



CPED STAFF REPORT

Prepared for the City Planning Commission

CPC Agenda Item #5
September 15, 2014
BZZ-6715 and PL-285

LAND USE APPLICATION SUMMARY

Property Location: 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.
Project Name: Kraus Anderson Corporate Headquarters
Prepared By: [Becca Farrar-Hughes](#), Senior City Planner, (612) 673-3594
Applicant: Kraus Anderson, (612) 332-7281
Project Contact: Pope Architects, (651) 642-9200
Request: To construct a 4-story office building and associated underground and surface parking on a full city block in Downtown.

Required Applications:

Conditional Use Permit	To allow an accessory parking lot in the DP Overlay District.
Variance	Of the minimum FAR requirement in the B4N District from 2.0 to .73.
Variance	To allow an accessory parking lot to exceed 20 spaces.
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).
Variance	To allow two of the proposed wall signs to exceed the maximum height permitted in the B4N District of 28 feet.
Variance	Of the mechanical screening requirement for rooftop mechanical units.
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.
Preliminary and Final Plat	Consolidate the underlying platted lots into three lots.

SITE DATA

Existing Zoning	B4N District DP Overlay District
Lot Area	109,730 square feet / 2.52 acres
Ward(s)	7
Neighborhood(s)	Elliot Park Neighborhood, Inc., (EPNI); adjacent to Downtown Minneapolis Neighborhood Association (DMNA)
Designated Future Land Use	Commercial
Land Use Features	The property is within the boundaries of Downtown Minneapolis, an Activity Center and designated Growth Center.
Small Area Plan(s)	Downtown East / North Loop Master Plan ; Elliot Park Neighborhood Master Plan

Date Application Deemed Complete	August 21, 2014	Date Extension Letter Sent	N/A
End of 60-Day Decision Period	October 20, 2014	End of 120-Day Decision Period	N/A

BACKGROUND

SITE DESCRIPTION AND PRESENT USE. The site consists of a two-story, approximately 38,703 square foot office building constructed in 1974 and the remainder consists of a 297 space accessory (112 spaces) and commercial surface parking lot (185 spaces). The property is considered one zoning lot for the purposes of the redevelopment.

SURROUNDING PROPERTIES AND NEIGHBORHOOD. The properties surrounding the site have downtown zoning designations predominantly including B4N and B4-I. The uses within the area are varied and include commercial, office and residential uses.

PROJECT DESCRIPTION. Kraus Anderson is proposing to consolidate its Twin Cities operations in a new 4-story, approximately 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 west elevations.

The applicant attended the May 22, 2014, City Planning Commission Committee of the Whole meeting and 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 the 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.

The applicant attended the August 28, 2014, City Planning Commission Committee of the Whole meeting and made no other alterations based on the feedback attained at that meeting.

Based on the proposal, a CUP is required to allow parking in the DP Overlay District, as are several variances including: (1) a variance of the minimum FAR requirement in the B4N District from 2.0 to .73; (2) a variance to allow an accessory parking lot to exceed 20 spaces; (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; and (5) a variance of the mechanical screening

requirement for rooftop mechanical units. Site plan review, as well as a preliminary and final plat have also been submitted for the proposed development.

PUBLIC COMMENTS. Staff has not received official correspondence from the Elliot Park Neighborhood prior to the printing of this report; however, the applicant provided a copy of a letter received from EPNI based on the initial concept from April of 2014. Correspondence received has been attached and any additional correspondence received prior to the public meeting will be forwarded on to the Planning Commission for consideration.

ANALYSIS

CONDITIONAL USE PERMIT

The Department of Community Planning and Economic Development has analyzed the application for a CUP to allow parking in the DP Overlay District 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.*

It is Staff's position that with the redevelopment of the block, allowing an accessory surface parking lot with a total of 161 surface stalls on the premises to serve the development would be detrimental to and endanger the public health, safety, comfort or general welfare. The site currently consists of a two story building with a 297 space accessory (112 spaces) and commercial surface parking lot (185 spaces). An oversized surface parking lot in combination with an undersized office building results in the underdevelopment of a full city block in Downtown. Staff has presented numerous options to the applicant to address the cumulative issues that have been created as a result of the proposal including reducing the overall parking provided on site, increasing the floor plate of the proposed underground parking, constructing multiple levels of underground parking to serve the development, or pursuing an Interim Use Permit for the proposed parking lot. In addition, the DP Overlay District limits accessory parking lots to 20 spaces. As previously noted, 161 surface parking stalls are proposed (45 underground spaces are also proposed). The allowance of an expansive surface parking lot is an ongoing barrier to redevelopment. As indicated in the *Minneapolis East Downtown Parking Lot Study* commissioned by CPED in 2013, "Today, surface parking lots dominate the area leaving it largely underutilized and unattractive to other investment." The introduction and expansion of LRT, the new Vikings Stadium and Ryan Company's multi-block development create new opportunity in Downtown East.

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 on a full city block in Downtown Minneapolis. The continued existence of a large surface parking lot on the premises would be injurious to the use and enjoyment of other property in the vicinity, and would impede on possible future development as the development is not consistent with adopted city policies that call for higher density development and the restriction of the establishment or expansion of surface parking lots while not exceeding maximum off-street parking standards in the downtown area. The adopted small area plans for the area further identify the proliferation of surface parking lots in the neighborhood as an ongoing barrier to redevelopment and repeatedly acknowledge the significance of parking lot recovery in order to reclaim these properties for housing and infill development. Allowing the property to be redeveloped in a manner that allows for the reestablishment of a large amount of surface parking is inconsistent with the

visions outlined in the applicable small area plans as well as the City's comprehensive plan. Further as outlined in the *Minneapolis East Downtown Parking Lot Study* commissioned by CPED in 2013, developers perceive the blocks that are lined by virtually uninterrupted areas of surface and structured parking along 4th Avenue and 5th Avenues as barriers to redevelopment as they physically separate East Downtown from the central business district (CBD).

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

Currently there are six curb cuts that serve the property. Two located off of 8th Street South, one off of 5th Avenue South, one off of 9th Street South and two off of Portland Avenue South. The applicant is proposing a total of four curb cuts; one off of each public street. The Public Works Department has reviewed the preliminary plan and will review the final plan for compliance with standards related to access and circulation, drainage, and sewer/water connections. The applicant would be required to work closely with the Public Works Department, the Plan Review Section of CPED and the various utility companies during the duration of the development should the plan be approved. This would be required to ensure that all procedures are followed in order to comply with City and other applicable requirements.

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

The applicant has not taken adequate measures to minimize traffic congestion in the public streets as excessive parking that exceeds the maximum allowed for the use is provided for the employees of the proposed facility. The applicant proposes more than twice as much accessory parking as allowed by the zoning ordinance, which would facilitate the use of single-occupant vehicles, conflicting with the City's transportation goals. Chapter 541, Off-Street Parking and Loading would require no parking for the project given the location of the property in Downtown, the B4N zoning that applies to the site and the fact that the property is located in the DP Overlay District.

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

In *The Minneapolis Plan for Sustainable Growth*, the future land use designation of this block is mixed use. The property is also located within the Downtown Growth Center and all of Downtown is considered an Activity Center. Downtown Minneapolis is the hub of the regional transit system and is a workplace for nearly 150,000 people. Mixed use allows for mixed use development, including mixed use with residential and may include either a mix of retail, office or residential uses within a building or within a district. There is no requirement that every building be mixed use. Specific to the Downtown Growth Center, the plan states: "As the physical and economic center of the city, Downtown is a logical place for a concentration of employment, housing, and other complementary uses. The land use pattern strengthens the concentrated office core with surrounding entertainment, cultural, and residential development. High intensity uses are encouraged to make the best use of the premium location and to strengthen the city's core." Activity Centers have a mix of uses with citywide and regional draw. The uses are typically high intensity and include employment, commercial, office, and residential uses. Activity centers can accommodate high density (50-120 du/acre) and very high density (120-200 du/acre) residential developments that are dependent on the surrounding context. The following policies and implementation steps of *The Minneapolis Plan for Sustainable Growth* apply to this proposal to construct a 4-story office building and a large surface parking lot on a full city block in Downtown:

Land Use Policy 1.1 states: "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." This policy includes

the following applicable implementation steps: (1.1.4) “Support context-sensitive regulations for development and land use, such as overlay districts, in order to promote additional land use objectives”; and (1.1.5) “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 1.2 states: “Ensure appropriate transitions between uses with different size, scale, and intensity.” This policy includes the following applicable implementation step: (1.2.1) “Promote quality design in new development, as well as building orientation, scale, massing, buffering, and setbacks that are appropriate with the context of the surrounding area.”

Land Use Policy 1.3 states: “Ensure that development plans incorporate appropriate transportation access and facilities, particularly for bicycle, pedestrian, and transit.” This policy includes the following applicable implementation steps: (1.3.1) “Require safe, convenient, and direct pedestrian connections between principal building entrances and the public right-of-way in all new development and, where practical, in conjunction with renovation and expansion of existing buildings”; (1.3.2) “Ensure the provision of high quality transit, bicycle, and pedestrian access to and within designated land use features; and (1.3.3) “Encourage above-ground structured parking facilities to incorporate development that provides active uses on the ground floor.”

Land Use Policy 1.4 states: “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”; and (1.4.4) “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 1.12 states: “Support Activity Centers by preserving the mix and intensity of land uses and by enhancing the design features that give each center its unique urban character. This policy includes the following applicable implementation step: (1.12.3) “Encourage active uses on the ground floor of buildings in Activity Centers”; (1.12.4) “Discourage uses that diminish the transit and pedestrian character of Activity Centers, such as automobile services, surface parking lots, and drive-through facilities; and (1.12.6) “Encourage the development of high- to very-high density housing within the boundaries of Activity Centers.”

Land Use Policy 1.13 states: “Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places.” This policy includes the following applicable implementation steps: (1.13.3) “Discourage uses that diminish the transit and pedestrian character of areas around transit stations, such as automobile services, surface parking lots, and drive-through facilities; and (1.13.4) “Encourage architectural design, building massing and site plans to create or improve public and semi-public spaces near the station”; and (1.13.5) “Concentrate highest densities and mixed use development adjacent to the transit station and along connecting corridors served by bus.”

Land Use Policy 1.15 states: “Support development of Growth Centers as locations for concentration of jobs and housing, and supporting services.” This policy includes the following applicable implementation steps: (1.15.2) “Support the intensification of jobs in Growth Centers through employment generating development”; (1.15.3) “Encourage the development of high- to very high-density housing within Growth Centers.”

Approval of the CUP would enable the applicant to cover nearly 80% of the lot with surface parking and with no requirement that future development displace the proposed parking that is incompatible with adopted policies specific to downtown as well as those across the entire City. Effective parking management is an important strategy in a multi-modal transportation system. Excessive parking can promote automobile usage and traffic congestion, create pedestrian unfriendly environments, and damage the traditional urban character of an area. The following policies apply to this specific proposal:

Transportation Policy 2.6 states: “Manage the role and impact of automobiles in a multi-modal transportation system.” This policy includes the following applicable implementation steps: (2.6.1) “Encourage the implementation of Travel Demand Management (TDM) plans and programs that identify opportunities for reducing the generation of new vehicle trips from large developments; (2.6.3) “Implement strategies, such as preferential and discounted parking for low-emitting fuel efficient vehicles, car- and vanpooling, low-emitting fuel efficient taxi services, and car sharing programs, that increase vehicle occupancy and reduce the number of single occupancy vehicles.

Transportation Policy 2.8 states, “Balance the demand for parking with objectives for improving the environment for transit, walking and bicycling, while supporting the city’s business community.” This policy includes the following applicable implementation steps: (2.8.2) “Design and implement incentives for shared parking and on-site car sharing programs, as well as carpooling and vanpooling”; (2.8.5) “Continue to prohibit new commercial surface parking lots and to restrict the size of accessory surface parking lots in Downtown”; (2.8.7) “Promote transit, walking, and biking as safe and comfortable transportation alternatives through reduced parking requirements, encouragement of employee transit incentive programs, and improved facilities”; (2.8.8) “Encourage employers to offer economic incentives that support transit use, such as providing employee transportation allowances as alternatives to free parking.”

Transportation Policy 2.10 states: “Support the development of a multi-modal Downtown transportation system that encourages an increasingly dense and vibrant regional center.” This policy includes the following applicable implementation steps: (2.10.4) “Improve the pedestrian environment Downtown to ensure it is a safe, enjoyable, and accessible place to walk. Encourage strategies such as wider sidewalks for pedestrian movement, trees, landscaping, street furniture, improved transit facilities, additional bicycle facilities, and on-street parking and other curbside uses; and (2.10.8) “Manage the growth of the parking supply consistent with objectives for transit, walking and bicycling.”

Economic Development Policy 4.1 states: “Support private sector growth to maintain a healthy, diverse economy.”

Economic Development Policy 4.2 states: “Promote business start-ups, retention and expansion to bolster the existing economic base.”

Economic Development Policy 4.12: “Downtown will continue to be the economic engine of the Upper Midwest region by strengthening its employment core.”

Urban Design Policy 10.1 states: “Promote building designs and heights that enhance and complement the image and form of the Downtown skyline, provide transition to the edges of Downtown and protect the scale and quality in areas of distinctive physical or historical character.” This policy includes the following applicable implementation step: (10.1.1) “Concentrate the tallest buildings in the Downtown core”.

Urban Design Policy 10.2 states: “Integrate pedestrian scale design features into Downtown site and building designs and infrastructure improvements.” This policy includes the following applicable implementation steps: (10.2.1) “The ground floor of buildings should be occupied by active uses with direct connections to the sidewalk”; (10.2.2) “The street level of buildings should have windows to allow for clear views into and out of the building”; and (10.2.3) “Ensure that buildings incorporate design elements that eliminate long stretches of blank, inactive building walls such as windows, green walls, architectural details, and murals”.

Urban Design Policy 10.18 states: “Reduce the visual impact of automobile parking facilities.” This policy includes the following applicable implementation steps: (10.18.1) “Require that parking lots meet or exceed the landscaping and screening requirements of the zoning code, especially along transit corridors, adjacent to residential areas, and areas of transition between land uses”; (10.18.2) “Parking lots should maintain the existing street face in developed areas and establish them in undeveloped areas through the use of fencing, walls, landscaping or a combination thereof along property lines”; (10.18.3) “Locate parking lots to the rear or interior of the site”; (10.18.4) “Provide walkways within parking lots in order to guide pedestrians through the site”; (10.18.17) “Minimize the width of ingress and egress lanes along the public right of way in order to provide safe pedestrian access across large driveways”; (10.18.18) “Encourage appropriate land uses to share parking lots to reduce the size and visual impact of parking facilities.”

Urban Design Policy 10.19 states: “Landscaping is encouraged in order to complement the scale of the site and its surroundings, enhance the built environment, create and define public and private spaces, buffer and screen, incorporate crime prevention principles, and provide shade, aesthetic appeal, and environmental benefits.”

The proposal is in conformance with a few of the above noted policies and implementation steps of the Comprehensive Plan; however, it is overwhelmingly not in compliance with the majority of those identified. While the construction of a new office building could result in the addition of approximately 150 employees from Kraus Anderson’s other suburban locations, which supports the Economic Development policies regarding the support and retention of business in a downtown setting, the proposal ignores the majority of the comprehensive policies put in place regarding the underdevelopment of the site, lack of density and the fact that the majority of the site consists of a large surface parking lot.

There are two additional plans that must be considered when evaluating the proposal; the *Elliot Park Neighborhood Master Plan*, which was approved in 2003, and the *Downtown East/North Loop Master Plan*, which was also approved in 2003.

The *Elliot Park Neighborhood Master Plan* identifies several priority project areas; the subject parcel is located in overlapping districts denoted as the Historic 9th Street District and the Downtown District and within the Historic 9th Street Priority Project Area. The plan acknowledges repeatedly that the neighborhood has a reservoir/large percentage of land dedicated to surface parking lots and notes the significance of parking lot recovery in order to reclaim these properties for housing and infill development as important elements of the neighborhood’s vision.

The design guidelines in the plan address the following categories for the overall neighborhood: (1) Site development: New development will continue to include a mix of uses and new development will blend in with and enhance existing neighborhood uses, amenities, landmarks and character. Buildings should be located close to the street matching existing setbacks where appropriate; (2) Architecture: Scale, massing, proportion and orientation, etc.; (3) Parking: To meet long range plans for the neighborhood, parking strategies must provide an appropriate balance of on-street, small surface lot and structured parking solutions; (4) Transit: mass transit, pedestrian and bicycle.

As previously noted, the subject property is located in overlapping districts. The Downtown District is considered the transition zone between the mid to high rise buildings in downtown and the three to four story buildings in the neighborhood. The recommended scale for the site along 8th Street is 6 stories (12 to 16 north of 8th Street), recommended land use is primarily office, as well as mixed-use development with retail at the first floor and residential above, as well as increased use of below grade and structured parking and the elimination of surface parking.

The Historic 9th Street District is located along 9th Street and is the transition between downtown architecture and traditional single-family blocks. Housing in this location along 9th Street should be two to five stories to blend with the existing historic buildings, recommended land use is primarily residential with limited commercial and storefront office on the first floor, promote strategies for shared parking, small dispersed surface lots and new housing should provide underground or hidden off-street parking.

The *Downtown East/North Loop Master Plan* locates the property within the Development Precinct 1: Elliot Park West. The plan calls for mixed use development that includes office and commercial uses on the north half of the subject block along 8th Street that is 5 to 13 floors in height and the south half of the block along 9th Street calls for mixed use development with residential uses from 1 to 4 floors. Generally, the plan states that medium density, mixed use projects are appropriate in the northern reaches of the precinct in order to create a transitional step down zone between the height intensity character of the Downtown Core and the low-intensity setting of the historic district.

It is CPED Staff's position that the proposal to construct a 4-story, approximately 80,000 square foot office building on the block with the remainder of the parcel dedicated to a surface parking lot is inconsistent with both adopted policy documents as discussed above.

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/zoning applications are approved, the proposal would comply with the applicable provisions of the B4N District.

VARIANCES

The Department of Community Planning and Economic Development has analyzed the following variance applications: (a) variance of the minimum FAR requirement in the B4N District from 2.0 to .73; (b) variance to allow an accessory parking lot to exceed 20 spaces; (3) 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); (c) variance to allow two of the proposed wall signs to exceed the maximum height permitted in the B4N District of 28 feet; and (d) variance of the mechanical screening requirement for rooftop mechanical units, 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.*
 - a. **Minimum FAR from 2.0 to .73**: The project site consists of a full city block that totals 109,730 square feet or approximately 2.52 acres. With a minimum FAR of 2.0 in the B4N District (a Downtown Neighborhood District zoning designation established to provide an environment that promotes the development of higher density neighborhoods surrounding

the Downtown office core), the lot would need to accommodate a two-story building covering the entire parcel or a building or buildings totaling 219,460 square feet in order to meet this minimum standard. The applicant is proposing a 4-story, approximately 80,000 square foot building on the entire block or an FAR of .73. While the applicant proposes to subdivide the property into three parcels (Lot 1: 56,500 square feet, Lot 2: 31,289 square feet, and Lot 3: 21,832 square feet) even with this subdivision, and with the idea that they may pursue development on the remainder of the block, the subject development would not meet the minimum of FAR on the proposed lot (Lot 1), upon which the building would be placed. To meet the minimum FAR of the proposed lot which would total 56,500 square feet, the proposed building would need to be 113,000 square feet in size or approximately 33,000 square feet larger. Utilizing the current footprint of approximately 20,180 square feet, the building would need to be increased by an additional story and a half resulting in a 6-story structure. The circumstances are not unique, are created by the property owner/developer and practical difficulties do not exist in complying with the ordinance. The development site is a fully city block in Downtown Minneapolis. Allowing a new undersized office building that is accompanied by a large surface parking lot that covers approximately 80% of the block in an area of the City that has historically been impacted by lack of investment due to the proliferation of surface parking lots does not meet adopted City policies. Further, allowing the development in its current form, with no ability to require future development, but instead provide a parking space for 70-80% of the employees that they intend to employ at the facility will result in no incentive for further development.

- b. **To allow an accessory parking lot to exceed 20 spaces:** The subject property is located in the DP Overlay District. The DP Overlay District allows accessory parking lots as a conditional use but limits the number of accessory parking stalls to 20 spaces; commercial parking lots are prohibited. The applicant is proposing a total of 161 accessory surface parking stalls to serve the new office building in addition to 45 spaces underground. The site currently consists of a two-story building 38,703 square foot office building with an approximately 13,000 square foot footprint and the remainder consists of a 297 space accessory (112 spaces) and commercial surface parking lot (185 spaces). To continue to allow accessory parking that far exceeds what the DP Overlay District allows is contrary to the vision for Downtown and to all of the adopted city policies put in place to reverse a dominant land use in the broader neighborhood.
- c. **Parking maximum from 80 spaces to 206 spaces:** The applicant proposes to increase the maximum allowable parking count for an approximately 80,000 square foot building from 80 spaces to 206 spaces. There is no minimum parking requirement for uses in Downtown. The maximum parking requirement is based on 1 parking space per 1,000 square feet of gross floor area. The applicant proposes to provide a total of 206 spaces, 45 spaces below grade and 161 spaces within a surface parking lot that covers the remainder of the block. The circumstances are not unique as the applicant controls an entire city block and is constructing an office building in Downtown Minneapolis with a footprint that covers approximately 18% of the lot area and further electing to provide a parking stall for a minimum of 75% of the employees at the high end and over 82% at the low end of total projected employees on site. Opportunity exists to construct multiple levels of underground parking or to construct a singular level underneath more of the parking lot, not just underneath the building. Adopted City policies discourage excessive parking, especially surface parking that the City would legitimize by approving the associated applications that are needed to construct the site as proposed.

