-income housing development that offers a range of dwelling unit sizes and levels of affordability.

Diversify the location distribution of affordable housing in order to allay the historic patterns of concentration of poverty that characterizes some neighborhoods.

The Minneapolis Plan has additional guidance in City Form Chapter (Chapter 9):

9.2 Minneapolis will continue to preserve the natural ecology and the historical features that define its unique identity in the region.

Implementation Steps

Incorporate natural features and historic sites into planning and development in order to link the city with the river.

Continue to revitalize the Central Riverfront as a residential, recreational, cultural and entertainment district.

Increase public recreational access to and across the river in the form of parks, cyclist/pedestrian bridges, greenways and trails along the river.

Ensure that future riverfront development will be consistent with the City's Critical Area Plan.

Improve the aesthetics of land use along the river.

~~Develop new housing near amenities located along the riverfront.~~

Complete the North Mississippi regional parks system and its connections to North Metro communities.

9.3 Minneapolis will support the preservation and expansion of the existing open space network, including greenways.

Implementation Steps

Support the Park Board's "no net loss" of parkland policy.

Prioritize the expansion of the park system in ways which increase connections and linkage between different areas of the city.

Encourage new development projects to incorporate open spaces and green spaces through land use regulations and other regulatory tools.

Promote the development of financing, maintenance and community involvement tools that encourage the greening and improvement of transportation corridors and public spaces.

9.5 Minneapolis will support the development of residential dwellings of appropriate form and density.

Implementation Steps

Promote the development of well designed moderate density residential dwellings adjacent to one or more of the following land use features: Growth Centers, Commercial Corridors, Community Corridors and Activity Centers.

The Minneapolis Plan for Sustainable Growth has been approved by the City Council, but is pending approval by the Metropolitan Council. It is not the adopted comprehensive plan and does not have the same legal status as *The Minneapolis Plan*; however, staff still looks to this document for guidance in land use decisions. It designates this parcel as parkland, as the plan incorporates the land use maps of

adopted small area plans, in the case the Marcy-Holmes plan, but it also states that the City should “encourage the development of medium to high density housing immediately adjacent to Activity Centers to serve as a transition to surrounding residential areas.” The plan lists medium density as 20-50 units an acre and high density as 50-120 units an acre. This project has a density of 95 units an acre, toward the upper end of the high density category.

The Master Plan for the Marcy-Holmes Neighborhood is the approved small area plan for this area. It was approved on December 29, 2003. It is not adopted into *The Minneapolis Plan*, but is adopted into the *Minneapolis Plan for Sustainable Growth*. Small area plans adopted by the City Council, but not amended into the comprehensive plan act as a guideline and a tool to assist in making development decisions, however, existing zoning and land use regulations are applicable whether or not these regulations are in keeping with the parameters of the plan. The plan shows the parcel as parkland, so a building would not be in conformance with the land use plan. It also calls (page 5-9) for the acquisition of the site for a “public transition space from the activity node at 6th Avenue and the Stone Arch Bridge to the bike trail to Dinkytown and the U of M campus.” However, the *Marcy-Holmes Plan* states that land to the river side of 4th Street SE may be considered for multi-family development and that industrial properties on the river side of University Avenue should be considered for mixed use development (page 1-2), so a multi-family project would not be out of character for the type of development proposed for the surrounding area.

This site is in the MR Mississippi River Critical Area Overlay District. *The Mississippi River Critical Area Plan* was approved by the City Council on June 16, 2006. The plan divides the riverfront in Minneapolis into three districts that recognize existing land uses. This site is located in the Urban Diversified District, which is the area south of 48th Avenue North to Franklin Avenue. The plan states in the introduction that the Urban Diversified District is, “a mix of industry, businesses, office buildings, housing, a barge terminal, two power plants, parks and parkways, and the University of Minnesota campus.”

