

LAND USE APPLICATION SUMMARY

Property Location: 1121 W Lake Street and 3005 Emerson Avenue S
Project Name: Moxy Uptown
Prepared By: Kimberly Holien, Senior City Planner, (612) 673-2402
Applicant: Ben Graves, Graves Hospitality
Project Contact: Joshua Jensen, Collage Architects
Request: To construct a six-story hotel with 123 guest rooms and a ground floor restaurant.

Required Applications:

Rezoning	From the C2, Neighborhood Corridor Commercial district to the C3A, Community Activity Center district.
Conditional Use Permit	To increase the maximum height in the C3A district from four stories or 56 feet to six stories, 72.5 feet.
Variance	To increase the maximum floor area ratio (FAR) in the C3A district from 2.7 to 3.78.
Variance	To reduce the east rear yard setback from 15 feet to zero.
Variance	To decrease the front yard setback along Emerson Ave S from 15 feet to zero.
Variance	To reduce the minimum loading requirement from one large space to zero.
Site Plan Review	To construct a six-story hotel building with 123 guest rooms.

SITE DATA

Existing Zoning	C2, Neighborhood Corridor Commercial District PO, Pedestrian Oriented Overlay District
Lot Area	11,854 sq. ft./0.27 acres
Ward(s)	10
Neighborhood(s)	CARAG (adj. to Lowry Hill East)
Designated Future Land Use	Mixed Use
Land Use Features	Commercial Corridor (Lake Street)
Small Area Plan(s)	<u>The Uptown Small Area Plan (2008)</u>

Date Application Deemed Complete	December 31, 2015	Date Extension Letter Sent	January 25, 2016
End of 60-Day Decision Period	February 29, 2016	End of 120-Day Decision Period	April 29, 2016

BACKGROUND

SITE DESCRIPTION AND PRESENT USE. The site is located at the corner of W Lake Street and Emerson Avenue S. The site currently contains a two-story building that houses a restaurant with residential above and a surface parking lot. The existing building is proposed to be demolished as part of the project.

SURROUNDING PROPERTIES AND NEIGHBORHOOD. The surrounding area contains a mix of residential and commercial uses. The site has frontage on W Lake Street and is located across the street from a fast food establishment with a drive-through. The property to the west contains a block-long, two-story building with various commercial uses. The building east of the site, across the alley, is a commercial building that is being remodeled to accommodate a new retail tenant. The properties south of the site are low-density residential. The west side of the block, facing Emerson Avenue S, contains nine single-family homes and one duplex. The east side of the block, fronting on Dupont Avenue S, contains a commercial building that extends three parcels back from W Lake Street, three single-family homes, three-duplexes and one 18-unit apartment building. The block to the west, also fronting along Emerson Avenue S, contains a two-story commercial building, a six-unit townhome development, two duplexes, three single-family homes and a 6-unit apartment building.

PROJECT DESCRIPTION. The project includes a six-story hotel with 123 guest rooms. The proposed building is designed to be six stories along W Lake Street and step down to five stories for the south half. The south half of the building has short-term parking below it at grade level with access from Emerson Avenue S and exiting via the alley. The first floor of the building includes a lobby and a restaurant with supporting functions. The primary hotel entrance into the building is facing W Lake Street near the west side of the building. The primary entrance into the restaurant is facing W Lake Street near the east end of the building. A secondary hotel entrance is located on the back side of the building, adjacent to the vehicle drop-off.

The site is zoned C2 and contains the PO, Pedestrian Oriented Overlay district. Hotels with more than 20 rooms are first allowed in the C3A district and a rezoning is requested. The maximum height allowed in the C3A district is 4 stories or 56 feet, whichever is less. The proposed hotel is a maximum of six stories, 72.5 feet in height and a conditional use permit to increase the height is requested. The project includes 44,871 square feet of gross floor area on a site that is 11,854 square feet in area for a floor area ratio of 3.78. The maximum floor area ratio in the C3A district is 2.7 and a variance is requested.

In commercial districts, residential uses and hotels with windows facing the interior side or rear property line are subject to a setback requirement of $5 + 2x$ where "x" is equal to the number of stories above the first floor. The required east rear yard setback for this 6-story building is 15 feet. The majority of the building is located up to the property line in this location and a variance from 15 feet to zero is requested. Commercial properties are also subject to a front yard setback requirement when adjacent to residential uses or lots with residential zoning. This particular parcel abuts a single-family home to the south. As such, a setback requirement of 15 feet is required for the first 25 feet as measured from the south property line. A setback is provided for the first 20 feet from the south property line, but a five-foot section projects into the required front yard. A variance from 15 feet to zero has been requested.

The project requires 35 vehicle parking spaces. There are five parking stalls located on the south side of the site along with a valet drop-off area. Most of the required parking will be accommodated via valet to a parking ramp within 800 feet of the site. The use has a medium loading requirement and requires one

large loading space (12' x 50'). No loading space is designated on site and a variance is requested accordingly.

The project was before the City Planning Commission Committee of the Whole on November 19th, 2015. At that time, the plans showed a 9-story building fronting along W Lake Street with a smaller footprint. In response to concerns from the neighborhood group and neighboring property owners, the height of the building was reduced to six stories. This resulted in an expansion of the building footprint over the parking area.

RELATED APPROVALS. In 2010, the City Planning Commission approved applications for a two-story commercial building at 3005 Emerson Avenue S. The approved plans included a restaurant with a rooftop terrace and bar that comprised most of the lot. That building was never constructed. A summary of the previous applications is below:

Planning Case #	Application	Description	Action
BZZ-4673	Setback variances, parking variance and Site Plan Review	Applications for a two-story commercial building	Approved by the City Planning Commission on February 22, 2010
V-1720	Variance	Variance to reduce the off-street parking requirement from six spaces to five	Denied by the Board of Adjustment on March 24, 1982

PUBLIC COMMENTS. Staff received a letter from the CARAG neighborhood summarizing action taken on January 19, 2016, opposing the project. Staff also received several e-mails and those have been attached. Any additional correspondence received prior to the public meeting will be forwarded on to the Planning Commission for consideration.

ANALYSIS

REZONING

The Department of Community Planning and Economic Development has analyzed the application for a petition to rezone the property at 1121 W Lake Street and 3005 Emerson Avenue S from the C2, Neighborhood Corridor Commercial district to the C3A, Community Activity Center district based on the following findings:

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

The proposed zoning would be consistent with the applicable policies of *The Minneapolis Plan for Sustainable Growth*. The property is designated as mixed use on the future land use map and Lake Street is a commercial corridor in this location. The site is 1.5 blocks east of the Activity Center boundary which terminates mid-block between Girard Avenue S and Fremont Avenue S. The Comprehensive Plan states that commercial corridors have historically been prominent destinations with a mix of uses and commercial uses dominating.

The following principles and policies outlined in the plan apply to this proposal:

Land Use Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a

vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.

- I.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

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

- I.4.1 Support a variety of commercial districts and corridors of varying size, intensity of development, mix of uses, and market served.
- I.4.2 Promote standards that help make commercial districts and corridors desirable, viable, and distinctly urban, including: diversity of activity, safety for pedestrians, access to desirable goods and amenities, attractive streetscape elements, density and variety of uses to encourage walking, and architectural elements to add interest at the pedestrian level.
- I.4.3 Continue to encourage principles of traditional urban design including site layout that screens off-street parking and loading, buildings that reinforce the street wall, principal entrances that face the public sidewalks, and windows that provide “eyes on the street”.

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

- I.5.1 Support an appropriate mix of uses within a district or corridor with attention to surrounding uses, community needs and preferences, and availability of public facilities.

Land Use Policy 1.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.

- I.8.1 Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.
- I.8.2 Advance land use regulations that retain and strengthen neighborhood character, including direction for neighborhood serving commercial uses, open space and parks, and campus and institutional uses.

