

## GENERAL INFORMATION

Applicant:	Drury Southwest, Inc. (owner and user)
Location:	3901 Minnesota Drive
Request:	Major revision to final development plans for a 214-room hotel and future restaurant planned development at 3901 Minnesota Drive.
Existing Land Use and Zoning:	Vacant; zoned C-4(PD) Freeway Office (Planned Development)
Surrounding Land Use and Zoning:	North – Office; City of Edina South – Service station; zoned CS-1(PD) East – Restaurant and office; zoned CS-1 West – Office; zoned CS-1(PD)
Comprehensive Plan Designation:	Office

## HISTORY

City Council Action:	08/12/1985 – Approved a multi-phased office and hotel preliminary development plan (Case 5440A-85).
City Council Action:	02/05/2018 – Adopted an ordinance rezoning 3901 Minnesota Drive from CS-1 Commercial Service to C-4(PD) Freeway Office (Planned Development) and approved major revisions to the preliminary and final development plans for a nine-story, 214-room hotel with hotel restaurant and meeting space and a future freestanding restaurant.

## CHRONOLOGY

Planning Commission	05/07/2020 – Recommended City Council approval of final development plans for a temporary parking lot, a 214-room hotel and future restaurant planned development at 3901 Minnesota Drive.
City Council	05/18/2020 – Consent Agenda

## DEADLINE FOR AGENCY ACTION

Application Date:	03/31/2020
60 Days:	05/30/2020
120 Days:	07/29/2020
<b>Applicable Deadline:</b>	<b>07/29/2020 (Extended by City due to COVID 19 pandemic)</b>
Newspaper Notification:	Confirmed – (04/23/2020 Sun Current – 10 day notice)
Direct Mail Notification:	Confirmed – (500 buffer – 10 day notice)

## STAFF CONTACT

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## PROPOSAL

The applicant proposes a major revision to previously approved final development plan for a nine-story, 214 room hotel. The hotel would be Phase I of a two-phase planned development. Phase II would be a 7,000 square foot freestanding restaurant. Existing driveways located along W. 78th Street and Minnesota Drive would provide access to the hotel and restaurant.

Project phasing, proposed uses, and development intensity remains largely the same as the previous approval, so an amendment to the approved preliminary development plan is not necessary. One minor change, which reduces the overall parking requirement, is a reduction in the size of the proposed hotel meeting space from 2,200 to 800 square feet. The changes that constitute a major revision to final development plans are:

1. The first plan iteration primarily provided parking on a two-level parking deck which covered a significant portion of the site. The applicant is now proposing a four-level parking structure on the northwest portion of the site along with surface parking.
2. The applicant is obligated through private agreement to provide 100 parking stalls to the Minnesota Center office building for its non-exclusive use. The applicant does not intend to begin construction on the hotel until the end of 2021, but is required to provide the 100 non-exclusive parking stalls now. The applicant is proposing to construct a temporary asphalt parking lot that does not meet several City Code requirements. The temporary parking lot would ultimately be incorporated into the hotel parking lot and upgraded to meet all City Code design and stormwater management requirements.

## BACKGROUND

The original preliminary development plan for the wider planned development, approved by the City Council in 1985, included five high-rise buildings and a gas station. Four high-rise buildings were an office development, totaling approximately 1.5 million square feet. The fifth building was a 350- room hotel.

Only the first phase, the Minnesota Center office building, was developed as envisioned. Other phases were revised to allow the retail development to the west and a daycare center was developed at the intended gas station location. The subject parcel, however, has remained as the undeveloped portion of the planned development.

Poorly draining and contaminated soils have proved to be a challenge to any development. In 2017, the City Council authorized, and the Bloomington Housing and Redevelopment Authority submitted, grant applications to the Metropolitan Council and State of Minnesota Department of Employment and Economic Development (DEED) to provide remediation funding for the site. The project was selected as a recipient for the grants and site remediation has been completed.

## ANALYSIS

### *Code Compliance*

Staff analyzed the development compliance with C-4 zoning district performance standards (see Table 1). Several other City Code performance standards apply to the development are included in Table 1. Requested deviations for the hotel and restaurant development have been noted in the table and addressed in more detail in this report. The requested deviations are generally “in-line” with flexibility granted by the City Council in 2018.

