

GENERAL INFORMATION

Applicant: William Griffith (owner's representative)
Rosa Development Company (owner)

Location: 3700 and 3750 American Boulevard East

Request: Interim use permit for remote airport parking at 3750 American Blvd. E.
Interim use permit for remote airport parking at 3700 American Blvd. E. with modified development milestones

Existing Land Use and Zoning: Remote airport parking facility; zoned HX-R(PD) High Intensity Mixed Use with Residential (Planned Development)

Surrounding Land Use and Zoning: North – Interstate 494
West and East – Hotels; zoned HX-R
South – Appletree Square hotel/office/residential; zoned HX-R(PD)

Comprehensive Plan Designation: South Loop Mixed Use

HISTORY

City Council Action: 04/06/2020 – Approved a major revision to preliminary development plans for a multi-phase planned development at 3700 and 3750 American Boulevard E.; final development plans to convert a portion of the Park N Fly remote airport parking facility into a six-story, 183-unit apartment building located at 3700 American Blvd. E. (Phase I); preliminary and final plat ROSA ADDITION; and a platting variance to defer park dedication fees for future development phases.

City Council Action: 04/15/2019 – Approved a five-year interim use permit for remote airport parking at 3700 American Blvd. E., subject to development milestones (PL2019-11).

City Council Action: 02/23/2015 – Approved a five-year interim use permit for remote airport parking at 3700 American Blvd. E.; approved a variance to increase the interim use permit term from five to 10 years for 3750 American Blvd. E.; and approved a 10-year interim use for a remote airport parking facility at 3750 American Blvd. E. (Case 9250ABC-14).

City Council Action: 08/03/2009 – Denied variance requesting ability to have a 10-year interim use permit. Denied request for 10-year interim use permit. Approved a five-year interim use permit for remote airport parking, expiring July 1, 2014 (Case 9250AB-09).

City Council Action: 04/25/2005 – Rezoned to the HX-R Zoning District where remote airport parking is allowed only as an interim use.

City Council Action: 04/21/2003 – Reclassified remote airport parking as an interim use in the CS-1 Zoning District.

City Council Action: 09/23/2002 – Approved a revised final development plan to change the sunset date for the remote airport parking use in Condition #9 from 2004 to 2009 (a five year extension) (Case 9250B-94).

City Council Action: 03/24/1994 – Approved revised preliminary development plan for the site and approved a final development plan for parking structure with a sunset date for the remote airport parking use (Case 9250A-94).

City Council Action: 03/30/1992 – Rezoned site to apply the Planned Development Overlay District, approved a temporary conditional use permit and adopted a preliminary development plan with a sunset date for the remote airport parking use (Case 9250B-91).

City Council Action: 11/18/1991 – Approved three year temporary conditional use permit for remote airport parking (Case 9250A-91).

City Council Action: 08/08/1988 – Approved three year temporary conditional use permit for remote airport parking (Case 9250B-88).

City Council Action: 11/24/1986 – Adopted ordinance amending City Code to allow remote airport parking as temporary conditional uses in the CS-1 and CO-1 zoning districts.

CHRONOLOGY

Planning Commission 07/23/2020 – Recommended approval of an interim use permit with modifications to previously adopted development milestones for phased development but denial of an extended expiration date at 3700 American Blvd. E.

subject to the listed conditions of approval and denial of an interim use permit with a new expiration date at 3750 American Blvd. E.

City Council

08/03/2020 – Consent Agenda

DEADLINE FOR AGENCY ACTION

| | |
|-----------------------------|------------------------------------------------------|
| Application Date: | 06/17/2020 |
| 60 Days: | 08/16/2020 |
| 120 Days: | 10/15/2020 |
| Applicable Deadline: | 08/16/2020 |
| Newspaper Notification: | Confirmed – (07/09/2020 Sun Current – 10 day notice) |
| Direct Mail Notification: | Confirmed – (500 buffer – 10 day notice) |

STAFF CONTACT

Mike Centinario
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E-mail: mcentinario@BloomingtonMN.gov

PROPOSAL

The applicant is requesting two five year interim use permits (IUP) for remote airport parking at 3700 and 3750 American Blvd. E. Both existing IUP's expire on July 1, 2024 – the applicant is requesting both new IUP's expire on July 1, 2025. In addition to the IUP's with new expiration dates, the applicant is seeking new development milestones relative to those approved as part of the existing IUP for 3700 American Blvd. E. The purpose of the new milestone dates is to provide additional time to: submit building permit applications for Phase I; commence construction of Phase I; and provide a conceptual plan for Phase II. The COVID-19 pandemic is cited as the reason for the requests.