The plan says the following about the central riverfront in relation to land uses: “land uses within the Critical Area should relate to their riverfront location in a manner that enhances the river environment. Land uses that may be considered river enhancing will vary depending on the location and context. The City will follow the land use guidelines of *The Minneapolis Plan* except where they may be modified or made more explicit by City-adopted small area plans...” In addition, the plan states about land uses on the central riverfront:

- Downtown is the major growth center of the entire region. It is a dense, mixed-use area of employment, housing, entertainment, and culture. The river corridor is an important element of Downtown, providing open space and recreation while attracting new housing, shops, and offices.
- Housing is expected to play an increasingly significant role in the Central Riverfront.
- The St. Anthony Falls Historic District should be preserved and the riverfront greenway system improved and extended.
- The river corridor should be more closely linked to Downtown via extensions of the street grid and streetscape improvements to key perpendicular streets.
- Development should retain the diversity of land uses and transportation while making the riverfront accessible to the public, subject to other conditions such as public easements or

- separation from the water by public rights-of-way.
- Residential, commercial and industrial development should occur as appropriate that complements the riverfront or historic atmosphere and environmental resources. Businesses that complement the riverfront or historic atmosphere or those that contribute significantly to the economic well-being of the community are encouraged.
- Development that expands public access to and enjoyment of the river including parks and open space is supported.
- Entertainment, historic, recreational and cultural facilities that would benefit from the river views or land uses related to the river, as well as schools related to studying the river, the natural environment, or river related industry would be supported.

Staff response: There are several policy documents and policies that have language that support multi-family housing and affordable housing in the central riverfront area. There is also language that indicates the property should be developed as parkland. Absent a specific plan to purchase private property for a park, staff has to consider existing property rights and how the policies relate to a development that is allowed under existing zoning. Based on those facts a multi-family development on this parcel is in conformance with the adopted comprehensive plan, but the density is not in conformance with the comprehensive plan.

The City Council denied the previous land use application to rezone this site to C3A with the finding that this parcel is outside of the East Hennepin Activity Center and not appropriate for high density zoning. *The Minneapolis Plan* states that that moderate density housing is appropriate adjacent to Activity Centers. The plan identifies medium density housing as 10 to 30 dwelling units per acre and high density as 30 dwelling units per acre and greater. The proposed development at 79 units would have a density of 95 dwelling units per acre, which would be classified as high-density. While the adopted *Minneapolis Plan* is the controlling document, the draft *Minneapolis Plan for Sustainable Growth* and staff policy would classify medium density as 20 to 50 dwelling units per acre. The Industrial Living Overlay District would fall under the category of high density, or 50 to 120 dwelling units per acre. It is staff's opinion that the proposed development density is not in conformance with this policy of the comprehensive plan. This issue, in combination with the denial of the variance to reduce the minimum required lot area per dwelling unit, is the reason for a recommendation of denial for the conditional use permit for 79 units.

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

Staff is not recommending approval of the variance to reduce the minimum lot area per dwelling unit by the maximum allowable 30 percent (please see the variance section of this staff report). It will not be possible to construct a 79 unit building without the variance.

CONDITIONAL USE PERMIT (to increase height to seven stories or 70 feet)

Findings as required by the Minneapolis Zoning Code:

The Minneapolis City Planning Department 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 12 Medium Industrial District limits the height of multiple-family dwellings to four stories, or 56 feet, whichever is less. In the SH Shoreland Overlay District the height is limited to two and one-half stories or 35 feet, whichever is less. The Shoreland Overlay District is measured as 300 feet from the Mississippi River. Part, but not all, of this site is in the Shoreland Overlay District (please see map attached to this staff report), **but the entire building, except underground parking access, is located outside of the SH Shoreland Overlay District.**

The height of structures or buildings are measured as the vertical distance from the natural grade either at the curb level or at a point ten (10) feet away from the front center of the structure or building, whichever is closer, to the top of the highest point of the structure, or to the top of the highest point of the roof on a flat or shed roof, the deck line on a mansard roof, or the average distance between the eaves and the ridge level for gable, hip, and gambrel roofs.

A story is measured as that portion of a building included between the upper surface of any floor and the upper surface of the floor next above, or fourteen (14) feet, whichever is less, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a basement, cellar or unused under floor space is more than six (6) feet above grade, for more than fifty (50) percent of the total perimeter, or is more than twelve (12) feet above grade at any point, such basement, cellar, or unused under floor space shall be considered a story.

Measured from 6th Avenue SE the height of the building is six stories or 70 feet. **To the north of this building is the Stone Arch Apartments, which is five stories, or 54 feet.** To the northwest the East Bank Mills development is approved to allow four new towers ranging in height from 17 to 29 stories, or 191 to 324 feet. To the south is the University of Minnesota steam plant, which is approximately two to three stories, but the stacks rise to 140 feet above Main Street SE. The proposed height of the new building will not be out of character with surrounding development and should not be detrimental to the health, safety, comfort, and general welfare of the area.