**Table 1: City Code Requirement Analysis for C-4 Development**

Standard	Code Requirement	Proposed	Compliance
Site Area – minimum	120,000 square feet	165,698 square feet	Yes
Minimum lot width	250 feet	~375 feet	Yes
Minimum building floor area	20,000 square feet	Phase I: 129,221 square feet	Yes
Building setback – all streets – minimum	35 feet	32 ft. along Minnesota Dr.; 47.1 ft. along France Ave.; 32.1 ft. (structure) along Minnesota Dr.	Deviation previously approved
Minimum landscape yard	20 feet – along streets	19 feet along France Ave; 9.7 feet along W. 78 <sup>th</sup> Street	Minor revision required – deviations previously approved

Standard	Code Requirement	Proposed	Compliance
Parking setback – internal minimum	5 feet – minimum alongside lot lines	Minimum 5 feet	Yes
Parking islands	8 feet minimum width with one tree or more	Not all islands meet width and tree requirement	Minor revisions required
Drive aisles	24 feet wide for 90 degree parking; Institute for Transportation Engineers (ITE) standard for areas < 90 degree angle	24 feet for 90 degree parking	Yes
Impervious surface coverage	90 percent maximum	Approximately 75%	Yes
Floor area ratio	0.4 Min / 2.0 Max	0.78 – Phase I 0.82 – with Phase II	Yes
Parking – minimum	333 stalls	328 stalls (1.5% deviation)	Deviation previously approved
Trees – minimum	66 trees	66 trees	Minor revisions required
Shrubs – minimum	167 shrubs	258 shrubs	Minor revisions required
Trash collection and storage	Interior with interior access	Trash located within building and accessed from interior corridors	Yes
Sidewalks	8 foot minimum along France Avenue; 6 foot minimum along W. 78 <sup>th</sup> Street and Minnesota Drive; Private sidewalks 5 feet clear	8 foot along France Avenue; 6 foot along W. 78 <sup>th</sup> Street and Minnesota Drive; Private sidewalks 5 feet clear	Yes

### ***Building Design***

According to the applicant, the design team prepared numerous site plan scenarios with various hotel orientations. The design team ultimately chose to orient the hotel along Minnesota Drive. This provides greater separation between the office building and the hotel and minimizes impacts on the view for the offices facing northeast. Access into the hotel lobby would be at grade from the surface parking to the south and have an additional access from Minnesota Drive. In order to maximize the site development area and parking, the applicant is seeking setback flexibility for the parking structure, a small at-grade parking area on the south side of the site, and a slight deviation for the hotel itself. Generally, staff believes these deviations are relatively minor and in the public interest with proper building design and landscaping. Setback flexibility was approved through the original planned development, including reduced setbacks for the parking structure.

Staff recommends removing one stall from the surface parking area in the southeast corner of the site, which is proposed to be 9.7 feet from the property line. Removing one stall would provide more room for parking lot landscape screening, which is a City Code requirement, and bring the degree of deviation for setbacks within the flexibility entitled with the original preliminary development plan and 2018 approval. Staff does not support the required deviation to reduce the yard area at this location beyond what was already approved.

Proposed exterior building materials include stucco, glass, and stone. The proposed building materials would be Code compliant. The original planned development approval requires parking structures to incorporate some natural limestone cladding to elevate parking structures' overall appearance. The proposed parking structure would incorporate Kasota or Mankota limestone to match the existing Minnesota Center structure.

Indoor trash and recycling collection and storage rooms with indoor access are required. This alleviates security and cleanliness concerns of employees needing to haul trash and recycling outside. The hotel and restaurant depict interior trash rooms, although the plan is labeled "Trash Enclosure." Staff will confirm interior trash rooms meet City Code requirements before building permits are issued.

### ***Landscaping, Screening and Lighting***

Because the parking structure consolidates parking supply compared to the previously approved parking deck, there are more areas for landscaping. A total of 66 trees and 167 shrubs are required – 66 trees and 258 shrubs are proposed. Minor revisions to the landscaping plan include ensuring all parking islands meet the 8-foot width requirement and include at least one deciduous tree. A three-foot parking lot landscape screen is missing along France Avenue and in the southeast corner, so additional plantings or screening is required.

