

**Excerpt from the
CITY PLANNING COMMISSION MINUTES
Minneapolis Community Planning & Economic Development (CPED)**

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MEMORANDUM

DATE: March 3, 2016

TO: Zoning and Planning Committee

FROM: Jason Wittenberg, Manager, Community Planning & Economic Development – Land Use, Design and Preservation

SUBJECT: Planning Commission decisions of February 8, 2016

The following actions were taken by the Planning Commission on February 8, 2016. As you know, the Planning Commission's decisions on items other than rezonings, text amendments, vacations, 40 Acre studies and comprehensive plan amendments are final subject to a ten calendar day appeal period before permits can be issued.

Committee Clerk

Lisa Kusz - 612.673.3710

Commissioners present

Matthew Brown, President | John Slack, Vice President | Alissa Luepke Pier, Secretary
Lisa Bender | Rebecca Gagnon | Ryan Kronzer | Nick Magrino | Sam Rockwell | Scott Vreeland

Commissioners absent

Ben Gisselman

3. Moxy Uptown, 1121 W Lake St and 3005 Emerson Ave S, Ward 10

This item was continued from the January 25, 2016 meeting.

Staff report by [Kimberly Holien](#), BZZ-7544.

The City Planning Commission adopted staff findings for the applications by Joshua Jansen of Collage Architects.

A. Rezoning.

Action: The City Planning Commission recommended that the City Council **approve** the application for a rezoning from the C2, Neighborhood Corridor Commercial zoning district to the C3A, Community Activity Center zoning district, retaining the PO, Pedestrian Oriented Overlay district.

Aye: Bender, Kronzer, Magrino, Rockwell and Slack

Nay: Gagnon, Luepke-Pier and Vreeland

Absent: Gisselman

Staff Holien presented the staff report.

Commissioner Magrino: I tend to agree that the rezoning is consistent with the small area plan. Why wasn't it rezoned when this was adopted back about seven years ago?

Staff Holien: In 2008, when the small area plan was adopted? I think because the presence of the pedestrian oriented overlay district did allow for any of the auto oriented uses that we really don't want to see here. Beyond that I don't know what the thinking was at that time. The activity center boundary did not change with the adoption of the small area plan. There are a couple of ways in which the existing activity center boundaries don't necessarily fit with adopted policy. We had one a couple weeks ago that was in the activity center but it actually called for medium density development. That boundary was never changed after the small area plan was adopted and I can't give you the exact detail as to why that was, but it didn't change.

Commissioner Vreeland: Reading the small area plan, this particular location does not seem to exist because it's south of Lake St. In the small area plan there are numerous references and one of the pieces of correspondence had highlighted in yellow for all the places where the kind of development for this location is described.

Staff Holien: The small area plan puts this in the urban village area in the south sub district where it's calling for dense mixed use development on the side of Lake St, which is what the applicant is proposing. That's the type of development consistent with the C3A district. It calls for mixed use in this location and it calls for urban oriented development. All of those things staff finds consistent with C3A zoning.

Commissioner Vreeland: But if you look at the small area plan, there's greater height between the greenway and Lake St and less height and less walling and more transition and stepbacks, more transition for the neighborhood feel. My reading of the small area plan is that this is not consistent with all those pieces and parts. It's close to an activity. It's consistent with the Comprehensive Plan, but it does not seem consistent with the small area plan.

President Brown: That's not really a question. Kimberly, maybe you could clarify how some of those references to building height are interpreted in that plan.

Staff Holien: We acknowledge that this is not a four story building. If you look at the diagram for this particular site it calls for a four story building in this location. We're also looking at if this were a four story building, what would that look like as perceived from the pedestrian scale, as perceived from the properties to the south of the site where you have lower density residential uses and as perceived as you're coming down Lake St. Really, that perception of a four story building versus a six story building, from those vantage points, there's not a lot of difference in the impact. We looked at the shadowing studies. The small area plan acknowledges that there is an analysis that can be done to allow for increased height beyond what's called for in the plan, which are the same findings that we under the conditional use permit for height that I just presented to you. We looked at the character of the area, the impact on surrounding uses, the shadowing and the access to light and air. We found that, in this case, because those residential uses are south of the site, the building steps down as the plan calls for and they're leaving 17 feet between the building and the residential uses to the south. We felt that the impact of a six story building was equivalent to what was called for in the plan.