- d. Height of wall signs:** The applicant proposes to install a total of 3 wall signs and one freestanding sign on the premises. One of the proposed wall signs requires a variance to exceed the maximum height allowed for a wall sign in the B4N District of 28 feet. The applicant proposes to install a sign at approximately 65 feet above grade on the west elevation of the building. Practical difficulties do not exist in complying with the ordinance. The applicant has sufficient opportunities for signage on the site and on the building.
 - e. Mechanical screening for rooftop units:** The applicant is proposing to install two large mechanical units on the roof that are 11 feet (8 foot tall units on a 3 foot curb) tall by 40 feet in length. The applicant contends that the units are “self-screened” and less obtrusive unscreened but then state that they are virtually concealed given the height of the building parapets. The circumstances are not unique, they are created by the property owner/developer and practical difficulties do not exist in complying with the ordinance. Given the minimal height of the proposed structure, the units will be visible from taller buildings as well as from various vantage points on the public street, and it further establishes a poor precedent for other projects in and outside of downtown moving forward.
 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.*

 - a. Minimum FAR from 2.0 to .73:** The proposal to construct an undersized 4-story building totaling approximately 80,000 square feet on a full city block in Downtown Minneapolis is unreasonable and would not be in keeping with the spirit and intent of the ordinance and the comprehensive plan. The building is undersized and the result is an underdevelopment of the entire block with the associated surface parking lot covering approximately 80% of the site. The subject parcel is zoned B4N with the DP Overlay District. It is important to note that the B4N District was established with a great deal of flexibility to allow development with urban intensity; no minimum parking requirement and no maximum FAR, with 10 stories allowed as-of-right. Staff acknowledges that market conditions do not always support maxing out every property with B4N zoning, but there is a major opportunity cost to developing downtown property with lower intensity development. The proposal is inconsistent with adopted city policies and the precedent it sets is unacceptable regardless of whether it is in a downtown setting or in a location outside of downtown.
 - b. To allow an accessory parking lot to exceed 20 spaces:** The regulations that have been established in an effort to direct redevelopment in Downtown Minneapolis have been deliberate. Limiting accessory parking lots to 20 spaces was done in order to allow uses to have small dispersed lots when appropriate throughout Downtown, not large accessory parking lots to serve the majority of the employees within an office building and at the expense of the City as a whole. Regardless of whether there is a large existing surface parking lot on the premises currently, policies have been adopted by the City that are meant to prevent this type of site redevelopment. The proposal is inconsistent with adopted city policies and the precedent it sets is unacceptable regardless of whether it is in a downtown setting or in a location outside of downtown. Allowing 161 accessory surface parking stalls is unreasonable and would not be in keeping with the spirit and intent of the ordinance and the comprehensive plan.

- c. **Parking maximum from 80 spaces to 206 spaces:** The proposal to allow an increase in the maximum number of allowable parking spaces, on a property in which there is no parking requirement, from 80 spaces to 206 spaces is unreasonable and would not be in keeping with the spirit and intent of the ordinance and the comprehensive plan. Downtown Minneapolis is well-served by transit and allowing such a large amount of parking that is primarily surface parking on a full city block undermines adopted policies and the standards that all other sites are also subject to in Downtown. In addition, the proposal is inconsistent with adopted city policies and the precedent it sets is unacceptable regardless of whether it is in a downtown setting or in a location outside of downtown.
 - d. **Height of walls signs:** The applicant proposes to install one wall sign at a height that exceeds the maximum height allowed for a wall sign in the B4N District of 28 feet. The applicant proposes to install a sign at approximately 65 feet above grade on the west elevation of the building. The applicant has sufficient opportunities for signage on the site and on the building. The request would not be in keeping with the spirit and intent of the ordinance and the comprehensive plan.
 - e. **Mechanical screening for rooftop units:** Allowing two large mechanical units with dimensions that are similar to a large school bus at a total of 11 feet in height (8 foot tall units on a 3 foot curb) and 40 feet in length on top of roof in Downtown Minneapolis with no screening is unreasonable and would not be in keeping with the spirit and intent of the ordinance and the comprehensive plan. Given the minimal height of the proposed structure, the large mechanical units will be visible from taller buildings as well as from various vantage points on the public street. The precedent of allowing unscreened rooftop mechanical units is unacceptable regardless of whether it is in a downtown setting or in a location outside of downtown.
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.*
- a. **Minimum FAR from 2.0 to .73:** The proposal to allow a building on a full city block that is unable to meet a minimum FAR requirement of 2.0 thus resulting in an underdevelopment of the parcel would have adverse impacts on the essential character of the locality and be injurious to the use and enjoyment of other property in the vicinity as well as detrimental to the health, safety, or welfare of the general public and of those utilizing the property/nearby properties. All other site redevelopments in downtown are subject to these requirements. With significant redevelopment and investment occurring in the broader neighborhood, allowing a redevelopment that is inconsistent with the adopted vision and policies for the area has the potential for significant adverse effects with long term precedent setting concerns.
 - b. **To allow an accessory parking lot to exceed 20 spaces:** The proposal to allow an accessory parking lot (even though it complies with some of the landscaping and screening standards) in the DP Overlay District for the new office building to provide over 8 times the amount of parking at 161 surface parking stalls would have adverse impacts on the essential character of the locality and be injurious to the use and enjoyment of other property in the vicinity as well as detrimental to the health, safety, or welfare of the general public and of those utilizing the property/nearby properties. All other site redevelopments in downtown are subject to these requirements. With significant redevelopment and investment

- occurring in the broader neighborhood, allowing a redevelopment that is inconsistent with the adopted vision and policies for the area has the potential for significant adverse effects with long term precedent setting concerns.
- c. **Parking maximum from 80 spaces to 206 spaces:** The proposal to allow an increase in the maximum number of parking stalls allowed from 80 spaces to 206 spaces, more than 2.5 times the maximum number allowed would have adverse impacts on the essential character of the locality and be injurious to the use and enjoyment of other property in the vicinity as well as detrimental to the health, safety, or welfare of the general public and of those utilizing the property/nearby properties. The proposal is a missed opportunity for the neighborhood and the City by proliferating the underutilization of a downtown property. With significant redevelopment and investment occurring in the broader neighborhood, allowing a redevelopment that is inconsistent with the adopted vision and policies for the area has the potential for significant adverse effects with long term precedent setting concerns.
- d. **Height of wall signs:** The proposal to allow a single wall sign to be installed at a height approximately 65 feet above grade or approximately 37 feet taller than the maximum of 28 feet allowed in the B4N District, would likely not adversely alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity, nor would it be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties. However, given that the development is not supportable, the signage variance is moot.
- e. **Mechanical screening for rooftop units:** The proposal to allow large unscreened mechanical units on the roof of an undersized office building in Downtown Minneapolis would have adverse impacts on the essential character of the locality and be injurious to the use and enjoyment of other property in the vicinity as well as detrimental to the health, safety, or welfare of the general public and of those utilizing the property/nearby properties. Additionally, it is a poor precedent for other developments throughout the City.

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:

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

Building Placement and Design – Requires alternative compliance

- The proposed development is located on a full city block with frontage on four public streets. The proposed building would be located at the corner of 5th Avenue South and 8th Street South, within four feet of the property line along 5th Avenue South, between approximately one and 16 feet from the property line along 8th Street South, approximately 140 feet from the property line along 9th Street South and approximately 217 feet from the property line along Portland Avenue South. Alternative compliance is necessary as the building placement does not reinforce the street wall along all four street frontages. Typically, Staff would support some form of alternative compliance but given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not

supported by Staff and as such Staff would recommend that alternative compliance not be granted.

- The area between the building and lot line along all but the 5th Avenue South includes some combination of landscaping, driveways, drive-aisles and surface parking. Alternative compliance is necessary. Given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted.
- There is one principal entrance to the proposed building located off of 8th Street South and facing the public street. The entrance is recessed approximately 16 feet and despite the direction of the doors is oriented towards the interior of the block and the large surface parking that is proposed on the premises.
- The large on-site accessory parking is not primarily located to the rear or interior of the site. The parking lot has frontage on over half of the block along 8th Street South, the entire block along Portland Avenue South and 9th Street South and over 40% along 5th Avenue South. Alternative compliance is necessary. Staff would recommend that alternative compliance not be granted.
- The proposed building while suburban in its siting, scale and appearance provides architectural detail and contains windows to create visual interest, and increase security of adjacent outdoor spaces.
- There are two blank, uninterrupted walls that exceed 25 feet in length on the proposed development: one on south elevation of the proposed building facing 9th Street South, and one on the east elevation of the building facing Portland Avenue South. Alternative compliance is necessary. Given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted.
- Exterior materials would be durable and as proposed would 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 west elevations.
- The materials and the appearance of the rear and side walls are similar to and compatible with the front of the building.
- No plain face concrete block is proposed.
- The building complies with the window provisions with the exception of the south elevation of the building facing 9th Street South. Alternative compliance is necessary. Given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted. In addition, the windows on the ground floor of the west and south elevations the windows are not even distributed. More than half of the west elevation of the building directly abutting the public sidewalk along 5th Avenue South has spandrel glass windows. All windows are vertical in proportion. Alternative compliance is necessary. Staff would recommend that alternative compliance not be granted for window distribution. See **Table I**.
- The proposal complies with the ground floor active functions provision as storage areas do not exceed 30% of the linear frontage along each street.
- The existing and proposed form and pitch of roof lines within the development would be considered compatible with other buildings in the area as most of the roof lines in the vicinity are flat.
- The parking garage is located entirely below grade.

Table I. Percentage of Windows Required for Elevations Facing a Public Street, Sidewalk, Pathway, or On-Site Parking

	Code Requirement		Proposed	
Nonresidential Uses				
8 th St. S. - 1 st Floor	30%	260 sq. ft.	78%	672 sq. ft.
8 th St. S. – Floors 2-4	10%	86 sq. ft.	>10%	--
5 th Ave. S. – 1 st Floor	30%	458 sq. ft.	40%	607 sq. ft.
5 th Ave. S. – Floors 2-4	10%	153 sq. ft.	>10%	--
Portland Ave. S. – 1 st Floor	30%	458 sq. ft.	66%	1,009 sq. ft.
Portland Ave. S. – Floors 2-4	10%	153 sq. ft.	>10%	--
9 th St. S. – 1 st Floor	30%	260 sq. ft.	20%	176 sq. ft.
9 th St. S. – Floors 2-4	10%	86 sq. ft.	>10%	--

Access and Circulation – Requires alternative compliance

- A well-lit walkway at least 4 feet in width connects the building and the adjacent public sidewalks to some of the on-site parking.
- No transit shelters are included in the development; however, a Metro Transit bus stop is located on the block along 9th Street South and the site is well-served by transit with numerous bus stops and routes accessible within walking distance.
- The proposed development has been somewhat designed to minimize conflicts with pedestrian traffic and surrounding residential uses despite the inclusion of a large surface parking lot. Curb cuts to the site have been reduced.
- There is no public alley adjacent to the site. The site as proposed would have access points off of each street frontage around the perimeter of the block.
- The majority of the site as proposed is covered by a large surface parking lot that is not fully compliant with the landscaping and screening standards required for a parking lot of this size.

Landscaping and Screening – Requires alternative compliance

- The composition and location of landscaped areas somewhat complement the scale of development and surroundings.
- In the Downtown Districts, any building containing 50,000 square feet or more of gross floor area shall be exempt from the general landscaping and screening requirements. The parking and loading landscaping and screening requirement apply, however. The proposal is subject to landscaping and screening requirements around the majority of the site as the parking lot has frontage on all four public streets.
- The required landscaped yard around the perimeter of the site abutting the public streets is 9 feet, and the screening requirement is 3 feet in height and 60% opaque and not less than one tree shall be provided for each 25 linear feet of parking lot frontage.
 - Along 8th Street South, the proposed parking lot would not meet the 9 foot requirement, would not fully meet the screening requirement and would not meet the 25 foot linear tree requirement. Alternative compliance is necessary. Staff would recommend that the Planning Commission not grant alternative compliance given the site’s lack of compliance with zoning requirements and adopted city policies.
 - Along Portland Avenue South, the parking lot would exceed the 9 foot requirement, but would not meet the screening requirement or the 25 foot linear tree requirement. Alternative compliance is necessary. Staff would recommend that the Planning Commission not grant alternative compliance given the site’s lack of compliance with zoning requirements and adopted city policies.

- Along 9th Street South, the parking lot would not meet the 9 foot requirement, would not fully meet the screening requirement or the 25 foot linear tree requirement. Staff would recommend that the Planning Commission not grant alternative compliance given the site’s lack of compliance with zoning requirements and adopted city policies.
- Along 5th Avenue South, the parking lot is meeting the 9 foot requirement, the screening requirement and the 25 foot linear tree requirement.
- Parking facilities are located adjacent to each of the public streets and sidewalks that surround the block. Alternative compliance is necessary. Given the proposed surface parking lot is inconsistent with zoning regulations and adopted city policies, Staff would not recommend that alternative compliance be granted.
- The corners of the on-site parking lot are landscaped but additional screening would need to be included to fully meet the screening requirement as noted above.
- The surface parking lot consists of 161 spaces. There are several parking spaces within the interior of the parking lot that are more than 50 feet from an on-site deciduous tree. Several tree islands are proposed; all appear to be greater than 7 feet in each direction.
- Areas not occupied by the proposed building, parking, driveways, etc., are covered by landscaping.
- The installation and maintenance of all landscape materials shall comply with 530.210

Table 2. Landscaping and Screening Requirements

	Code Requirement	Proposed
Lot Area	N/A	109,730 sq. ft.
Building footprint	N/A	20,180 sq. ft.
Remaining Lot Area	N/A	89,550 sq. ft.
Landscaping Required	N/A	26,910 sq. ft.
Canopy Trees (1: 500 sq. ft.)	N/A	36 trees
Shrubs (1: 100 sq. ft.)	N/A	263 shrubs

Additional Standards – Meets requirements

- The on-site parking lot has been designed to provide on-site retention and filtration of stormwater.
- Staff would not expect the proposal to result in the blocking of views and it would not have impacts on blocking views of important city elements. The proposed structure would be expected to have negligible shadowing impacts on adjacent properties as well as minimal impacts on light, wind and air in relation to the surrounding area as well.
- The proposal appears to comply with standards regarding crime prevention through environmental design including but not limited to surveillance, lighting, space delineation, natural access control, etc.
- The existing structure, proposed to be demolished should the development be approved is not historically designated or located in a historic district or identified as a historic resource.

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

The proposed use of the site for an office use is *permitted* in the B4N District; however, the accompanying surface parking is a conditional use in the DP Overlay District and requires a variance to exceed 20 spaces.

Off-street Parking and Loading – *Requires a variance*

- There is no required parking for the development. The applicant proposes to provide parking that exceeds the maximum amount allowed based on the size of the proposed building. The findings are addressed above.

Table 3. Vehicle Parking Requirements Per Use (Chapter 541)

	Minimum Parking Requirement	Applicable Reductions	Total Minimum Requirement	Maximum Parking Allowed	Proposed
Office	0	N/A	0	80	206
Total	0	N/A	0	80	206

Table 4. Bicycle Parking and Loading Requirements (Chapter 541)

	Minimum Bicycle Parking	Minimum Short-Term	Minimum Long-Term	Proposed	Loading Requirement	Proposed
Office	10	N/A	Not less than 50%	11	1 large	1 large
Total	10	N/A	5	11	1 large	1 large

Building Bulk and Height – *Requires a variance*

- The proposal requires a variance to allow a decrease in the minimum allowable floor area ratio from 2.0 to .73 as addressed above. The height of the building is compliant with the B4N regulations.

Table 5. Building Bulk and Height Requirements

	Code Requirement	Proposed
Lot Area	109,730 sq. ft.	N/A
Gross Floor Area (GFA)	219,460 sq. ft.	80,351 sq. ft.
Minimum Floor Area Ratio (GFA/Lot Area)	2.0	.73
Maximum Building Height	N/A	4 stories or 69 ft.

Yard Requirements – *Not applicable.*

Signs – *Requires a variance.*

- Signs are subject to Chapters 531 and 543 of the Zoning Code. All new signs are required to meet the requirements of Chapter 543 of the Zoning Code. The applicant proposes a total of 4 signs; one freestanding sign and three wall signs. The freestanding sign is proposed along 8th Street South and is 4 feet by 8 feet for a total of 32 square feet. The sign is 4 feet in height and up-lit from ground lighting. The freestanding sign complies with the applicable Zoning Code provisions. Three internally illuminated wall signs are proposed on the building (backlit signs are prohibited): one on the south elevation that is 16 square feet in size and located 14 feet above grade; one on the east elevation that is 16 square feet in size and located 12 feet above grade

and one on the west elevation that is 36 square feet in size and located 65 feet above grade, which requires a variance to exceed the maximum allowable height of 28 feet.

Table 8. Signage Summary

	Number Allowed Per Zoning Lot	Proposed Number	Maximum Size Allocation	Maximum Area Per Sign	Proposed Area	Maximum Allowed Height	Proposed Height
Freestanding	1 per zoning lot	1	1 sq. ft. of signage per 1 sq. ft. of frontage	32 sq. ft.	32 sq. ft.	8 ft.	4 ft.
Total	1	1	330 sq. ft. along 8 th St. S.	32 sq. ft.	32 sq. ft.	8 ft.	4 ft.
Attached	No limit	3	2.5 sq. ft. of signage per 1 ft. of primary building wall	120 sq. ft.	(1) 36 sq. ft. (2) 16 sq. ft.	28 ft.	(1) 65 ft. (1) 16 ft. (1) 14 ft.
Total	N/A	3	478 sq. ft. along 5th Ave. S. and Portland & 270 sq. ft. along 8 th and 9 th St. S.	120 sq. ft.	(1) 36 sq. ft. (2) 16 sq. ft.	28 ft.	(1) 65 ft. (1) 16 ft. (1) 14 ft.

Dumpster Screening – Meets requirements

- Trash is stored within the interior of the building in the parking garage.

Screening of Mechanical Equipment – Requires a variance

- The applicant proposes to install two large mechanical units on the roof of the proposed building with no screening. The findings are addressed above.

Lighting – Meets requirements

- The applicant is proposing pole mounted light fixtures within the parking lot but no additional fixture information was provided. A photometric plan was not submitted as part of the application but would be required should the project be approved. All lighting would need to be downcast and shielded to avoid undue glare. All lighting would need to comply with Chapters 535 and 541 and Planning Staff would need to review the details of the fixtures in the final review prior to permit issuance.

Impervious Surface Area – Not applicable

Specific Development Standards – Not applicable

DP Overlay District Standards – Requires a conditional use permit and variance.

- The DP Overlay District was put in place to restrict the establishment or expansion of surface parking lots and establishing certain minimum and maximum off-street parking standards in the downtown area. Prohibited uses include commercial parking lots, including the expansion of any existing commercial parking lot and the conversion of any accessory parking lot to a commercial parking lot. The applicant is not proposing a commercial parking lot.
- Accessory parking lots may be allowed as a conditional use but the parking lot must be located on the same zoning lot as the principal use served and the number of parking spaces shall not exceed 20 spaces. The applicant has applied for a conditional use permit to establish an accessory surface parking lot as well as a variance to exceed 20 spaces.

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

See the above listed response to finding #5 in the conditional use permit application to allow parking in the DP Overlay District. The policies and implementation steps apply to the site plan review application as well.

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

See the above listed response to finding #5 in the conditional use permit application to allow parking in the DP Overlay District. The policies outlined in the *Elliot Park Neighborhood Master Plan* and the *Downtown East/North Loop Master Plan* apply to the site plan review application as well.

5. Alternative compliance.

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

- **Building placement.** The proposed development is located on a full city block with frontage on four public streets. The proposed building would be located at the corner of 5th Avenue South and 8th Street South, within four feet of the property line along 5th Avenue South, between approximately one and 16 feet from the property line along 8th Street South, approximately 140 feet from the property line along 9th Street South and approximately 217 feet from the property line along Portland Avenue South. Alternative compliance is necessary as the building placement does not reinforce the street wall along all four street frontages. Typically, Staff would support some form of alternative compliance but given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted.
- **Area between the building and lot lines.** The area between the building and lot line along all but the 5th Avenue South includes some combination of landscaping, driveways, drive-aisles and surface parking. Alternative compliance is necessary. Given all of the application requests and the fact that no phased development is planned for the remainder of the block, the

development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted.