The applicant provided a photometric plan for the upper level parking area. City Code requires an initial and maintained photometric plan, which depicts lighting levels at initial installation and maintained levels. Because the parking lot has two levels, City Code requires at least 5 foot-candles within the parking structure parking surface. Higher lighting levels are required at the main entrances and the entrance to the parking structure. Parking perimeters have a lower lighting requirements. The photometric plans and fixtures must be reviewed and approved prior to the issuance of a building permit.

### ***Access, Circulation, and Parking***

Hotel and restaurant access would be accomplished through existing access points along Minnesota Drive and W. 78th Street. A dedicated right turn lane would be constructed along W. 78th Street to accommodate turns into the hotel development and the Minnesota Center office building. The turn from W. 78th Street would access the ramp, the restaurant and hotel lobby. From Minnesota Drive, vehicles would have access to the lower parking level and a ramp to the upper level.

Minnesota Center has a shared parking access easement for 100 surface stalls on the hotel site. In addition, the applicant has requested a 1.5 percent deviation from the parking requirement, as demonstrated in Table 2 below. Two stalls would need to be removed based on staff's comments, which would increase the deviation to 2 percent.

**Table 2: Hotel and Restaurant Parking Analysis**

<b>Development Characteristics (Parking Ratio)</b>	<b>Rooms, Space, and Seats</b>	<b>Code-Requirement</b>
Hotel Rooms (1.1 spaces per room)	214	235
Meeting space (spaces equal to one-third occupancy)	800	18
Seats Indoor (1 space per 2.5 seats)	200	80
<b>Total Parking Requirement</b>		<b>333</b>
<b>Proposed Parking Supply</b>		<b>328</b>
<b>Percent Deviation from City Code</b>		<b>1.5%</b>

NOTE: The above analysis does not consider the spaces required for the office building.

The Minnesota Center office building requires 1,193 parking spaces. The preliminary and final development plan was approved with 945 spaces on-site and 100 spaces on the adjacent property. There is consideration for the future development including a hotel and shared parking opportunities. The hotel applicant requests a 1.5 percent reduction and the office was granted a 12.5 percent deviation. The combined development would require 1,526 parking spaces and combined would require a 16.6 percent deviation; an 18.4 percent deviation was approved in 2018.

Office buildings and hotels have different peak parking demands. Hotels and restaurants have an evening and weekend peak parking demand, while office developments peak in the morning and afternoon. For this development and the level of requested flexibility, a parking study was required before the initial development application was submitted.

The parking study conducted by Alliant Engineering analyzed Minnesota Center parking demand and area hotels to create parking models to determine whether or not the hotel would provide adequate parking for the proposed development as well as maintain access to the 100 stalls allocated for Minnesota Center use. The parking model increased the office building parking demand to provide a hypothetical, fully- occupied Minnesota Center. The study concluded that, even with full office and hotel occupancy, excess parking is expected. Further, with full occupancy, the 100 shared stalls available for Minnesota Center use would be retained. As such, staff supports the proposed parking deviation.

### ***Temporary Parking Lot***

As mentioned in the Proposal section of this report, the applicant is legally obligated through private agreement to provide 100 parking stalls for Minnesota Center's non-exclusive use.

However, due to cost and timeline uncertainty, Drury is not ready to move forward with major construction. Further, the applicant does not wish to spend additional capital on constructing a fully Code-compliant (i.e., permanent) parking lot when the shared parking would be needed to be reconstructed and incorporated into the hotel site. To abide by their agreement with Minnesota Center, but reduce the cost of providing temporary parking, the applicant proposes a paved parking lot, with Code-compliant lighting, but without curb and gutter, landscaped parking islands, and modest stormwater management facilities. Essentially, the parking lot would be a temporary, 100-stall asphalt parking pad.