BACKGROUND

In 2014, the applicant applied for a five-year IUP for the surface lot, 3700 American Blvd. E., a variance to allow a 10-year IUP for the parking structure, 3750 American Blvd. E., and a 10-year IUP for the parking structure. The City Council ultimately approved the IUPs and the variance, subject to a condition requiring a development agreement where the applicant acknowledges that remote airport parking is a temporary use and that the City of Bloomington is under no obligation to

approve future IUPs for remote airport parking. The agreement did not remove the applicant's ability to apply for future IUPs, which they did for the surface parking lot in 2019.

The IUP for the surface lot was approved with an expiration of July 1, 2024, which matches the IUP expiration date of the parking structure. As a condition of approval, development milestones were established to require a phased development plan for the entire site and the construction of an initial phase. The applicant has met the milestone obligations pertaining to the submission of preliminary and final development plans. The preliminary development plan identified four development phases for the site, and the final development plan for Phase I, were approved by the City Council in April 2020. Phase I is intended to be a six-story, 183-unit apartment building.

ANALYSIS

The COVID-19 pandemic has significantly impacted the economy over the last several months. In addition to the economic uncertainty, financing requirements for new development have become more complicated. The applicant, understandably, has not been able to meet the June 1, 2020 development milestone that required the submittal of building permit applications for Phase I.

Staff is supportive of amending development milestones. The applicant is actively working towards implementing Phase I, but needs more time. The revised development milestones proposed by the applicant are:

- By June 1, 2021: Submit complete building permit application for Phase I project
- By September 1, 2021: Commence Phase I construction
- By July 1, 2023: Submit conceptual development plans for Phase II

In regards to new IUPs with an additional year of duration, staff does not believe the extension meets the required IUP findings established in City Code Section 21.501.04(e). When reviewing the IUP requests in 2019, staff identified several reasons to begin phasing-out the remote airport parking use at the site, which has been in operation for over 30 years. These reasons include strong market demand for multiple-family residential development, the Opportunity Zone Designation, and the increased supply of on-airport parking.

Although the pandemic has caused an economic slowdown, the demand for multiple-family apartments in the City of Bloomington has remained strong. At the same time, the dramatic reduction in air travel has depleted the demand for remote airport parking. It is unclear when demand will return to a stable level especially given the large expansion of on-airport parking.

Redevelopment of 3700 and 3750 American Blvd. E. from temporary remote airport parking to permanent development consistent with the South Loop District Plan is strongly in the City's interest. Delay of redevelopment works against those interests. We do not presently understand the pandemic's longer-term impact on the development market. Staff believes that any discussion of additional time for remote airport parking on the site should take place towards the end of the

current IUP period after Phase I has been completed, after significant progress has been made towards the development of Phase II, and when the City has a better understanding of the long term impacts of the pandemic. City staff are eager to continue to work with the applicant towards implementing Phase I and eventually begin planning for Phase II.

FINDINGS

Modification of Development Timelines at 3700 American Blvd. E. – Section 21.501.05(e)(1-6)

| Required Finding | Finding Outcome/Discussion |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) The proposed use will not delay permanent development of the site | Finding Made- the requested modification to the development timelines result in permanent development of the site and are reasonable based upon the impacts of the COVID-19. |
| (2) The proposed use is not in conflict with any adopted District Plan for the area. | Finding Made – the development milestones extension is not in conflict with the Comprehensive Plan’s and South Loop District Plan’s long term vision for the site and surrounding area for high-density, mixed use, pedestrian oriented development. As approved, the proposed Phase I construction will achieve the long term vision for the site and the additional time needed for construction is reasonable based upon the disruption caused by COVID-19 to construction services and financial markets. |
| (3) The proposed use will not be in conflict with any provisions of the city code on an ongoing basis | Finding Made – The HX-R zoning district specifically restricts remote airport parking to being an interim use within the district. Permanent use of the site for remote airport parking would be in conflict with the HX-R zoning district. Phased development within the large site is consistent with the intent of the IUP. |
| (4) The proposed use will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety, and welfare | Finding Made – The use has not adversely impacted nearby properties in the past and there is no reason to expect adverse nuisance impacts based on the extension of development milestones. |
| (5) The date or event that will terminate the use has been identified with certainty | Finding Made – The applicant’s request to modify the development timeline provided by the existing IUP provides a date certain at which development will occur and provides flexibility for the applicant to navigate the complexities of COVID-19. |
| (6) The property on which the use is situated has no open enforcement orders and there are no nuisance characteristics associated with the property or its current use | Finding Made – There are currently no enforcement actions, outstanding code violations, or nuisance characteristics on the site. |