- **Parking lot located to the rear or interior of the site.** The large on-site accessory parking is not primarily located to the rear or interior of the site. The parking lot has frontage on over half of the block along 8th Street South, the entire block along Portland Avenue South and 9th Street South and over 40% along 5th Avenue South. Alternative compliance is necessary. Staff would recommend that alternative compliance not be granted.
- **Blank wall provision.** There are two blank, uninterrupted walls that exceed 25 feet in length on the proposed development: one on south elevation of the proposed building facing 9th Street South, and one on the east elevation of the building facing Portland Avenue South. Alternative compliance is necessary. Given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted.
- **Window requirements - % and even distribution.** The building complies with the window provisions with the exception of the south elevation of the building facing 9th Street South. Alternative compliance is necessary. Given all of the application requests and the fact that no phased development is planned for the remainder of the block, the development as proposed is not supported by Staff and as such Staff would recommend that alternative compliance not be granted. In addition, the windows on the ground floor of the west and south elevations the windows are not even distributed. More than half of the west elevation of the building directly abutting the public sidewalk along 5th Avenue South has spandrel glass windows. All windows are vertical in proportion. Alternative compliance is necessary. Staff would recommend that alternative compliance not be granted for window distribution. See Table I.
- **Required landscaping yard and screening.** The required landscaped yard around the perimeter of the site abutting the public streets is 9 feet, and the screening requirement is 3 feet in height and 60% opaque and not less than one tree shall be provided for each 25 linear feet of parking lot frontage.
 - Along 8th Street South, the proposed parking lot would not meet the 9 foot requirement, would not fully meet the screening requirement and would not meet the 25 foot linear tree requirement. Alternative compliance is necessary. Staff would recommend that the Planning Commission not grant alternative compliance given the site's lack of compliance with zoning requirements and adopted city policies.
 - Along Portland Avenue South, the parking lot would exceed the 9 foot requirement, but would not meet the screening requirement or the 25 foot linear tree requirement. Alternative compliance is necessary. Staff would recommend that the Planning Commission not grant alternative compliance given the site's lack of compliance with zoning requirements and adopted city policies.
 - Along 9th Street South, the parking lot would not meet the 9 foot requirement, would not fully meet the screening requirement or the 25 foot linear tree requirement. Staff would recommend that the Planning Commission not grant alternative compliance given the site's lack of compliance with zoning requirements and adopted city policies.
- **Parking lot fronting on public streets/sidewalks.** Parking facilities are located adjacent to each of the public streets and sidewalks that surround the block. Alternative compliance is necessary. Given the proposed surface parking lot is inconsistent with zoning regulations and adopted city policies, Staff would not recommend that alternative compliance be granted.

PRELIMINARY/FINAL PLAT – PL-285

The Department of Community Planning and Economic Development has analyzed the application for a Preliminary and Final Plat based on the following findings:

1. *The subdivision is in conformance with these land subdivision regulations, the applicable regulations of the zoning ordinance and policies of the comprehensive plan.*

Subdivision Regulations:

The applicant is proposing to consolidate several existing platted lots into three lots for the proposed development (Lot 1: 56,500 square feet, Lot 2: 31,289 square feet, and Lot 3: 21,832 square feet). The subdivision is in conformance with the design requirements of the land subdivision regulations.

Zoning Ordinance:

The proposed use of the site for an office use is permitted in the B4N District; however, the accompanying surface parking is a conditional use in the DP Overlay District and requires a variance to exceed 20 spaces. In addition, there are several other variances that accompany the request indicating the proposal's inconsistency with the Zoning Code.

Comprehensive Plan:

See the above listed response to finding #5 in the conditional use permit application to allow parking in the DP Overlay District. The policies and implementation steps apply to the subdivision application as well, indicating the proposal's inconsistency with the Comprehensive Plan.

Due to the fact that Staff is not supporting the overall development proposal, Staff is also not supporting the plat. If the project were to be approved as proposed, the plat could also be approved as it complies with the applicable standards of the land subdivision regulations.

2. *The subdivision will not be injurious to the use and enjoyment of other property in the immediate vicinity, nor be detrimental to present and potential surrounding land uses, nor add substantially to congestion in the public streets.*

The applicant is proposing to consolidate several existing platted lots into three new lots on a full city block. The proposed plat would not be injurious to the use and enjoyment of surrounding property, nor would it be detrimental to present and potential surrounding land uses, nor add substantially to congestion in the public streets.

3. *All land intended for building sites can be used safely without endangering the residents or users of the subdivision or the surrounding area because of flooding, erosion, high water table, soil conditions, improper drainage, steep slopes, rock formations, utility easements or other hazard.*

The site does not present the above hazards.

4. *The lot arrangement is such that there will be no foreseeable difficulties, for reasons of topography or other conditions, in securing building permits and in providing driveway access to buildings on such lots from an approved street. Each lot created through subdivision is suitable in its natural state for the proposed use with minimal alteration.*

The parcels created by this application present no foreseeable difficulties for this development. No significant alterations to the land appear necessary.

- The subdivision makes adequate provision for stormwater runoff, and temporary and permanent erosion control in accordance with the rules, regulations and standards of the city engineer and the requirements of these land subdivision regulations. To the extent practicable, the amount of stormwater runoff from the site after development will not exceed the amount occurring prior to development.*

A Stormwater Management Plan has been submitted to Public Works for review. Public Works shall review and approve all drainage and sanitary system plans before building permits are issued.

RECOMMENDATIONS

Recommendation of the Department of Community Planning and Economic Development for the Conditional Use Permit:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the application for a conditional use permit to allow parking in the DP Overlay District on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Variance:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the application for a variance to allow a reduction in the minimum FAR requirement in the B4N District from 2.0 to .73 on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Variance:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the application for a variance to allow an accessory parking lot to exceed 20 spaces in the DP Overlay District on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Variance:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the application for a variance of the parking maximum based on the gross square footage of the proposed building from 80 to 206 spaces on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Variance:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the application for a variance to allow one wall sign to exceed the maximum height permitted in the B4N District of 28 feet on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Variance:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the application for a variance of the mechanical screening requirement for rooftop mechanical units on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Site Plan Review:

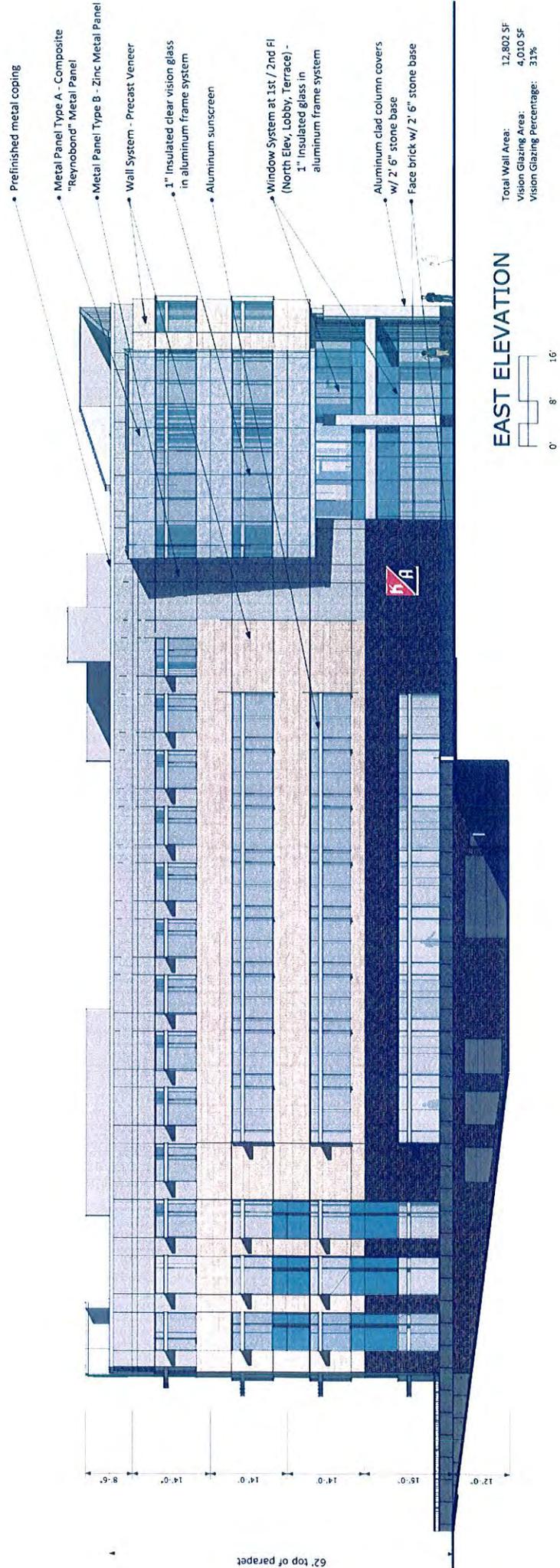
The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the site plan review application to allow for the construction of a new 4-story, approximately 80,000 square foot office building with 161 surface parking stalls on the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

Recommendation of the Department of Community Planning and Economic Development for the Preliminary and Final Plat:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **deny** the Preliminary and Final Plat application for the properties located at 501, 507, 515 and 523 8th St. S., 502 and 518 9th St. S., and 811 5th Ave. S.

ATTACHMENTS

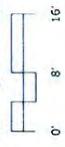
1. PDR report
2. Written description and findings submitted by applicant
3. Correspondence
4. Zoning map
5. Site survey
6. Plans – plat, site, construction plans, floor plans
7. Building elevations
8. Renderings
9. Photos



- Prefinished metal coping
- Metal Panel Type A - Composite "Reynobond" Metal Panel
- Metal Panel Type B - Zinc Metal Panel
- Wall System - Precast Veneer
- 1" Insulated clear vision glass in aluminum frame system
- Aluminum sunscreens
- Window System at 1st / 2nd Fl (North Elev, Lobby, Terrace) - 1" insulated glass in aluminum frame system
- Aluminum clad column covers w/ 2' 6" stone base
- Face brick w/ 2' 6" stone base

EAST ELEVATION

Total Wall Area: 12,802 SF
 Vision Glazing Area: 4,010 SF
 Vision Glazing Percentage: 31%



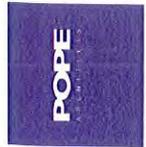
ELEVATIONS

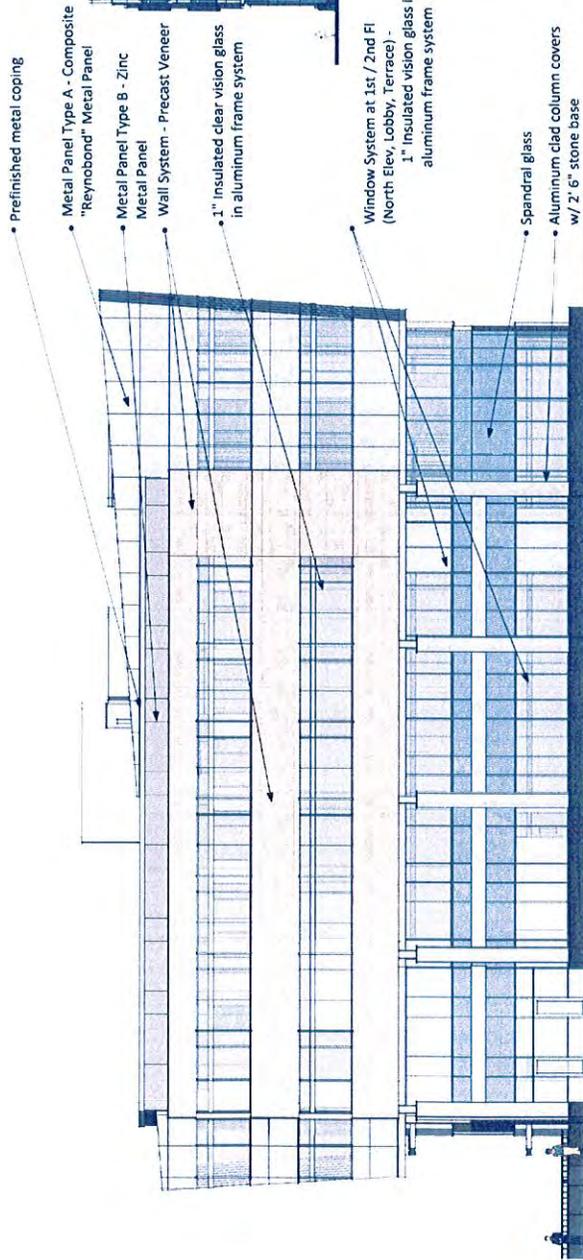
Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Re-Submittal

8-14-14 | COMM# 41100-131.84





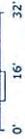
NORTH ELEVATION

Total Wall Area: 7,164 SF
 Vision Glazing Area: 3,040 SF
 Vision Glazing Percentage: 42%



WEST ELEVATION

Total Wall Area: 12,210 SF
 Vision Glazing Area: 4,652 SF
 Vision Glazing Percentage: 38%



SOUTH ELEVATION

Total Wall Area: 7,162 SF
 Vision Glazing Area: 2,026 SF
 Vision Glazing Percentage: 28%



ELEVATIONS

Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Re-Submittal

8-14-14 | COMM# 41100-13184

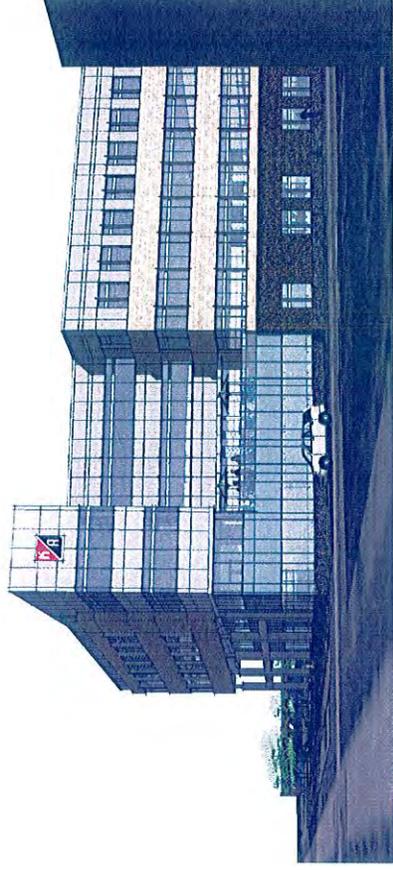


KRAUS-ANDERSON®

POPE



VIEW LOOKING NORTH ON 5TH AVE



VIEW LOOKING EAST ON 8TH ST



VIEW OF FRONT ENTRY / LOBBY



AERIAL VIEW FROM NORTHEAST



Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Submittal

7-15-14 | COMM# 41100-13184



KRAUS-ANDERSON®



CONTEXT STREET VIEW IMAGE 1

Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Submittal

7-15-14 | COMM# 41100-13184



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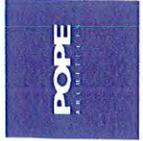
CONTEXT STREET VIEW IMAGE 2

Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Submittal

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CONTEXT STREET VIEW IMAGE 3

Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

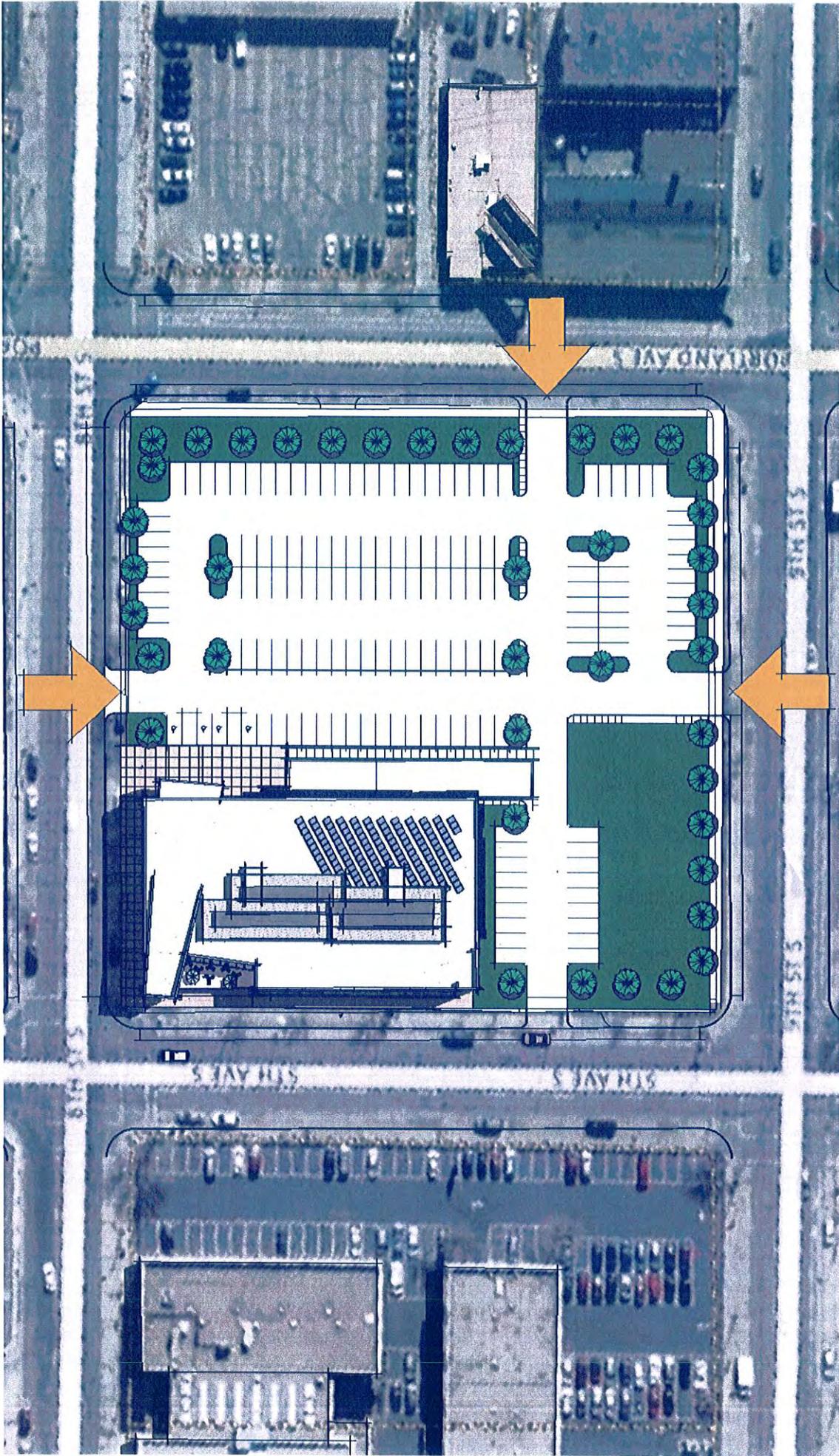
CPED Re-Submittal

8-14-14 | COMM# 41100-13184

POPE



KRAUS-ANDERSON®



Kraus-Anderson Development - Phase One

CPED Submittal - 15 July, 2014

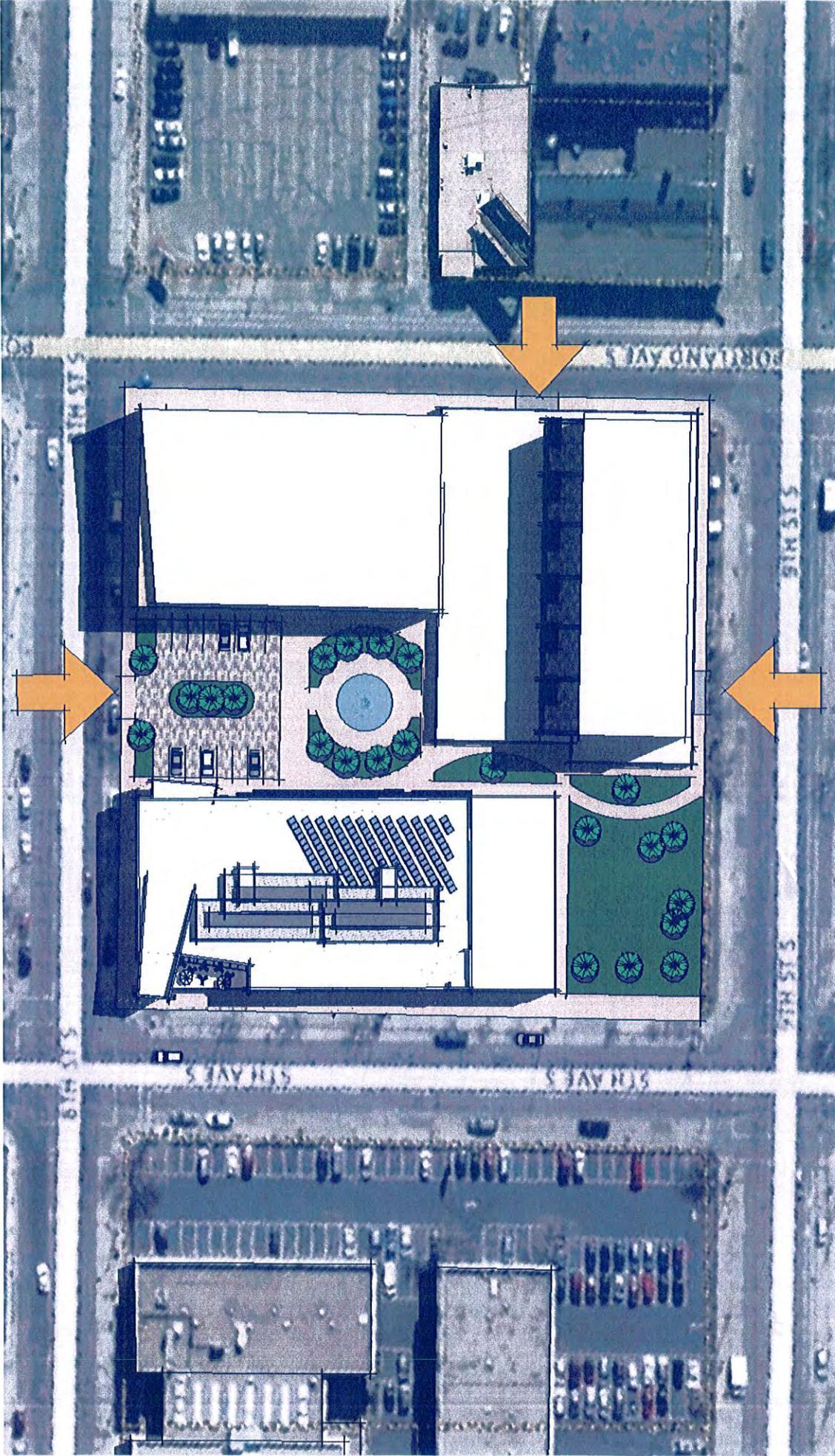
Kraus-Anderson Headquarters 80,000 SF
 161 at grade spaces
 45 underground spaces