Staff recognizes cost and timeline uncertainty, particularly with the Coronavirus pandemic, and is generally supportive of allowing non-Code compliant parking *temporarily*. However, without contingencies in place, temporary parking may become permanent, substandard parking. To address this, staff has included a recommended condition of approval requiring a financial surety to retrofit the temporary parking should the hotel project not move forward. Staff recommends a surety in the amount of 120 percent of the cost to bring the temporary parking lot into full conformance with City Code if the hotel is not under construction within three years. Three years represents the maximum time period a final development plan approval is valid.

### ***Signage***

City Code Section 19.121 establishes signage standards for hotels and separate standards for office buildings over 7 stories. Each use would be allocated wall signs as allowed for each building type. Hotel wall sign size is based on the number of stories or rooms. For this development, two hotel elevations may have signs up to 350 square feet each while the two other elevations may have wall signs up to 150 square feet each. All wall signs must be channel construction. The restaurant must share the freestanding signs with the office and hotel and is allowed individual letter wall signs not to exceed 10 percent of the elevation. The restaurant would be allowed signs on three of the four elevations.

Incorporating freestanding signage would be more challenging as the site already has freestanding signage for Minnesota Center. As a planned development, freestanding signage allowances are shared among the various properties. The applicant must coordinate with Minnesota Center to develop a Uniform Sign Design incorporating signage on an existing freestanding sign or implement new freestanding signage. The site benefits, however, from its position along three street frontages. As such, the site is allowed three freestanding signs, each on a different street frontage, subject to size and setback requirements in the City Code.

Currently, there are “Minnesota Center” signs mounted on the retaining walls at the corners of Minnesota Drive and France Avenue and W. 78th Street and France Avenue. These signs do not meet the setback requirement and appear to have been approved at the time of original construction. These signs are not considered freestanding signs, however, the square footage would be included in the maximum freestanding signs on the property.

### ***Stormwater Management***

Stormwater will be managed to meet the City's and Watershed District's requirements for stormwater rate control (quantity), stormwater quality and volume.

The Stormwater Management plan calculations and narrative have been reviewed and appear to meet the requirements in the City of Bloomington Comprehensive Surface Water Management Plan. A maintenance plan has not yet been provided and will be required to be signed and filed at Hennepin County. This site is located within the Nine Mile Creek Watershed District, so an additional permit will be required.

### ***Utilities***

The new hotel and future restaurant is proposed to be served by a looped water system with connections on W 78<sup>th</sup> St and Minnesota Dr. The location of fire hydrants must be reviewed and approved by the Fire Marshal and Utilities Division. Sanitary sewer service would be provided from the existing pipe in the W 78<sup>th</sup> St. right-of-way. An external grease interceptor is proposed south of the future restaurant pad. The utility plans must be approved by the City Engineer prior to permit issuance.

### ***Traffic Analysis***

Staff does not support the proposed right turn lane into the site off of W. 78<sup>th</sup> Street. The proximity of the right turn lane to the channelized right turn lane for southbound France Avenue to westbound W. 78<sup>th</sup> Street poses a safety concern. The additional traffic generated by the redevelopment is not expected to necessitate the need for the proposed right turn lane. No other significant impacts to the adjacent traffic patterns due to this development have been identified.

### ***Transit and Transportation Demand Management (TDM)***

This redevelopment would require a Tier 1 TDM plan as parking flexibility is requested. The Tier 1 TDM plan includes a TDM plan that details what TDM measures would be implemented, as well as a TDM agreement and surety that would ensure the TDM plan would be followed for a minimum of two years.

### ***Fire Prevention and Public Safety***

The access and circulation design must meet or exceed the minimum standards of the Fire Code with a minimum 20 foot wide access around the building and be maintained in accordance to the approved plan including a surface to provide all weather driving capabilities. Apparatus access roads must be asphalt or concrete and support a minimum of 80,000 pounds with a turning radius to accommodate BFD ladder 4.



A looped water supply feeding a single, combined water service into the hotel and restaurant is required for the domestic and sprinkler system water demand. Hydrant coverage must be provided within 150 feet of all exterior walls and within 50 feet of the fire department connections. Hydrant locations will be approved by the Utilities and Fire Prevention Divisions.

