

GENERAL INFORMATION

Applicant:	3901 Minnesota Drive, LLC (owner) Drury Southwest, Inc. (user)
Location:	3901 Minnesota Drive
Request:	1) Rezoning from CS-1(PD), Commercial Service-1 (Planned Development) to C-4(PD), Freeway Office (Planned Development); 2) Major revision to the preliminary development plan for a nine-story, 214-room hotel with hotel restaurant and banquet space and a future 7,000 square foot freestanding restaurant; and 3) Final development plan for a nine-story, 214-room hotel with hotel restaurant and banquet space
Existing Land Use and Zoning:	Surface parking lot; zoned CS-1(PD)
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).
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CHRONOLOGY

Planning Commission	01/11/2018 – Recommended City Council approve the rezoning, major revision to the preliminary development plan, and final development plan
City Council	02/05/2018 – Public hearing scheduled

DEADLINE FOR AGENCY ACTION

Application Date:	12/05/2017
60 Days:	02/03/2018
120 Days:	04/04/2018
Applicable Deadline:	04/04/2018 (Extended by City)
Newspaper Notification:	Confirmed – (12/28/2017 Sun Current – 10 day notice)
Direct Mail Notification:	Confirmed – (500 buffer – 10 day notice)

STAFF CONTACT

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PROPOSAL

The applicant proposes rezoning 3901 Minnesota Drive from CS-1(PD) Commercial Service (Planned Development) to C-4(PD) Freeway Office (Planned Development), a major revision to an existing preliminary development plan to replace an entitled but never constructed office building with a nine-story, 214 room hotel (Phase I) and a 7,000 square foot freestanding restaurant (Phase 2) and final development plans for Phase 1. Existing driveways located along West 78th Street and Minnesota Drive would provide access to the hotel and restaurant.

The development would replace an existing 167-stall surface parking lot with a two-level parking structure providing a total of 327 parking spaces. The restaurant and hotel main entrances would be on the upper parking level, although lower level access would also be provided. An at-grade entrance from public sidewalk to the hotel would be provided along Minnesota Drive. Stormwater rate and quality control would be provided with an underground system.

BACKGROUND

The original preliminary development plan, approved by the City Council in 1985, included five high-rise buildings and a gas station. Four of those high-rise buildings were intended for office development, totaling approximately 1.5 million square feet. The fifth building was to be 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 the undeveloped portion of the planned development except for the surface parking lot.

Poorly draining and contaminated soils have proved to be challenges to any development. This past fall, 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. DEED has selected the project as a Contamination Cleanup Grant Program funding recipient. The Metropolitan Council is expected to award Livable Communities Tax Base Revitalization Account grants in January 2018. Bloomington's grant request has received a favorable recommendation from Metropolitan Council staff.

ANALYSIS

Rezoning

The Comprehensive Plan's Office designation allows hotels when they are adjacent to arterial or collector streets. The site is located along France Avenue, an arterial street, and is just north of the Interstate 494/France Avenue interchange. The C-4 Freeway Office Zoning District is one of the intended districts within the Office Comprehensive Plan designation. Hotels are permitted uses in the C-4 District; the proposal is consistent with the Comprehensive Plan and permitted land uses in the Zoning Code.

The proposed rezoning from CS-1(PD) to C-4(PD) provides a public benefit through the introduction of more appropriate standards for the modern hotel development. However, development flexibility is requested. In the following performance standards section, staff identifies the requested flexibility for the project. The requested Planned Development deviations provide public benefit as they accommodate a relatively dense redevelopment of a constrained and contaminated site.

Code Compliance

Staff analyzed the development compliance with the C-4 zoning district performance standards (see Table 1). Several other City Code performance standards apply to the development are included in the Table 1. Requested deviations have been noted in the table and addressed in more detail in this report.