Time Extensions at 3700 and 3750 American Blvd. E. - Section 21.501.05(e)(1-6)

| Required Finding | Finding Outcome/Discussion |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) The proposed use will not delay permanent development of the site | Finding Not Made – The requested new IUPs, with a termination date of July 1, 2025 rather than the existing termination date of July 1, 2024, serves to incrementally delay development of the site and creates uncertainty and delay in the permanent development of the site. The existing IUP's allow the applicant flexibility in use of the site until 2024. |
| (2) The proposed use is not in conflict with any adopted District Plan for the area. | Finding Not Made – The requested IUPs with a longer duration than the existing IUPs is in conflict with the Comprehensive Plan's and South Loop District Plan's long term vision for the site and surrounding area for high-density, mixed use, pedestrian oriented development. |
| (3) The proposed use will not be in conflict with any provisions of the city code on an ongoing basis | Finding Made – The HX-R zoning district specifically restricts remote airport parking to being an interim use within the district. Permanent use of the site for remote airport parking would be in conflict with the HX-R zoning district. Phased development within the large site is consistent with the intent of the IUP. |
| (4) The proposed use will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety, and welfare | Finding Made – The use has not adversely impacted nearby properties in the past and there is no reason to expect adverse nuisance impacts during an extended interim period. |
| (5) The date or event that will terminate the use has been identified with certainty | Finding Not Made – The applicant's request to approve new IUPs, which effectively delays termination of the IUPs one year from 2024 to 2025, without progress towards future phases in the form of completed development, reduces the certainty the remote airport parking use will terminate in a timely, phased manner. |
| (6) The property on which the use is situated has no open enforcement orders and there are no nuisance characteristics associated with the property or its current use | Finding Made – There are currently no enforcement actions, outstanding code violations, or nuisance characteristics on the site. |

RECOMMENDATION

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

In Case PL2020-102, having been unable to make required Findings 1, 2 and 5 of City Code Section 21.501 (e), I move to adopt a resolution approving an interim use permit with modifications to previously adopted development milestones for phased development but denying an extended expiration date at 3700 American Blvd. E. subject to the listed conditions of approval and denying an interim use permit with a new expiration date at 3750 American Blvd. E.

CONDITIONS OF APPROVAL

1. Failure to meet any of the milestones identified in Exhibit C will result in termination of this interim use permit for remote airport parking, provided the City makes available sufficient sewer infrastructure capacity to be available. In any event, termination of this interim use permit is subject to Applicant's right to cure an event of default or otherwise undertake corrective measures. In no case may the use of the Property for remote airport parking extend beyond July 1, 2024, unless a subsequent interim use permit is issued; and
2. The conditions attached to this approval of an Interim Use Permit for remote airport parking (Case PL2020-102) replace and supersede all previous conditions of approval related to the remote airport parking use on the Property; and
3. The Applicant must sign a new Site Development Agreement relating to the remote airport parking use with the City that incorporates all conditions of approval attached to Case PL2020-102 and confirms the interim nature of the use; and
4. Upon expiration of the Interim Use Permit (Case PL2020-102), the physical surface parking lot and the physical parking ramp may remain on site and be used in support of uses allowed in the base zoning district, however, the use of the site for remote airport parking must cease; and
5. The remote airport parking use is limited to 1,063 vehicles; and
6. Any physical changes to the site must follow the relevant approval process outlined in the City Code; and
7. Motor vehicles must be parked at all times in a manner that allows Fire Department access; and
8. Landscaping and required screening must be maintained in the current state during the term of the interim use permit; and
9. No maintenance or cleaning of customer or employee vehicles is allowed; and
10. All trash and recyclable materials be stored inside the principal building. (Sec. 21.301.17); and
11. Fire lanes be posted as approved by the Fire Marshal. (Uniform Fire Code Sec. 901.4).