The buildings must be addressed plainly and visible from the street or road using numbers that contrast with the background. The numbers must be a minimum of four inches, be Arabic numbers or alphabetic letters with a minimum stroke width of 0.5 inches. The applicant shall ensure the proposed landscaping plans do not interfere with access to the building. Knox boxes and annunciator panels are required at the main entrances and other areas as designated by the Fire Prevention Division.

A common concern for commercial kitchens, especially those producing grease laden vapors, is to assure the hood suppression system is tested to the UL300 Standard, be listed and labeled for the intended application and have the capability to flow water through the same nozzles upon discharge of the wet chemical.

All stairwells must have an access door to the interior on all floors, including the first floor. The Fire Code requires wet standpipe hose valves within 200 feet of all areas within the structure. Provide for emergency responder radio coverage throughout the complex and in all structures per the requirements of Appendix L in the 2015 Minnesota State Fire Code.

Any changes made to the current plans, including building location, access roads, water supply and addressing, must be reviewed by the Fire Marshal to insure continued compliance with the Fire Code.

#### ***Status of Enforcement Orders***

There are no open enforcement orders for the subject property.

## **FINDINGS**

### **Required Final Development Plan Findings - Section 21.501.03(e)(1-7):**

<b>Required Finding</b>	<b>Finding Outcome/Discussion</b>
(1) The proposed use is not in conflict with the Comprehensive Plan	Finding made – There is no conflict between the proposed development and the Comprehensive Plan. The proposed hotel is consistent with the Comprehensive Plan's Community Commercial designation.
(2) The proposed use is not in conflict with any adopted District Plan for the area	Finding made – The proposed development is not located in an area with an adopted District Plan.
(3) The proposed development is not in	Finding made – The proposed development is consistent

conflict with the approved preliminary development plan for the site	with the approved preliminary development plan for the site which depicts a 214-room hotel and future restaurant.
(4) All deviations from City Code requirements are in the public interest and within the parameters allowed under the Planned Development Overlay Zoning District or have previously received variance approval	Finding made – The proposed deviations would facilitate a development that is of similar character with nearby office and hotel development. The building's height, density, massing, design and other characteristics are consistent with development projects along Interstate 494. The deviations would not have an adverse impact on the surrounding neighborhood and are in the public interest.
(5) Each phase of the proposed development is of sufficient size, composition, and arrangement that its construction, marketing, and operation is feasible as a complete unit without dependence upon any subsequent unit	Finding made – The planned development is proposed to be completed in two phases. Phase I, the hotel, is not dependent upon Phase II, the restaurant.
(6) The proposed development will not create an excessive burden on parks, schools, streets, and other public facilities and utilities which serve or are proposed to serve the planned development; and	Finding made – Given the size and characteristics of the proposed development, an excessive burden is not anticipated on parks, schools, streets, the sanitary sewer system or the water system.
(7) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare	Finding made – The proposed development is not anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare. The development must meet stormwater requirements and the building design, building heights, and site circulation are consistent with hotel development along the Interstate 494 corridor.

## RECOMMENDATION

The Planning Commission and staff recommend approval using the following motion:

In Case PL2020-58, having been able to make the required findings, I move to approve major revisions to final development plans for a temporary 100-stall parking lot, 214-room hotel, and future restaurant planned development at 3901 Minnesota Drive, subject to the conditions and Code requirements attached to the staff report.

## RECOMMENDED CONDITIONS OF APPROVAL

Case PL2020-58

**Project Description:** Major revision to final development plans for a 214-room hotel and restaurant planned development at 3901 Minnesota Drive.

**Address:** 3901 MINNESOTA DR

The following conditions of approval are arranged according to when they must be satisfied. In addition to conditions of approval, the use and improvements must also comply with all applicable local, state, and federal codes. Codes to which the applicant should pay particular attention are included below.