Land Use Policy 1.10: Support development along Commercial Corridors that enhances the street's character, fosters pedestrian movement, expands the range of goods and services available, and improves the ability to accommodate automobile traffic.

- I.10.1 Support a mix of uses – such as retail sales, office, institutional, high-density residential and clean low-impact light industrial – where compatible with the existing and desired character.
- I.10.2 Encourage commercial development, including active uses on the ground floor, where Commercial Corridors intersect with other designated corridors.

- I.10.3 Discourage uses that diminish the transit and pedestrian character of Commercial Corridors, such as some automobile services and drive-through facilities, where Commercial Corridors intersect other designated corridors.
- I.10.4 Encourage a height of at least two stories for new buildings along Commercial Corridors, in keeping with neighborhood character.
- I.10.5 Encourage the development of high-density housing on Commercial Corridors.

The applicant is requesting C3A zoning on a commercial corridor with existing C3A zoning immediately across the street to the north. The site is 1.5 blocks east of the Lake and Hennepin Activity Center boundary and four blocks west of the boundary of the Lyn-Lake Activity Center. The C3A district would allow for a broad range of commercial uses and high-density housing along this corridor, as called for in the plan.

The site is also within the study area of the *Uptown Small Area Plan*. As it relates to the rezoning request, the plan states that the south edge of Lake Street in this location should “intensify with mixed-use development” and new development should have retail at grade. The site is within the Urban Village character area of the small area plan. The plan states that the Urban Village should be a “dense district with a variety of building heights” with high-density mixed use development south of the Greenway. The plan further states that development south of the Greenway “should be encouraged to maintain the existing community oriented retail, by incorporating those uses into new, more dense, urban buildings.” This section of the plan states that the south edge of Lake Street should intensify with mixed-use development with retail at grade, on Lake Street. The proposed C3A zoning district is more consistent with the development intensity called for in the small area plan than the existing C2 zoning district. While this site also includes the Pedestrian Oriented Overlay district, without it the existing C2 district would allow for undesirable auto-oriented use that are not consistent with the small area plan guidance for the site. The following land use policies of the plan apply to the rezoning request:

Land Use Recommendations:

- Discourage one-story commercial buildings.
- Encourage retail on Lake Street and Lagoon Avenue, east of Hennepin Avenue, and on Hennepin Avenue north of 31st Street.
- Encourage mixed-use blocks along Lake Street with the goal of improving walkability and connectivity between Uptown and Lyn/Lake.
- On mixed-use blocks east of Hennepin Avenue in the Core, reinforce retail uses on Lake Street and Lagoon Avenue and residential uses on the north /south streets.

In terms of the area surrounding the site, the small area plan calls for medium density housing on the parcels immediately south of the site, which currently contain single-family homes. In the plan, it is this mid-block area immediately south of the site that is to serve as a transition from the high-density, mixed-use development called for along Lake Street to the lower density residential uses south.

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

The proposal is both in the interest of the property owner and the public interest. Rezoning to C3A in this location allows for commercial uses along a commercial corridor and near an Activity Center. The commercial uses allowed in the C3A district generally encourage more active,

pedestrian-oriented development than what is allowed under the C2 district. Providing for additional commercial uses near these land use features is supported by City Policy and in the public interest.

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

The proposed rezoning from one commercial district to another would be compatible with the uses of property in the general area. The site is surrounded by a variety of uses and zoning districts. The property directly north of the site is zoned C3A and contains Arby's, a fast food establishment. The property east of the site is zoned C2 and contains a commercial building that is currently being remodeled to accommodate a retail use. The property west of the site is zoned C2 and contains a block-long, two-story building with a variety of commercial uses. The property south of the site is zoned OR1 and contains a single-family home. More generally, the properties north and west of the site are predominantly commercial or mixed use with C2 and C3A zoning. Properties to the east are generally zoned C2 and contain a variety of commercial uses. Properties to the south are predominantly low-density residential with a couple of multi-family apartment buildings.

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

The existing C2 zoning allows for reasonable use of the property, as it allows a variety of commercial and residential uses. However, as noted above, the development intensity called for in the small area plan is more consistent with C3A zoning on the site. The existing C2 zoning district limits the maximum floor area ratio (FAR) to 1.7 while the C3A district allows for more dense development with a floor area ratio maximum of 2.7. The density bonuses in the C3A district do more to incentivize the type of development called for in the plan than the C2 district does.

The purpose of the C2, Neighborhood Corridor Commercial District is to provide an environment of retail sales and commercial services that are larger in scale than allowed in the C1 District and to allow a broader range of automobile related uses. In addition to commercial uses, residential uses, institutional and public uses, parking facilities, limited production and processing and public services and utilities are allowed. The allowance of larger commercial uses and automobile related uses does not fit with the pedestrian-oriented policies that have been adopted for this area. The purpose of the C3A, Community Activity Center District is to provide for the development of major urban activity and entertainment centers with neighborhood scale retail sales and services. In addition to entertainment and commercial uses, residential uses, institutional and public uses, parking facilities, limited production and processing and public services and utilities are allowed. The C3A district is more consistent with active, pedestrian-oriented development that is called for in adopted policy for this area. While the C3A district does allow some entertainment uses, such as a nightclub, that specific use has a spacing requirement of 500 feet from residence and office residence boundaries and would therefore not be allowed in this location. A full summary of the differences between the C2 district and the C3A district is attached to this report.

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

The property has been zoned for commercial purposes since 1924. While the site is located outside of the Activity Center, there has been a significant change in the character of this stretch of Lake Street since the comprehensive plan was adopted in 2009 and the *Uptown Small Area Plan* was adopted in 2008. The Core has experienced a lot of development/redevelopment in recent years

and growth has begun to extend east along W Lake Street. Calhoun Square expanded to the east in 2009 and has plans for further expansion, onto the lot at W Lake Street and Fremont Avenue S, though a specific project has not been approved at this time. In 2013 the City approved applications for The Walkway- Uptown at 1320 W Lake Street. This project is a six-story mixed use building with 92 dwelling units. In August of 2015, the City Planning Commission approved applications for a 7-story mixed-use building with 125 dwelling units at 1300 W Lake Street and 2928 Fremont Avenue S. This property, one block west of the site, is also located outside of the Activity Center. Prior to being redeveloped, each of these sites contained one-story buildings with large surface parking lots.

CONDITIONAL USE PERMIT

The Department of Community Planning and Economic Development has analyzed the application to increase the maximum height in the C3A district from 4 stories or 56 feet to 6 stories, 72.5 feet based on the following findings:

1. *The establishment, maintenance or operation of the conditional use will not be detrimental to or endanger the public health, safety, comfort or general welfare.*

The request to increase the maximum height in the C3A district from 4 stories or 56 feet to 6 stories, 72.5 feet will not be detrimental to or endanger the public health, safety, comfort or general welfare. There are other buildings of relative comparable height located within the immediate vicinity along W Lake Street, as well as a building that was recently approved but not yet constructed, as noted above. The applicant has provided shadow studies that illustrate the impact on surrounding properties, which would be minimal. The massing of the building has been designed to limit the impact on the residential properties to the south.

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

This property is located in a fully developed area and allowing additional height is not expected to be injurious to the use and enjoyment of other property in the vicinity nor should it impede on possible future development. The subject development site is located along W Lake Street which has other buildings of comparable height on surrounding blocks, including the recently approved building at 1300 W Lake Street which was approved at seven stories outside of the Activity Center. One block to the east, the Buzza building is four stories along the street and then steps up to 8 stories to the north. The proposed building is in keeping with the scale and character of surrounding uses on the commercial corridor. Additionally, the proposed massing of the building will minimize any potential impact on adjacent properties. The building steps down to five stories on the south side to allow for a transition to the residential properties south of the site. A 17-foot setback is also provided along the south lot line to minimize the perceived height of the building. The low-density residential uses on the block are all on the south side of the site and would therefore not be impacted by shadowing. Renderings submitted by the applicant illustrate that visibility of the proposed building from the south will be limited during leaf-on season due to existing, mature vegetation.