3700 American Boulevard East

EXHIBIT B
TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF BLOOMINGTON & APPLICANT

CONDITIONS OF APPROVAL

1. Failure to meet any of the milestones identified in Exhibit C will result in termination of this interim use permit for remote airport parking, provided the City makes available sufficient sewer infrastructure capacity to be available. In any event, termination of this interim use permits is subject to Applicant's right to cure an event of default or otherwise undertake corrective measures. In no case may the use of the Property for remote airport parking extend beyond July 1, ~~2024~~2025, unless a subsequent interim use permit is issued; and
2. The conditions attached to this approval of an Interim Use Permit for remote airport parking (Case PL2019-11) replace and supersede all previous conditions of approval related to the remote airport parking use on the Property; and
3. The Applicant must sign a new Site Development Agreement relating to the remote airport parking use with the City that incorporates all conditions of approval attached to Case PL2019-11 and confirms the interim nature of the use; and
4. Upon expiration of the Interim Use Permit (Case PL2019-11), the physical surface parking lot and the physical parking ramp may remain on site and be used in support of uses allowed in the base zoning district, however, the use of the site for remote airport parking must cease;
5. The remote airport parking use is limited to 1,063 vehicles; and
6. Any physical changes to the site must follow the relevant approval process outlined in the City Code; and
7. Motor vehicles must be parked at all times in a manner that allows Fire Department access; and
8. Landscaping and required screening must be maintained in the current state during the term of the interim use permit; and
9. No maintenance or cleaning of customer or employee vehicles is allowed; and
10. All trash and recyclable materials be stored inside the principal building. (Sec. 19.51); and
11. Fire lanes be posted as approved by the Fire Marshal. (Uniform Fire Code Sec. 901.4).

EXHIBIT C
TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF BLOOMINGTON & APPLICANT

PROJECT MILESTONES

| Milestone | Description | Due |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Identify Phase I Project Site | Applicant will submit to the City the approximate boundaries of a three to four acre development site within the Property. | August 1, 2019 |
| Amend Alternative Urban Areawide Review (AUAR) | Applicant and City will amend existing AUAR as needed to include the Project within the AUAR. | Concurrent with the City's five year AUAR update due in 2022 |
| Concept Master Plan | Applicant will submit a concept master plan for entire site including 3700 American Blvd and 3750 American Blvd that identifies the proposed major uses, the development square footage projected, phasing, public and private infrastructure and location of structured parking. | October 31, 2019 |
| Project Pro Forma | Applicant will submit a development proforma for the Phase I Project that identifies sources and uses of public and private funds and the need for public support of the Project. | October 31, 2019 |
| Application for Public Financial Assistance | If public financial assistance is desired, Applicant will submit to the City, Port Authority and/or the Housing and Redevelopment Authority, as applicable, a written request for tax increment financing or other public subsidies requested for the Phase I Project. | December 31, 2019 |
| Revised Preliminary and Final Development Plans | Applicant will submit to the City a complete application for major revision to Preliminary Development Plans for the | December 31, 2019 |

| | | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| | Property and Final Development Plans for the Phase I Project. | |
| Preliminary and Final Plat | Applicant will submit an application for preliminary and final plat to subdivide the Property into parcels for phased development of the Project and for continued use of the remnant Property for remote airport parking in the interim or some other approved use. The application may be accompanied by a platting variance request to defer park dedication for future development phases. | March 31, 2020 |
| Building Permit | Applicant will submit a complete application for a building permit for the Phase I Project. | June 1, 2020 <u>2021</u> |
| Construction Start | Applicant will commence construction of the Phase I Project. | September 1, 2020 <u>2021</u> |
| Development Concept Plan: Phase II | Applicant will submit a development concept plan for Phase II with projected uses, development scheduled, projected cost and support requirements from the City. | July 1, 2022 <u>2023</u> |

3750 American Boulevard East

EXHIBIT B
TO DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF BLOOMINGTON & APPLICANT

CONDITIONS OF APPROVAL

1. The use of the property for remote airport parking must terminate on July 1, ~~2024~~2025;
2. The conditions attached to this approval of an Interim Use Permit for remote airport parking (Case 9250D-14) replace and supersede all previous conditions of approval related to the remote airport parking use on this site;
3. The applicant must sign a new Site Development Agreement relating to the remote airport parking use with the City that incorporates all conditions of approval attached to Case 9250D-14 and confirms the interim nature of the use;
4. Upon expiration of the Interim Use Permit, the physical surface parking lot and the physical parking ramp may remain on site and be used in support of uses allowed in the base zoning district, however, the use of the site for remote airport parking must cease;
5. The remote airport parking use on 3750 American Boulevard East is limited to those 1,000 vehicle spaces within the parking structure as approved in Case 9250A-14;
6. Any physical changes to the site must follow the relevant approval process outlined in the City Code;
7. Motor vehicles must be parked at all times in a manner that allows Fire Department access;
8. Landscaping and required screening must be maintained during the term of the Interim Use Permit; and
9. No maintenance or cleaning of customer or employee vehicles is allowed.