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Commissioner Vreeland: But it's not consistent with the small area plan.

Staff Holien: It's not four stories, that is acknowledged.

President Brown opened the public hearing.

Benjamin Graves: I'm with Graves Hospitality. We've been looking at trying to put a hotel into Uptown for a very long time, at least eight years. We've spent a lot of time coming up with what we think is a thoughtful plan for this location. It is something we've heard from a lot of outreach from businesses, homeowners and people who rent in the area for the need for a hotel. We think this is a perfect location for a hotel in Uptown that connects the Uptown area with the Lyn Lake area and all that activity that's going on between those two spaces with great food and beverage options and retail. When we first presented the plan it was quite a bit different. We did a nine story building all weighted on Lake Street. We had some positive feedback from the Committee of the Whole, although when we presented the plan to the neighborhood there were some concerns about that specific plan. We spent many meetings back and forth with many different neighborhood associations, business associations and neighbors coming up with the plan that you see today. Some of the concerns that were alleviated: we brought down the height significantly, we brought down the massing by about 20%, we turned the windows so they do not look over the residential portions of the neighborhood and also changed some of the skin of the building based upon some feedback from different neighbors. This area here shows where we're encroaching on that setback requirement. The blue area is an area where we could build to try to accommodate the same number of guest rooms, however, we feel that bringing the building closer to the neighborhood would not be the right thing to do and based upon the neighborhood feedback we are still requesting the encroachment there. We can forego the small balconies we have on two different guestrooms on the five story section. It seems like it was thoughtful, but it was very small and I don't think it'd have an impact but we can forego that.

Commissioner Bender: About the materials, I was at a December neighborhood meeting where there was a discussion about the building materials. The previous iterations have all been brick and then I think it was because folks at that meeting actually asked for more of an interesting kind of design on the front, is that what led to the material change? I'm a little concerned that now we have a lower quality material than what was originally proposed? Can you through the design decision about the materials?

Benjamin Graves: I wouldn't necessarily it's a lower quality material. It is a more modern looking material. Our concern was to have it very fitting with the neighborhood and a little more nostalgic with the brick and the types of windows we're going to be using to make it feel like it has been grounded there for a while, but the feedback was all the other development on Lake Street is much more modern and they wanted something more edgy. This is a product we came up with that we think achieves that look. That was based upon feedback from the neighborhood.

Ashok Dhariwal (4548 Vincent Ave S): I'm here to support the Graves Hospitality Group. I'm a local business owner who has been scouting the Uptown area for over a year looking for retail space and as soon as I come up to Dupont I turn around. I feel like this property is the glue between Uptown and Lyn Lake. There is a big disconnect at Emerson right now in terms of attracting retailers and I think this property would help bridge a gap that exists right now. As you look at Uptown in general, from a year ago to today, there is a lot more retail vacancy. I feel like this would help connect the area as well as the Calhoun Square area. I've been following the Graves Hospitality Group for many years and think they'd do a good job as local investors in the community and will do a project we're proud of. Thank you.

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Michael Hart (5015 Oliver Ave S): I'm a business owner in Uptown. One of the few drawbacks of having a business in Uptown that has so many people and clients from out of state is the lack of a hotel. Many of our clients are actually national clients that come in to town and downtown or Bloomington are really the only options, there aren't any hotels close to us. We hired over 40 people in the last year and many of those people were recruited from out of state. It's nice to be able to have an opportunity for them not to just come and see Mono but actually be in the neighborhood to be able to see how great Uptown is and to be able to have a hotel right there would be such a benefit. We also have another office in San Francisco and have a lot of employees going back and forth between the Minneapolis office and San Francisco. Seeing the plans, I see it as a great addition to the community. Thank you.