There are two guest rooms on the south side of the 6th floor that each has an outdoor deck. Having outdoor activity and associated noise on the 6th floor of the building may be injurious to the

use and enjoyment of the residential uses south of the site. As a condition of approval, staff is recommending that these decks be removed.

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

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

The use is not expected to contribute to traffic congestion in the adjacent public streets. The applicant is providing five on-site parking stalls for short-term parking and 35 parking stalls for hotel guests will be accommodated with valet service. The valet drop-off is located on the south side of the building. The valet service will park vehicles in the Calhoun Square parking ramp at 3001 Hennepin Avenue S, which is within 800 feet of the front door of the building. Therefore, the parking requirement for the hotel can be accommodated completely through valet. Guests utilizing the valet service will enter the site from Emerson Avenue S and exit to the alley before turning on to W Lake Street. Directional signage will be installed to direct all vehicles north out of the parking lot. The alley segment that will be utilized by the hotel is across from a commercial use and hotel traffic is not expected to interfere with residential traffic on this block. A travel demand management plan was submitted for the project. This plan notes alternative modes of transportation in the area, including three bus routes with midday service along Lake Street and three north-south bus routes that run along Hennepin Avenue. The site is five blocks from the Uptown Transit Center which provides transit connections throughout the City and the greater metro area. The site will include 18 bicycle parking spaces and is sited well to make biking a viable transit option for employees and restaurant patrons. The mode share goal for the use is for 55 percent of trips to be made via automobile, 35 percent to utilize public transit and 10 percent of trips to occur by walking or biking. In addition to the valet parking and bike parking, staff encourages the applicant to provide transit resources for hotel guests. Materials such as transit passes or brochures directing guests to local routes and schedules would make transit a more viable form of transportation for hotel guests.

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

As noted above, the property is located on a commercial corridor and is 1.5 blocks east of an activity center. The property is designated as mixed-use on the future land map. The request for increased height would be consistent with the following general land use policies of *The Minneapolis Plan for Sustainable Growth*:

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

- 1.1.6 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

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

- I.4.1 Support a variety of commercial districts and corridors of varying size, intensity of development, mix of uses, and market served.
- I.4.4 Continue to encourage principles of traditional urban design including site layout that screens off-street parking and loading, buildings that reinforce the street wall, principal entrances that face the public sidewalks, and windows that provide “eyes on the street”.

Land Use Policy I.8: Preserve the stability and diversity of the city's neighborhoods while allowing for increased density in order to attract and retain long-term residents and businesses.

- I.8.1 Promote a range of housing types and residential densities, with highest density development concentrated in and along appropriate land use features.
- I.8.2 Advance land use regulations that retain and strengthen neighborhood character, including direction for neighborhood serving commercial uses, open space and parks, and campus and institutional uses.

Land Use Policy I.10: Support development along Commercial Corridors that enhances the street's character, fosters pedestrian movement, expands the range of goods and services available, and improves the ability to accommodate automobile traffic.

- I.10.1 Support a mix of uses – such as retail sales, office, institutional, high-density residential and clean low-impact light industrial – where compatible with the existing and desired character.
- I.10.4 Encourage a height of at least two stories for new buildings along Commercial Corridors, in keeping with neighborhood character.
- I.10.5 Encourage the development of high-density housing on Commercial Corridors.

Urban Design Policy 10.9: Support urban design standards that emphasize traditional urban form with pedestrian scale design features at the street level in mixed-use and transit-oriented development.

- 10.9.1 Encourage both mixed-use buildings and a mix of uses in separate buildings where appropriate.
- 10.9.2 Promote building and site design that delineates between public and private spaces.

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

- 10.10.1 Enhance the city's commercial districts by encouraging appropriate building forms and designs, historic preservation objectives, site plans that enhance the pedestrian environment, and by maintaining high quality four season public spaces and infrastructure.
- 10.10.2 Identify commercial areas in the city that reflect, or used to reflect, traditional urban form and develop appropriate standards and preservation or restoration objectives for these areas.

Urban Design Policy 10.11: Seek new commercial development that is attractive, functional and adds value to the physical environment.

- 10.11.1 Require the location of new commercial development (office, research and development, and related light manufacturing) to take advantage of locational amenities and coexist with neighbors in mixed-use environments.
- 10.11.2 Ensure that new commercial developments maximize compatibility with surrounding neighborhoods.
- 10.11.3 Continue to curb the inefficient use of land by regulating minimum height, setbacks, build-to lines and parking through master planning methods and zoning code regulations.

The proposed building is designed to minimize the impact on adjacent residential uses by concentrating the height along Lake Street and providing a generous side-yard setback along the south property line. The proposed height at six stories will not shadow any adjacent residential uses as they are all located south of the site. The requested height will allow for efficient use of an underutilized commercial property along a commercial corridor. The proposed height also supports the development intensity called for the *Uptown Small Area Plan*. Those policies are highlighted in the rezoning section above.

The site is in the Urban Village district (south sub-area) in the plan, called to be a dense district with a variety of building heights. It calls for development patterns south of the Greenway to be high-density, mixed use. Specifically as it relates to height, the small area plan states that building heights in this area should be predominantly three to five stories with the possibility of taller buildings on select sites. Elsewhere, the plan specifically states, “As in the Activity Center, buildings three to five stories can provide transition and taller buildings may be appropriate along major corridors.” Lake Street would be considered a major corridor. The plan recommends that this area be developed with a variety of building heights with special attention paid to the transitions to the neighborhoods south of Lake Street. The south edge of Lake Street “should intensify with mixed-use development and new development should have retail at grade, on Lake Street, but should transition in height as it turns the corner and approaches the existing neighborhood.”

A built-form recommendation diagram in the small area plan shows a height of four stories on this side of Lake Street. The proposed building exceeds the four-story recommendation. However, due to the proposed massing, a four-story building with a similar footprint would have an equivalent impact on adjacent uses. The plan also calls for the upper floors of buildings to step back to limit shadowing of streets. In this case, the applicant has concentrated the massing on Lake Street in order to step down to the neighborhood. While the proposed massing at the street is not consistent with this plan recommendation, it is inferred that this recommendation is in place to limit the shadowing impact on the pedestrian realm. Stepping the top floor of the building back from Lake Street would not result in decreased shadowing on the sidewalk on the south side of the street and shadowing impacts on the sidewalk on the north side of the street are minimal under the current design.

The proposed building provides dense development along a key corridor. The tallest portion of the building is concentrated along Lake Street. The building is six stories, 72.5 feet at the tallest point. The sixth story has an angled roofline that slopes down from north to south to a height of approximately 68 feet. The south 25 feet of the building step down to five stories and approximately 60 feet in height to provide a transition as it approaches the neighborhood, as called for in the small area plan. As noted above, the small area plan calls for medium density housing on the south side of the site. This mid-block area currently contains single-family homes.

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

If the requested land use applications are approved, the proposal will comply with all provisions of C3A, Community Activity Center District.

Additional Standards to Increase Maximum Height

In addition to the conditional use permit standards, the Planning Commission shall consider, but not be limited to, the following factors when determining the maximum height of principal structures in commercial districts:

1. Access to light and air of surrounding properties.

The proposed six story building will have a limited impact on the amount of light and air adjacent properties receive. The building is setback approximately 17 feet from the south lot line. The closest residential structure is approximately 21 feet from the edge of the fifth floor and 46 feet from the south wall of the sixth floor. The proposed building is separated from the property north of the site by Lake Street, which has a right-of-way width of 80 feet in this location. The commercial property east of the site is separated from the subject site with a public alley. The properties west of the site are separated from the proposed building by Emerson Avenue S, which is has a right-of-way width of 60 feet in this location.