Staff is not recommending approval of the variance to reduce the minimum lot area per dwelling unit by the maximum allowable 30 percent (please see the variance section of this staff report) or the conditional use permit for 79 units.

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.

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The Stone Arch Apartments are to the north of the site and the University of Minnesota steam plant is to the south of the site. There are plans to redevelop various parcels near the site to the northwest in the future for the East Bank Mills project. Main Street SE is proposed to connect to the future East River Road connection to the east. In addition, a bike trail is planned to connect through this area on Main Street SE or along the railroad corridor to the south of the site. The proposed development should not hinder these plans. In the context of surrounding development, the building height should not be detrimental to nearby properties if it complies with applicable site plan review conditions of approval. Staff is not recommending approval of the variance to reduce the minimum lot area per dwelling unit by the maximum allowable 30 percent (please see the variance section of this staff report) or the conditional use permit for 79 units.

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

Utilities and access are existing and adequate. Public Works and the Fire Department have reviewed the plans for access and circulation and they find the plans acceptable. The final drainage plan is required to be approved by Public Works before and permits may be issued.

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

Access to the enclosed parking is on the north side of the building from Main Street SE and from the westerly side off of 6th Avenue SE. The required parking is provided within the building and there is additional surface parking for tenants and visitors. The zoning code requires 79 parking spaces (one per dwelling unit). The development will provide 82 spaces within the building and 22 spaces in a surface lot for a total of 104 spaces. There is also one tandem space within the building. This building conforms to the .5 spaces per bedroom standard recommended by the *Marcy-Holmes Plan* for developments that have student housing. There are nine studio apartments, 59 one bedroom apartments, and 11 two bedroom apartments for a total of 90 bedrooms. At .5 per bedroom there would be 45 spaces needed. Due to the close proximity to downtown, bike routes, and transit this should be adequate parking. A Travel Demand Management Plan was completed and approved by Public Works and CPED-Planning staff for the previous 98 unit project (please see attached sheets from the TDMP for implementation steps).

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

While the comprehensive plan does not indicate appropriate heights for specific sites, there are several policies in Chapter 9, City Form, that refer to traditional urban form and building form and context especially regarding how buildings relate to their surroundings. This building height should not be out of character with the surrounding area.

The Mississippi River Critical Area Plan states the following about building height: **"In general, structures within the Critical Area should be shorter when located closer to the river. Taller structures are possible within the Critical Area as distance from the river increases or measures are taken to**



provide some level of screening, buffering and/or enhancement of views of and from the river. This plan recognizes that many existing structures in the Critical Area exceed the height limit contained in the zoning code, and that these structures are either allowed due to the provisions of the 1999 zoning code for legally nonconforming uses, or were specifically approved through a prior conditional use permit or variance. In addition, exceptions to the established height limit may be allowed in the case of development proposals deemed to warrant exception by the Planning Commission in order to meet the development goals of the City contained in the Comprehensive Plan and other adopted small area plans. Such exceptions may be granted in keeping with Executive Order 79-19, Section C.2.c., which states under the heading of "Clustering" that: The clustering of structures and the use of designs which will reduce public facility costs and improve scenic quality shall be encouraged. The location of clustered high-rise structures may be proposed where public services are available and adequate and compatible with adjacent land uses (page 27)."

The Marcy-Holmes Plan does not make a specific height recommendation for this parcel as it is contemplated as parkland, but allows for taller buildings between University Avenue SE and Main Street SE to approximately 190 feet, or the height of the Red Tile Elevator (page 8-6).

It is the staff's opinion that in the context of surrounding development the increase in height is in conformance with these goals and policies of the comprehensive plan and adopted small area plans.

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

Staff is not recommending approval of the variance to reduce the minimum lot area per dwelling unit by the maximum allowable 30 percent (please see the variance section of this staff report) or the conditional use permit for 79 units.

In addition to the conditional use standards contained in Chapter 525 and this article, the city planning commission shall consider, but not be limited to, the following factors when determining maximum height:

(1) Access to light and air of surrounding properties.