Associated Parking

Total Parking 206 spaces

FAR Required = 2.0
 FAR Provided = .73



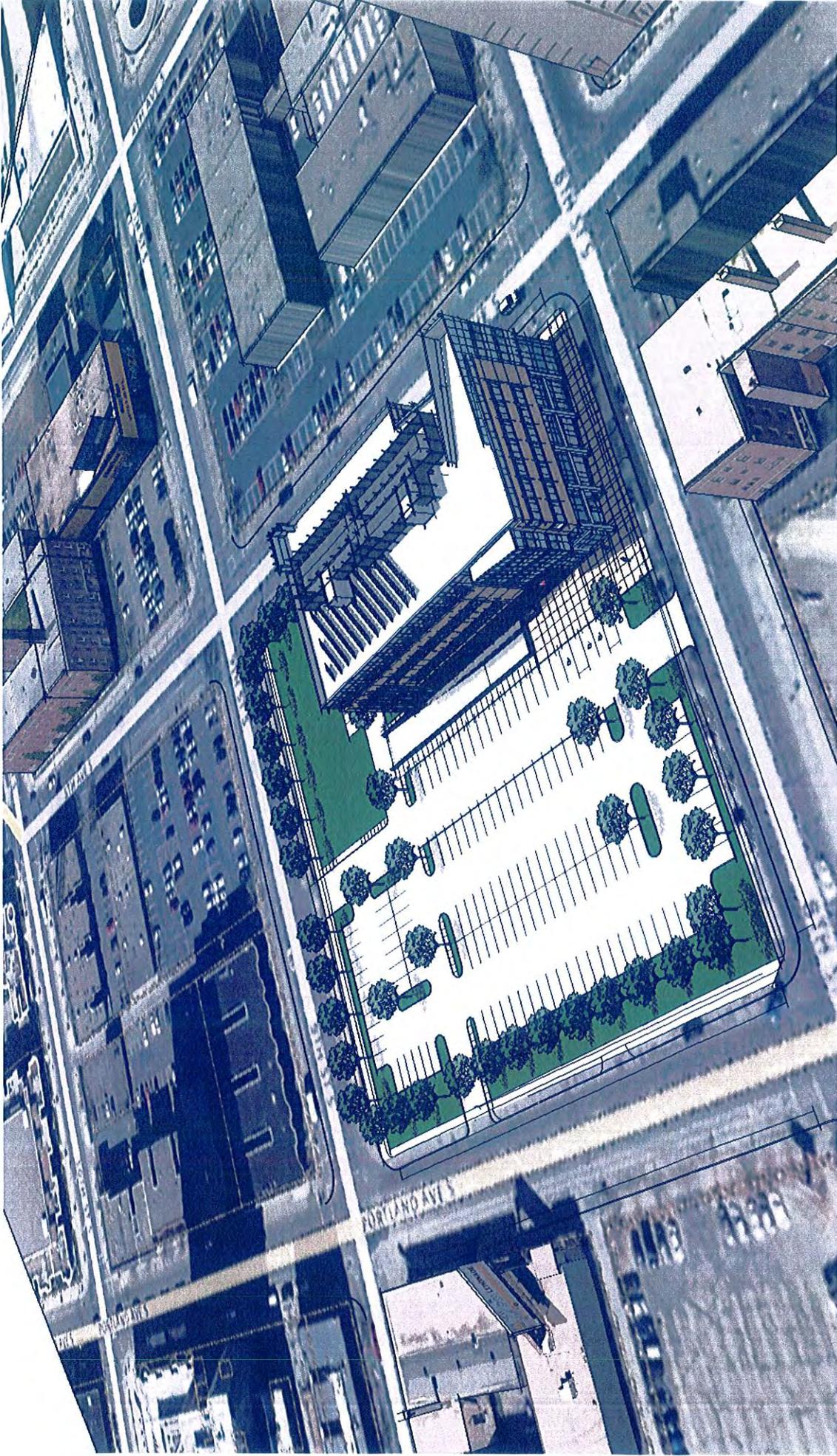


Scale: 1" = 80'-0"

Kraus-Anderson Development - Future Phases

CPED Submittal - 15 July, 2014

Kraus-Anderson Headquarters	100,000 SF
Associated Parking	160 underground spaces (1.6 per 1000 SF)
General Office	100,000 SF
Associated Parking	100 underground spaces (1 per 1000 SF)
Retail/Mixed Use	10,000 SF
Associated Parking	50 at grade enclosed spaces (4 per 1000 SF)
(100) Residential Units	134,000 SF
Associated Parking	160 underground spaces (1.6 per unit)
FAR Required = 2.0	FAR Provided = 3.13

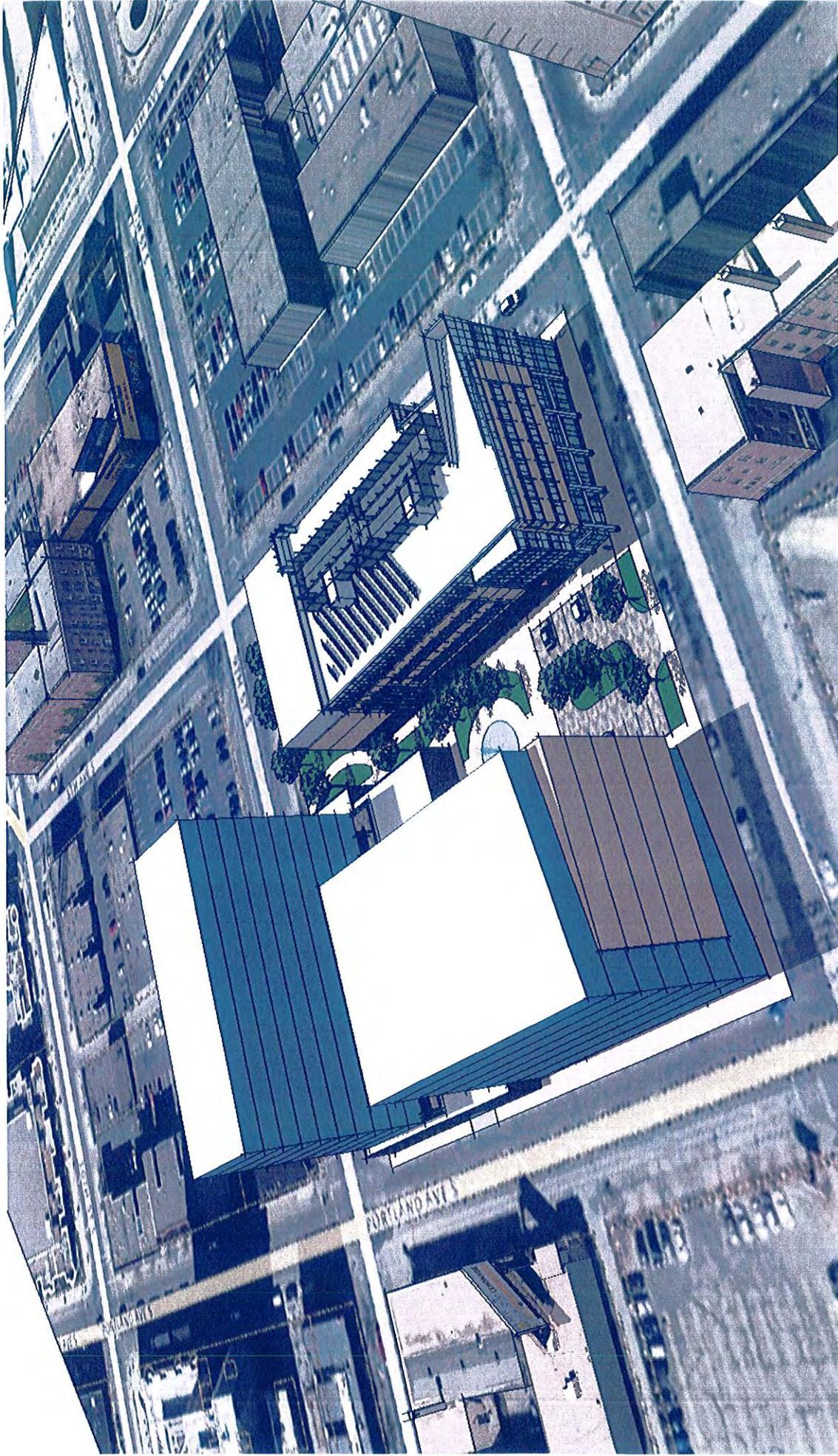


Kraus-Anderson Development - Phase One

CPED Submittal - 15 July, 2014

Kraus-Anderson Headquarters 80,000 SF
Associated Parking 159 at grade spaces
48 underground spaces
Total Parking 207 spaces

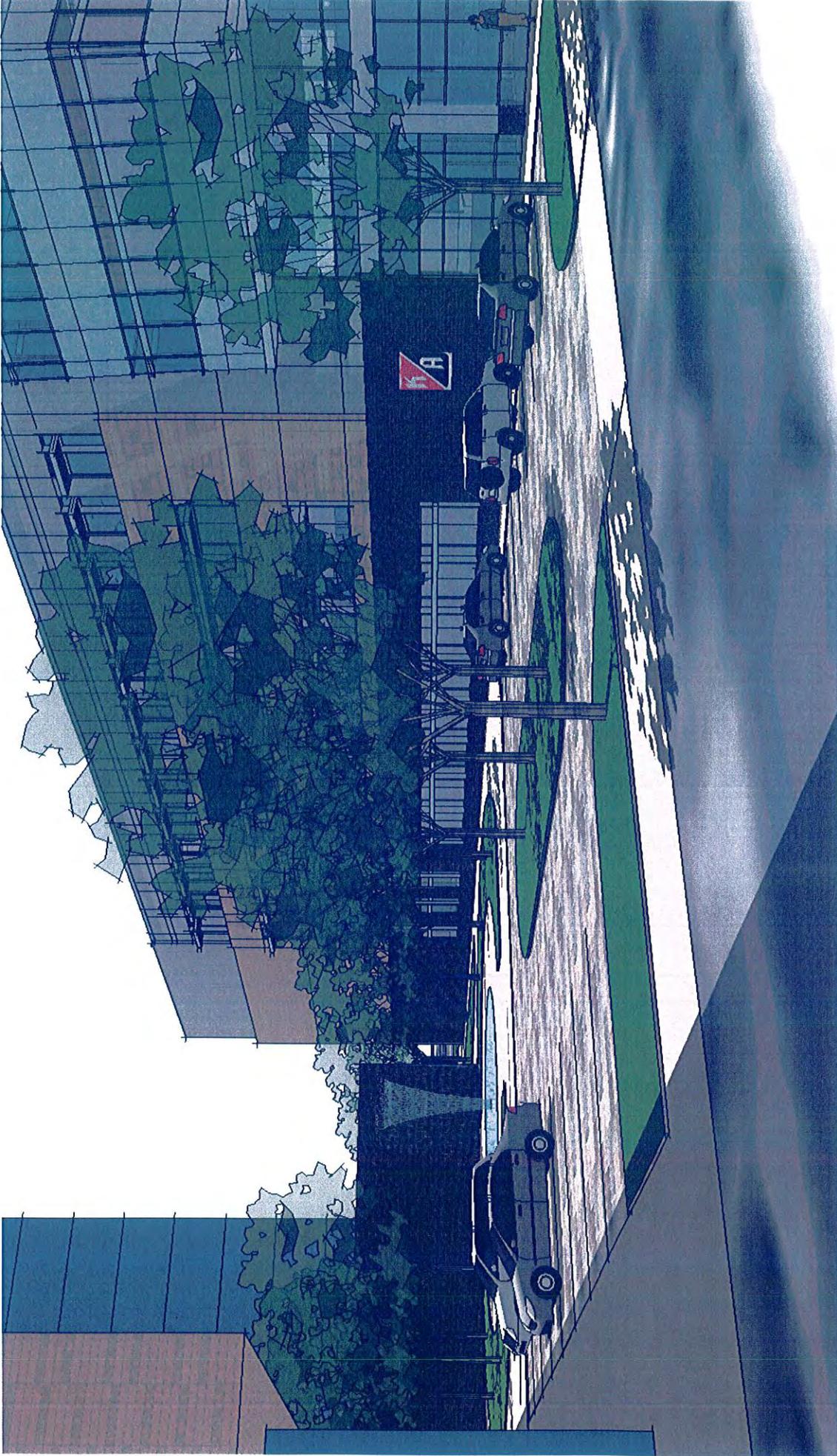
FAR Required = 2.0 FAR Provided = .73



Kraus-Anderson Development - Future Phases

CPED Submittal - 15 July, 2014

Kraus-Anderson Headquarters	100,000 SF
<i>Associated Parking</i>	<i>160 underground spaces (1.6 per 1000 SF)</i>
General Office	100,000 SF
<i>Associated Parking</i>	<i>100 underground spaces (1 per 1000 SF)</i>
Retail/Mixed Use	10,000 SF
<i>Associated Parking</i>	<i>50 at grade enclosed spaces (4 per 1000 SF)</i>
(100) Residential Units	134,000 SF
<i>Associated Parking</i>	<i>160 underground spaces (1.6 per unit)</i>
FAR Required = 2.0	FAR Provided = 3.13



Kraus-Anderson Development - Entry Plaza

CPED Submittal - 15 July, 2014



Kraus-Anderson Development - Entry Plaza

CPED Submittal - 15 July, 2014



Kraus-Anderson Development - Image Perspective From Corner of 8th Street & 5th Avenue

CPED Submittal - 15 July, 2014



AERIAL VIEW



Kraus-Anderson Downtown Office

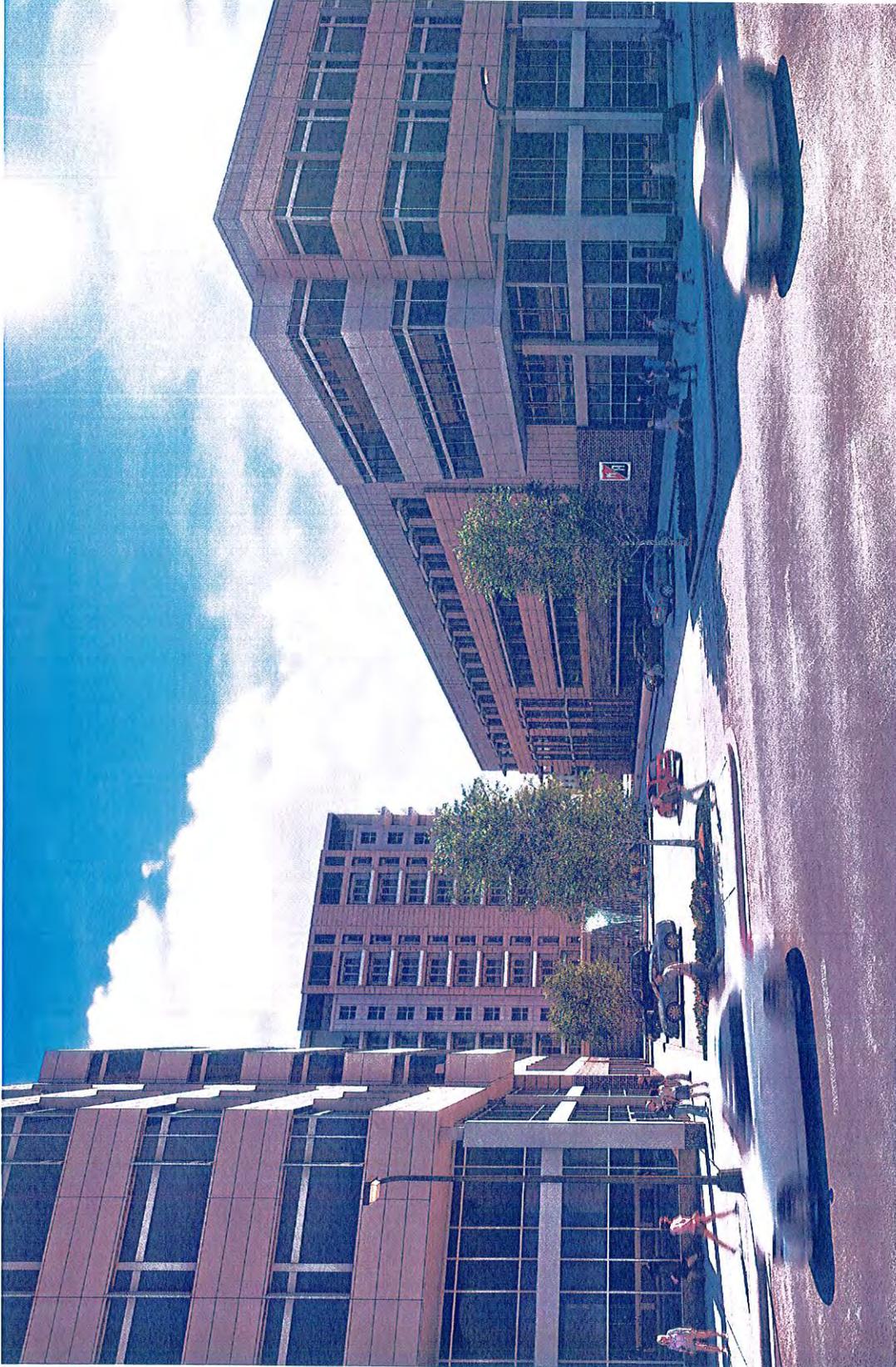
525 S. 8TH STREET, MINNEAPOLIS, MN

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8-14-14 | COMM# 41100-13184



KRAUS-ANDERSON®



STREET VIEW



Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Re-Submittal

8-14-14 | COMM# 41100-13184



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STREET VIEW

Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Re-Submittal

8-14-14 | COMM# 41100-13184





VIEW FROM CORNER OF 5TH AVE S. & 9TH ST. S.



VIEW FROM CORNER OF PORTLAND AVE. & 8TH ST. S.



VIEW FROM CORNER OF 8TH ST. S. & 5TH AVE. S.



VIEW FROM CORNER OF PORTLAND AVE. & 9TH ST. S.

CURRENT VIEWS



Kraus-Anderson Downtown Office

525 S. 8TH STREET, MINNEAPOLIS, MN

CPED Submittal

7-15-14 | COMM# 41100-13184



PRELIMINARY PLAT OF KRAUS ANDERSON ADDITION

EXISTING LEGAL DESCRIPTION:
 Lot 1, Block 5 of Mattisons Third Addition to Minneapolis, together with the Northeasterly One-Half of the vacated alley adjacent thereto which lies between the Southwesterly extensions of the side lot lines of said Lot 1.

and

Lot 2, Block 5, "Mattisons Third Addition to Minneapolis," together with that portion of the vacated alley lying Northeasterly of the center line of said alley and between extensions Southwesterly of the Northwesterly and Southeasterly side lines of said Lot 2.

and

Lots 7, 8, 9, 11 and 12, Block 5, "Mattisons Third Addition to Minneapolis."

and

All of the vacated alley in Block 5, "Mattisons Third Addition to Minneapolis," except the 3 following described parts:

The Northeasterly One-Half of the vacated alley adjacent to Lot 1, said Block, which lies between the Southwesterly extensions of the side lot lines of said Lot 1.

