

GENERAL INFORMATION

Applicant: Rosa Development Company (owner)

Location: 3700 American Blvd. E.

Request: Five-year interim use permit for remote airport parking

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

Surrounding Land Use and Zoning: North – Interstate 494
South – Appletree Square hotel/office/residential; zoned CS-1(PD) and CO-1(PD)
West and East – Hotels; zoned HX-R

Comprehensive Plan Designation: South Loop Mixed Use

HISTORY

City Council Action: 02/23/15 – Approved a five-year interim use permit for remote airport parking; 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: 08/03/09 – 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: 04/25/05 – Rezoned the site to the HX-R Zoning District where remote airport parking is allowed only as an interim use.

City Council Action: 04/21/03 – Reclassified remote airport parking as an interim use in the CS-1 Zoning District.

City Council Action: 09/23/02 – 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: 03/24/94 – 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: 03/30/92 – 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: 11/18/91 – Approved three-year temporary conditional use permit for remote airport parking (Case 9250A-91).

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

City Council Action: 11/24/86 – Adopted ordinance amending City Code to allow remote airport parking as a temporary conditional use in the CS-1 and CO-1 zoning districts.

CHRONOLOGY

Planning Commission 02/28/2019 – Continued to the March 21, 2019 meeting

Planning Commission 03/21/2019 – Continued to the April 4, 2019 meeting

Planning Commission 04/04/2019 – Recommended City Council approval of the IUP, subject to the conditions attached to the staff report.

City Council 04/15/2019 – Council review (Development Business)

DEADLINE FOR AGENCY ACTION

Application Date: 01/09/19

60 Days: 03/10/19

120 Days: 05/09/19

Applicable Deadline: 06/11/19 (Extended by applicant)

Newspaper Notification: Confirmed – (02/14/19 Sun Current – 10 day notice)

Direct Mail Notification: Confirmed – (500 foot buffer – 10 day notice)

STAFF CONTACT

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PROPOSAL

The applicant is requesting a five-year interim use permit (IUP) for remote airport parking at 3700 American Boulevard East, an approximately 8.7 acre site in the City's South Loop District. Accompanying the IUP request are development "milestones" that establish a timeline for permanent, phased development for the site. Those milestones were included in the applicant's project description and would be included within a development agreement recorded against the property.

According to the applicant's project description, the 12.2 acre Park N Fly site consists of a surface parking lot with 1,063 parking spaces and a four-story parking structure containing approximately 1,000 parking spaces. In 2015, the City Council approved a five-year IUP for remote airport parking on the surface lot (3700 American Blvd.) which expires on July 1, 2019. A ten year IUP was approved for remote airport parking within the adjacent parking ramp at 3750 American Blvd. East along with a variance to allow for an IUP to be issued for more than five years. No physical changes are proposed with this application.

BACKGROUND

Remote airport parking at this site was not allowed under the Bloomington Zoning Ordinance until 1986 and since that time has been allowed only as a temporary/interim use. All approvals for the remote airport parking use at this site have included sunset dates. The remote airport parking surface lot at 3700 American Blvd. E. was developed in 1988 after being granted a three-year temporary conditional use permit, which was renewed for an additional three years in 1991. The City Council's conditions of approval attached to the three-year temporary conditional use permit in 1988 stated that "the applicant shall covenant in the development agreement that only one renewal period of up to three years shall be applied for upon expiration of this temporary conditional use permit." The City Council's conditions of approval attached to the three-year temporary conditional use permit renewal in 1991 stated that "it is not the intent of the City at this time to recommend a subsequent renewal of a temporary conditional use permit for a remote airport parking lot beyond this renewal of a three-year temporary conditional use permit."

In 1992, a preliminary development plan (PDP) was approved for a phased development. The PDP included the parking structure that currently exists on the site and a future 250,000 square foot office building. Once the office building was constructed, the parking ramp would be used to service the office building. In the interim period, the ramp was allowed to be used for remote airport

parking on a temporary basis. A clear sunset date for the remote airport parking use was attached to the City Council's approval via Condition #9, "if the developer has not begun construction (obtained a building permit) of an office building, or other development subsequently approved by the City Council, on the site prior to April 1, 2002, the conditional use permit for remote airport parking use of the premises shall expire, and the operator shall cease use of the premises for remote airport parking by July 1, 2002."