The increase in height will not prevent access to light and air for surrounding properties. The building is located back from the Main Street SE frontage, which will allow access to light and air for properties to the north. There is little chance of development to the south of the building due to the steam plan, possible bike trails, and SH Shoreland Overlay District regulations.

(2) Shadowing of residential properties or significant public spaces.

The building will be setback from Main Street SE on the site, so it should minimize the shadow cast on Main Street SE and 6th Avenue SE, except for during the winter months. It should not be significantly greater than if the building will be limited to 56 feet. It will not shadow any future bike trail to the south on the railroad right-of-way. Please see the attached shadow study.

(3) The scale and character of surrounding uses.

There are or will be buildings of similar or greater height in the immediate area, including the Stone Arch Apartments to the north (54 feet at the northeast corner of Main Street SE and 6th Avenue SE), the East Bank Mills (proposed towers of 17 to 29 stories, or 191 to 324 feet tall) to the northwest, and the University of Minnesota steam plant to the south (stacks at 140 feet).

(4) Preservation of views of landmark buildings, significant open spaces or water bodies.



The building will block views of the river and downtown from the north, but not significantly more than it would if it were limited to four stories. It is setback on the lot, which will preserve views from the Stone Arch Apartments of the Stone Arch Bridge. It will affect views of the Red Tile Elevator from the east, but these views will be blocked with the construction of the East Bank Mills towers.

In addition to the conditional use and variance standards contained in Chapter 525, Administration and Enforcement, the city planning commission and board of adjustment shall consider the following for conditional use permits in the SH Shoreland Overlay District:

(1) The prevention of soil erosion or other possible pollution of public waters, both during and after construction.

An erosion control plan and a drainage/stormwater management plan will be required by Public Works at the final site plan stage before permits may be issued.

(2) Limiting the visibility of structures and other development from protected waters.

While the structure may be visible from the river it will not have a more significant impact than other buildings existing or approved for this area of the central riverfront.

(3) The suitability of the protected water to safely accommodate the types, uses and numbers of watercraft that the development may generate.

No watercraft are proposed as a part of this development.



VARIANCE (to reduce the minimum required lot area from 650 to 455 square feet)

Findings Required by the Minneapolis Zoning Code:

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.

The Industrial Living Overlay District requires 900 square feet of lot area per dwelling unit. The lot is 36,377 square feet so this will allow 40 units as of right ($36,377 / 900 = 40$). With a 20 percent bonus for enclosed parking and a 20 percent bonus for affordable housing the applicant is allowed another 16 units for a total of 56 units ($40 * 20\% = 8$; $8 + 8 + 40 = 56$). The effective lot area per dwelling unit after

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two bonuses is 650 square feet ($36,377 / 56 = 650$). The applicant is requesting that this be varied the maximum 30 percent to 455 square feet ($36,377 / 455 = 79$ units). **Staff could not find an undue hardship that would support granting the maximum variance. Granting the maximum increase in density may not be a reasonable in the context of the comprehensive plan direction of medium density housing adjacent to Activity Centers.**

- 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.**

The site is unique as it has a triangular shape with a power line easement across the northwesterly corner of the parcel; however, the unique conditions do not directly relate to the issue of lot area per dwelling unit. If the parcel were square and had no easement over it would still only support 56 units with the two density bonuses and would need a 30 percent variance to get to the 79 units. Granting the maximum increase in density may not be a reasonable in the context of the comprehensive plan direction of medium density housing adjacent to Activity Centers.

- 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.**

The intent of the ordinance is to set a reasonable limit on the amount density requirements can be varied. The City council recently denied a rezoning to the C3A District, which allowed a high density and a lower minimum lot area per dwelling unit. **Granting the maximum thirty percent variance in addition to two density bonuses to allow additional density in an area that the comprehensive plan indicates is appropriate for medium density does not meet the intent of the ordinance.**

- 4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.**

The required parking is provided within the building and there is additional surface parking for tenants and visitors. The zoning code requires 79 parking spaces (one per dwelling unit). The development will provided 82 spaces within the building and 22 spaces in a surface lot for a total of 104 spaces. There is also one tandem space within the building. This building conforms to the .5 spaces per bedroom standard recommended by the *Marcy-Holmes Plan* for developments that have student housing. There are nine studio apartments, 59 one bedroom apartments, and 11 two bedroom apartments for a total of 90 bedrooms. At .5 per bedroom there would be 45 spaces needed. Due to the close proximity to downtown, bike routes, and transit this should be adequate parking. A Travel Demand Management Plan was completed and approved by Public Works and CPED-Planning staff for the previous 98 unit project (please see attached sheets from the TDMP for implementation steps). The proposed variance

should have no effect on congestion in the public streets. Adequate parking is provided. The variance should not endanger public health or safety or increase the danger of fire.