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 10,000 square feet for freestanding restaurants	Phase 1: 122,400 square feet Phase 2: 7,000 square feet	Deviation requested for Phase 2 restaurant
Building setback – all streets – minimum	35 feet	32 feet along Minnesota Dr. 35 feet along France Ave. 22.2 feet (parking structure) at Minnesota / France corner	Deviations requested (see comments)
Minimum landscape yard	20 feet – along streets	32 feet – Minnesota Dr. 35 feet – France Ave. 14 feet – West 78 th St.	Deviation requested (see comments)
Drive aisles	24 feet minimum for 90 degree parking; Institute for Transportation Engineers (ITE) standard for other areas (minimum 20 feet)	24 feet for 90 degree parking and 20 feet for angled and parallel parking	Yes
Impervious surface coverage	90 percent maximum	76.5%	Yes
Floor area ratio	0.4 Min / 2.0 Max	0.74 – with hotel 0.78 – with phase 2 restaurant	Yes
Parking – minimum	364 stalls	327 stalls	Deviation requested (see comments)
Trees – minimum	66 trees	61 trees	Minor revision required
Shrubs – minimum	167 shrubs	218 shrubs	Yes
Freestanding sign	Minimum 20 foot setback	Exact setback unknown, but less than 20-feet	Minor revision (see comments)
Trash collection and storage	Interior trash and recycling room with interior access	Interior access not provided	Revision required
Sidewalks	8 foot along France Ave. 6 foot along Minnesota Drive and West 78 th St.	6-foot sidewalk along streets	Minor revision – increase sidewalk along France to 8-

Standard	Code Requirement	Proposed	Compliance
			feet

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. This minimizes impacts on the view for the offices facing northeast. Although the main lobby entrance would be located on the upper level of the parking deck, there would be access into the hotel at grade from the lower parking deck level along Minnesota Drive. In order to maximize the site development 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 parking structures. The degree of deviation for setbacks is within the flexibility entitled with the original preliminary development plan.

Common building materials for recently constructed hotels include stucco, glass, and stone are proposed. The Minnesota Center office building owner representatives have expressed concern regarding building design inconsistency, particularly in building materials, to what was originally envisioned in the planned development. The proposed building materials would be Code compliant. Following continued discussions between the applicant and Minnesota Center, the applicant may choose to amend their building materials, subject to City review.

Indoor trash and recycling collection and storage rooms with indoor access are required. This alleviates the security concerns and cleanliness concerns of employees needing to haul trash and recycling outside. The hotel floor plan depicts a trash room within the building, but does not include an interior access to storage or back of house spaces. Similarly, the Phase 2 restaurant provides an exterior trash facility which does not meet City Code standards for trash and recycling. Floor plans for the hotel and restaurant must be revised to provide the minimum interior trash and recycling storage areas before building permits are issued.

Landscaping, Screening and Lighting

Because the parking structure occupies a substantial portion of the site, areas for traditional landscaping is limited. A total of 66 trees are required and 61 Code complying trees are proposed. Five mature Ash trees along France Avenue are proposed to be retained. Tree retention is encouraged, but Ash trees are on the prohibited tree list in Section 18.03 and cannot be counted towards the landscaping requirement. Therefore, the applicant must add five additional

canopy trees to the landscape plan to be in compliance. Additional parking lot screening is required between the at-grade parking areas and public rights-of-way.

The applicant proposes to implement a mix of canopy trees along street frontages, but landscape the upper level of the parking structure with ornamental trees in planters. Landscape policy limits the use of ornamental trees to 25 percent or less of the required trees. Staff does not support the reduction in on-site trees but does support a higher percentage of ornamental trees to achieve the required 66 required trees as a way to ensure the more prominent parking areas are not void of trees and landscaping.

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 at a maintained levels. Because the parking lot has two levels, City Code requires at least 2 foot-candles initial and maintained for the upper level parking surface and 5 foot-candles on the lower parking surface. Higher lighting levels are required at main entrances and the entrance to the parking structure. Parking perimeters have a lower lighting requirements. The applicant proposes a number of 10-foot LED walkway lights and fewer taller, 30-foot poles. 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 West 78th Street. A dedicated right turn lane would be constructed along West 78th Street to accommodate turns into the hotel development and the Minnesota Center office building. The turn from West 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 10 percent deviation from the parking requirement, as demonstrated in Table 2 below.