On March 21, 1994 the City Council approved a revised PDP for a phased office tower and structured parking facility and a final development plan (FDP) for the parking structure subject to a number of conditions. The City Council amended Condition #9 (see above) to change the sunset date for the remote airport parking use from July 1, 2002 to July 1, 2004. The structured parking ramp was later constructed, but the office building has still not been constructed today.

In 2002, facing the 2004 sunset date on the remote airport parking use on the site, the applicant applied to amend the sunset date condition of approval to add an additional 10 years. The City Council partially denied the request and approved a five-year extension to the sunset date, extending the sunset date to July 1, 2009.

After 2002, remote airport parking was reclassified as an "interim" use rather than a "temporary conditional use." Facing the sunset date on the remote airport parking use on the site in 2009, the applicant applied for an IUP for remote airport parking at the site. The applicant requested a variance to allow a ten-year IUP. The City Council denied the variance request, but granted partial approval through a five year IUP to expire July 1, 2014.

In 2014, the applicant applied for a five-year IUP for the surface lot, a variance to allow a 10-year IUP for the parking structure, 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 have done for the surface parking lot.

ANALYSIS

Zoning Designation

The property has a base zoning district of HX-R, High Intensity Mixed Use with Residential. Remote airport parking is allowed only as an Interim Use within the zoning district. IUP requests are limited to a five year maximum duration unless a variance is issued. The applicant is requesting the maximum five years that could be granted under the ordinance for the surface lot located at 3700 American Boulevard.

The HX-R district, consistent with the South Loop District Plan's vision, includes minimum development intensity standards, requires the inclusion of residential uses, and restricts surface parking. The purpose of the HX-R Zoning District is to provide for high intensity employment, hospitality, and residential uses in areas close to frequent transit service. The district is intended to avoid under-utilization of the small supply of land in Bloomington that lies within one half mile of high frequency mass transit service, such as LRT, and provide a pedestrian oriented environment. Remote airport parking does not contribute to creating a vibrant, dense, pedestrian-friendly environment and is contrary to the South Loop District Plan and Comprehensive Plan.

Timeliness of Development

Opening in 1988, the Park N Fly remote airport parking facility has been in existence for over 30 years as a "temporary" or "interim" use. Staff believes the time has come to phase out the remote airport parking use so that permanent development will move forward on the site. There are three primary reasons to begin that transition at this time:

Strong Market Demand. The region in general, as well as Bloomington specifically, is experiencing strong demand for multi-family residential development. Along 34th Avenue, both the Indigo and Reflections projects have been well received by the market. Another large project, The Fenley, is under construction. Recently, a steady stream of residential developers have approached the City actively seeking additional sites for multi-family development. Many of those developers have expressed strong interest in this portion of the South Loop District given its proximity to light rail transit, the National Wildlife Refuge and river valley, the international airport and the Mall of America.

Opportunity Zone Designation. The Investing in Opportunity Act of 2017 established Opportunity Zones that afford tax advantages for development in certain Census Tracts. The South Loop District was designated as an Opportunity Zoning in 2018. Generally speaking, the tax advantage entails deferral of capital gain taxes if those gains are reinvested in a qualifying investment. If the investment is held for ten years, all capital gains on the investment are waived. This economic development tool increases returns on major investment, such as real estate development. The Opportunity Zone designation creates added incentive to develop within the South Loop District. Because the Opportunity Zone designation is not permanent, the benefits available today may be gone in five years.

Added Airport Parking Supply. Minneapolis-St. Paul International Airport (MSP) is making major investments at both terminals. One of these major investments includes a parking structure at Terminal 1. Within the new parking structure, 3,700 additional parking spaces will come online in the spring of 2020 and 1,300 additional parking spaces will come online in the spring of 2021. The introduction of new parking at MSP will reduce demand for off-airport parking.