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 DESIGN:

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

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- **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 530.20 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.**

The building is up to the property line on 6th Avenue SE. The building is not within eight feet of the property line along Main Street SE. It is setback 82 feet at its furthest point on the west side tapering to 28 feet at its closest point on the east side of the site. In addition, there is a power line easement running across the northerly part of the site that restricts the building location to the southerly part of the site. There will be surface parking and a landscaped area between the building and the public sidewalk. If the project is approved, alternative compliance would be required for the building location. **However, granting alternative compliance in order to allow parking between the building and Main Street SE would not be consistent with the intent of Chapter 530 of the zoning code. The power line easement makes strict adherence impractical; however allowing surface parking, that is not required by the zoning code, in the area between the building and Main Street SE, where normally a building would be required, and is setback because of alternative compliance, can not be considered an amenity.** A landscaped area is an appropriate amenity to mitigate the adverse effect of the alternative.

The principal entrance opens onto the public sidewalk on 6th Avenue SE. The principal entrance is not clearly defined or emphasized with architectural features. If the project is approved, staff recommends that additional architectural detail be provided to emphasize the entrance location on 6th Avenue SE.

Parking is located within the structure and in a surface lot. The surface lot is between the building and the public sidewalk. Section 530.110 requires that on-site accessory parking facilities be located to the rear or interior of the site, within the principal building served, or entirely below grade. The surface parking lot does not provide required parking and would not be possible if alternative compliance were not granted to allow the building to be setback on the lot. If the project is approved, staff does not

recommend alternative compliance to allow parking between the building and the public sidewalk.

The exterior materials are durable and are made of cement panels, metal, and glass. Future changes in material may require review before the City Planning Commission. The new building walls main architectural detail is its varied window designs and articulation. There are no blank walls without a change in material for lengths of more than 25 feet.

Residential uses are required to provide 20 percent windows on the first floor and 10 percent windows on the upper floors of elevations facing a public street, sidewalk, or pathway. The north elevation facing Main Street SE contains 24 percent windows on the first floor and 43 on the floors above. The east side elevation provides 40 percent windows on all floors. The west side elevation provides 44 percent windows on all floors. The first floor of the structure, except the portion facing 6th Avenue SE, contains parking and will have spandrel glass.

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.**

The entrance to the building opens onto the public sidewalk on 6th Avenue SE. If the project is approved, staff recommends that the entrance facing Main Street be connected by a 15 foot wide walkway to the public sidewalk on Main Street SE and the public sidewalk and that a walkway at the east side of the site be constructed to connect the public walkway between the Stone Arch Apartment buildings to the possible future bike trail to the south of the site.

There are no integrated transit shelters on site.

Public Works and the Fire Department have reviewed the site plan for access and circulation and find them acceptable. Vehicular access and circulation has been designed to minimize conflict with residential properties. There is no alley adjacent to the site.

The site has been designed to minimize impervious surfaces and all areas that are not covered by buildings, pedestrian access, and drives are pervious surfaces used for landscaping and stormwater management.

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**

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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 site plan has 58 percent landscaping. The lot area is 36,377 square feet and the footprint of the building is 13,262 square feet. This leaves 23,115 square feet, of which 20 percent (4,623 square feet) is required to be landscaped. The applicant is providing approximately 13,335 square feet of landscaped area on site.

The development is required to provide nine trees and 46 shrubs. The site plan shows 36 new on-site trees and approximately 331 shrubs. In addition, the plan shows extensive perennials and native grass plantings.

The proposed parking areas are screened per code by three-foot high plantings that are 60 percent opaque in landscaped strips that are seven feet wide between the parking and the public sidewalk. All parking spaces are within 50 feet of an on-site deciduous tree. There is one tree for every 25 feet of parking lot frontage.

