

GENERAL INFORMATION

Applicant:	Metropolitan Airports Commission (property owner) Skywater Technology Foundry (property owner) Jay Bhakta, JR Hospitality (applicant)
Location:	2325, 2349, 2357 and 2373 East Old Shakopee Road 2300 East 86 th Street
Request:	1. Comprehensive Plan Map Amendment to reguide 2325, 2349, 2357 and 2373 E. Old Shakopee Road from Public to Office and reguide 2300 E. 86th Street from Innovation and Technology to Office; and 2. Rezone the primary zoning district of 2325, 2349, 2357 and 2373 E. Old Shakopee Road from RO-50 Residential Office to C-4 Freeway Office, and rezone the primary zoning district of 2300 E. 86th Street from B-1 Neighborhood Office to C-4 Freeway Office
Existing Land Use and Zoning:	Vacant land; zoned RO-50(AR-17)(BP-2) Residential Office (Airport Runway)(Bluff Protection) Parking lot; zoned B-1(AR-17)(BP-2) Neighborhood Business (Airport Runway)(Bluff Protection)
Surrounding Land Use and Zoning:	North – Hospitality; zoned C-4(PD) Freeway Office (Planned Development) South – Vacant; zoned R-1 Single-Family Residential East – Conservation area; zoned SC(AR-17)(BP-2) Conservation(Airport Overlay)(Bluff Protection) West – Multi-family residential and telecommunications; zoned R-4 Multiple-Family Residential
Comprehensive Plan Designation:	Public and Information Technology

CHRONOLOGY

Planning Commission	04/26/2018 – Public hearing conducted
Council	05/21/2018 – Public hearing scheduled

DEADLINE FOR AGENCY ACTION

Application Date:	03/21/2018
60 Days:	05/20/2018
120 Days:	07/19/2018
Applicable Deadline:	07/19/2018 (Extended by City)
Newspaper Notification:	Confirmed – (04/11/18 Sun Current – 10 day notice)
Direct Mail Notification:	Confirmed – (500 buffer – 10 day notice)

STAFF CONTACT

Mike Centinario
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PROPOSAL

The applicant proposes a Comprehensive Land Use Guide Plan Amendment and rezoning to allow a four-story, 148 room hotel development in the City's South Loop District. The development site is triangular, made up of five parcels owned by two entities. One property, an existing parking lot owned by Skywater Technology Foundry, is located on the corner of E. Old Shakopee Road and E. 86th Street. The other four properties are former residential properties located along E. Old Shakopee Road. The latter properties were purchased by the Metropolitan Airports Commission (MAC) due to MSP Airport expansion, buildings demolished, and have been vacant since.

In addition to the Comprehensive Plan Amendment, the applicant proposes rezoning the properties to C-4 Freeway Office, a common zoning designation for an office or hotel development. The parking lot site is currently zoned B-1 Neighborhood Office while the other four properties are currently zoned RO-50 Residential Office. Hotels are not permitted in either district.

Following the Comprehensive Plan and rezoning applications, the applicant applied for a preliminary and final plat to combine the five parcels into one and final site and building plans for a hotel building and parking lot. Final site and building plan review will be contingent on the Comprehensive Plan Amendment and rezoning approval as the hotel cannot be approved without those two changes.