2. Shadowing of residential properties, significant public spaces, or existing solar energy systems.

The shadow studies provided by the applicant show limited shadowing impacts on surrounding properties due to the separation between uses. The residential properties south of the site are not impacted by shadowing due to the fact that they are south of the proposed building. Shadowing impacts on commercial properties north and west of the site are minimal and primarily during the winter months. There are no significant public spaces in the vicinity and no known solar energy systems.

3. The scale and character of surrounding uses.

The scale and character of surrounding uses varies from high-density mixed-use buildings to the north and west and low-density residential to the south. The recent trend of development along W Lake Street and to the north in the Urban Village has been large-scale, mixed use buildings between five and seven stories. The building at the intersection of Lagoon Avenue and Emerson Avenue S is a five-story, mixed-use building with 44 dwelling units that was constructed in 2007. The Walkway project at 1320 W Lake Street is a six-story mixed use building with 92 dwelling units that was constructed in 2013. In August of 2015 the City Planning Commission approved applications for a 7-story, mixed-use building with 125 dwelling units at 1300 W Lake Street and 2928 Fremont Avenue S. The stretch of Lake Street between Emerson Avenue S and Colfax Avenue S is fairly auto-oriented. Immediately adjacent to the site there is a one-story commercial building to the east, a one-story fast food establishment to the north, a two-story, block-long commercial building to the east and single and two-family homes and townhomes to the south.

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

The proposed building would not impact views of any landmark buildings, significant open spaces or water bodies. The Buzza building one block east of the site is considered a landmark building but is separated from the subject site in a manner that does not impact views. There are no significant open spaces or water bodies nearby that would be impacted by the increase in height.

VARIANCE

The Department of Community Planning and Economic Development has analyzed the application for a variance of the maximum floor area ratio based on the following findings:

1. *Practical difficulties exist in complying with the ordinance because of circumstances unique to the property. The unique circumstances were not created by persons presently having an interest in the property and are not based on economic considerations alone.*

The project includes 44,871 square feet of gross floor area on a site that is 11,854 square feet in area for a floor area ratio of 3.78. The maximum floor area ratio in the C3A district is 2.7 and a variance is requested. Practical difficulties exist because of circumstances unique to the property. The site is uniquely situated along a commercial corridor and near an Activity Center where the recent trend of development has been larger, mixed-use buildings. The policy recommendations for dense, mixed-use development in this location also contribute to unique circumstances that have not been created by the applicant.

2. *The property owner or authorized applicant proposes to use the property in a reasonable manner that will be in keeping with the spirit and intent of the ordinance and the comprehensive plan.*

The proposed request for a floor area ratio increase allows for reasonable use of the property and is in keeping with the development intensity called for in the small area plan. The small area plan does not specifically reference floor area ratio or building bulk, but calls for dense, mixed-use development on the south side of Lake Street in the Urban Village. The proposed floor area ratio is also in keeping with the spirit and intent of the zoning ordinance as it relates to bulk regulations. Bulk regulations are intended to ensure that development is compatible with the surrounding area and maintains adequate access to light and air. As noted above, the building bulk has been distributed to reduce the impact on adjacent properties and to maintain adequate access to light and air. In this particular case, a building with less floor area but a larger footprint would have a greater impact on residential uses to the south. Further, while the project is mixed use with a restaurant on the ground floor and a hotel above, it does not qualify for any density bonuses because a hotel is a commercial use. The maximum achievable floor area ratio if density bonuses were available is 3.78.

3. *The proposed variance will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity. If granted, the proposed variance will not be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties.*

The proposed variance will not alter the essential character of the locality or be injurious to the use and enjoyment of other property in the vicinity. The bulk and scale of buildings in the general area is varied. The applicant is proposing a 17-foot setback along the south property line to concentrate the building bulk along Lake Street and away from the residential uses on the block. The proposed building bulk is consistent with other new developments along W Lake Street and within the Urban Village area designated in the small area plan. Most recently, the project at 1300 W Lake Street was approved for a floor area ratio of 4.3. That project is also located outside of the Activity Center. The floor area ratio of the building at 1320 W Lake Street is 3.67. The building at the corner of Emerson Avenue S and Lagoon Avenue is 3.77.

As noted above, the bulk and scale of adjacent uses is varied, even on this block. The west side of the block, facing Emerson Avenue S, contains nine single-family homes and one duplex. The east side of the block, fronting on Dupont Avenue S, contains a commercial building that extends three parcels back from W Lake Street, three single-family homes, three-duplexes and one 18-unit apartment building. The block face to the west, also fronting along Emerson Avenue S, contains a two-story commercial building, a six-unit townhome development, two duplexes, three single-family homes and a 6-unit apartment building.

VARIANCE

The Department of Community Planning and Economic Development has analyzed the application for a variance of the front yard setback requirement based on the following findings:

1. *Practical difficulties exist in complying with the ordinance because of circumstances unique to the property. The unique circumstances were not created by persons presently having an interest in the property and are not based on economic considerations alone.*

Commercial properties are subject to a front yard setback requirement when adjacent to residential uses or lots with residential zoning. This particular parcel abuts a single-family home to the south on a property that is zoned ORI. As such, a setback requirement of 15 feet is required for the first 25 feet as measured from the south property line. A setback is provided for the first 20 feet from the south property line but a five-foot section projects into the required front yard. A variance from 15 feet to zero has been requested.

Staff does not find that practical difficulties exist in complying with the front yard setback. The portion of the building that is located in the required front yard is relatively small, at approximately 75 square feet per floor and adjustments could be made to eliminate this encroachment. There are no unique circumstances on the property to justify the request for a reduced setback along Emerson Avenue S.

2. *The property owner or authorized applicant proposes to use the property in a reasonable manner that will be in keeping with the spirit and intent of the ordinance and the comprehensive plan.*

The requested variance would not be reasonable due to the established setback pattern of the single-family homes along this block face. The purpose of setback requirements is to maintain access to light and air, provide adequate separation between uses and provide for normal and orderly development. There is a fairly uniform pattern of building placement on this side of the street. Further, the proposed hotel would be located directly adjacent to a single-family home that is only 3.9 feet off the shared property line. Requiring the proposed building to comply with the setback requirement would be in keeping with the spirit and intent of the ordinance and the comprehensive plan.

3. *The proposed variance will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity. If granted, the proposed variance will not be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties.*

The proposed variance to allow the building to encroach into the required front yard would have an impact on the essential character of this block. As noted above, the established setback pattern on this block face is fairly uniform. Allowing the proposed building to reduce the front yard would impact this feature of the block. The proposed variance is not expected to be injurious to the use and enjoyment of other property in the vicinity or be detrimental to the public health, safety and welfare.

VARIANCE

The Department of Community Planning and Economic Development has analyzed the application for a variance of the rear yard setback requirement based on the following findings:

1. *Practical difficulties exist in complying with the ordinance because of circumstances unique to the property. The unique circumstances were not created by persons presently having an interest in the property and are not based on economic considerations alone.*

In commercial districts, residential uses and hotels with windows facing the interior side or rear property line are subject to a setback requirement of $5 + 2x$ where “x” is equal to the number of stories above the first floor. The required east rear yard setback for this 6-story building is 15 feet due to windows on this elevation. The majority of the building is located up to the property line in this location and a variance from 15 feet to zero is requested.

Practical difficulties exist in complying with the ordinance. The building is adjacent to an alley in this location, which allows for the openings proposed within 15 feet of the centerline of the alley per building code. If the windows were eliminated, the building could be built up to the property line. However, eliminating the windows would diminish the design of the building in a manner that is inconsistent with the Pedestrian Oriented Overlay district.