That portion of the vacated alley in said Block lying Northeasterly of the center line of said vacated alley and between the extensions Southwesterly of the Northwesterly and Southeasterly lines of Lot 2, said Block.

That part of the Northwesterly Half of the vacated alley abutting Lot 10, said Block, which lies between the Southwesterly extensions of the Northwesterly line and the Southwesterly line of said Lot.

and

Lot 10, Block 5, Mattisons Third Addition to Minneapolis.

and

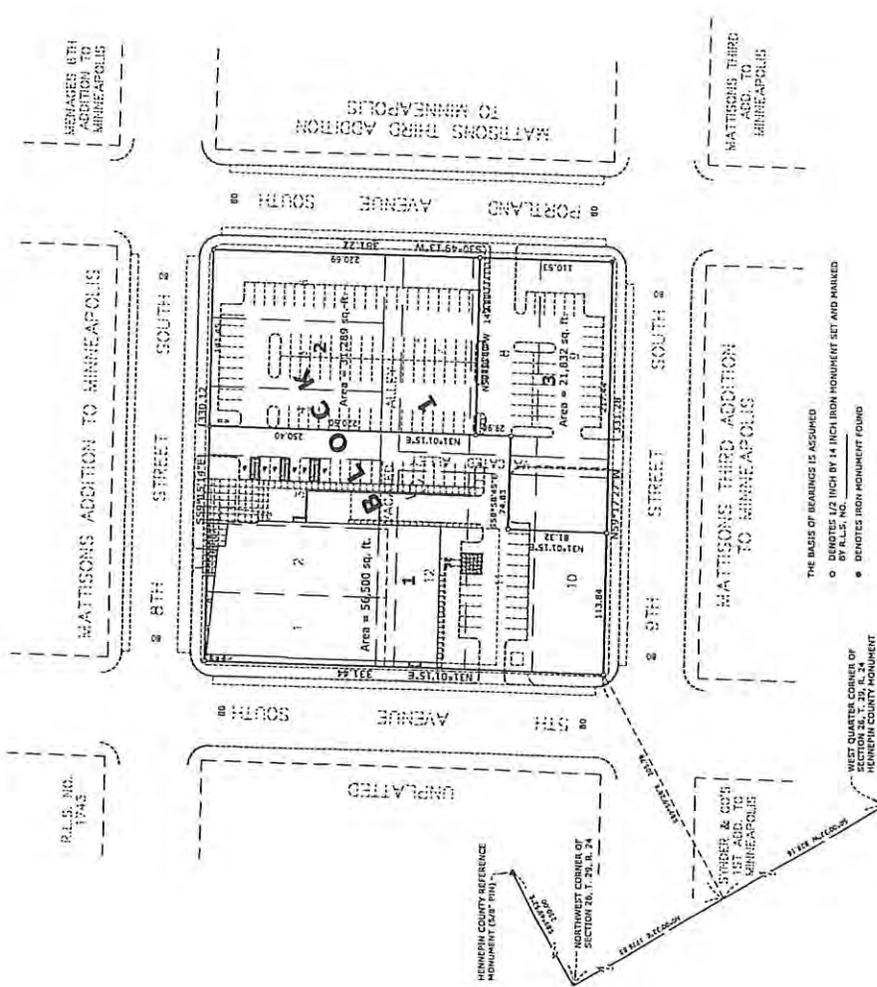
That part of the vacated alley dedicated in Block 5 of the plat of Mattisons Third Addition to Minneapolis, which lies Northwesterly of the centerline thereof, and between the Southwesterly extensions of the Northwesterly and Southwesterly lines of Lot 10, said Block and Addition.

and

Lots 3, 4, 5 and 6, Block 5, "Mattisons Third Addition of Minneapolis," but not including any part of the vacated alley in said Block 5.

PROPOSED LEGAL DESCRIPTION:

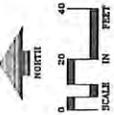
Lots 1, 2 and 3, Block 1, Kraus Anderson Addition, Hennepin County, Minnesota.



THE BASIS OF BEARINGS IS ASSUMED
 O DENOTES 1/2 INCH BY 14 INCH IRON MONUMENT SET AND MARKED BY A.L.S. NO. _____
 ● DENOTES IRON MONUMENT FOUND

WEST QUARTER CORNER OF SECTION 26, T. 25, R. 24 HENNEPIN COUNTY MONUMENT (NAG MAN)

CALL BEFORE YOU DIG
Gopher State One Call
 1-800-4-A-SHIELD
 1-800-4-ASHIELD



POPE ARCHITECTS
 1295 BANCROFT AVENUE
 ST. PAUL, MN 55102-2707
 (651) 642-2000 | FAX (651) 642-1100
 www.popearch.com

KRAUS-ANDERSON
 KRAUS ANDERSON
 DOWNTOWN OFFICE
 523 S. 8th STREET
 MINNEAPOLIS, MN

CPED SUBMITTAL
 PACKAGE
 7-15-2014

JULIUS ASSOCIATES
 1000 Hennepin Avenue, Suite 1000
 Minneapolis, MN 55402
 (612) 338-1100
 www.juliusassociates.com

DATE:	7/15/2014
PROJECT:	523 S. 8th Street
CLIENT:	Kraus Anderson
SCALE:	AS SHOWN
DRAWN BY:	JULIUS ASSOCIATES
CHECKED BY:	JULIUS ASSOCIATES
DATE:	7/15/2014

GRADING PLAN

DATE: 7/15/2014
 DRAWN BY: JULIUS ASSOCIATES
 CHECKED BY: JULIUS ASSOCIATES
 SCALE: AS SHOWN

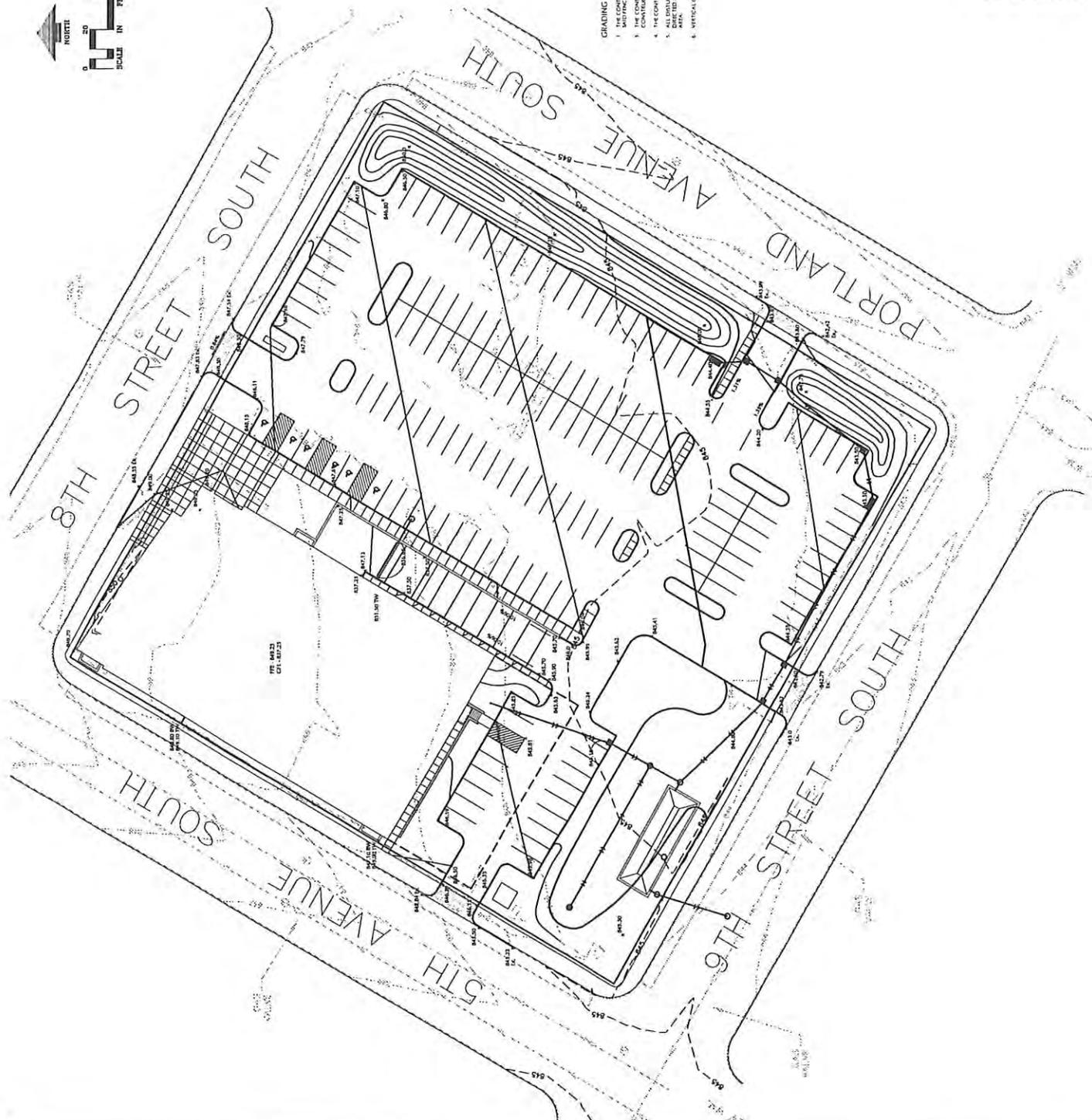
C3-1

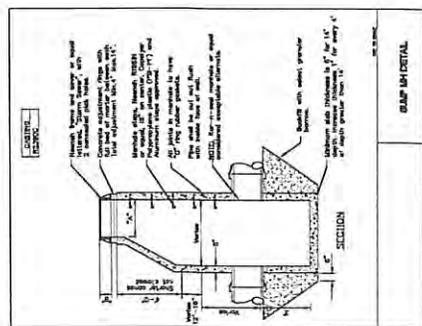
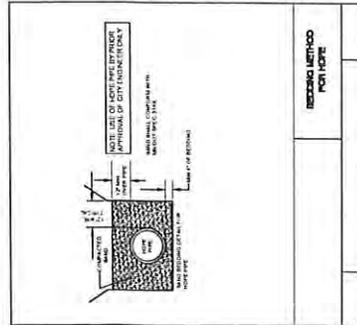
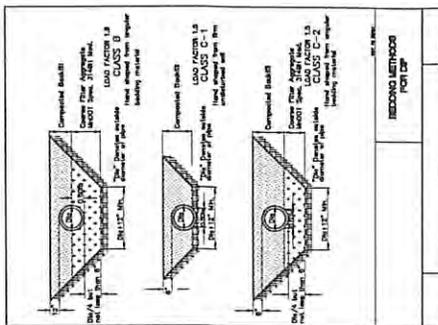
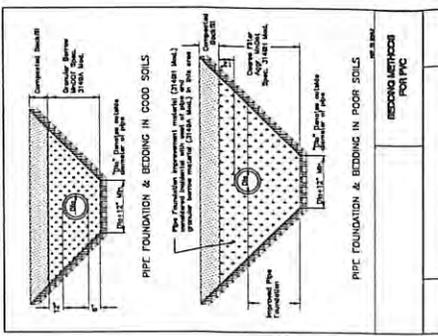
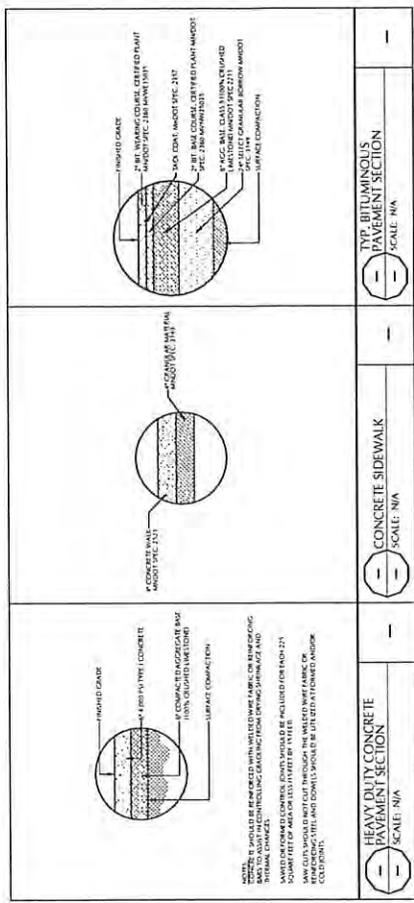
SYMBOL	DESCRIPTION
(Symbol)	EXISTING GRADE
(Symbol)	PROPOSED GRADE
(Symbol)	PROPOSED FINISH GRADE
(Symbol)	PROPOSED FINISH GRADE WITH 1% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 2% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 3% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 4% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 5% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 6% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 7% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 8% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 9% SLOPE
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(Symbol)	PROPOSED FINISH GRADE WITH 98% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 99% SLOPE
(Symbol)	PROPOSED FINISH GRADE WITH 100% SLOPE

GRADING & EROSION CONTROL NOTES

- THE CONTRACTOR SHALL VERIFY ALL EXISTING AND PROPOSED GRADING, UTILITIES AND SHALL MAINTAIN ALL EXISTING UTILITIES. THE CONTRACTOR SHALL COORDINATE WITH ALL UTILITY COMPANIES IN MAINTAINING THEIR SERVICE AND OF RELOCATION OF LINES.
- THE CONTRACTOR SHALL VERIFY HIS OPERATIONS TO WITHIN THE DISTURBED AREA AT ANY GIVEN TIME.
- ALL DISTURBED NON-WATER AREAS SHALL BE RESEED WITH A MINIMUM OF 4" TOP SOIL AND SEED SOLO AS SPECIFIED BY THE PLAN. SEEDS TO BE USED SHALL BE OF THE GRADE AND SPECIES OF THE DISTURBED AREA.
- MINIMAL GRADING TOLERANCE SHALL BE WITHIN 0.2 FEET OF THE CITY APPROVED GRADING PLAN.

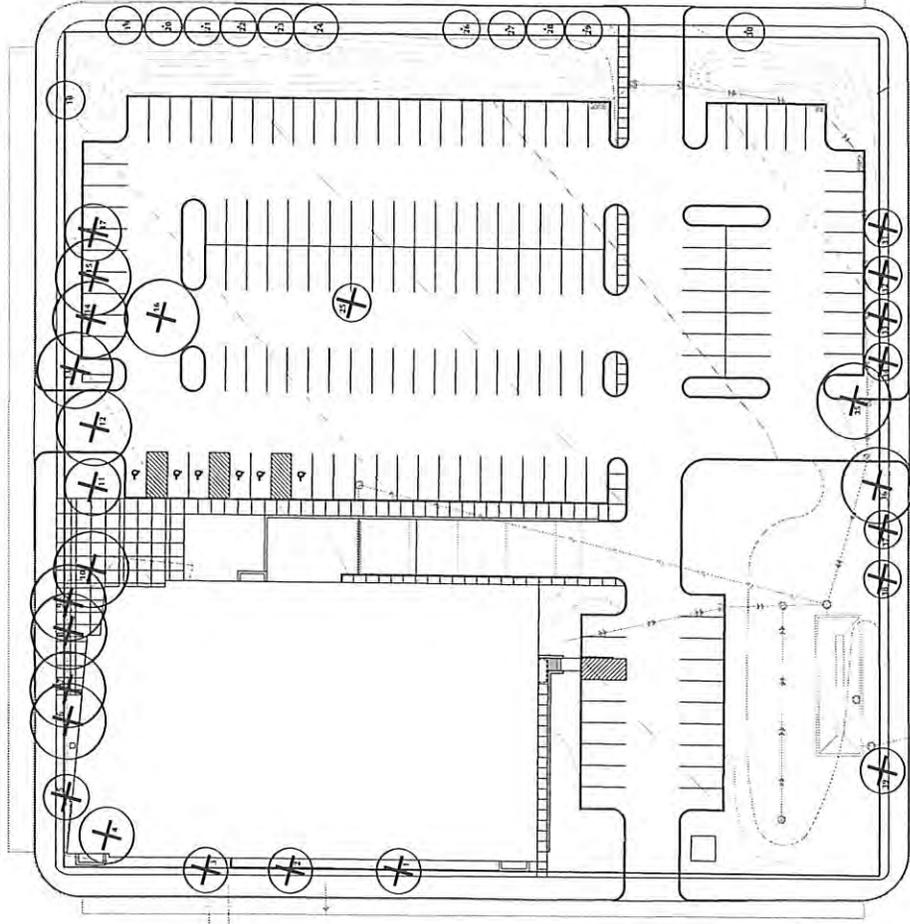
WARNING:
 THE CONTRACTOR SHALL BE RESPONSIBLE FOR CALLING FOR LOCATIONS OF ALL EXISTING UTILITIES. THEY SHALL COORDINATE WITH ALL UTILITY COMPANIES IN MAINTAINING THEIR SERVICE AND OF RELOCATION OF LINES.
 THE CONTRACTOR SHALL CONTACT Gopher State One Call at 811-414-6802 FOR ALL EXISTING UTILITIES. THE CONTRACTOR SHALL VERIFY THE LOCATION OF ALL UTILITIES, WIRES, CABLES, CONDUITS, PIPES, MANHOLES, VALVES OR OTHER BURIED STRUCTURES BEFORE DIGGING. THE CONTRACTOR SHALL REPAIR OR REPLACE ANY UTILITIES WHICH ARE DAMAGED DURING CONSTRUCTION AT HIS OWN TO THE OWNER.





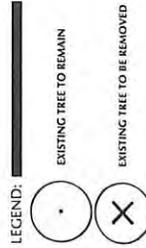
LANDSCAPE PLAN:

8TH STREET SOUTH



TREE INVENTORY LIST			
NUMBER	SIZE (DBH)	SPECIES	STATUS
1	8	ASH	REMOVED
2	8	ASH	REMOVED
3	8	ASH	REMOVED
4	10	ASH	REMOVED
5	6	HONEYLOCUST	REMOVED
6	14	HONEYLOCUST	REMOVED
7	18	HONEYLOCUST	REMOVED
8	14	HONEYLOCUST	REMOVED
9	16	ASH	REMOVED
10	20	ASH	REMOVED
11	10	ASH	REMOVED
12	22	ASH	REMOVED
13	26	ASH	REMOVED
14	24	ASH	REMOVED
15	24	ASH	REMOVED
16	20	GINKGO	REMOVED
17	10	CRABAPPLE	REMOVED
18	7	CRABAPPLE	SAVED
19	6	ASH	SAVED
20	5	ELM	SAVED
21	6	ELM	SAVED
22	6	ASH	SAVED
23	4	ELM	SAVED
24	8	ASH	SAVED
25	4	ASH	REMOVED
26	6	ASH	SAVED
27	6	ASH	SAVED
28	6	ASH	SAVED
29	6	LINDEN	SAVED
30	6	ASH	SAVED
31	6	HACKBERRY	REMOVED
32	5	LINDEN	REMOVED
33	5	LINDEN	REMOVED
34	7	HACKBERRY	REMOVED
35	24	HONEYLOCUST	REMOVED
36	16	ASH	REMOVED
37	4	ELM	REMOVED
38	6	LINDEN	REMOVED
39	8	ASH	REMOVED

TREE CALCULATIONS:
 TREE NUMBER OF TREES ON SITE - 39
 NUMBER OF TREES REMOVED - 27
 NUMBER OF TREES SAVED - 12



9TH STREET SOUTH

5TH AVENUE SOUTH

TREE INVENTORY PLAN

Sheet No.	13-553
Date	7/1
Drawn by	J.J.
Checked by	J.J.
Scale	AS SHOWN

L2-1

POPE
ARCHITECTS

POPE ARCHITECTS
 1395 BANGOR AVENUE, SUITE
 ST. PAUL, MN 55108
 (651) 442-2500 | FAX (651) 442-
 www.popearch.com

