



MEMORANDUM

TO: City Planning Commission, Committee of the Whole

FROM: [Becca Farrar- Hughes](#), Senior City Planner, (612) 673-3594

DATE: August 28, 2014

SUBJECT: Kraus Anderson - 501, 507, 515 and 523 8th St S, 502 and 518 9th St S, and 811 5th Ave S

Kraus Anderson is proposing to consolidate its Twin Cities operations in a new 4-story, 80,000 square foot office building. The building would be LEED-certified and contain office workspace for 250 to 270 employees, conference rooms, a training center, a cafeteria, a fitness area and a total of 206 off-street parking spaces (45 underground parking spaces and 161 surface parking spaces). The property is zoned B4N (Downtown Neighborhood) District and is located in the DP (Downtown Parking) Overlay District.

The existing Kraus Anderson facility (which consists of a two-story building, and the remainder of the block a 297 space surface parking lot – with 112 surface parking spaces reserved for a total of 104 Kraus Anderson employees that travel to the site daily), located at 525 8th Street South, would remain in use until the new building is constructed should the proposal be approved. Once the new facility is occupied, the existing building would be demolished for additional surface parking. The applicant has stated that they do intend to pursue development on the remainder of the lot but no detail, other than renderings, on potential future phases has been included as part of this application.

The exterior materials proposed on the new building include brick, manufactured stone, zinc, metal panel and a combination of spandrel and vision glass. The fenestration would be shaded by vertical fins on the west and north elevations and horizontal overhangs on the south and east elevations.

The applicant attended the May 22, 2014, City Planning Commission Committee of the Whole meeting and has made the following adjustments to the plans:

- The applicant reduced the overall parking count from 242 spaces to 206 spaces; the underground parking was reduced from 48 to 45 spaces and the proposed surface parking was reduced from 194 to 161. The majority of the surface parking that was removed in this proposal was located on the southwest corner of the site (at the intersection of 9th Street South and 5th Avenue South) where their stormwater management area is proposed.
- The applicant shifted the principal entrance of the building closer to the street; however, the location of the entrance is still in the same proposed vicinity.

Formal land use applications have been submitted and the project is scheduled for the September 15, 2014, City Planning Commission meeting. The following land use applications are required based on the proposed development:

- (1) Amendment to the existing CUP to allow parking in the DP Overlay District (in areas on the site where no parking is currently located);
- (2) A variance of the minimum FAR requirement in the B4N District from 2.0 to .73;
- (3) A variance of the parking maximum based on the gross square footage of the proposed building from 80 to 206 spaces (45 underground and 161 surface parking stalls);
- (4) A variance to allow a proposed wall sign to exceed the maximum height permitted in the B4N District of 28 feet;
- (5) A variance of the mechanical screening requirement for rooftop mechanical units;
- (6) Site plan review to allow for the construction of a new 4-story, approximately 80,000 square foot office building with 161 surface parking stalls on a full city block. The property is zoned B4N (Downtown Neighborhood) District and is located in the DP (Downtown Parking) Overlay District;
- (7) Preliminary and Final Plat.

CPED Staff continues to have strong concerns regarding the amount of surface parking proposed for the development as the oversupply of parking, particularly in a downtown setting, encourages employees to drive to work (depending on the intended final count of employees, a parking stall is provided for a minimum of 75% of the employees at the high end and over 82% at the low end). In addition, there is no guarantee for future phased development on the remainder of the parcel. Further, the design of the building is still very suburban in its siting, scale and appearance; the location of the entrance is still oriented towards the interior of the site, and more than half of the ground floor elevation of the building along 5th Avenue South is devoid of transparent windows.