Development Timeline

A City Code stated IUP purpose is to “Ensure that temporary uses remain temporary in nature.” One of the required findings is that the date or event that will terminate the use has been identified with certainty. Taking advantage of strong market demand, the Opportunity Zone designation and recognizing potential reduced demand for off-airport parking, the applicant has proposed transitioning the remote airport parking use to permanent development over time. In consultation with City staff, the applicant proposes a development timeline with a series of milestones. At 8.7 acres, it is unlikely the property owner would be able to develop the entire surface parking lot simultaneously, so the applicant is proposing a phased approach. A five-year IUP would remote airport parking to continue on the remainder of the site until July 1, 2024 while construction and occupancy of Phase 1 takes place.

The timeline initiates the selection, design, entitlement process, and construction of a three to four acre Phase 1 in compliance with zoning standards. Generally, the development timeline would be:

1. Select Phase 1 site boundaries by August 1, 2019;
2. Submit a conceptual master plan (Preliminary Development Plan) by October 31, 2019;
3. Submit a complete application for the Preliminary Development Plan and Final Development Plan for Phase 1 by December 31, 2019;
4. Submit permit applications for construction by June 1, 2020;
5. Commence construction by September 1, 2020.

Phase 1 would encompass three to four acres, leaving the bulk of the site to remain remote airport parking on an interim basis. Staff supports phased development, provided there is progress towards permanent development on the site. The development milestones represent that progress, which would result in a development under construction by September 2020. Allowing remote airport parking while the site is developed in phases represents a balance between the City’s desire for permanent uses that further the City’s vision for the South Loop District and the property owner’s desire to retain revenue generating uses for the remainder of the site.

Along with flexibility, though, there must be an enforcement mechanism. Within the draft terms of the agreement, the applicant’s failure to meet the milestones identified in the agreement would result in the termination of the IUP. The agreement establishes a written process by which the property owner would be notified of their failure to perform and the window to make corrective measures.

Status of Enforcement Orders

There are no open enforcement orders for the subject property.

FINDINGS

Required Interim Use Permit Findings - 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 – Provided development milestones are met, continuing the interim remote airport parking use on a portion of the site will not delay permanent development of the site.
(2) The proposed use will not adversely impact implementation of the Comprehensive Plan or adopted district plan for the area	Finding Made – The Comprehensive Plan’s and South Loop District Plan’s long term vision for the site and surrounding area is to create a high-density, mixed use, pedestrian oriented development. While permanent remote airport parking on the site would adversely impact implementation of the Comprehensive Plan and South Loop District Plan, the phased elimination of remote airport parking to allow permanent development supports that implementation.
(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 Made – The five-year IUP will terminate on July 1, 2024 or if the property owner fails to meet development milestones outlined in the Development Agreement.
(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 approval via the following motion:

In Case PL2019-11, having been able to make the required findings, I move to approve the request for a five-year interim use permit for remote airport parking at 3700 American Blvd. E., subject to the conditions attached to the staff report.

RECOMMENDED CONDITIONS OF APPROVAL

Case PL201900011

Project Description: Five-Year Interim Use Permit for Remote Airport Parking

Address: 3700 AMERICAN BLVD E

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. Ongoing 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. 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.
2. Ongoing 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.
3. Ongoing 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.
4. Ongoing 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. Ongoing The remote airport parking use is limited to 1,063 vehicles.
6. Ongoing Any physical changes to the site must follow the relevant approval process outlined in the City Code.
7. Ongoing Motor vehicles must be parked at all times in a manner that allows Fire Department access.
8. Ongoing Landscaping and required screening must be maintained in the current state during the term of the interim use permit.
9. Ongoing No maintenance or cleaning of customer or employee vehicles is allowed.
10. Ongoing All trash and recyclable materials must be stored inside the principal building (Sec. 19.51).
11. Ongoing Fire lanes must be posted as approved by the Fire Marshal (MN State Fire Code Sec. 503.3).