All other areas not occupied by buildings, walks, plazas, parking, loading, and associated drives are landscaped.

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.

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- 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 surface parking areas show continuous concrete curbing. If the project is approved, staff recommends elimination of the curbing where possible to facilitate on-site retention of stormwater.

The building will partially block some views of the historic Red Tile Elevator to the west from the east, but no more than the approved towers of the East Bank Mills project that are proposed to be constructed between the Red Tile Elevation and the building. It will block some views and of the river for properties to the north, but no more than the University of Minnesota steam plant to the south of the proposed building already does.

The building should not significantly generate wind currents at ground level.

The plan meets the CPTED guidelines. The site is designed with landscaping, fencing, and architectural features to delineate space and control access while allowing views into and out of the site. Staff recommends that proper lighting be provided and that the landscaping follow the three-foot seven-foot rule to allow proper views into and out of the site.

There are no historic structures on the site.

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: Multiple-family dwellings of five units or more require a conditional use permit in the Industrial Living Overlay District.

Off-Street Parking and Loading:

Minimum automobile parking requirement: The zoning code requires a minimum of one space per dwelling unit for a total of 79 parking spaces. Two van accessible spaces are required. The development will have 104 spaces, of which 26 are compact, and two are accessible. Of this total, 82 are in the building and 22 are in a surface lot. There will be an additional tandem space provided that is allowed for residential uses, but that does not count toward fulfilling the minimum off-street parking requirement.

Maximum automobile parking requirement: There is no maximum requirement.

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Bicycle parking requirement: Multiple-family dwellings of five units or more are required to provide one bicycle parking space per every two dwelling units for a requirement of 40 spaces. Ninety percent of these spaces shall meet the standards for long-term bicycle parking, which requires that they are located in enclosed or supervised areas providing protection from theft, vandalism, and weather and are accessible to intended users. There are 79 provided in the parking garage via raised bike racks mounted above vehicles and four at the front of the building for visitors.

Loading: No loading space is required for a residential use under 100 dwelling units. The applicant will provide loading on 6th Avenue SE in front of the building on a temporary basis as necessary and as allowed by Public Works.

Maximum Floor Area: The maximum FAR in the I2 Medium Industrial District is 2.7. The lot in question is 36,377 square feet in area. The applicant proposes 67,040 square feet of gross floor area, an FAR of 1.8.

Building Height: Building height in the I2 Medium Industrial District is limited to four stories or 56 feet, whichever is less. The southerly part of the site is located in the SH Shoreland Overlay District, which limits building height to 2.5 stories or 35 feet, whichever is less, but the building is located entirely out of the SH Shoreland Overlay District. The building is proposed to be six stories or 70 feet. A conditional use permit is required to allow the increase in height.

Minimum Lot Area: The Industrial Living Overlay District requires not less than 900 square feet of lot area per dwelling unit. With a density bonus of 20 percent for enclosed parking and another for affordable housing this can be reduced to 650 square feet per dwelling unit. The applicant is requesting to decrease the minimum lot area per dwelling unit by the maximum allowable 30 percent to 455 square feet, which would allow 79 dwelling units on a lot of 36,377 square feet.

Dwelling Units Per Acre: The applicant proposes 95 dwelling units per acre.

Yard Requirements: In general, setbacks are not required for properties in the commercial or industrial districts, except where adjacent to residential districts and for residential uses that contain windows facing an interior side lot line. This structure is bordered on the north and west by public streets, so no setback is required on those sides. Along the south side a 15 foot setback is required (5 feet, plus 2 feet for every floor above the first, not to exceed 15 feet), because there are windows facing that property line. The building is setback at least 15 feet along the south property line.

Specific Development Standards: No specific development standards are applicable for this project.

Hours of Operation: Not applicable for a residential building.

Signs: Signs are subject to Chapters 531 and 543 of the Zoning Code. All new signs are required to meet the requirements of Chapter 543 of the zoning code and permits are required from the Zoning Office. No sign plan has been submitted at this time, but the applicant is aware that signs require zoning office approval and permits.

Refuse storage: Refuse storage containers shall be enclosed on all four (4) sides by screening

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compatible with the principal structure not less than two (2) feet higher than the refuse container or shall be otherwise effectively screened from the street, adjacent residential uses located in a residence or office residence district and adjacent permitted or conditional residential uses. Trash is stored inside the building, but if dumpsters are utilized in the future they are required to be screened to the standards of the zoning code.