2. *The property owner or authorized applicant proposes to use the property in a reasonable manner that will be in keeping with the spirit and intent of the ordinance and the comprehensive plan.*

The request to allow a reduced rear yard setback for hotel windows is reasonable. The applicant is proposing a setback of 1.5 feet on the north end of the building and the remainder the building will be located up to the property line. The building abuts an alley in this location. The first floor does not require a variance, but a variance is required for floors 2-6.

Granting this setback variance would be in keeping with the spirit and intent of the ordinance and comprehensive plan. In general, yard controls are established to provide for the orderly development and use of land and to minimize conflicts among land uses by regulating the dimension and use of yards in order to provide adequate light, air, open space and separation of uses. The urban design policies of the comprehensive plan also address this issue in calling for building placement to allow light and air into the site and surrounding properties. The building is designed in a manner that would allow for adequate access to light and air for the subject site and commercial building to the east due to the fact the buildings are separated with a 12-foot alley and the neighboring building has surface parking between the building and the alley. The applicant is proposing a rear yard setback of 1.5 feet on the north end of the building to allow for adequate sightlines for traffic exiting the alley onto Lake Street.

3. *The proposed variance will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity. If granted, the proposed variance will not be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties.*

The proposed rear yard setback will not alter the essential character of the locality or be injurious to the use and enjoyment of other property in the vicinity. Lake Street is developed with several commercial uses that extend from lot line to lot line in this general area. The proposed rear yard setback will not impact any adjacent residential uses as the building is located 17 feet off the rear property line. The proposed setback would not be detrimental to the health, safety or welfare of the general public or those utilizing nearby properties as a small setback is provided for sightlines out of the alley. The rear yard setback of 1.5 feet is combined with a front yard setback of 2.3 feet to provide a sight triangle.

VARIANCE

The Department of Community Planning and Economic Development has analyzed the application for a variance of the loading requirement based on the following findings:

1. *Practical difficulties exist in complying with the ordinance because of circumstances unique to the property. The unique circumstances were not created by persons presently having an interest in the property and are not based on economic considerations alone.*

The use had a medium loading requirement, equating to one large space (12' x 50'). There is not a designated loading space provided on site and a variance has been requested. Staff finds that practical difficulties exist due to circumstances unique to the property. While there is not a designated loading space on site, the applicant is accommodating loading on-site based on the needs of the use. The site is located in the Pedestrian Oriented Overlay district. Requiring 600 square feet of pavement for a loading space in a pedestrian oriented overlay district and adjacent to residential uses when one is not necessary to accommodate the use creates a practical difficulty. This circumstance has not been created by the property owner.

2. *The property owner or authorized applicant proposes to use the property in a reasonable manner that will be in keeping with the spirit and intent of the ordinance and the comprehensive plan.*

The variance to reduce the minimum loading requirement is reasonable and in keeping with the spirit and intent of the ordinance and the comprehensive plan. Loading requirements are established to recognize the needs of uses and structures and to enhance the compatibility between parking and loading areas and their surroundings. The applicant will be accommodating all of the loading functions on the property by using vehicles that do not require a 12' x 50' space. The loading narrative submitted by the applicant states that there will be limited deliveries on site. The applicant expects six to seven deliveries per week. All laundry will be done in-house. If needed, the applicant will work with Public Works to obtain permissions for on-street loading.

3. *The proposed variance will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity. If granted, the proposed variance will not be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties.*

The proposed loading variance will not alter the essential character of the locality or be injurious to the use and enjoyment of adjacent properties. The applicant is accommodating limited loading on-site without providing a designated space. The on-site loading will occur on the back side of the building. The proposed variance is not expected to be injurious to the use and enjoyment of other property in the vicinity or be detrimental to the public health, safety and welfare.

SITE PLAN REVIEW

The Department of Community Planning and Economic Development has analyzed the application based on the required [findings](#) and [applicable standards](#) in the site plan review chapter:

1. Conformance to all applicable standards of Chapter 530, Site Plan Review.

BUILDING PLACEMENT AND DESIGN

Building placement – Meets requirements

- In this case, the front lot line is located along Emerson Avenue S. The south 25 feet of the lot have an increased setback requirement of 15 feet due to adjacent residential zoning. The portion of the building that is not subject to a greater setback is within eight feet of the front lot line. The first floor of the building is also located within eight feet of the corner side lot line along W Lake Street. The maximum setback along Lake Street is 4.5 feet.
- The placement of the building reinforces the street wall, maximizes natural surveillance and visibility, and facilitates pedestrian access and circulation.
- The area between the building and lot line along W Lake Street includes amenities, specifically benches and decorative concrete pavers. Landscaping is provided between the building and the public sidewalk along Emerson Avenue S.

- All on-site accessory parking is located to the rear or interior of the site. There are five surface parking stalls located on the south side of the building, accessed from Emerson Avenue S, and a valet drop-off zone.

Principal entrances – Requires alternative compliance

- The building is oriented so that the principal entrance faces the corner side property line (Lake Street) instead of the front lot line (Emerson Avenue S). The hotel and the restaurant each have an entrance facing the W Lake Street. Alternative compliance is requested.
- All principal entrances are clearly defined and emphasized. The front entrance into the hotel, facing Lake Street, is recessed and emphasized with glass. The restaurant entrance is emphasized in a similar manner. The rear entrance is emphasized through the use of glass.

Visual interest – Requires alternative compliance

- The building walls provide architectural detail and contain windows in order to create visual interest.
- The building has been designed into smaller, identifiable sections by changing the primary material from fiber cement to brick as it turns the corner along Emerson Avenue S. The massing is broken up with recesses and material changes (glass) on the front elevation.
- The first floor of the south elevation has sections of blank wall in excess of 25 feet. Alternative compliance is requested.

Exterior materials – Requires alternative compliance

- The applicant is proposing a high-density fiber cement panel, brick panel and glass as the building’s primary exterior materials. The applicant is requesting alternative compliance to the durability standards on the north elevation, where fiber cement is proposed for 100 percent of the elevation exclusive of glass. The other three elevations would comply with the City’s durability standards for exterior materials (see Table 2). Where the percentages in Table 2 add up to less than 100 percent, the remainder of the elevation is comprised of glass. Please note that exterior material changes at a later date may require review by the Planning Commission and an amendment to the site plan review.
- In addition, the application is consistent with the City’s policy of allowing no more than three exterior materials per elevation, excluding windows, doors, and foundation materials. Two primary materials are proposed.
- Plain face concrete block is not proposed along any public streets, sidewalks, or adjacent to a residence or office residence district.
- The exterior materials and appearance of the rear and side walls of the building are similar to and compatible with the front of the building.

Table I. Percentage of Exterior Materials per Elevation

Material	Allowed Max	North	South	East	West
Brick (panel)	75%	0%	70%	63.4%	63.4%
Fiber Cement (≤ 5/8”)	30%	100%	26%	30%	30%

Windows – Meets requirements

- For nonresidential uses, the zoning code requires that no less than 30 percent of the walls on the first floor are windows with clear or lightly tinted glass with a visible light transmittance ratio of six-tenths (0.6) or higher. In addition, at least 40 percent of the first floor façade of a nonresidential

use facing a public street or sidewalk is required to be windows or doors with clear or tinted glass in the Pedestrian Oriented Overlay District. This increase applies to the north and west elevations. No less than ten 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. Based on the floor plans, all proposed shelving, mechanical equipment, and other similar fixtures allow views into and out of the building between four and seven feet above the adjacent grade. The project is in compliance with the minimum window requirement (see Table 3) on the north, east, and west elevations. Alternative compliance is requested for the window requirement on the first floor of the south elevation.