Joan Marks (3020 Emerson Ave S): I'm opposed to the hotel as proposed and urge you deny approval of the requested land use applications. I think a hotel in our area could be a nice addition, but a hotel of this scale should be built north of Lake St as designated in the Uptown Small Area Plan. My main reason for opposition to the proposed hotel is to uphold and maintain the Uptown Small Area Plan. In our January neighborhood CARAG meeting we voted 41-10 with one abstention to oppose the hotel land use applications and recommend city denial of them. The Lowry Hill East Neighborhood Association also voted to oppose the proposed hotel land use applications. As of 2pm today, 428 people have signed our online petition in opposition of the proposed hotel. We have an additional 30 people who signed our paper petition. Our total number of signatures is 458. These signatures represent 81% MN residents, 71% Minneapolis residents and 34% of residents living in the 55408 area code where the proposed hotel will be. This robust response can't be ignored or discounted. It's a strong show of support from people who live there. Another area of concern is the floor area variance. There are several findings in the staff report that are incorrect. The first required finding on page 12 states "practical difficulties exist in complying with the ordinance..."

President Brown: You've gone over two minutes now.

Joan Marks: I really think it'd be a valuable amenity, I'd just like to see it built on the north side of Lake Street where it belongs with the small area plan. Thank you.

Dave Potter: I'm concerned about the neighbors right next to it. I think it's a large impact on them being a six story building right next to two story residential. I think it's not the right spot, although I think the hotel is a nice concept and I think Graves would do a good job building it.

Ginny Buran (3024 Emerson Ave S): In addition to expressing my personal opposition to this hotel proposal I'm speaking on behalf of my husband, family, friends and neighbors that live in Uptown. We don't oppose the idea of a hotel in Uptown in an appropriate location such as the activity center, but we adamantly oppose this proposal, especially the rezoning of the building and the building size, scale and density that they are asking for. It's out of scale with the location and completely contrary to the Uptown Small Area Plan. This is a land use issue. The proposed hotel is too much building for too small of a space. The proposal also conflicts with five out of the ten purposes of the city zoning code. I grew up in Minneapolis and relocated back here two and a half years ago. Before we made the decision to invest and make our home in the CARAG neighborhood I did a lot of homework. We contacted the CARAG board, I researched what was happening on the empty lots in the area and on the Minneapolis website I found the Uptown Small Area Plan. It seemed to make perfect sense to me, it seemed very current to what is happening in Uptown and it was a big scoring point for us making CARAG our home so I really hope you will support the Uptown Small Area Plan and uphold it in your decision today. Shortly after we moved into CARAG, Stuart Akerberg purchased Calhoun Square and he participated in a very well attended neighborhood meeting to discuss what we planned to perhaps do on his property. He showed that he was considering a boutique hotel on this empty lot and the neighbors were very

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excited. Not one person said the Lake and Emerson site would be so much better for a hotel because it isn't. This location does not make sense for a hotel. At the November 10, 2015 CARAG land use meeting, Ben Graves, while introducing their hotel proposal he said the lot was too expensive.

Steve Brissee (3125 Emerson Ave): I disapprove of this project on the scale, height and parking impact. The parking amount vastly underestimates the parking pressure put on the building itself. In terms of the business viability of the hotel, yes, what a great idea. It'd be great if it was north of Lake Street as opposed to south of Lake Street because it is out of scale with existing buildings. It seems as though it's placed directly between the two hubs. There doesn't seem to be that much weekday business or office work done in Uptown, it's mostly retail and weekend activity. The hotel would have low occupancy during the week, high occupancy on the weekends. It's a good idea, but inappropriate for the area. Living on Emerson Ave S, we already have permit parking on the 3000 block within three blocks and parking is very difficult there because of permit parking. My block is one block south and it's virtually impossible to have guests, we are next to have permit parking.