ANALYSIS

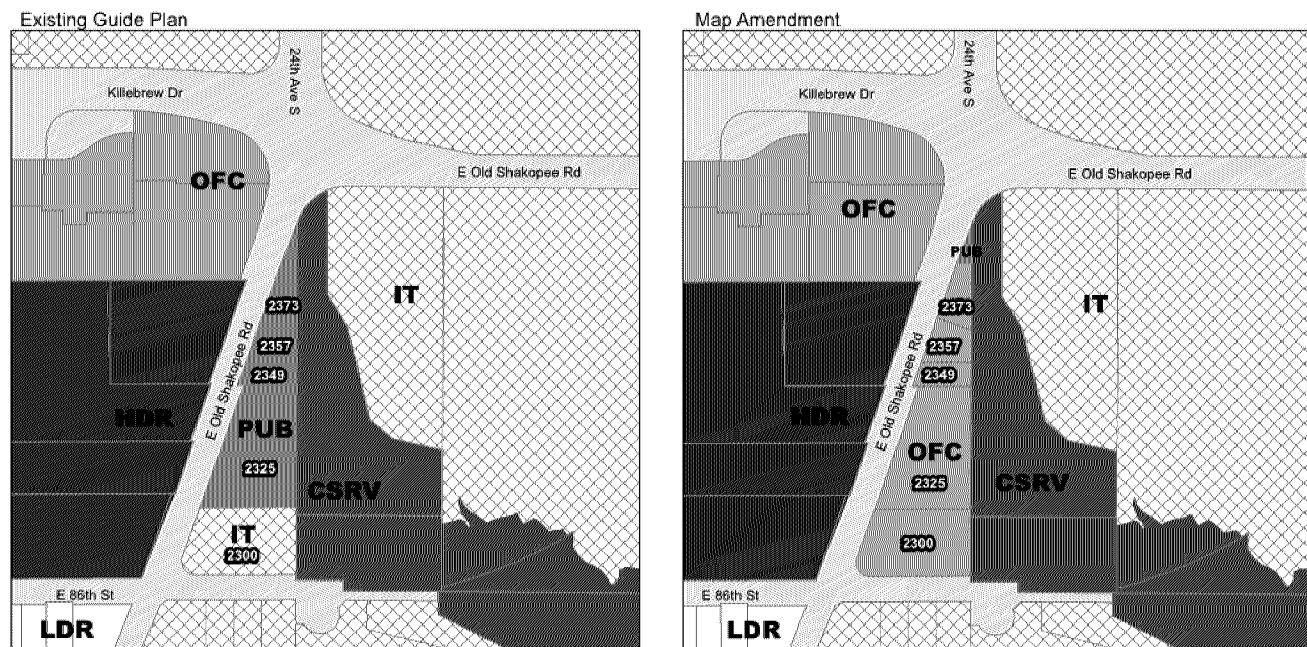
Comprehensive Plan Amendment

Four of the five properties are currently guided for Public land uses. Map 1 on the following page identifies the existing and proposed land use designations. Public land uses are intended for parks, open space, or natural and conservation areas. Certainly, the five properties developed as a park would be a community asset. The current Public designation flowed from the South Loop District

Plan's vision for the vacant MAC owned parcels as a dog park. However, the purchase price was prohibitive as MAC marketed the properties for commercial redevelopment. With existing and proposed trail and pedestrian improvements, access to the MN Valley Wildlife Refuge, and the nearby Bloomington Central Station Park, staff believes removing land designated for Public land uses would not be detrimental to the South Loop District. Staff is supportive of the proposed amendment.

The South Loop District Plan identifies a potential trailhead leading to the Minnesota River Valley trail network. The proposed development would not preclude a future trailhead as the City of Bloomington owns land to the north of the site, which includes Ike's Creek. Implementing a future trailhead will require further analysis, particularly how a trail may pose an impact to bluff and stream conditions. Apart from a trailhead leading down to the river valley, the redevelopment would include a 10-foot trail adjacent to E. Old Shakopee Road, furthering a goal to enhance pedestrian amenities and connections within the South Loop District. Today, the northerly four parcels have no sidewalk and the southerly parcel has only a six-foot sidewalk.

Map 1: Proposed Comprehensive Land Use Guide Plan Amendment



The parking lot parcel, 2300 E. 86th Street, is guided Innovation and Technology, which is intended to support high-tech manufacturing. This designation was chosen because it was consistent with the adjacent semiconductor facility the parking supports, now owned by Skywater Technology Foundry. The parking lot was constructed in anticipation of an employee build up in the early 2000s. The former owner, Cypress, expanded the building, but the anticipated staffing buildup did not materialize. The off-site parking lot is seldom used and the main facility's parking lot exceeds the parking requirement applied to the development at that time. Skywater consented to the application and would sell the property to the hotel developer prior to construction.