KRAUS-ANDERSC

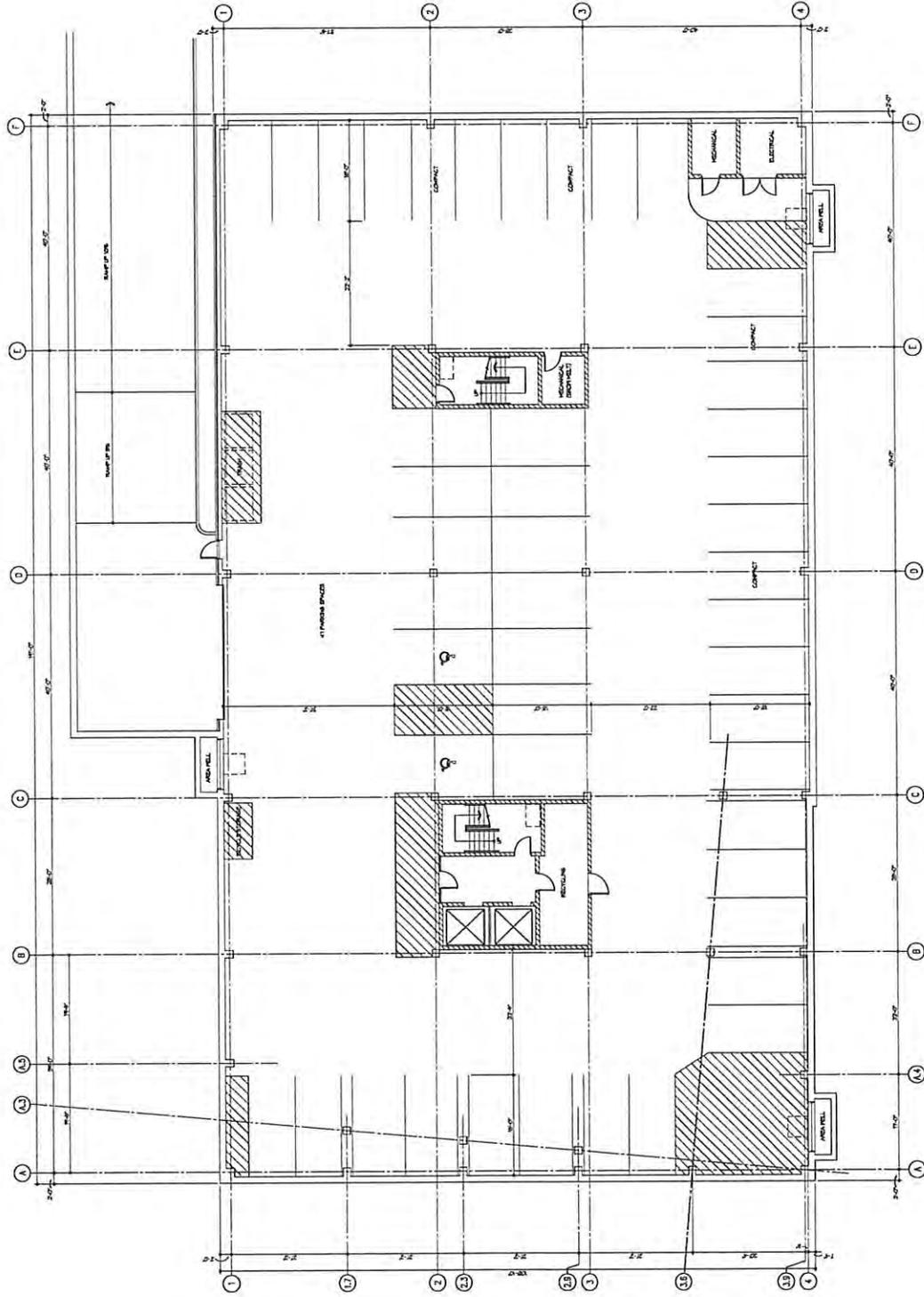
KRAUS ANDERSC
 DOWNTOWN OFFICE
 525 S. 8th STREET
 MINNEAPOLIS, MN

CPED
 RESUBMISSION
 8-14-2014

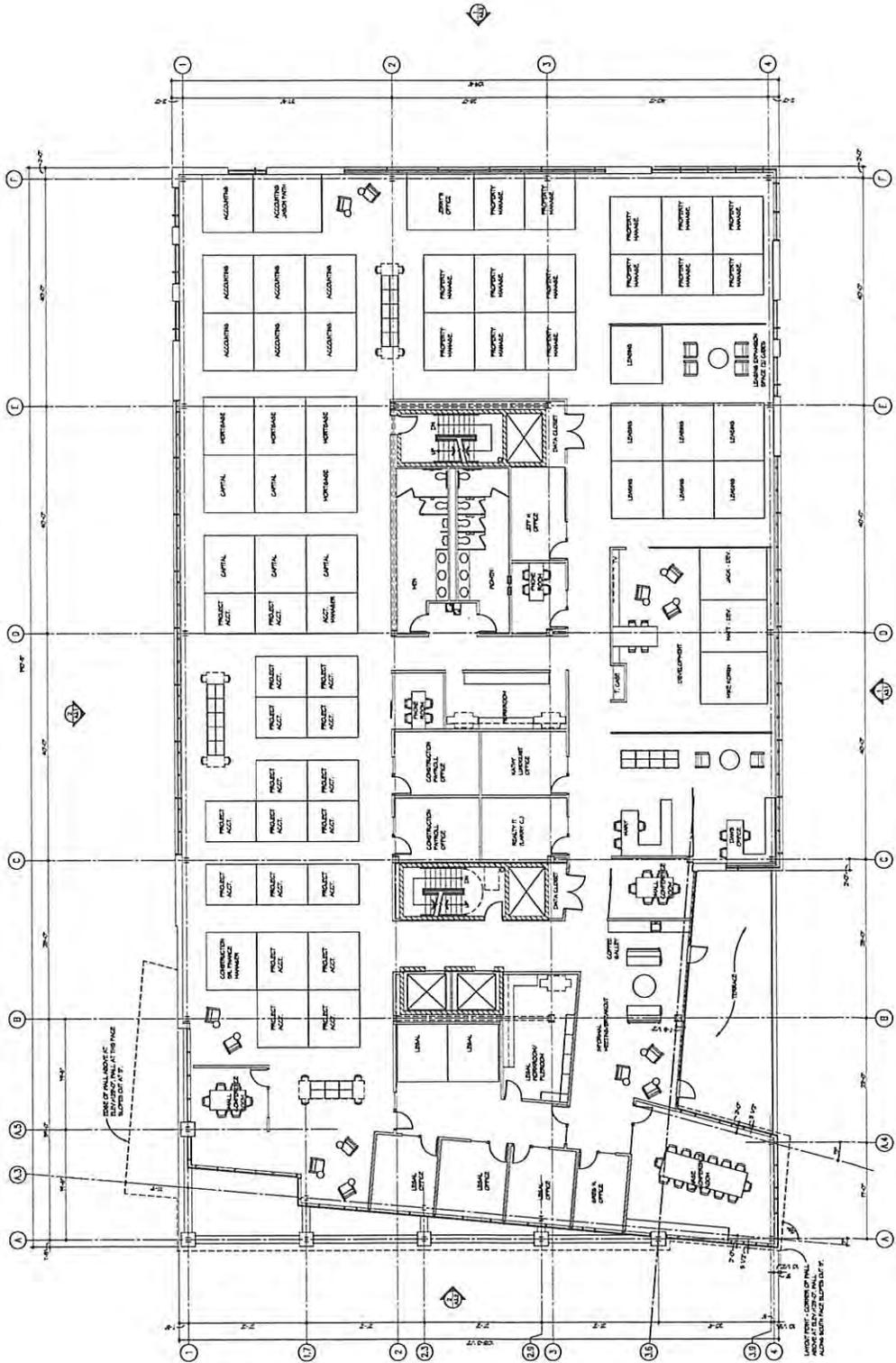
TOURLES ASSOCIATES

TOURLES ASSOCIATES
 1000 Hennepin Avenue, Suite 200
 Minneapolis, MN 55402
 (612) 338-1111
 www.tourles.com

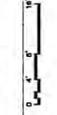
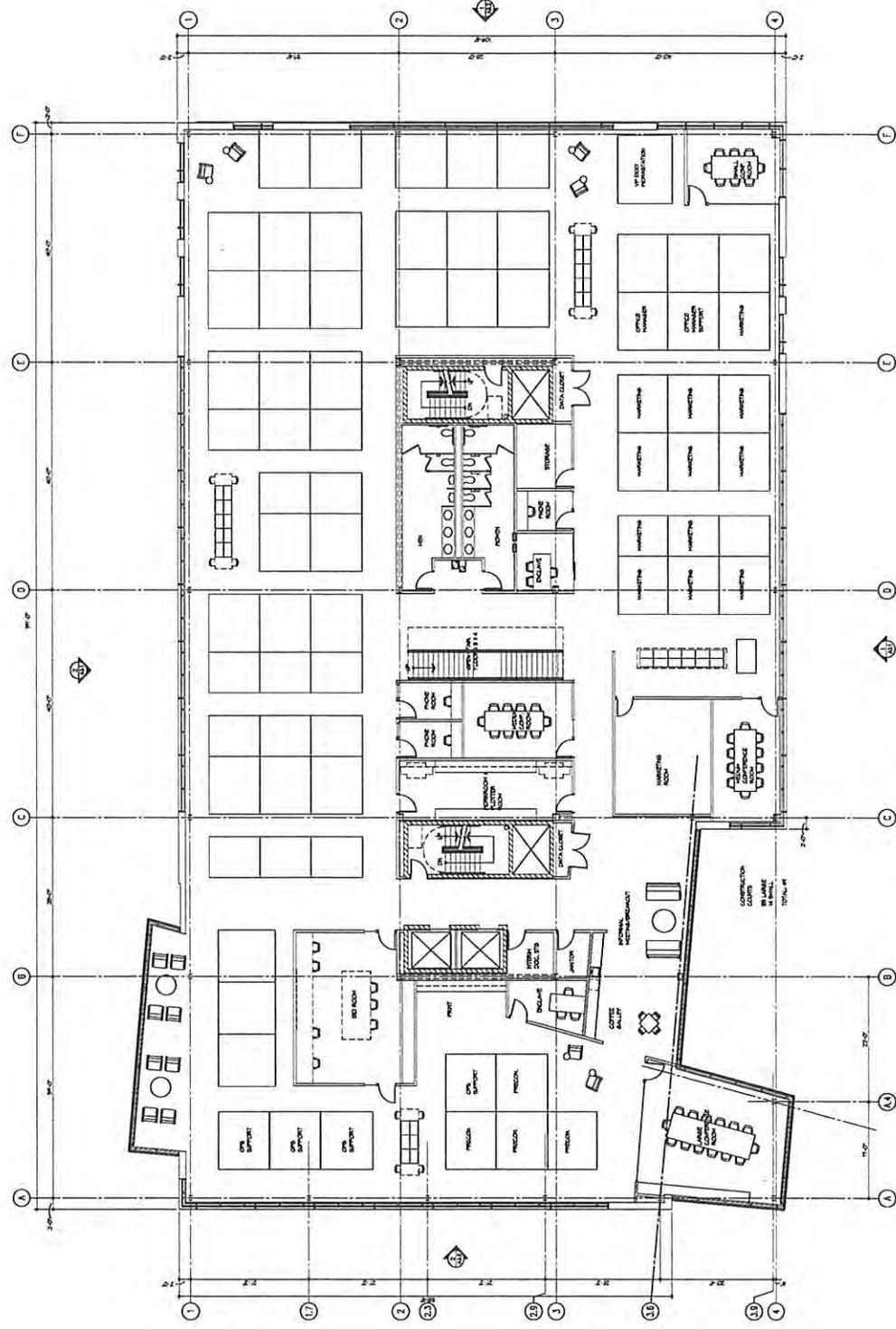
Project: 13-553
 Location: 5th Avenue South
 Date: 7/1/14
 Scale: AS SHOWN
 Drawn by: J.J.
 Checked by: J.J.



1.1 BASEMENT FLOOR PLAN - 20,870 G.S.F.
1/8"=1'-0"



SECOND FLOOR PLAN - 19,391 G.S.F.
1/8"=1'-0"



THIRD FLOOR PLAN - 20,425 G.S.F.
1/8" = 1'-0"



Minneapolis Development Review
250 South 4th Street
Room 300
Minneapolis, MN 55415

Preliminary Development Review Report

Development Coordinator Assigned: DONALD ZART
(612) 673-2726
don.zart@minneapolismn.gov

Status *

Tracking Number:	PDR 1001228
Applicant:	KRAUS ANDERSON 525 8TH ST S MINNEAPOLIS, MN 55404
Site Address:	523 8TH ST S 515 8TH ST S 507 8TH ST S 501 8TH ST S 502 9TH ST S 518 9TH ST S
Date Submitted:	22-JUL-2014
Date Reviewed:	

Purpose

The purpose of the Preliminary Development Review (PDR) is to provide Customers with comments about their proposed development. City personnel, who specialize in various disciplines, review site plans to identify issues and provide feedback to the Customers to assist them in developing their final site plans.

The City of Minneapolis encourages the use of green building techniques. For additional information please check out our green building web page at: http://www.ci.minneapolis.mn.us/mdr/GreenBuildingOptions_home.asp.

DISCLAIMER: *The information in this review is based solely on the preliminary site plan submitted. The comments contained in this report are preliminary ONLY and are subject to modification.*

Project Scope

Proposed 4 story office building with associated parking and landscaping.

*Approved: You may continue to the next phase of developing your project.
*Resubmission Required: You cannot move forward or obtain permits until your plans have been resubmitted and approved.

Review Findings (by Discipline)

□ Zoning - Planning

- Formal land use applications were recently submitted to Staff. Based on a cursory review of the proposal, the following land use applications appear necessary based on the proposed development:
 - Amendment to the existing CUP to allow parking in the DP Overlay District (in areas on the site where no parking is currently located);
 - A variance of the minimum FAR requirement in the B4N District from 2.0 to .73;
 - A variance of the parking maximum based on the gross square footage of the proposed building from 80 to 206 spaces;
 - Site plan review;
 - Preliminary and Final Plat.
- Additional applications may be identified upon review of the submitted land use application. Anticipated Planning Commission public hearing would likely be on 8/25.

□ Addressing

- The proposed address for the new building will be 525 8th St S.
- This building is also considered to have a parking ramp per MCO Chapter 108. As such, within 5 years of the date of the certificate of occupancy being issued, the parking ramp will be required to have annual inspections and apply for a Ramp Operating Certificate.

□ Parks - Forestry

- Effective January 1, 2014, the City of Minneapolis and the Minneapolis Park and Recreation Board adopted an update to the existing Parkland Dedication Ordinance.
- The adopted City of Minneapolis Parkland Dedication ordinance is located in Section 598.340 of the City's Land Subdivision ordinance:
- <http://library.municode.com/index.aspx?clientId=11490>
- As adopted, the fee in lieu of dedication for new residential units is \$1,500 per unit (affordable units excluded per ordinance) and for commercial and industrial development it is \$200 per development employee (as defined in ordinance). Any dedication fee (if required) must be paid at the time of building permit issuance. There is also an administration fee that is 5% of the calculated park dedication fee.
- As proposed, for your project, a 4 story office building, the calculated dedication fee is as follows:

• Fee Calculated at 2.5 Per Development Employee	= \$41,800
• Administrative Fee (5% of Dedication fee, capped at \$1,000)	= \$ 1,000
• Total	= \$42,800

- This is a preliminary calculation based on your current proposal; a final calculation will be made at the time of building permit submittal.
- For further information, please contact Don Zart at (612)673-2726.

□ Sidewalk

- A demolition plan was not provided with the current submittal; consequently it is unclear as to the extent of the Projects impact to existing Public sidewalks surrounding the site. The Applicant shall provide a complete demolition plan indicating all planned removals of existing sidewalk, curb & gutter, and driveway aprons. Any existing defective public sidewalk and C&G, or any public sidewalk and C&G damaged during construction must be removed and replaced.
- ADA compliant pedestrian ramps are required at each crosswalk at all four (4) intersections of the block bounded by Portland Ave., 9th St. S., 5th Ave. S. and 8th St. S. Construct two (2) ADA compliant pedestrian ramps at each corner radius location. Include the appropriate details and standard plates in the site plan, refer Mn/DOT Standard Plan 5-297.250 Pedestrian Curb Ramp Details at: <http://standardplans.dot.state.mn.us/stdplan.aspx>

□ Street Design

- A demolition plan was not provided with the current submittal; consequently it is unclear as to the extent of the Projects impact to existing Public sidewalks surrounding the site. The Applicant shall provide a complete demolition plan indicating all planned removals of existing sidewalk, curb & gutter, and driveway aprons.
- The site plan appears to indicate a total of four (4) proposed curb cuts located on each of the surrounding streets. All driveway aprons shall be designed and constructed to City standards. All driveway aprons shall be shown graphically correct on all related plan sheets. Please refer to the following: http://www.minneapolismn.gov/publicworks/plates/public-works_road. Include references on all plan sheets to the appropriate standard plates located on Sheets C8-1 and C8-2 of the plans.
- All curb & gutter in the Public right-of-way shall be designed and constructed to City standards, curb & gutter to be City standard B624 Curb and Gutter. Please refer to the following: http://www.minneapolismn.gov/publicworks/plates/public-works_road. Include references on all plan sheets to the appropriate standard plates located on Sheets C8-1 and C8-2 of the plans. Top of Curb profiles shall be provided for any section of curb replacement in excess of 50 feet.

□ Right of Way

- An encroachment permit shall be required for all streetscape elements in the Public right-of-way such as: plants & shrubs, planters, tree grates and other landscaping elements, sidewalk furniture (including bike racks and bollards), and sidewalk elements other than standard concrete walkways such as pavers, stairs, raised landings, retaining walls, access ramps, and railings (NOTE: railings may not extend into the sidewalk pedestrian area). Please contact Bob Boblett at (612) 673-2428 for further information.
- Note to the Applicant: Any elements of an earth retention system and related operations (such as construction crane boom swings) that fall within the Public right-of-way will require an encroachment permit application. If there are to be any earth retention systems which will extend outside the property line of the development then a plan must be submitted showing details of the system. All such elements shall be removed from the Public right-of-way following construction with the exception of tie-backs which may remain but must be uncoupled and de-tensioned. Please contact Bob Boblett at (612) 673-2428 for further information.
- In addition, any elements of an earth retention system and related excavations that fall within the Public right-of-way will require a "Right-of-Way Excavation Permit". This permit is typically issued to the General Contractor just prior to the start of construction. However, it is the Applicant's responsibility to insure that all required permits have been acquired by its consultants, contractors, sub-contractor's prior to the start of work.
- The Project limits fall within the boundaries of the Downtown Improvement District (DID). Any improvements, modifications, and alterations to the streetscape are subject to the review and approval of the DID. Please contact Ben Shardlow at (612) 656-3830 for further information.
- The submitted site plan did not include a demolition plan; consequently it is unclear as to the actual extents of the Project and impacts to the Public right-of-way and infrastructure. The Applicant shall provide a complete demolition plan for the site.

□ Water

- A demolition plan was not provided with the current submittal; consequently it is unclear as to the extent of the Projects impact to existing Public infrastructure surrounding the site.
- All existing and proposed underground Public Utilities (water, sanitary sewer, and storm drain) shall be shown on the site plan with corresponding pipe sizes and types. For Public watermain infrastructure records call (612) 673-2865. Any existing Public Utility connection not in use shall be noted on the plans for removal, and shall be removed per the requirements of the Utility Connections Department, call (612) 673-2451 for more information.

□ Business Licensing

- If this is only offices and private parking, no business license is required.

❑ Traffic and Parking

- A demolition plan was not provided with the current submittal; consequently it is unclear as to the extent of the Project's impact to existing Public infrastructure surrounding the site.
- The nature of the proposed development is such that traffic impacts will be an issue; please contact Allen Klugman at (612) 673-2743 to discuss the requirements of a Travel Demand Management Plan (TDMP).
- Please contact Bill Prince at (612) 673-3901 regarding existing and proposed street lighting. All street lighting (existing and proposed) shall be shown clearly on the site plan. Depending upon the overall impact to the Public right-of-way, the Project may be required to adhere to the street light policy regarding pole type and spacing.
- The Applicant shall note the location of any existing Metro Transit "bus stops" on the site plan.
- The Project proposes four (4) access points to the new parking lots, one on each of the surrounding streets. Current City Ordinance recommends that curb cuts shall be consolidated or eliminated as much as possible for any single site; the Applicant should consider reducing parking lot access points if at all possible.
- Note to the Applicant: Please add the following notes to the site plan:
 - Street lighting installed as part of the Project shall be inspected by the City. Contractors shall arrange for inspections with the Traffic Department, please contact Dave Prehall at (612) 673-5759 for further information. Any lighting installations not meeting City specifications will be required to be reinstalled at Owner expense.
- An obstruction permit is required anytime construction work is performed in the Public right-of-way. Please contact Scott Kramer at (612) 673-2383 regarding details of sidewalk and lane closures. Log on to <http://minneapolis.mn.roway.net/> for a permit.
- Contact Allan Klugman at (612) 673-2743 prior to construction for the temporary removal/temporary relocation of any City of Minneapolis signal system that may be in the way of construction.
- All costs for relocation and/or repair of City Traffic facilities shall be borne by the Contractor and/or Property Owner.
- Contact Doug Maday at (612) 673-5755 prior to construction for the removal of any City of Minneapolis right of way signs that may be in the way of construction.