Aaron Rubenstein (3249 Emerson Ave S): I'm a member of the CARAG Land Use and Transportation Committee. I was president of the CARAG board for two years and chair of its zoning committee for nine or ten years before it changed its name to the Land Use and Transportation Committee, but this evening I am speaking just for myself, not representing CARAG. In your packet, there is a two page letter from me expressing my opposition to the project and a five page attachment with some findings that are sort of contrary to the findings in the staff report. I'd like to speak about the small area plan and its importance and the rezoning. I want to say that zoning in this larger area was evaluated and adjusted in the Midtown Greenway Rezoning Study adopted by the City Council in April 2010, much of the urban village was rezoned at that time from C2 to C3A. It was a purposeful decision to leave the existing C2 zoned areas between the Hennepin/Lake and Lyn Lake activity centers as C2. It appears that Planning staff has misread the proposed development intensity map in the small area plan which shows medium intensity urban oriented development on the south side of Lake St between Bryant and Fremont. This map is not in the packet. You can see here, here is the site. This is a medium intensity, not the high intensity use proposed for the activity center and part of the urban village between Lake St and the greenway. The small area plan calls for that taller development north of Lake St between Lake St and the greenway.

Dan Olson: I'm against this project mostly because of the scale and size relating to the small area plan that I think is not being heeded at all. As a land owner on Emerson, my concern is that I don't think the traffic patterns on Emerson and Dupont have been addressed south of Lake St. I think they're only talking about as far south as the alley. Emerson is a one-way going south, Dupont one way going north with paid parking on the 3000 block of Emerson. I don't think five parking spots on site are adequate. I think 35 spots at a valet parking lot...we talked earlier about how changing the zoning on a piece of land is permanent, I worry about the 35 spots that are lost to the neighborhood, there's not much parking and a lot of parking pressure. I think everyone is worried about the impact and having more street traffic as far as pedestrians and bicycles and stuff, but there are a lot of cars and I think there needs to be more parking. I think we're asking for a lot by putting this hotel in. If you have to pay for valet, I don't think people are going to do that, they're going to drive around looking for a free spot.

Steven Taylor (3013 Emerson Ave S): I think this is the wrong location for this to be at. I think there are better locations for it. Everything else being developed south of Lake St is one and two stories, that's how it should be. If you want a hotel, go put it by Flux or Calhoun Square, don't put it in our neighborhood.

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Troy Wink (1620 W Lake St): I support the project. Uptown has all types of businesses, but we don't have a hotel. We need a hotel. We have out of town clients and company events and sometimes we talk about if having our events in Uptown is the right spot to have them because it's so far to hotels for our employees. I've heard talk about conforming with the Uptown Small Area Plan, my understanding is that the document was adopted about eight years. Plans always change. This project generally conforms with the intent of the planning document that was adopted eight years ago. Based on that, we support the project and hope you approve it.

Phillip Qualy (3021 Emerson Ave S): MN Statutes 473.865, part of the Metropolitan Land Planning Act in Subd. 2 states "No conflict with plans. A local governmental unit shall not adopt any official control or fiscal device which is in conflict with its comprehensive plan or which permits activity in conflict with metropolitan system plans." This is not consistent with the Uptown Small Area Plan. They talk about height on the north side of Lake St, they have arbitrarily transferred it to the south side. The south side of Lake St has had no factual change in height limits, you cannot consider it a commercial transit corridor, that is on the north side of Lake St where we have the greenway corridor, the bike paths and where it does say in the Uptown Small Area Plan that hotels should be located in the activity center. I'm concerned about traffic. I don't think we've had an efficient independent study of the traffic. Right now, the way the valet looks they're going to have four driving routes through our neighborhood. We have to have more time to discuss this.

Steve Nowicki (3032 Dupton Ave S): The Uptown Small Area Plan has been adopted policy since 2008 and one of its purposes is to ensure that the interests and investments of homeowners and residents of the residential blocks to the south of Lake St are as important as those of the business sector. Many residents consider the USAP a contract with the city about Uptown development that limits the scale of development on the south side of Lake St. These residents, like me and my wife and many of my CARAG neighbors have invested in our properties with this understanding. The proposed six story hotel would be harmful to the use and enjoyment of the residential properties to the south and would negatively impact neighborhood livability for CARAG residents. I don't think anyone speaking here today opposes a hotel in Uptown, it just seems it's this location or no other and there are plenty of other sites in the activity center and elsewhere north of Lake St and some of these are vacant parcels or parking lots that would be appropriate for a hotel. I'll just list a few of them, there's a parking lot behind the Uptown Rainbow building, there's the Sons of Norway site, McDonalds site, the vacant parcel at Lake and Grand in front of the Calhoun parking ramp...these go on and on. The hotel, regardless of the pictures we've been shown, will not be invisible.