Table 2: Hotel and Restaurant Parking Analysis

Development Characteristics	Rooms, Space, and Seats	Code-Requirement (parking stalls)
Hotel Rooms (1.1 spaces per room)	214	235
Banquet space (spaces equal to one-third occupancy)	2200	49
Restaurant seats (1 space per 2.5 seats)	200	80

Total Parking Requirement	364
Proposed Parking Supply	327
Requested Deviation	10%

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 use 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 requests a 10 percent reduction and the office was granted a 12.5 percent deviation. The combined development would require 1,557 parking spaces and combined would require an 18.4 percent deviation.

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 a 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. Although Minnesota Center is not fully occupied, 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.

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 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 West 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

The applicant proposes underground stormwater rate and quality control. Stormwater must 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 are currently under review. A maintenance plan has not yet been provided and would 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 would be required.

Utilities

Much of the land on the site would be encumbered with the lower level of a parking structure, which leaves little area for underground sewer and water utilities for the site or for water service to hydrants above the parking structure. The adequacy and redundancy of the water supply to the buildings and hydrants has not been resolved with the preliminary civil plans. The applicant met with staff to discuss staff’s concerns with how the sewer and water services would connect from the public mains to the buildings. The applicant’s civil engineer has a draft plan to accomplish these services, but since the pipes would be interior to the parking structure, a mechanical and/or plumbing consultant would need to be brought onto the team to determine solutions. The utility and mechanical plans must be approved by City staff prior to issuance of permits. The risks of not having a more complete plan prior to review by the Planning Commission and City Council were discussed with the applicant and they understand that solutions may increase costs for the project and may require easement acquisition and installation of private utilities on adjacent properties or extension of public utilities in the public right-of-way.

Traffic Analysis

No significant impacts to the adjacent traffic patterns due to this development have been identified. The right turn lane into the site would be constructed by the applicant under a City of Bloomington right-of-way permit.

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 that the TDM plan would be followed for a minimum of two years.

Status of Enforcement Orders

There are no open enforcement orders for this property.

FINDINGS

Required Preliminary Development Plan Findings - Section 21.501.02(d)(1-6):

Required Finding	Finding Outcome/Discussion
(1) The proposed development is not in conflict with the Comprehensive Plan	Finding made – There is no conflict between the proposed development and the Comprehensive Plan. The proposed development is consistent with the Comprehensive Plan's Office designation, which allows hospitality uses.
(2) The proposed development 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) 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 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.
(4) 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 one, the hotel, is not dependent upon a subsequent Phase 2 restaurant.
(5) 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.
(6) The proposed development will not	Finding made – The proposed development is not

be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare	anticipated to be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare. The development must meet stormwater requirements. The building design and site circulation are consistent with hotel development along the Interstate 494 corridor.
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Required Final Development Plan Findings – Section 21.501.03(e)(1-7)

Required Finding	Finding Outcome/Discussion
(1) The proposed development is not in conflict with the Comprehensive Plan	Finding made – There is no conflict between the proposed development and the Comprehensive Plan. The proposed development is consistent with the Comprehensive Plan's Office designation, which allows hospitality uses.
(2) The proposed development 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 conflict with the approved preliminary development plan for the site	Finding made – The proposed development would modify the approved preliminary development plan from an office building to a hotel. The final development plan is consistent with this preliminary development plan revision.
(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 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) 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 one, the hotel, is not dependent upon a subsequent phase 2 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	Finding made – The proposed development is not anticipated to be injurious to the surrounding

neighborhood or otherwise harm the public health, safety and welfare	neighborhood or otherwise harm the public health, safety and welfare. The development must meet stormwater requirements. The building design and site circulation are consistent with hotel development along the Interstate 494 corridor.
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RECOMMENDATION

The Planning Commission and staff recommend the following motions:

In Case PL2017-274, I move to approve an ordinance to rezone 3901 Minnesota Drive from CS-1 Commercial Service to C-4 Freeway Office.