❑ Environmental Health

- If the project will be disturbing identified impacted soils on the site preapproval for removal, disposal and/or reuse of must occur from the MCPA and the City of Minneapolis prior to beginning excavation activities. If impacted soil is encountered during site activities call the MN State Duty officer at (615) 649-5451.
- If dewatering is required during site construction see below for city permit requirements. Subgrade structures should be designed to prevent infiltration of groundwater without the need for a permanent dewatering system being installed. If a continuously operating permanent dewatering system is needed it must be approved as part of the sanitary sewer and storm drain site plan approval prior to construction beginning.
- No construction, demolition or commercial power maintenance equipment shall be operated within the city between the hours of 6:00 p.m. and 7:00 a.m. on weekdays or during any hours on Saturdays, Sundays and state and federal holidays, except under permit. Contact Environmental Services at 612-673-3867 for permit information.
- Permits and approval are required from Environmental Services for the following activities: Temporary storage of impacted soils on site prior to disposal or reuse; Reuse of impacted soils on site; Dewatering and discharge of accumulated storm water or ground water, underground or aboveground tank installation or removal, well construction or sealing. Contact Tom Frame at 612-673-5807 for permit applications and approvals.
- A review of the project, permits issued and an inspection from Environmental Service for identification of equipment and site operations that require annual registration with the City of Minneapolis will occur for this project.

❑ Historical Preservation Committee

- A preservation review is required for any wrecking of existing structures.

☐ Fire Safety

- Provide required automatic fire suppression system throughout building
- Fire department connection must be located on the address side of building and within 150 feet of a fire hydrant
- Maintain fire department apparatus access at all times

☐ Sewer Design**Stormwater Management:**

- Please provide a detail of the underground infiltration system. The detail should verify the volumes of the modeled system (top, bottom and side rock widths, layout, etc.). Currently the dimensions in the model differ from those on the plans. The elevations also differ.
- The Storm Data File and Air Temp File in the P8 model should be those appropriate for Minneapolis, not the default P8 files. A 1.25" event should be used for the water quality modeling. Please note the Loops Thru Storm File should be a minimum of 5 when modeling a single event.
- An operations and maintenance plan is required for the stormwater treatment devices. The O&M plan shall define the maintenance regimen, including type and interval of maintenance and party to conduct such maintenance. Please provide a copy of the O&M Plan.

Utility Connections:

- The proposed sanitary sewer service connection to the City main should be core-drilled and a saddle tee fitting installed, per City of Minneapolis Standard Supplemental Specifications. Please note this on the Utility Plan.
- Please identify the invert of the existing and proposed sanitary sewer at the connection location. The service connection should be made in the middle third of the main. Please also identify the slope of the proposed sanitary sewer service. The slope should be such that the velocity within the service is 15 feet per second or less.
- If possible it is preferred that the sanitary sewer service connection be made at the existing manhole on the City main just downstream from the proposed connection. Please consider if this is possible.
- The proposed storm sewer service connection to the City main should be core-drilled and a saddle tee fitting installed, per City of Minneapolis Standard Supplemental Specifications. A new manhole is not permitted for the connection. Please revise the plans accordingly.
- There may be several existing sanitary and storm sewer service connections to the site. Please note these service connections are the responsibility of the property owner. If any damage occurs due to failure of any service the property owner is liable for the damage. If the services are proposed to be removed at this time, please note this on the plan. Please show all existing sanitary and storm sewer service connections to the site on the plans. Existing utility service location information is available through the City's Utility Connections Office, 612-673-2451.

Non Stormwater Discharges:

- Detail all mechanical and non-stormwater discharges. Non-stormwater discharges are not permitted unless approved by the City of Minneapolis. Non-stormwater discharges not declared and approved will not be permitted. If there currently are none and nothing is proposed declare this status on the plans.
- For comments or questions on Public Works Surface Water & Sewers Division related requirements please contact Jeremy Strehlo, (Professional Engineer) at (612) 673-3973, or jeremy.stre

☐ Construction Code Services

- Please contact the Met Council for a SAC determination.

END OF REPORT

CPED Submittal, 14 August 2014

Statement of Proposed Use/Project Description (*Revised 20 August, 2014*)

Kraus Anderson Corporate Headquarters

Minneapolis, MN



Kraus Anderson will be consolidating its Twin Cities operations in a new 80,000 square-foot, 4-story office building on their current property at the corner of Eighth Street South and Fifth Avenue South in downtown Minneapolis. The building will contain office space for 270 employees, conference rooms, a training center, a cafeteria and a fitness area. An outdoor terrace on the second floor of the office building will provide an exterior respite for staff. In addition to 45 underground parking spaces and 161 surface parking spaces, the site development will include the required green space and landscape elements as well as pedestrian links desired by the Elliot Park Neighborhood.

The new office building will be clad in a variety of materials including brick, manufactured stone, zinc, metal panel and a combination of spandrel and vision glass. The fenestration will be shaded by vertical fins on the west and north elevations and horizontal overhangs on the south and east elevations. Kraus Anderson is committed to energy and material conservation, and the project has been registered with the USGBC for LEED certification.

The existing Kraus Anderson facility will remain in use until the new building is complete. Once the new facility is occupied, the existing building will be demolished to make way for future phases of development. Given the site's location and B4N zoning, it is Kraus Anderson's intent to increase the development's density in future phases as market-opportunities arise.

As part of the Land Use Application, Kraus Anderson will be requesting the following variances, 'alternative compliances' and a CUP amendment.

-A variance from the required FAR in the B4N District. Kraus Anderson is requesting that the minimum FAR requirement be reduced from 2.0 to .73.

-A parking variance. Kraus Anderson is requesting an increase from the maximum parking requirement of 80 to 206.

-A signage variance. Kraus Anderson is requesting an increase from the maximum wall height for signage from 28 feet to 59 feet for a wall sign at the west elevation.

POPE ARCHITECTS, INC.

1295 BANDANA BOULEVARD N, SUITE 200
ST. PAUL, MN 55108-2735
(651) 642-9200 | FAX (651) 642-1101

www.popearch.com

-A variance to eliminate the screening of the two (2) rooftop mechanical units. Kraus Anderson is asking to eliminate the mechanical equipment screening given the fact that the rooftop mounted mechanical units are 'self-screening', are designed so that they are integrated with respect to the design of the building and are less obtrusive 'unscreened'.

-'Alternative compliance' for zoning ordinance 530.110 requiring the first floor of buildings to be located within eight (8) feet of a lot line. Kraus Anderson is asking that the north east corner of the building exceed that distance by 8'-4" to accommodate the architectural expression of the north elevation.

-A CUP amendment allowing surface parking on portions of the site where parking is not currently located (primarily the existing building area).

Kraus Anderson looks forward to occupying the new building in 2015 and continuing the company's long history in Minneapolis.

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

CONDITIONAL USE PERMIT

Below please find written statements which address the following required 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.*

We request a CUP to construct surface parking on a portion of the site presently occupied by Kraus Anderson's existing building. Currently, the site includes the existing office building and 297 surface parking stalls. The proposed development (the first phase of a multi-phase project) includes only 158 stalls; a reduction of 47%. The proposed parking and drive-lane configuration provides safe access in and through the site, and to building entry points, for people arriving in cars, on foot, or utilizing other modes of transportation. The configuration also accommodates the installation of below-grade storm water treatment infrastructure below the south-west portion of the site, anticipating a surface green-space at that corner that will remain open as future phases of development are completed. The fact that there will be significantly fewer cars entering the site, and that access and circulation are simplified, improves safety and welfare for users. The proposed plan also includes landscape islands and broad landscaped setbacks, providing shade and screening. Future phases of development will further reduce surface parking, relying instead on below-grade, and internal structured parking solutions.

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.*

The reduced number of surface parking spaces, the commensurate reduction in vehicular traffic, and the addition of landscaping and screening, will benefit surrounding properties. Future development planning includes an arrival zone containing very limited guest parking, as well as shared landscape amenities including a water feature, art-space, seating, planting, and pedestrian connections through the site.

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

Utility infrastructure is present on the site, and will be reconfigured and expanded to support multiple phases of development. Storm water infrastructure will be constructed (none exists today), and access in and through the site is being simplified and made more safe.

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

The number of cars coming to the site is being greatly reduced. Current parking count is 297, while the proposed (including below-grade) is 206; a reduction of 31%. Access to and through the site is being made more visible and safe. Six existing vehicular access points are being reduced to four. The result will be reduced traffic within the site, and on adjacent public streets.

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

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

Future phases of development will eliminate nearly all surface parking. Pending the construction of future phases, Kraus Anderson employees will be able to utilize the reduced surface parking. It is important to note that contract-parking, a current use, is being eliminated.

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

The surface parking meets applicable regulations of the district. Setbacks, traffic islands, landscaping, screening, etc., are all in compliance.

VARIANCE

Below please find written statements which address the following required 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.*

We are seeking a variance for reduced FAR from 2.0 to .73 for the first phase of development, and for increased overall parking, from 80 to 206. This situation is unique due to the fact that various Kraus Anderson-related entities control the entire block, and it must therefore be considered as a whole. The FAR calculation, therefore, must factor in the overall site area despite the fact that the proposed building occupies a single quadrant. While the first phase FAR is .73, the master-planned FAR is 3.0.

Increased parking count, likewise, is a factor of this unique circumstance. Surface parking is being greatly reduced, but not eliminated, pending future phases of development. The parking that remains is configured in compliance with applicable zoning regulations, and is provided for the temporary convenience of Kraus Anderson's employees. The property is too valuable to remain as surface parking, and Kraus Anderson Development is actively planning and marketing the site for other opportunities. Contract parking is being completely eliminated.

In addition, we are requesting a variance to increase the maximum height of one (1) wall sign from 28'-0" above grade to 59'-0" above grade at the west elevation along 5th Avenue South. The signage in this location is integrated with the design and its height is necessitated by that fact that the remainder of the building elevation in this area is glazing. All other details of the building signage in this location are in compliance with local ordinances.

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

Finally, we are requesting a variance to eliminate the required mechanical unit screening on the rooftop. The rooftop mounted mechanical equipment is 'self-screening', is designed so that it is integrated with respect to the design of the building and is less obtrusive 'unscreened'. Site line studies from an eye level perspective show that the mechanical units are virtually concealed given the height of the building parapets. Please see Exhibits A through E.

- 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 first phase of development is a high quality 80,000 square foot four-story office building being constructed by Kraus Anderson in order to consolidate 300 jobs in downtown Minneapolis. It represents a tripling of their existing office space on the site, and exemplifies their commitment to remaining in downtown Minneapolis, where they have had a presence on their current site since 1944. Future proposed phases include additional office, retail, and residential uses, resulting in an FAR exceeding the requirement of 2.0, and almost completely eliminating surface parking. These uses, as well as the signage quantity, size and materiality, are in compliance with the ordinance and comprehensive plan. In addition, the rooftop mounted mechanical equipment selected for the project meets the intent of the mechanical equipment screening ordinance given the 'clean' appearance of the equipment's housing. These units will be painted to match the surrounding parapet.

- 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 Elliot Park area has been the home of Kraus Anderson since the 1940's. It is a vibrant and evolving area of the city, with an exciting future. Kraus Anderson's commitment to consolidate its business operations in this location emphasizes its long term commitment to the neighborhood, and Kraus Anderson is grateful for the strong support that the Elliot Park Neighborhood Council has provided for this project. The proposed office building is a first phase of several which will increase the variety and density of uses on the site, and add to the vitality of the area. In addition, neither the increased signage height nor the absence of rooftop mechanical equipment screening will detract from the character of the locality nor be detrimental to nearby properties given the detailing and locations being proposed.

Below please find written statements which address the following required findings specific to a sign variance:

- 1. The sign adjustment will not significantly increase or lead to sign clutter in the area or result in a sign that is inconsistent with the purpose of the zoning district in which the property is located.*

The quantity of signage being proposed is less than that which is allowed by City ordinances in this district. In addition, the size, materiality, color & illumination meet all ordinance requirements and are consistent with the surrounding zoning district. Kraus Anderson is requesting that the mounting height of one (1) building mounted wall sign be increased given the nature of the design element upon which it is mounted.

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

2. The sign adjustment will allow a sign that relates in size, materials, color, illumination and character to the function and architectural character of the building or property on which the sign will be located.

The signage variance being requested will allow for the signage to be integrated into the elevation along 5th Avenue South at a height complimentary to the architectural character of the building. The signage will be mounted to the composite metal panel system above the large expanse of glazing along this façade.

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

Exhibit A

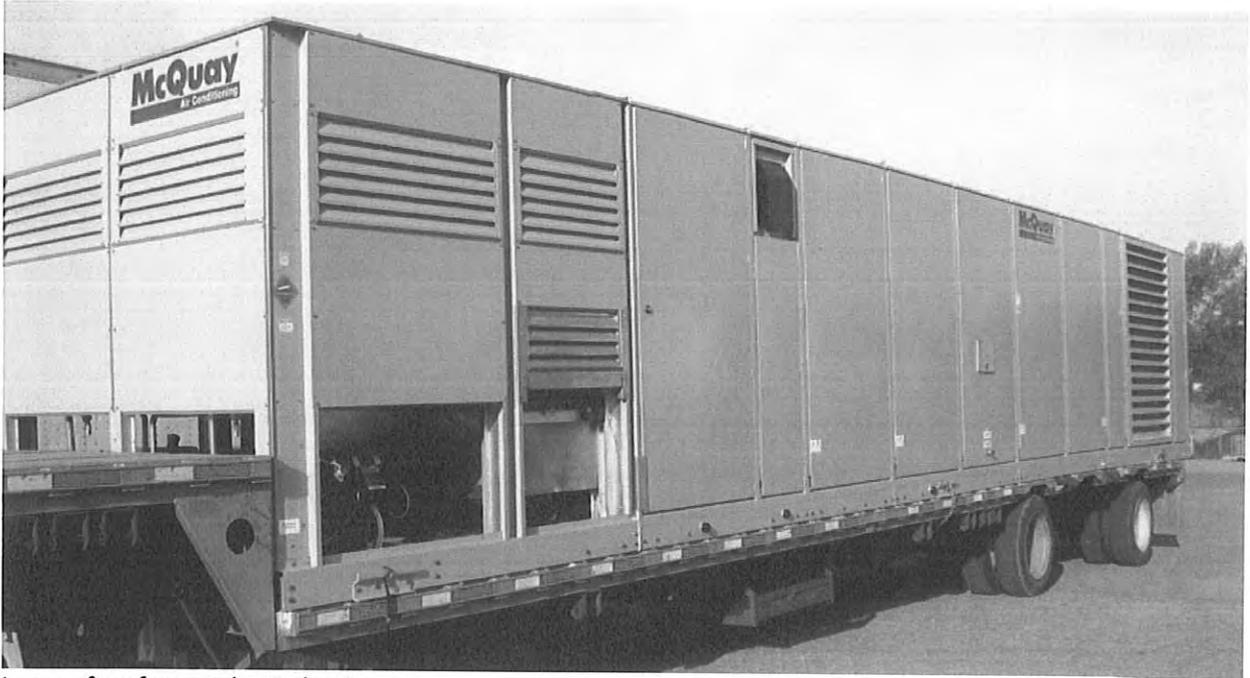


Image of rooftop mechanical unit

(There will be 2 of these on the roof – Please see attached specifications (EXHIBIT E))

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

EXHIBIT B



View heading west on 8th Street **with** mechanical unit screening



View heading west on 8th Street **without** mechanical unit screening

Findings – 20 August, 2014

EXHIBIT C



View heading east on 8th Street **with** mechanical unit screening



View heading east on 8th Street **without** mechanical unit screening

Kraus Anderson Corporate Headquarters
Minneapolis, MN

Findings – 20 August, 2014

EXHIBIT D



View heading north on 5th Street **with** mechanical unit screening



View heading north on 5th Street **without** mechanical unit screening

ENGELSMA LIMITED PARTNERSHIP

August 4, 2014

City of Minneapolis
Community Planning & Economic Development
250 South 4th Street
Room 300
Minneapolis, MN 55415

RE: BZZ-6715 / Kraus-Anderson / 501, 507, 515 and 523 8th Street S., 502 and 518 9th Street S. and 811 5th Avenue S.

To Whom It May Concern:

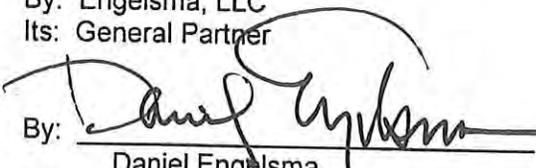
Engelsma Limited Partnership ("ELP"), formerly known as South Eight Street Properties Limited Partnership, is the owner of the properties located at 515 and 523 South 8th Street in Minneapolis. Copies of ELP's Certificate of Title as well as the Certificates of Amendments to the Limited Partnership Agreement changing the name of the partnership, are attached for your reference.

Please accept this letter as ELP's written authorization to Kraus-Anderson, Incorporated to submit the land use applications in the above referenced matter. ELP fully supports the requests of Kraus-Anderson, Incorporated in the land use applications and asks for the City's approval of the applications.

Yours Truly,

ENGELSMA LIMITED PARTNERSHIP

By: Engelsma, LLC
Its: General Partner

By: 
Daniel Engelsma
Its: Executive Vice President



KRAUS-ANDERSON®
REALTY COMPANY

4210 West Old Shakopee Road
Bloomington, MN 55437-2951
Office 952.881.8166
Fax 952.881.8114
www.krausanderson.com

August 7, 2014

Council Member Lisa Goodman
Minneapolis City Council Ward 7
350 S 5th Street, Room 307
Minneapolis, MN 55415

Re: Kraus Anderson - Proposed Redevelopment
501, 507, 515 & 523 8th St South
502 & 518 9th St South
811 5th Ave South

Dear Council Member Goodman,

We have greatly appreciated the support and assistance you have provided as we have worked to create a redevelopment plan for the properties listed above. At this point in time we are making formal land use application to the City of Minneapolis. That process requires that we provide you with the following information:

- Project Description
- Land use applications
- Address of the property for which zoning approval is sought
- Applicant's name, address, telephone number and e-mail address

Project Description

Kraus Anderson proposes to consolidate its Twin Cities operations in a new 80,000 square-foot, 4-story office building on their current property at the corner of Eighth Street South and Fifth Avenue South in downtown Minneapolis. The building will contain office space for 270 employees, conference rooms, a training center, a cafeteria and a fitness area. An outdoor terrace on the second floor of the office building will provide an exterior respite for staff. In addition to 48 underground parking spaces and 194 surface parking spaces, the site development will include the required green space and landscape elements as well as pedestrian links.

The new office building will be clad in a variety of materials including brick, manufactured stone, zinc, metal panel and a combination of spandrel and vision glass. The fenestration will be shaded by vertical fins on the west and north elevations and horizontal overhangs on the south and east elevations. Kraus Anderson is committed to energy and material conservation, and the project has been registered with the USGBC for LEED certification.

The existing Kraus Anderson facility will remain in use until the new building is complete. Once the new facility is occupied, the existing building will be demolished to make way for future phases of development. Given the site's location and B4N zoning, it is Kraus Anderson's intent to increase the development's density in future phases as market-opportunities arise.

Kraus Anderson looks forward to occupying the new building in 2015 and continuing the company's long history in Minneapolis.

Land Use Applications

We believe that the project requires the following Land Use Applications:

1. Minor Subdivision
2. Preliminary and Final Plat
3. Site Plan Review
4. A variance from the required FAR in the B4N District. Kraus Anderson is requesting that the minimum FAR requirement be reduced from 2.0 to .73.
5. A parking variance. Kraus Anderson is requesting an increase from the maximum parking requirement of 80 to 206.
6. A signage height variance. Kraus Anderson is requesting building signage at 59' above grade on the NW corner of the building.
7. A CUP amendment allowing surface parking on portions of the site where parking is not currently located (primarily the existing building area).
8. Alternative Compliance for rooftop mechanical screening.

Address of the Property

The following property addresses are affected:

501, 507, 515 & 523 8th St South

502 & 518 9th St South

811 5th Ave South

Applicant's name, address, telephone number and e-mail address

Kraus Anderson
525 South Eight Street
Minneapolis, MN 55404
612-332-7281
mkorsh@karealty.com

Applicant's Representative:
Pope Architects Inc.
1295 Bandana Blvd. North
St. Paul, MN 55108
Att. Amy Maldonado, Project Manager
651-789-1632
amaldonado@popearch.com

Again, we appreciate the support that you have expressed for our project. We welcome any questions you may have, and look forward to continuing and strengthening our presence in the City of Minneapolis.

Sincerely,



Michael L. Korsh, CPM
Vice President of Real Estate Development
952-948-9421
mkorsh@karealty.com



KRAUS-ANDERSON®



KRAUS-ANDERSON
REALTY COMPANY

4210 West Old Shakopee Road
Bloomington, MN 55437-2951
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Fax 952.881.8114
www.krausanderson.com

August 7, 2014

Lynn Regnier
Executive Director
Elliot Park Neighborhood, Inc.
609 South 10th Street, Suite 170
Minneapolis, MN 55404

Re: Kraus Anderson - Proposed Redevelopment
501, 507, 515 & 523 8th St South
502 & 518 9th St South
811 5th Ave South

Dear Lynn,

We have greatly appreciated the support and assistance of the EPNI over the past months as we have worked to create a redevelopment plan for the properties listed above. At this point in time we are making formal land use application to the City of Minneapolis. That process requires that we provide your organization with the following information:

- Project Description
- Land use applications
- Address of the property for which zoning approval is sought
- Applicant's name, address, telephone number and e-mail address

Project Description

Kraus Anderson proposes to consolidate its Twin Cities operations in a new 80,000 square-foot, 4-story office building on their current property at the corner of Eighth Street South and Fifth Avenue South in downtown Minneapolis. The building will contain office space for 270 employees, conference rooms, a training center, a cafeteria and a fitness area. An outdoor terrace on the second floor of the office building will provide an exterior respite for staff. In addition to 48 underground parking spaces and 194 surface parking spaces, the site development will include the required green space and landscape elements as well as pedestrian links.