Kay Nygaard Graham (3037 Emerson Ave S): It seems that is confused as to what the neighborhood and the urban village is. I'm asking you to read the staff report and the actual findings that are required in the zoning code that are clearly stated in the small area plan and comprehensive plan. What we opposed is the zoning changes for 1121 W Lake and 2005 Emerson Ave because they are not consistent or compatible with the small area plan policy and should not be implemented.

Nazeera Mohammed (3033 Emerson Ave S): The small area plan is a big part of why we own property here. It shows a healthy balance and respect of the commercial and residential aspects of the community. I come from a city that is much more dense and I respect the balance of community, business and residents, but the small area plan does lay out basic network that shows respect and has an activity center. Thank you.

Clark Olsen (3029 Emerson Ave S): I appreciate the statement that rezonings are significant decisions that stick with the property. Also significant area small are plans. The Uptown Small Area Plan is significant to me and my neighbors. My neighbors and I have invested hundreds of thousands of dollars

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purchasing our homes, maintaining our homes all under the assumption that the city would honor this plan. The proposed location for this hotel is clearly outside of the boundaries for the activity center that is well defined within the Uptown Small Area Plan. There is no precedent for expanding the activity center to the south side of Lake St on Emerson Ave. The projects that were mentioned in the staff report are all on the north side of Lake St so in my mind those are not things you can look at for having present for this. I've heard the comment from the staff and business owners that things have changed since 2008 since the Uptown Small Area Plan was passed. If that's the case, great. Undertake a process to revisit the plan, look at it holistically.

Lynn Ostrowski (3149 Emerson Ave S): I have two questions, first one is, it is January 8, it's 16 degrees, how many of you biked here? Two, excellent, so 35 parking spots is poor indeed for a 122 room hotel. Second question is, how much are we going to be charging for the rooms in this hotel? I want to make sure we're charging an appropriate amount for the area and that's it's not going to be a \$50 hotel room like it is in Milan. That's the Moxy brand, I looked it up, it costs \$50 to stay at a hotel in Milan. Has anyone here been to Italy? Does anyone know what you can get for \$50 in Milan? I know who is going to stay at a \$50 hotel room. When is the last time anyone here stayed at a \$50 hotel room? Thank you very much.

Jerome Chateau (3304 Dupont Ave): I understand the viewpoint of my neighbors, but I come from a different angle. Originally I am from Paris and each time I come back here I find the urban space rather ugly and inconsistent and not urban enough. I think this is an opportunity to change that. I see so many parking lots that are really an eyesore and blight in our city. I think this needs to change and the city needs to move forward, needs more density. We can improve the aesthetics and urban life of this neighborhood. In addition, I want to stress that a parking lot the way it is right now is not very good for safety. Another difference between European cities and American cities is a safety. If you look at a map of crimes on Lake St, it's significantly higher than a European city. Empty blocks invite other forms of crime and this is another way to address it. This project would help get rid one of the parking lots. It's best for urban life, safety and aesthetics. Thank you.

President Brown closed the public hearing.

Commissioner Vreeland: I'm trying to figure out what the basis is as to how we make decisions related to the small area plan. I can site a number of pages of the small area plan, pages 82, 85, 87, 92, 106, 107 and there are some other ones. My understanding is that it's not discretionary to not look at the small area plan as the basis...is that true?

President Brown: Mr. Wittenberg, maybe you can clarify that relationship between the plan policies and the zoning request.

Staff Wittenberg: I think staff laid out at least 15 minutes worth of rationale for why they believe that the findings can be met in this instance. If you as a commissioner disagree with that, then presumably your vote will reflect that. I don't know that I have anything else to add beyond what staff indicated for their basis for their recommendation. From staff's standpoint, this is a supportable project with the applications in front of you.

Commissioner Slack: I will move staff recommendation for item A (Rockwell seconded).