- All windows are vertical in proportion and are evenly distributed along the building walls.

Table 2. Percentage of Windows per Applicable Elevation

	Code Requirement		Proposed	
Nonresidential Uses				
1st floor (north)	40% minimum	409.6 sq. ft.	90.3%	925.6 sq. ft.
2nd floor and above (north)	10% minimum	102 sq. ft.	29.9%	307 sq. ft.
1 st floor (east)	40% minimum	174.5 sq. ft.	71.3%	311.25 sq. ft.
2nd floor and above (east)	10% minimum	56.4 sq. ft.	25.6%	145 sq. ft.
1 st floor (west)	40% minimum	174.5 sq. ft.	71.3%	311.25 sq. ft.
2nd floor and above (west)	10% minimum	56.4 sq. ft.	25.6%	145 sq. ft.
1 st floor (south)	30% minimum	307.2 sq. ft.	5.4%	56 sq. ft.
2nd floor and above (south)	10% minimum	102 sq. ft.	17.4%	178.54 sq. ft.

Ground floor active functions – Meets requirements

- The ground floor facing W Lake Street contains active functions for 100 percent of the frontage, as does the ground floor fronting along Emerson Avenue S.

Roof line – Meets requirements

- The principal roof line of the building will be flat, which is similar to that of other commercial buildings in the area. The northernmost portion of the building has an angled roofline to provide visual interest.

Parking garages – Not applicable

- There are no parking garages proposed as part of this project.

ACCESS AND CIRCULATION

Pedestrian access – Meets requirements

- There are clear and well-lit walkways at least four feet in width connecting all building entrances to the adjacent public sidewalk and on-site parking facilities.

Transit access – Not applicable

- No transit shelters are proposed as part of this development.

Vehicular access – Meets requirements

- Vehicular access and circulation has been designed to minimize conflicts with pedestrian traffic and with surrounding residential uses. Cars entering the site will utilize a curb cut from Emerson Avenue S and exit into the alley. This curb cut is only 16 feet in width to reduce potential conflicts with pedestrian traffic. Directional signage will be provided to communicate that cars are to turn north out of the alley on to Lake Street.
- Curb cuts have been consolidated.
- Commercial traffic will only use the northernmost end of the alley where it is adjacent to another commercial use to avoid conflicts between hotel traffic and residential traffic on this block.
- The loading functions of the site will be limited and have been addressed in detail in the loading variance section of this report.
- The proposed site plan minimizes the use of impervious surfaces. Pervious surfaces are provided 2,214 square feet of the total site, equivalent to 36.1 percent of the site not occupied by building. Pervious surfaces include landscaping and porous pavers.

LANDSCAPING AND SCREENING

General landscaping and screening – Meets requirements

- The overall composition and location of landscaped areas complement the scale of development and its surroundings. The majority of the landscaping is provided along the south property line to provide a green buffer between the parking area and the residential structure south of the site.
- At least 20 percent of the site not occupied by the building is landscaped. The applicant is proposing approximately 1,630 square feet of landscaping on site, or approximately 26.5 percent of the site not occupied by buildings (see Table 4).
- The applicant is proposing at least one canopy tree per 500 square feet of the required landscaped area, including all required landscaped yards. The tree requirement for the site is two and the applicant is proposing a total of six canopy trees on site and six within the right-of-way adjacent to the site.
- The applicant is proposing at least one shrub per 100 square feet of the required landscaped area, including all required landscaped yards. The shrub requirement for the site is 12 and the applicant is proposing 29 shrubs.
- The remainder of the required landscaped area is covered with turf grass, native grasses, perennial flowering plants, vines, shrubs and other trees. The applicant is also proposing a planter with bamboo on the south side of the building.

Table 3. Landscaping and Screening Requirements

	Code Requirement	Proposed
Lot Area	--	11,854 sq. ft.
Building Footprint	--	5,726 sq. ft.
Remaining Lot Area	--	6,128 sq. ft.
Landscaping Required	1,225 sq. ft.	1,630 sq. ft.
Canopy Trees (1:500 sq. ft.)	2 trees	6 trees
Shrubs (1:100 sq. ft.)	12 shrubs	29 shrubs

Parking and loading landscaping and screening – Requires alternative compliance

- The parking area along Emerson Avenue S contains an on-site landscaped yard of at least that is 15 feet in width.
- The applicant is proposing screening that is a minimum of three feet in height and 60 percent opaque in this location. The screening is comprised of densely planted shrubs.
- The parking area abutting the alley requires an on-site landscaped yard of at least seven feet in width. A landscaped yard is provided in this location but, due to the angle of the parking stalls, it is less than 7 feet in width in some locations. Alternative compliance is requested.
- The parking area abutting the residence district to the south contains a landscaped yard that is a minimum of seven feet in width.
- The applicant is proposing screening that is a minimum of six feet in height and 95 percent opaque for the parking lot area facing the residential use south of the site. As previously noted, there is a 12-foot solid wood fence in this location that would be retained as part of the project. Landscaping consisting of shrubs, arborvitae and canopy trees provides additional screening.
- The corners of the parking lot that are unavailable for parking or vehicular circulation are landscaped.
- Information included in the landscape plan indicates that the plant materials, and installation and maintenance of the plant materials, would comply with sections 530.200 and 530.210 of the zoning code.
- All other areas not occupied by buildings, parking and loading facilities, or driveways would be covered with turf grass, native grasses, perennials, shrubs, and trees.

ADDITIONAL STANDARDS

Concrete curbs and wheel stops – Meets requirements

- The parking lot is defined by a six-inch by six-inch continuous concrete curb. On-site filtration will be accommodated to some degree in the landscaped areas in the parking lot.

Site context – Meets requirements

- There are no important elements of the city near the site that will be obstructed by the proposed building.
- This building should have minimal shadowing effects on public spaces and adjacent properties based on the shadow study provided. This is evaluated in more detail in the conditional use permit section above.
- This building has been designed to minimize the generation of wind currents at ground level.

Crime prevention through environmental design – Meets requirements

- The site plan employs best practices to increase natural surveillance and visibility, to control and guide movement on the site, and to distinguish between public and non-public spaces.
- The proposed site, landscaping, and buildings promote natural observation and maximize the opportunities for people to observe adjacent spaces and public sidewalks.
- The landscaping, sidewalks, lighting, fencing, and building features are located to clearly guide pedestrian movement on or through the site and to control and restrict people to appropriate locations.
- The entrances, exits, signs, fencing, landscaping, and lighting are located to distinguish between public and private areas, to control access, and to guide people coming to and going from the site.

Historic preservation – Meets requirements

- This site is neither historically designated nor is it located in a historic district.

2. Conformance with all applicable regulations of the zoning ordinance.

The proposed use is permitted in the C3A District.

Off-street Parking and Loading – Requires variance(s)

- The off-street vehicle parking requirement for hotels is one space for every three rooms, per Table 5 below. For this 123 room hotel, 41 parking spaces are required. The parking requirement is reduced by 25 percent due to the site’s inclusion in the pedestrian oriented overlay district. This reduction brings the hotel parking requirement down to 31 spaces. The restaurant is approximately 4,600 square feet and requires three spaces with the Pedestrian Oriented Overlay district reduction, for a total vehicle parking requirement of 34 spaces. The off-street parking requirement for hotels may be fulfilled by maintaining a valet parking service for customers, provided the parking area in which the automobiles are parked is within 800 feet of the main entrance. The applicant has submitted a preliminary contract for 35 vehicles to be valet parked in the Calhoun Square parking ramp at 3001 Hennepin Avenue S and there are five stalls proposed on-site. This ramp has excess capacity per the zoning code and can accommodate the 35 stalls under the valet contract. The valet loading area is on the south side of the building.
- Hotels do not have a minimum bicycle parking requirement. The restaurant use requires three bicycle parking stalls. The applicant is providing 18 bicycle parking stalls for guests, restaurant patrons and employees.
- Hotels have a medium off-street loading requirement, equating to one large space (12’ x 50’) for this use. The applicant has requested a variance to the minimum loading requirement. Staff is recommending approval of said variance, as evaluated above (see Table 7). The restaurant is of a size that does not require a loading space.