The new office building will be clad in a variety of materials including brick, manufactured stone, zinc, metal panel and a combination of spandrel and vision glass. The fenestration will be shaded by vertical fins on the west and north elevations and horizontal overhangs on the south and east elevations. Kraus Anderson is committed to energy and material conservation, and the project has been registered with the USGBC for LEED certification.

The existing Kraus Anderson facility will remain in use until the new building is complete. Once the new facility is occupied, the existing building will be demolished to make way for future phases of development. Given the site's location and B4N zoning, it is Kraus Anderson's intent to increase the development's density in future phases as market-opportunities arise.

Kraus Anderson looks forward to occupying the new building in 2015 and continuing the company's long history in Minneapolis.

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We believe that the project requires the following Land Use Applications:

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7. A CUP amendment allowing surface parking on portions of the site where parking is not currently located (primarily the existing building area).
8. Alternative Compliance for rooftop mechanical screening.

Address of the Property

The following property addresses are affected:

501, 507, 515 & 523 8th St South

502 & 518 9th St South

811 5th Ave South

Applicant's name, address, telephone number and e-mail address

Kraus Anderson

525 South Eight Street

Minneapolis, MN 55404

612-332-7281

mkorsh@karealty.com

Applicant's Representative:

Pope Architects Inc.

1295 Bandana Blvd. North

St. Paul, MN 55108

Att. Amy Maldonado, Project Manager

651-789-1632

amaldonado@popearch.com

Again, we appreciate the support that EPNI has expressed for our project. We welcome any questions you may have, and look forward to continuing and strengthening our presence in the Elliot Park Neighborhood.

Sincerely,



Michael L. Korsh, CPM

Vice President of Real Estate Development

952-948-9421

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Cc: Christie Rock, Neighborhood Coordinator
Downtown Minneapolis Neighborhood Association
40 S 7th Street, Suite 212, PMB 172
Minneapolis, MN 55402



April 22, 2014

Mr. Michael L. Korsh, Vice President
Kraus-Anderson Realty Company
4210 W. Old Shakopee Road
Bloomington, MN 55437-2951

Re: Kraus-Anderson Corporate Headquarters

Dear Michael:

It was a pleasure to see you again and to learn more about the Kraus-Anderson project as presented to our Building, Land Use & Housing Committee (BLUH) on April 17th.

At this meeting the community was introduced to plans for a corporate headquarters building in Elliot Park. The committee was pleased that Kraus-Anderson had paid attention to community vision and goals and, in particular, had taken care to become acquainted with the Elliot Park Neighborhood Master Plan.

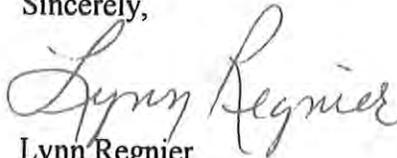
As we understand the plans at this time Kraus-Anderson intends to:

- Build a 77,000 square foot, four-story building on the northwest corner of its property bounded by 8th and 9th Streets and Portland and 5th Avenues in Minneapolis.
- Reserve space for a future expansion opportunity on the south end of the new building.
- Move 113 employees from other locations to the new headquarters to be combined with the 133 employees currently housed at the Kraus-Anderson office building on this block.
- Achieve LEED certification for this new building that will include stone and brick materials as well as considerable amounts of glass for increased transparency allowing for views both inside and outside of the building.
- Design an attractive pedestrian walkway on 8th Street with a clearly defined directional path to the main entrance.
- Create community green space on the southwest corner of the block.
- Build underground parking for 50 vehicles and additional landscaped surface parking (pending future building development) for 200 vehicles for employee use only-no contract parking; and, will intentionally encourage employees to utilize alternative modes of public transportation.
- Begin construction by the end of 2014 and complete the project by the end of 2015.
- Develop the remaining block as soon as feasible to include housing and a possible medical/commercial building.

Following the presentation and discussion the BLUH Committee unanimously moved and approved “*the conceptual plans as presented in the spirit of the Elliot Park Master Plan.*” EPNI policy requires the Board of Directors to ratify committee motions at their next meeting, which is not scheduled until June 9th. However, I am confident that the Board will support this motion, especially since the motion and second were made by two board members and affirmed by another two board members in attendance as well.

Overall the community was very pleased with the intentions of Kraus-Anderson to remain in the neighborhood and to design and build an exemplary corporate headquarters building, one that is worthy of its solid reputation as a respected construction company. In anticipation of this development moving forward an EPNI Task Force is being created to review the project plans and designs and we look forward to working with you and your project partners in the coming months. Please contact me if you have any questions.

Sincerely,



Lynn Regnier
Executive Director

CC. Lisa Goodman, Seventh Ward Council Member
John Campobasso, Kraus Anderson
Katya Pilling, Landon Group
Jerry Dustrud, BLUH Committee Chair

EPNI has moved to 609 South 10th Street, Suite 170

Farrar, Rebecca D.

From: Matt Steele <mattaudio@gmail.com>
Sent: Friday, May 16, 2014 11:40 AM
To: Farrar, Rebecca D.
Subject: KA 525 S. 8th Street feedback

Becca,

I was glad to hear that the Kraus Anderson block near Elliot Park is slated for improvement, and that K/A intends to keep their workforce downtown. This area has significant untapped potential, and hopefully investment here would spark redevelopment of sites such as Sexton II, Normandy Inn, WF, and the surface lots near HCMC. It's an exciting time for Downtown.

I do however have some concerns for the design and site plan of the proposed Kraus-Anderson facility as shown in the PC COW packet for May 22. The proposed site plan looks like something designed for an automobile-oriented suburban office park, not something that belongs in Elliot Park/Downtown with B4N zoning. My specific concern, and where the Planning Commission should fiercely push back, is regarding the codification of surface parking as a land use on this block.

The Planning Commission should seek to deny conditional use contrary to the Downtown Parking Overlay District, and it should also push back on the variance which would likely be needed for the proposed 242 parking spaces.

A few specific comments:

- Would the parking be charged or "free"? There's no such thing as free parking, whether downtown or in suburban automobile-oriented land uses - someone ends up paying. The employer, in this case, appears to be expecting its employees to park downtown for free. First, this means that anyone who bikes, walks, or takes transit downtown would indirectly be subsidizing their fellow employees who drive and store cars without paying the marginal cost. There are plenty of opportunities to provide a market-based dynamic pricing solution for car storage downtown: Thrivent implemented such a solution over a decade ago for their facility just north of here.
- Regardless of the price point for the proposed parking, there's too much proposed. The surface lot is especially concerning. News reports suggest that K/A is interested in developing the proposed surface lots as the market allows, but brand new surface parking (significant amounts of money invested in new curb/gutter, pavement, lighting, landscaping, etc will likely enshrine this parking lot for decades to come. It is not acceptable for that neighborhood to suffer from three blockfaces of surface parking lots any longer than is necessary.
- There are concerns with the concept of a single use structure with a single occupant, and larger concerns with one party controlling all the parcels on a full block - it does not promote fine-grained urban land use. Concerns in this realm: The 48 underground spaces are welcome (if priced according to demand, preferably) and the access in the center of the block is a welcome change from many of our downtown core structures which have moved away from alleys and center-block parking access. That said, is there any future-proofing of this element, the ramp to the underground parking, with regard to site plans for the rest of the block? Would there be an alley or similar feature to provide parking access and service for future land uses on the rest of the block?
- The Fifth Avenue face of the proposed building has zero doors or other features to activate the sidewalk. This is part of the problem with single-use buildings which turn their backs to the sidewalk. Yet until we have an

ordinance that requires structures to have active frontage (maybe a minimum Gehl Door Average) I'm not sure what can be done other than encouraging more integration. This frontage abuts a proposed cafeteria, training room, and fitness center. How great would it be if those were tenants in leasable space, open to the public? Heck, it could be a profit center for K/A to lease out to a cafe and a fitness center, and it would increase public safety by promoting eyes on the street outside business hours. S 5th Ave feels like an off-ramp from 35W for its entire length south of Washington Ave. Buildings like the CenterVillage ramp, the Gov ramp, the jail wall, etc. create a wall between Downtown East/Elliott Park and the core. An active sidewalk could really help change things, and I wish we were getting one on 5th. This could be a point of leverage with regard to a parking variance.

Bringing this back around to parking, the excessive surface parking is hostile to our streetscapes, our urban environment, and this parcel's neighbors. And it looks to be a permanent concept: Look at the finishes, the cantilever, the signage, and the entrance alcove on the east side of the proposed building. This implies "we're orienting ourselves to the surface lot for the long run." Combined with the proposal to redo the existing lot, this does not bode well for human-scale land uses on this block or the adjoining blockfaces. This is precisely what we need less of downtown, not more. If anything, the variance should be to keep only the southern half of the lot, without anything other than minimal maintenance of existing pavement, not the northeastern portion where the existing building is coming down.

This building is designed well, and it's good to see firms moving employees downtown. The folks who work in their Circle Pines office are probably ecstatic - as someone who was recently moved by a large employer from an office in Minneapolis to an office in the western suburbs, I felt the pain of enduring an awful forced-car commute just as I was planning to sell a car and save thousands of dollars a year, not to mention how much more vibrant working downtown is compared to a soulless suburban office complex. This is a huge win for their employees, and we should congratulate them on catering to their future workforce rather than the generation of upcoming retirees who for some strange reason see cars as a freedom rather than a costly liability. The decision to remain downtown sets them up for the future, rather than pushing them back a half century. That said, we should demand better integration with the urban fabric. Things like LEED certification and an "appealing, well-landscaped interior" might be boxes to check, but they don't overcome the decision to leave most of a city block designed for the storage of cars for 25% of the day. 194 surface parking spaces, or a surface parking space for 72% of the employees expected to work in the building, should be a non-starter.

Thanks for consideration of my input on this project.

Matt Steele
612-293-9091

Farrar, Rebecca D.

From: Matt Brillhart <mrbrillhart@gmail.com>
Sent: Thursday, May 22, 2014 2:32 PM
To: Farrar, Rebecca D.
Subject: Kraus-Anderson proposal

Ms. Farrar,

My colleague Matt Steele sent you a lengthy email detailing his concerns with the plans for Kraus-Anderson's new building. I'd like to echo those concerns (and spare you from reading another lengthy email). While Matt detailed quite nicely his concerns with the over abundance of parking, I'd like to register my concerns specifically regarding the orientation of the building.

Looking at the plans (admittedly very briefly), it seems the primary entrance is mid-block on 8th Street and completely oriented to the parking lot. There did not appear to be an entrance at the corner of 8th St and 5th Ave, or anywhere on 5th Ave at all. Given that the primary entrance/facade faces the interior of the block, while the building turns its back to 5th Ave, makes me highly dubious that Kraus-Anderson truly plans to develop the rest of the block into anything other than surface parking.

If they plan to develop the rest of the block, why not orient the building to face the street (any street), with a primary entrance at the corner, rather than mid-block? Wouldn't future development essentially obscure this mid-block entrance? Why do they plan to construct more parking than is required, pouring more asphalt than they will ever need? If they truly plan to parcel out the remainder of the block for development, why not simply leave some of the land as dirt/grass for the time being, rather than completely paving it over, having to spend additional money light it, maintain, plow, etc.? It just doesn't add up. I read that all of the parking will be for their uses, and not leased out to the public, as is done on some of the site currently. I guess I just can't comprehend why they want to waste money on parking spaces they don't need. Surely some of their employees will take transit, walk, bike, or carpool to work, even if at a lower rate than other large downtown employers.

I apologize for the hastily-written email. I just wanted to register my concerns with the plans as proposed. Please encourage K-A to re-orient their building so there is a primary entrance at the corner. More blank walls with no doors along 5th Ave do not make for a more vibrant downtown. I agree with Matt Steele, "The proposed site plan looks like something designed for an automobile-oriented suburban office park, not downtown."

Regards,

Matt Brillhart
612-229-9688
mrbrillhart@gmail.com

Farrar, Rebecca D.

From: Nilsson, Erik A.
Sent: Friday, September 05, 2014 3:11 PM
To: Farrar, Rebecca D.
Subject: plat review

Becca-

The Kraus Anderson Addition plat is approved. I'll send you a signed letter.

Thank you-

Erik E. Nilsson | Assistant Minneapolis City Attorney | Phone: 612.673.2192 | Fax: 612.673.3362

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INITIAL TRANSIT ALTERNATIVE MEETING

JULY 24, 2014

On July 24, 2014, Allan Klugman from the City of Minneapolis, Dan MacLaughlin from Commuter Connection, and John Campobasso, Mike Smoczyk, and Jennifer Parent from Kraus-Anderson Construction Company met at the City of Minneapolis Public Works location.

Purpose:

The purpose of the meeting was to find out the options that are available for Kraus-Anderson employees to utilize as alternative transportation once the new corporate headquarters is built.

Discussion Points:

1. Allan Klugman discussed the Travel Demand Management Plan (TDMP) that is a mandatory submittal to the City of Minneapolis for buildings over 100,000 SF. He suggested that we look at elements of the plan outline that focused on traffic reduction and alternative modes of transportation.
2. Dan MacLaughlin presented the many transit alternatives that are available within the City of Minneapolis, as well as the options that are outside of the Urban downtown. The following are the options presented to us as well as some of the benefits for each one.

Options and Benefits:

<p>Metro Transit</p>  <p>Currently there are over 200 employers in Minneapolis that provide the Metropass to their employees. Over 50% of employers in Minneapolis that provide the Metropass subsidize all or a portion of the employees' cost. The average employer subsidy for the Metropass is \$45/month per employee.</p>	<p>Commuter Benefits</p> <ul style="list-style-type: none"> • To strengthen employee recruitment and retention • To offer employees a tax-free benefit • To save money! No other tax-preferred benefit provides an employer a state income tax credit • To help reduce air pollution and its associated health costs <p>Employer Transit Incentives</p> <ol style="list-style-type: none"> 1. Minnesota corporate income tax credit for transit pass and vanpool expenses 2. Federal and state tax-free treatment of commuter benefits, up to specified limits 3. Regional discounted transit pass programs (Metropass, Go-To Cards, Third Party Administrators) <p>Program Details</p> <ul style="list-style-type: none"> • Available to employers with 10+ participants • Each pass costs \$76/month • Easy monthly payments • Requires a one-year commitment for employers
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<p style="text-align: center;">Employer-provided commuter benefit</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  \$113.50/mo. <small>VALUE TO EMPLOYEE</small> </div> <div style="text-align: center;">  \$53.92/mo. <small>COST TO EMPLOYER</small> </div> </div> <p><small>\$113.50/month bus pass</small></p> <p><small>Cost to employer:</small></p> <p><small>\$113.50 (tax free to employee)</small></p> <p><small>(\$37.50) - 33% discount through Metropass program ¹</small></p> <p><small>(\$22.08) - 30% state corporate tax credit</small></p> <hr/> <p style="text-align: center;"><small>Employer pays only</small></p> <p style="text-align: center;">\$53.92/month</p>	<p style="text-align: center;">Salary Increase option</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  \$113.50/mo. <small>VALUE TO EMPLOYEE</small> </div> <div style="text-align: center;">  \$167.98/mo. <small>COST TO EMPLOYER</small> </div> </div> <p><small>\$113.50/month in take home pay</small></p> <p><small>Cost to employer:</small></p> <p><small>\$113.50</small></p> <p><small>(\$31.78) (assumes 28% federal tax rate)</small></p> <p><small>(\$6.81) (assumes 6% state tax rate)</small></p> <p><small>(\$15.89) (employee FICA)</small></p> <hr/> <p style="text-align: center;"><small>Employer pays</small></p> <p style="text-align: center;">\$167.98/month</p>
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<p>Vanpools</p>	<p>Vanpools can take advantage of the same federal and state tax benefits as those available for transit passes.</p> <p>A vanpool vehicle is a vehicle with a 5-15 person seating capacity carrying at least 4 passengers.</p> <p>Vanpools can be operated by groups of employees, employers, or by private providers.</p> <p>Vanpools can also take advantage of free or discounted parking rates in downtown Minneapolis.</p>
<p>ABC Ramps</p> 	<p>Commuter Benefits</p> <ul style="list-style-type: none"> • Easy, affordable, and convenient carpool parking in downtown Minneapolis. • Split commuting costs like parking and gasoline • Take the carpool lane to avoid traffic and save time • Share driving responsibilities for a less stressful commute • Enjoy quality time with your carpool partner • Directly connected to the MnPASS Express Lanes and Skyway System. <p>Parking Rates: \$20.00/Month (2 or more people commuting from the west or northwest Twin Cities using I-394 or I-94; \$99 (2 or more people commuting from any other location)</p>
<p>MnPASS</p> 	<p>Benefits</p> <ul style="list-style-type: none"> • Easy to get started - all you need is a prepaid MnPASS account and a MnPASS transponder • Driver chooses when to use the MnPASS Express Lane • Carpools, buses, and motorcycles can use the MnPASS Express Lane for FREE • Small price to pay for convenience (Range from \$0.25 to \$8.00 depending on traffic levels)
<p>ZipCar</p> 	<p>Benefits</p> <ul style="list-style-type: none"> • Book on app or online • Insurance and gas included up to 180 miles/day • Cars, trucks, SUVs and Vans are available by the hour or day. • Conveniently parked around City and at Airport

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<p>Car2Go</p> 	<p>Benefits</p> <ul style="list-style-type: none"> • 300 Cars around Minneapolis • Pay by the minute (\$0.38+tax/minute or \$13.99+tax/hour or \$0.45+tax/mile after 150 miles per rental or \$72.99+tax/day) • Smartphone app • Park on any public street in Minneapolis when done • Car2Go pays for metered parking, gas, insurance, and maintenance
<p>Hourcar</p> 	<p>Benefits</p> <ul style="list-style-type: none"> • Hourcar pays for gas, insurance, maintenance, and repairs • Reserve any car any time • Drive when you want, where you want
<p>Rideshare by Enterprise</p> 	<p>• Highly functional vanpool solution for employees and employers</p> <p>• Vanpools are groups of 5-15 people who commute to and from work together</p> <p>Employee/Employer Benefits</p> <ul style="list-style-type: none"> • Dramatically reduced commuting costs • Reduced commute-related stress • Shorter commute times • Multiple vehicle choices to commute in • Through the commuter tax benefit program, employees can take advantage of tax savings available (in some cases up to \$125/person is available) <p>Employer Benefits</p> <ul style="list-style-type: none"> • Increased employee morale and retention • Ease parking congestion at the work site • Zero cost to the employer • Commuter tax benefit
<p>NiceRide MN</p> 	<p>Benefits</p> <ul style="list-style-type: none"> • Trip starts when person takes bike and ends when returned • Members pay no usage fees for the first 60 minutes or each trip • Return bike to any station and check out another to restart clock • Take an unlimited number of trips during your membership <p>1 Year Subscription is \$60 and runs April - November</p>

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<p>Guaranteed Ride Home</p>  <p>Guaranteed Ride Home</p>	<p>Benefits</p> <ul style="list-style-type: none"> • On a bus or train: Take a ride using your Go-To Card. Fill out an online reimbursement request and Guaranteed Ride Home will reimburse for the fare paid • In a taxi: Get a ride home, submit it and Guaranteed Ride Home will reimburse for fare paid • For anyone who uses a smart commute alternative (riding the bus or train, carpooling, vanpooling, bicycling, or walking) to work at least three times a week • Enroll online
<p>Zap Twin Cities</p>  <p>TWIN CITIES</p>	<p>Benefits</p> <ul style="list-style-type: none"> • Rewards program that uses radio frequency identification (RFID) tags and readers to automatically log and report bicycling trips • Stats posted on web dashboard • Individuals can join for free • Employers pay \$300 one-time set up fee and a \$10 annual subscription/user/year

As Kraus-Anderson gets closer to building completion (within 3-6 months), we will look to Commuter Connection to help assist us in designing a program that best fits the needs of Kraus-Anderson as well as the employees. Commuter Connection has a survey that can be used to gain employee feedback as well as determine where transit interests are most desired. Some of the employer programs Commuter Connection offers to enhance the alternative transportation program are onsite promotion of transportation options, education of employees such as bicycle education courses or rules of the road, reduce payroll tax obligations, employee communication tools designed to increase employee participation, relocation assistance (discount transit pass program and passes prior to the move so employees can try out options prior to the move), and employer recognition as a nationally recognized designation of Workplace for Commuters.