Commissioner Bender: I really appreciate everyone taking the time to come and speak about this. I had the opportunity to hear many times from my constituents about this proposal at neighborhood meetings, meetings with neighborhoods. The block that many of you live on on Emerson is a beautiful

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part of the community and I understand very much why you're here tonight to talk about this project. When we're looking at rezonings, it's a significant decision and these are legislative decisions that we make that are a little different than the quasi-judicial ones for the other applications. We're looking at if this fits in with our city policies. When I look at Lake St it's a wide busy commercial corridor. It's a place where I think the low scale development that's there now is not appropriate, it's underutilizing the land. The question is just what goes there instead. The sort of auto-oriented 1950s style surface parking lot development is not what I think most people would want to see in a community and it's not what the policy guidance in the small area plan envisioned. It envisioned dense mixed use development. I think staff has done a good job of outlining why this application meets the policies in the plan. I support this rezoning. I did not support the previous iteration that did not come before this committee, but I made it very clear that I had a lot of concerns about the previous design. I've been appreciative of how much time hundreds of people have taken to participate in this process and the changes that have been made. I think the rezoning itself is in keeping with the small area plan and with all of our guidance that says we really want to concentrate growth to commercial corridors, there's no commercial corridor in the city that is busier Lake St. It's a wide transit corridor with lots of traffic. It's the kind of place where we want to direct growth if anywhere.

Commissioner Kronzer: I think the future is clear with this rezoning. Sometimes we're often asked to rezone something that doesn't have a specific plan, this plan is very clear of what the future for many years will be here. Plans can't always anticipate how growth will occur or happen. We do our best in the planning field to anticipate how the market will react and how demographics will change over time, but things do change unpredictably and we have the zoning code and this process that we're going through to control those things that don't fit our plans exactly.

Aye: Bender, Kronzer, Magrino, Rockwell and Slack

Nay: Gagnon, Luepke-Pier and Vreeland

Absent: Gisselman

Commissioner Slack: I will move staff recommendation for item B (Rockwell seconded).

Commissioner Magrino: I think a lot of the opposition here really is to the building being six stories rather than four stories and people looking at the land use map that's in the small area plan...it is a little frustrating when we do these small area plans and we make a big watercolor map of the neighborhood and people get really attached to it and they spend a lot of time on it, but then it doesn't actually match the zoning categories that we have so we have to do the best we can to match the zoning categories with the small area plan and I think a lot of times they error on the side of being cautious. The small area plans have been a source of frustration for everyone and I hope it's something that the city can think about a little bit in the future as we're going towards the comp plan update.

Commissioner Rockwell: This is off of two of the busiest transit in the city.

Aye: Bender, Kronzer, Luepke-Pier, Magrino, Rockwell, Slack and Vreeland

Nay: Gagnon

Absent: Gisselman

Commissioner Slack: I will move staff recommendation for item C (Kronzer seconded).

Commissioner Bender: This question of bulk is one I always take very seriously. I review staff's arguments very carefully. I think in this case it was well supported by staff. We have a lot of bonuses related to bulk, this is highlighting the need for us to really understand how we're regulating bulk and

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how it corresponds with our zoning categories. We have a lot of commercial corridors that are low commercial zoned so they're C1 and C2, which really limits the FAR. We're regulating bulk and use through the same classifications and they don't always line up. Staff did a good job identifying the reasons this application met the requirements for the variance.

Aye: Bender, Gagnon, Kronzer, Luepke-Pier, Magrino, Rockwell, Slack and Vreeland

Absent: Gisselman

Commissioner Slack: I will move staff recommendation for item D (Rockwell seconded).

Aye: Bender, Gagnon, Kronzer, Luepke-Pier, Magrino, Rockwell, Slack and Vreeland

Absent: Gisselman

Commissioner Slack: I will move staff recommendation for items E and F (Vreeland seconded).

Aye: Bender, Gagnon, Kronzer, Luepke-Pier, Magrino, Rockwell, Slack and Vreeland

Absent: Gisselman

Commissioner Slack: I will move staff recommendation for item D (Rockwell seconded).

Aye: Bender, Gagnon, Kronzer, Luepke-Pier, Magrino, Rockwell, Slack and Vreeland

Absent: Gisselman