1. Prior to Permit A Site Development Agreement, including all conditions of approval, must be executed by the applicant and the City and must be properly recorded by the applicant with proof of recording provided to the Director of Community Development.
2. Prior to Permit Prior to the issuance of a Parking Lot Permit for the temporary parking lot, a surety in the amount of 120% of the cost to bring the parking into full conformance with City Code must be submitted. The surety will be released under the following conditions:
  1. A building permit is procured and hotel construction commences; or
  2. Within three years of the date of final development plan approval, the parking lot is retrofitted to meet all City Code requirements.
3. Prior to Permit Grading, Drainage, Utility and Erosion Control plans must be approved by the City Engineer.
4. Prior to Permit Access, circulation and parking plans must be modified as discussed in the staff report and approved by the City Engineer.
5. Prior to Permit Sewer Availability Charges (SAC) must be satisfied.
6. Prior to Permit A Nine Mile Creek Watershed District permit must be obtained and a copy submitted to the Engineering Division.
7. Prior to Permit Bicycle parking spaces must be provided and located throughout the site as approved by the City Engineer.
8. Prior to Permit An erosion control surety must be provided (16.08(b)).
9. Prior to Permit Landscape plan must be approved by the Planning Manager and landscape surety must be filed (Sec 19.52).
10. Prior to Permit Three foot high parking lot screening must be provided between surface parking areas and public streets as approved by the Planning Manager (Sec. 19.52).
11. Prior to Permit Except for the temporary parking facility, poured-in-place concrete curbs must be provided on the perimeter of parking lots and traffic islands (Sec 19.64).
12. Prior to Permit All trash and recyclable materials must be stored inside the principal building (Sec. 19.51).
13. Prior to Permit Utility plan showing location of existing and proposed water main and fire hydrant locations must be approved by the Fire Marshal and Utilities Engineer (City Code Sec. 6.20, Minnesota State Fire Code Sec. 508).

14. Prior to Permit Food service plans must be approved by the Environmental Health Division (City Code Sec. 14.360).
15. Prior to Permit Exterior building materials must be approved by the Planning Manager (Sec. 19.63.08).
16. Prior to Permit A National Pollutant Discharge Elimination System (NPDES) construction site permit and a Storm Water Pollution Prevention Plan (SWPPP) must be provided if greater than one acre is disturbed (State of MN and Federal regulation).
17. Prior to Permit Storm Water Management Plan must be provided that demonstrates compliance with the City's Comprehensive Surface Water Management Plan. A maintenance plan must be signed by the property owners and must be filed of record with Hennepin County.
18. Prior to Permit A Construction Management Plan must be submitted for review and approval by the City.
19. Prior to C/O Buildings shall meet the requirements of the Minnesota State Fire Code Appendix L (Emergency Responder Radio Coverage) adopted through City Ordinance to have approved radio coverage for emergency responders based upon the existing coverage levels of the public safety communication systems.
20. Prior to C/O The developer must submit electronic utility as-builts to the Public Works Department prior to the issuance of the Certificate of Occupancy.
21. Prior to C/O Building must be provided with an automatic fire sprinkler system as approved by the Fire Marshal (MN Bldg. Code Sec. 903, MN Rules Chapter 1306; MN State Fire Code Sec. 903).
22. Prior to C/O Eight-foot sidewalk must be installed France Avenue and six-foot sidewalk must be installed along Minnesota Drive and W. 78th Street at the developer's expense (Section 21.301.04(b)(1)).
23. Prior to C/O An external grease interceptor must be provided if the proposed tenant will have food preparation and service that will produce fats, oils, grease or wax in excess of 100 mg/L. The external grease interceptor design must be approved by the Utilities Engineer. A grease interceptor maintenance agreement must be filed with the Utilities Division, if an external grease interceptor is installed.
24. Prior to C/O Prior to occupancy, life safety requirements must be reviewed and approved by the Fire Marshal.
25. Ongoing All construction stockpiling, staging and parking must take place on site and off adjacent public streets and public right-of-way.
26. Ongoing Alterations to utilities must be at the developer's expense.
27. Ongoing All pickup and drop-off must occur on site and off public streets.
28. Ongoing All rooftop equipment must be fully screened (Sec. 19.52.01).
29. Ongoing A uniform sign design must be submitted for approval by the Planning Manager (Section 19.109).
30. Ongoing Signs must be in compliance with the requirements of Chapter 19, Article X of the City Code and Uniform Design Plan.
31. Ongoing Development must comply with the Minnesota State Accessibility Code (Chapter 1341).