In Case PL2017-274, having been able to make the required findings, I move to approve major revisions to the preliminary and final development plans for a nine-story, 214 room hotel with hotel restaurant and banquet space and future freestanding restaurant at 3901 Minnesota Drive, subject to the conditions and Code requirements attached to the staff report.

RECOMMENDED CONDITIONS OF APPROVAL

Case PL2017-274

Project Description: Rezoning, Preliminary Development Plan and Final Development Plan for a 9 story, 214 room hotel and a future 7,000 square foot freestanding restaurant

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 Grading, Drainage, Utility and Erosion Control plans must be approved by the City Engineer.
3. 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).
4. Prior to Permit Access, circulation and parking plans must be approved by the City Engineer.
5. 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.
6. Prior to Permit Sewer Availability Charges (SAC) must be satisfied.
7. Prior to Permit A Nine Mile Creek Watershed District permit must be obtained and a copy submitted to the Engineering Division.
8. Prior to Permit Common driveway/access/parking agreement must be provided as approved by the Traffic Engineer, and proof of filing must be provided to the Manager of Building and Inspection.
9. Prior to Permit An erosion control surety must be provided (16.08(b)).
10. Prior to Permit Landscape plan must be approved by the Planning Manager and landscape surety must be filed (Sec 19.52).
11. Prior to Permit Bicycle parking spaces must be provided and located throughout the site as approved by the City Engineer.
12. Prior to Permit Parking lot and site security lighting plans must be revised to satisfy the requirements of Section 21.301.07 of the City Code.
13. Prior to Permit Exterior building materials must be approved by the Planning Manager (Sec. 19.63.08).
14. Prior to Permit Food service plans must be approved by the Environmental Health Division (City Code Sec. 14.360).
15. Prior to Permit Eight-foot sidewalk must be installed along France Avenue. Six-foot sidewalk must be maintained along W. 78th Street and Minnesota Drive. Sidewalks are installed at the developer's expense. A sidewalk must be

- provided to link the primary entrance of each building on site with the public sidewalk network (Section 21.301.04(b)).
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 A Minnesota Pollution Control Agency (MPCA) Sanitary Sewer Extension or Modification Permit must be obtained or notification from the MPCA that this permit is not required must be submitted to the City (State of MN).
 18. Prior to Permit A Minnesota Department of Health (MDH) watermain review and approval must be obtained or notification from MDH that this permit is not required must be submitted to the City (State of MN).
 19. Prior to Permit 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.
 20. Prior to Permit A Hennepin County permit for work within the right-of-way must be obtained and a copy submitted to the Engineering Division prior to work beginning in the right-of-way.
 21. Prior to Permit Haul Route and Construction Traffic Control Plans must be approved by the City Engineer.
 22. Prior to Permit A Right-of-Way permit must be approved and issued prior to construction on the right turn lane into the site.
 23. Prior to Permit A Construction Management Plan must be submitted for review and approval by the City.
 24. Prior to Permit 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).
 25. 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.
 26. Prior to C/O Tier 1 Transportation Demand Management plan must be submitted (Sec. 21.301.09(b)(2)).
 27. 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.
 28. Prior to C/O Prior to occupancy, life safety requirements must be reviewed and approved by the Fire Marshal.
 29. Ongoing All trash and recyclable materials must be stored inside the principal building with interior access (Sec. 19.51).
 30. Ongoing Recyclable materials must be separated and collected (Sec. 10.45).
 31. Ongoing All loading and unloading must occur on site and off public streets.
 32. Ongoing All rooftop equipment must be fully screened (Sec. 19.52.01).
 33. Ongoing All pickup and drop-off must occur on site and off public streets.

- 34. Ongoing Development must comply with the Minnesota State Accessibility Code (Chapter 1341).
- 35. Ongoing All construction stockpiling, staging and parking must take place on site and off adjacent public streets and public right-of-way.
- 36. Ongoing Alterations to utilities must be at the developer's expense.
- 37. Ongoing Fire lanes must be posted as approved by the Fire Marshal (MN State Fire Code Sec. 503.3).
- 38. Ongoing A uniform sign design must be submitted for approval by the Planning Manager (Section 19.109).