Table 4. Vehicle Parking Requirements Per Use (Chapter 541)

Use	Minimum	Reductions	Total with Reductions	Maximum Allowed	Proposed
Hotel	41	PO reduction of 25%	31	123	35
Restaurant	4	PO reduction of 25%	3	61	5
	--	--	34	184	40

Table 5. Bicycle Parking Requirements (Chapter 541)

Use	Minimum	Short-Term	Long-Term	Proposed
Hotel	0	--	--	
Restaurant, sit-down	3	Not less than 50%	--	
	3	--	--	18

Table 6. Loading Requirements (Chapter 541)

Use	Loading Requirement	Minimum Requirement	Proposed
Hotel	Medium	Large space	0
Restaurant, less than 20,000 sq. ft.	None	--	0
			0

Building Bulk and Height – Requires conditional use permit and variance

- The applicant has requested a conditional use permit to increase the height of the building from 4 stories or 56 feet to six stories, 72.5 feet. The applicant has also requested a variance to increase the maximum floor area ratio from 2.7 to 3.78. Staff is recommending approval of both variances, as evaluated above.

Table 7. Building Bulk and Height Requirements

	Code Requirement	Proposed
Lot Area	--	11,854 sq. ft. / .27 acres
Gross Floor Area	--	44,871 sq. ft.
Floor Area Ratio (Minimum)	--	3.78
Floor Area Ratio (Maximum)	2.7	
Building Height (Maximum)	4 stories or 56 feet, whichever is less	6 stories, 72.5 ft.

Lot Requirements – Not applicable

- There are no applicable lot area requirements for this commercial use.

Yard Requirements – Requires variance(s)

- The applicant has requested variances to the west front yard and east rear yard requirements, as evaluated above. Staff is recommending approval of the rear yard setback variance and denial of the front yard setback variance (see Table 10).

Table 8. Minimum Yard Requirements

Setback	Zoning District	Overriding Regulations	Total Requirement	Proposed
Front (west)	none	15 ft. for the south 25 feet, then a maximum of 8 feet	15 ft. for the south 25 feet, then a maximum of 8 feet ft.	0 ft. for the building, 15 feet for parking
Interior Side (east)	15 ft.	--	15 ft.	0 ft.
Interior Side (South)	15 ft.	--	15 ft.	17 ft.
Corner Side (north)	0 ft.	8 ft. maximum	8 ft. maximum	Maximum of 4.5 ft.

Signs – Not applicable

- All signs are subject to Chapter 543, On-Premise Signs. The applicant will be required to submit a separate sign permit application for any signage that is proposed.
- No signage is shown at this time.

Screening of Mechanical Equipment – Meets requirements

- All mechanical equipment is subject to the screening requirements of Chapter 535 and district requirements:

535.70. Screening of mechanical equipment.

- a) In general. All mechanical equipment installed on or adjacent to structures shall be arranged so as to minimize visual impact using one (1) of the following methods. All screening shall be kept in good repair and in a proper state of maintenance.
 - 1) Screened by another structure. Mechanical equipment installed on or adjacent to a structure may be screened by a fence, wall or similar structure. Such screening structure shall comply with the following standards:
 - a. The required screening shall be permanently attached to the structure or the ground and shall conform to all applicable building code requirements.
 - b. The required screening shall be constructed with materials that are architecturally compatible with the structure.
 - c. Off-premise advertising signs and billboards shall not be considered required screening.
 - 2) Screened by vegetation. Mechanical equipment installed adjacent to the structure served may be screened by hedges, bushes or similar vegetation.
 - 3) Screened by the structure it serves. Mechanical equipment on or adjacent to a structure may be screened by a parapet or wall of sufficient height, built as an integral part of the structure.
 - 4) Designed as an integral part of the structure. If screening is impractical, mechanical equipment may be designed so that it is balanced and integrated with respect to the design of the building.
 - b) Exceptions. The following mechanical equipment shall be exempt from the screening requirements of this section:
 - 1) Minor equipment not exceeding one (1) foot in height.
 - 2) Mechanical equipment accessory to a single or two-family dwelling.
 - 3) Mechanical equipment located in an I2 or I3 District not less than three hundred (300) feet from a residence or office residence district.
- The applicant is proposing individual HVAC units within the hotel rooms with grates incorporated below each window.
 - Any additional mechanical equipment shall be required to comply with the standards above.

Refuse Screening – Meets requirements

- All refuse and recycling storage containers are subject to the screening requirements in Chapter 535:

535.80. Screening of refuse and recycling storage containers.

Refuse, recycling storage, and compost containers shall be enclosed on all four (4) sides by screening 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. Single and two-family dwellings and multiple-family dwellings of three (3) and four (4) units shall not be governed by this provision.

- All refuse and recycling storage containers are located within the building.

Lighting – Meets requirements

- Existing and proposed lighting must comply with Chapter 535 and Chapter 541 of the zoning code, including:

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.
- No photometric plan has been submitted at this time. All lighting will be reviewed prior to the issuance of any permits to verify compliance with the requirements above.

Fences – Choose an item.

- Fences must comply with the requirements in Chapter 535. There is an existing 12-foot wood fence along the south property line that currently provides screening between this commercial property and the residential use to the south. The applicant is proposing to leave this fence in place as part of the project. While the fence exceeds the allowable fence height, it is existing and retains rights to its current height.

Specific Development Standards – Meets requirements

- The applicant’s proposal meets the specific development standards for hotels with 21 rooms or more in Chapter 536. Those specific development standards are as follows:
 1. The use shall provide customary hotel services such as linen, maid service, and the use and upkeep of furniture.
 2. The use shall include an office and/or lobby that is staffed twenty-four (24) hours per day.

PO Overlay District Standards – Meets requirements

- The proposal is in compliance with the Pedestrian Oriented Overlay District standards. The applicable window and parking requirements have been evaluated above.

3. Conformance with the applicable policies of The Minneapolis Plan for Sustainable Growth.

The Minneapolis Plan for Sustainable Growth identifies the site as mixed use on the future land use map and Lake Street is a commercial corridor in this location. The project's compliance with the comprehensive plan has been evaluated in the rezoning and conditional use permit sections above.

4. Conformance with applicable development plans or objectives adopted by the City Council.

The site is located within the boundaries of the *Uptown Small Area Plan* adopted by the City Council in 2008. The project has been evaluated for consistency with the small area plan in the rezoning and conditional use permit sections above. The plan prioritizes Lake Street as a place for social interaction and urban activity instead of just a conduit for traffic. The plan calls for focusing growth "in areas where it is most appropriate, or where surface parking, underutilized land, large parcels, and market interest is abundant." The existing property is currently underutilized, containing a two-story building with a small footprint and a surface parking lot. The property at 3005 Emerson Avenue S is exclusively surface parking.

The site is within the Urban Village character area of the small area plan. The plan states that the Urban Village should be a "dense district with a variety of building heights" with high-density mixed use development south of the Greenway. The plan further states that development south of the Greenway "should be encouraged to maintain the existing community oriented retail, by incorporating those uses into new, more dense, urban buildings." The proposed project includes a hotel. The plan specifically states that uses such as night clubs and hotels should be located within the Activity Center. The subject site is located outside of the Activity Center. However, for context it should be noted that when the small area plan was approved in 2008 hotels outside of downtown were only allowed in the C3A, Community Activity Center district. A text amendment was approved in 2015 that allows hotels with 20 rooms or less in all commercial districts. This section of the plan states that the south edge of Lake Street should intensify with mixed-use development with retail at grade, on Lake Street, and the height should transition as it turns the corner and approaches the existing neighborhood (USAP pg. 58). The applicant is proposing a hotel with a ground floor restaurant that front on Lake Street. The proposed building will provide a more intense development on the south side of Lake Street, as called for in the plan. The height of the building transitions from six stories to five stories on the south side, transitioning to the lower density residential uses on the block.