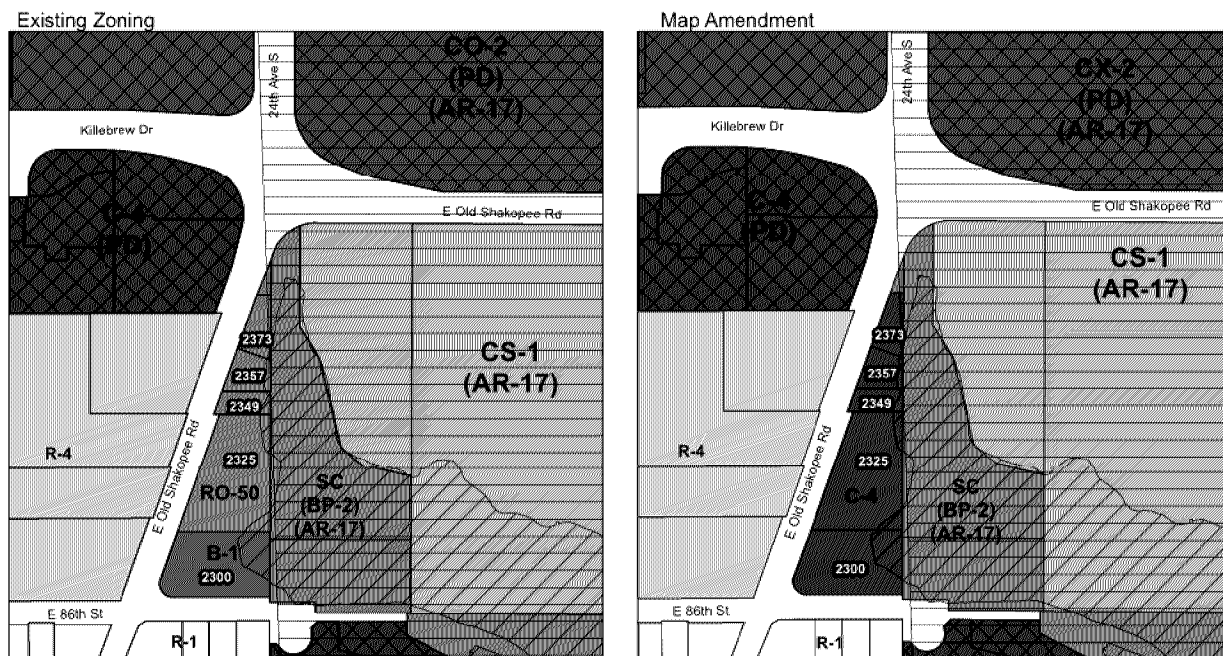
The Office land use designation is compatible with the proposed development. The Comprehensive Plan allows hospitality uses within the Office designation, provided they are within a mile of a freeway interchange. The subject parcel is about a mile from the 24th Avenue/Interstate 494 interchange and is well under a mile from the Highway 77 interchanges at E. Old Shakopee Road and Killebrew Drive.

The City has not received any communication expressing opposition from neighboring property owners or from affecting jurisdictions. In accordance with Metropolitan Council guidelines, neighboring municipalities, counties, affected State agencies, and taxing jurisdictions are notified of the proposed Comprehensive Plan Amendment.

Rezoning

Within the Office Guide Plan designation, should it be approved, the C-4 Freeway Office zoning district is an appropriate option. Within the C-4 District, hotels are a permitted use. The current zoning districts for the subject properties are a mix RO-50 Residential Office and B-1 Neighborhood Commercial. Neither district permits hotels. MAC purchased the properties because the residential uses were incompatible with the north-south runway. MAC seeks non-residential development for the site.

Map 2: Proposed Zoning Map Amendment



Two existing overlay zoning districts, the AR-17 (Airport Overlay) and BP-2 (Bluff Protection) would not change with this application. Given the properties adjacency to Ike's Creek and the sensitive surrounding bluff, staff has strongly encouraged the applicant to site the hotel outside bluff protection areas, which apply to any land at or below the 800 foot above sea level elevation; the

applicant has obliged. Further, the applicant must work with City staff and the Lower Minnesota River Watershed District to ensure development will not negatively impact Ike's Creek or the bluff. Temporarily removing groundwater during construction, or "dewatering," would require approval by the Department of Natural Resources, which would consider impacts on stream base flow. Staff has also provided plans for comment to the US Fish and Wildlife Service, who owns and manages the nearby Minnesota Valley Wildlife Refuge and may have constructive feedback on landscaping and ways to incorporate low impact design.

Code Compliance

Table 1 identifies a selection of City Code C-4 zoning district requirements pertaining to development. A more detailed technical analysis will be completed with the site plan application, but the requirements below demonstrate the intended development would be consistent with site size, site width, floor area ratio (FAR), and floor area requirements in the C-4 Zoning District. It is the applicant's intent to build a Code complying hotel development.

Table 1: C-4 Site Characteristics and Development Intensity

Standard	Code Requirement	Proposed	Compliance
Minimum site area	120,000 square feet	201,613 square feet	Meets Code
Minimum site width	250 ft.	316 ft.	Meets Code
Minimum Floor Area Ratio (FAR)	0.4	0.49	Meets Code
Minimum floor area	20,000 square feet	98,800 square feet	Meets Code

RECOMMENDATION

Planning Commission and Staff recommend the following motions:

In Case PL2018-93, I move to adopt a resolution amending the Comprehensive Land Use Guide Plan to reguide 2325, 2349, 2357 and 2373 E. Old Shakopee Road from Public to Office and reguide 2300 E. 86th Street from Innovation and Technology to Office.

In Case PL2018-93, I move to adopt an ordinance rezoning the primary zoning district of 2325, 2349, 2357 and 2373 E. Old Shakopee Road from RO-50 Residential Office to C-4 Freeway Office, and rezoning the primary zoning district of 2300 E. 86th Street from B-1 Neighborhood Office to C-4 Freeway Office.