Lighting: The lighting will comply with Chapters 535 and 541 including the following standards:

535.590. Lighting. (a) In general. No use or structure shall be operated or occupied as to create light or glare in such an amount or to such a degree or intensity as to constitute a hazardous condition, or as to unreasonably interfere with the use and enjoyment of property by any person of normal sensitivities, or otherwise as to create a public nuisance. (b) Specific standards. All uses shall comply with the following standards except as otherwise provided in this section:

- (1) Lighting fixtures shall be effectively arranged so as not to directly or indirectly cause illumination or glare in excess of one-half (1/2) footcandle measured at the closest property line of any permitted or conditional residential use, and five (5) footcandles measured at the street curb line or nonresidential property line nearest the light source.
- (2) Lighting fixtures shall not exceed two thousand (2,000) lumens (equivalent to a one hundred fifty (150) watt incandescent bulb) unless of a cutoff type that shields the light source from an observer at the closest property line of any permitted or conditional residential use.
- (3) Lighting shall not create a sensation of brightness that is substantially greater than ambient lighting conditions as to cause annoyance, discomfort or decreased visual performance or visibility to a person of normal sensitivities when viewed from any permitted or conditional residential use.
- (4) Lighting shall not create a hazard for vehicular or pedestrian traffic.
- (5) Lighting of building facades or roofs shall be located, aimed and shielded so that light is directed only onto the facade or roof.

MINNEAPOLIS PLAN and SMALL AREA PLANS ADOPTED BY COUNCIL: Please see finding number 5 under the conditional use permit sections of this staff report.

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

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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.**

▪ **Building location.**

The building is up to the property line on 6th Avenue SE. The building is not within eight feet of the property line along Main Street SE. It is setback 82 feet at its furthest point on the west side tapering to 28 feet at its closest point on the east side of the site. In addition, there is a power line easement running across the northerly part of the site that restricts the building location to the southerly part of the site. There will be surface parking and a landscaped area between the building and the public sidewalk. If the project is approved, alternative compliance would be required for the building location. However, granting alternative compliance in order to allow parking between the building and Main Street SE would not be consistent with the intent of Chapter 530 of the zoning code. The power line easement makes strict adherence impractical; however allowing surface parking, that is not required by the zoning code, in the area between the building and Main Street SE, where normally a building would be required, and is setback because of alternative compliance, can not be considered an amenity. A landscaped area is an appropriate amenity to mitigate the adverse effect of the alternative.

▪ **Principal entrance.**

The principal entrance opens onto the public sidewalk on 6th Avenue SE. The principal entrance is not clearly defined or emphasized with architectural features. If the project is approved, staff recommends that additional architectural detail be provided to emphasize the entrance location on 6th Avenue SE.

▪ **Parking location.**

Parking is located within the structure and in a surface lot. The surface lot is between the building and the public sidewalk. Section 530.110 requires that on-site accessory parking facilities be located to the rear or interior of the site, within the principal building served, or entirely below grade. The surface parking lot does not provide required parking and would not be possible if alternative compliance were not granted to allow the building to be setback on the lot. If the project is approved, staff does not recommend alternative compliance to allow parking between the building and the public sidewalk.

RECOMMENDATIONS:

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

The Community Planning and Economic Development Department – Planning Division recommends

that the City Planning Commission **deny** the conditional use permit application for 79 dwelling units for property located at 600 Main Street SE.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the conditional use permit to increase the height of the building:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission **deny** the conditional use permit application to increase the height to six stories or 70 feet for property located at 600 Main Street SE.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the variance to reduce the minimum lot area per dwelling unit:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission **deny** the variance application to reduce the minimum lot area per dwelling unit from 650 to 455 square feet (30 percent) for property located at 600 Main Street SE.

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

The Community Planning and Economic Development - Planning Division recommends that the City Planning Commission adopt the above findings and **deny** the site plan review application for a 79 unit residential building located at 600 Main Street SE.

Attachments:

- 1) Statements from the applicant.
- 2) Zoning maps.
- 3) Site plan, floor plans, and elevations.
- 4) Photos and aerials.