The plan calls for Urban Oriented development on this parcel. The proposed mixed-use building with a storefront building frontage is consistent with this development intensity recommendation. The building steps down from six stories to five on the south side to provide a transition into the residential neighborhood. The building also maintains a setback of 15 feet off the south property line to provide relief. The proposed building is consistent with the following built form recommendations in the plan:

- Encourage all buildings on Lake Street and Lagoon Avenue, east of Hennepin Avenue, to contain storefronts.
- Set buildings back on the north side of Lagoon Avenue and Lake Street to create broad sidewalks.
- Encourage buildings south of Lake Street to step down to meet the neighborhood scale.
- New buildings throughout Uptown, and in particular on the Greenway, are encouraged to be designed as Green buildings with sustainable landscaping

The project is also consistent with the following applicable pedestrian and bicycle recommendations:

- Encourage setback for new developments in areas where the existing sidewalk is less than 12 feet wide.
- Ensure that new development (residential and commercial) provides an adequate number of bicycle parking stalls.

The applicant is setting the building back up to four feet along W Lake Street to allow for a slightly wider sidewalk in this location. The sidewalk will also be reconstructed and existing obstructions will be relocated to create a wider clear path.

The plan has several recommendations that encourage shared parking. The applicant is proposing valet parking into the Calhoun Square parking ramp, which has excess capacity to accommodate other users. The project is consistent with the following parking recommendation of the small area plan:

- Establish shared parking practices which could allow for better utility of large lots such as Lunds, Sons of Norway and the YWCA in the evenings
- Encourage shared parking practices between complementary uses such as entertainment and offices.

There are several places in the plan where it recommends that buildings respect the neighborhood scale and calls for “strong, gradual transitions between residential and commercial areas.” This site has been zoned for commercial uses since 1924. Commercial uses in the existing and proposed zoning districts allow up to four stories in height as of right. The physical impact that commercial development has on adjacent residential properties is primarily dictated by how the bulk is distributed. In this case, the tallest and densest portion of the building is located along W Lake Street. Further, as noted above, the plan calls for medium density residential development south of the site, acknowledging that this medium-density development will help to serve as a transition space between the commercial development on Lake Street and low-density residential to the south.

5. Alternative compliance.

The Planning Commission or zoning administrator may approve alternatives to any site plan review requirement upon finding that the project meets one of three criteria required for alternative compliance. Alternative compliance is requested for the following requirements:

- **Principal entrance.** The principal entrance into the hotel is located on the north elevation, facing W Lake Street. This is technically the corner side yard. Staff recommends granting alternative compliance to allow the principal entrance to face W Lake Street instead of Emerson Avenue S. Lake Street is a vibrant commercial street and adopted policy calls for active uses on the ground floor facing this street.
- **Materials.** The applicant is proposing a fiber cement product that is less than 5/8” for the entire north elevation, exceeding the 30 percent typically allowed. According to the materials submitted by the applicant, this is a high-density fiber cement product that is not susceptible to moisture absorption in the way that medium-density fiber cement is. The product is an open-joint system with no caulking or gaskets. It is a through-colored material that will fade like any other natural material. The applicant has demonstrated that this is a durable material and staff recommends granting alternative compliance.
- **Windows.** The first floor building wall facing the parking lot is required to have windows for 30 percent of the elevation. On the south side of the building windows are only provided for five percent of the elevation. This portion of the building is primarily back-of-house operations. Staff recommends granting alternative compliance due to the fact that the building has a window requirement on three of four sides. However, some additional glazing will be recommended on this

elevation as a condition of approval. An office is located in southwest corner of the building that could easily accommodate windows to provide more eyes on the parking lot. As a condition of approval, staff is recommending that windows be added in this location.

- **Blank walls.** The first floor of the south elevation has sections of blank wall in excess of 25 feet. The longest section of blank wall is approximately 42 feet. The applicant is proposing landscaping in front of the building wall to mitigate the impact of the blank wall. Landscaping is provided in the form of a raised planter with 6-foot bamboo plantings and ground level landscaping. As such, staff recommends granting alternative compliance.
- **Parking and loading landscaping and screening.** The applicant is requesting alternative compliance for the landscaped yard requirement between the parking area and the alley. A 7-foot landscaped yard is required in this location. The provided landscaped yard ranges from nine feet to zero in this location. Staff recommends granting alternative compliance. Angled parking is provided on site. Due to the layout, all but a small corner of the parking area will be screened with landscaping in this location. A building pier lands between the parking area and the alley to provide additional screening. Overall, the intent of the ordinance is met.

FOR REZONINGS ONLY

ZONING PLATE NUMBER. 24

LEGAL DESCRIPTION. Lots 11 and 12, Block 8, Calhoun Park, Hennepin County, Minnesota.

RECOMMENDATIONS

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt staff findings for the applications by Graves Hospitality for the properties located at 1121 W Lake Street and 3005 Emerson Avenue S:

- A. Rezoning the property located at address from the C2, Neighborhood Corridor Commercial zoning district to the C3A, Community Activity Center zoning district, retaining the PO, Pedestrian Oriented Overlay district.**

Recommended motion: **Approve** the application for a rezoning.

- B. Conditional Use Permit to increase height in the C3A district from 4 stories or 56 feet to 6 stories, 72.5 feet.**

Recommended motion: **Approve** the application for a conditional use permit, subject to the following conditions:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within two years of approval.
2. The massing of the building shall be as shown in the plans, with the building stepping down to five stories on the south side.
3. The deck spaces on the south side of the sixth floor shall be removed.

- C. Variance to increase the maximum floor area ratio from 2.7 to 3.78.**

Recommended motion: **Approve** the application for a variance.

D. Variance to reduce the front yard setback requirement along Emerson Avenue S from 15 feet to zero.

Recommended motion: **Deny** the application for a front yard setback variance.

E. Variance of the east rear yard setback requirement from 15 feet to zero.

Recommended motion: **Approve** the application for a variance, subject to the following conditions:

1. The building shall step back 1.5 feet on the north end as shown in the plans to provide sightlines where the alley intersects with W Lake Street.

F. Variance to reduce the minimum loading requirement from one large space to zero.

Recommended motion: **Approve** the application for a variance.

G. Site Plan Review for a new hotel with 123 rooms.

Recommended motion: **Approve** the application for site plan review, subject to the following conditions:

1. All site improvements shall be completed by February 8, 2018, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.
2. CPED staff shall review and approve the final site, elevation, landscaping, and lighting plans before building permits may be issued.
3. The plant materials, and installation and maintenance of the plant materials, shall comply with sections 530.200 and 530.210 of the zoning code.
4. Windows shall be added on the south side of the office space, facing the parking lot, in compliance with Section 530.120 of the zoning code.
5. The building shall maintain a 15-foot front yard setback for the south 25 feet of the property.
6. Signage shall be installed that directs exiting vehicles to turn north at the alley.
7. The use shall maintain a contract with a properly licensed valet provider for parking stalls within 800 feet of the principal entrance.

ATTACHMENTS

1. Written description and findings submitted by applicant
2. PDR report
3. Zoning map
4. Future land use map
5. Zoning district matrix
6. Site plan
7. Plans
8. Building elevations
9. Renderings
10. Fiber cement material specifications
11. Shadow study
12. Photos
13. Letter from the CARAG neighborhood
14. Correspondence