

**GENERAL INFORMATION**

Applicant: PARS Properties, LLC (Saeid Berenjian) (owner and applicant)

Location: 8101 34th Avenue South

Request: Major revision to Final Development Plans to reduce parking requirements at 8101 34th Avenue S. to allow for a retail tenant

Existing Land Use and Zoning: Office Building; zoned Planned Development (PD)

Surrounding Land Use and Zoning: North – Office; zoned HX-R(PD)  
East and South – Multi-family residential; zoned HX-R(BP)(PD)  
West – Multi-family residential; zoned HX-R(PD)

Comprehensive Plan Designation: South Loop Mixed Use

**CHRONOLOGY**

Planning Commission 01/22/2026 Public hearing scheduled

City Council 02/02/2026 Review anticipated (Consent Business)

**DEADLINE FOR AGENCY ACTION**

Application Date: 12/17/2025  
60 Days: 02/15/2026  
Extension Letter Mailed: No  
120 Days: 04/16/2026  
**Applicable Deadline: 02/15/2026**

**STAFF CONTACT**

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## PROPOSAL

The applicant is proposing a change of use from office to a State-licensed cannabis retail dispensary located at 8101 34<sup>th</sup> Avenue South. The existing office building has a total gross floor area of 48,110 square feet. Two office tenants occupy 9,500 square feet. The proposed cannabis retailer would occupy approximately 7,600 square feet on the first floor of the building. According to the applicant, the remaining 31,010 square feet is planned to be left vacant.

Staff calculated off-street parking requirements based on the office and retail uses and found there is not Code-compliant parking supply to accommodate the proposed retail use. The applicant expressed their desire to seek additional flexibility to the requirement through the Planned Development (PD) Overlay Zoning District (see [§ 21.301.06\(e\)\(5\)](#)). The City required a parking study conducted in accordance with accepted methodology approved by the City issuing authority and prepared by an independent traffic engineering professional under the supervision of the City and paid for by the applicant. TC2 conducted a study that evaluates the overall parking demand and supply with the proposed use. The applicant is proposing a major revision to Final Development Plans to reduce the overall parking quantity to accommodate the proposed retail use.

## ANALYSIS

### Parking Supply

Overall parking supply is located throughout the property in combination with the adjacent Risor apartments. There are 75 stalls located on the surface and in an underground garage that are dedicated solely to the office building. There are 31 stalls that are shared with the apartments and dedicated to the office use between 6:30 a.m. - 6:30 p.m. Monday through Friday. Also, the office building has 37 parking stalls that are shared within the Risor residential garage. See Figure 1 on the following page depicting allocations of off-street parking. Combining the dedicated stalls for the office and the shared stalls, the parking supply for the office building is 143 stalls.

The existing office building at 48,110 square feet, if 100 percent office uses, would require 169 parking spaces. This equates to an existing 26-parking stall deficit, which was approved as part of the planned development (PD) for Risor apartments (Case #PL202000231). The 7,600 square-foot proposed retail space would require 42 spaces, and the remaining office area would require 142 spaces. There are 10 parallel parking stalls located on the west side of the building. The Code requires a minimum 20-foot drive aisle where only 12 feet has been provided. At least five stalls must be removed to show compliant drive aisle width. Therefore, five stalls have been removed from the overall parking supply. A condition is included for clarity that the parking must be removed.

The 184-stall parking requirement represents a 46-parking stall deficit and a 25 percent deviation from City Code. Table 1 provides an analysis of City Code required parking for the proposal.

**Figure 1: Parking Allocation Graphic** (not including 37 shared stalls in Risor garage)



**Table 1: City Code Required Parking Analysis**

Use	Code requirement	Unit or number	Required
Office	1 stall per 285 square feet	40,510 square feet	142 stalls
Retail	1 stall per 180 square feet	7,600 square feet	42 stalls
Parking Required			184
Parking Provided			138
Deviation (%)			25.0%

**Parking Study**

The parking study analyzed current parking conditions and estimated parking demand associated with the proposed retail use. The parking consultant, TC2, conducted vehicle counts on Tuesday, October 7<sup>th</sup>, Wednesday October 8<sup>th</sup> and Thursday October 30<sup>th</sup> at 10:00 a.m., 1:00 p.m., and 4:00 p.m. The times reflect the peak times for the existing office and the proposed dispensary. The peak office demand observed was 25 spaces at 10:00 a.m., which means there is a 118 stalls surplus.

To evaluate the parking demand of the proposed retail, parking observations were conducted at two existing dispensaries in the Twin Cities.

- Rise (2239 Ford Parkway, St. Paul, MN) – 5,000 square feet
- Rise (1340 Town Center Dr, Eagan, MN) – 3,000 square feet

The observed peak parking demand was 40 and 25 spaces, respectively, which equates to 8 spaces per 1,000 square feet. The average and 85<sup>th</sup> percentile parking demand rate based on the ITE Code 882 (marijuana dispensary) are 5.55 and 11.87 spaces per 1,000 square feet, respectively. This means that the comparable sites peak parking demand is between the average and 85<sup>th</sup> percentile rates. At the observed parking demand at the comparable sites, the proposed development would have a peak parking demand of 60 spaces.

As mentioned above, there currently is 31,010 square feet of vacant office space, which must be accounted for when estimating future parking demand for the building. Therefore, using the average and 85<sup>th</sup> percentile rates, the parking demand for the vacant office area is 60 spaces and 92 spaces respectively. The average size of the comparable cannabis dispensary sites is 4,000 square feet. Using the average size of the comparable sites, the proposed retail development could have a peak parking demand of 32 spaces. It is worth noting that the locations and context of the comparable sites differ from that of the subject property. The subject property's location within the 34<sup>th</sup> and American Neighborhood of the South Loop District provides opportunity for walk-up customers and tremendous access to Blue Line Light Transit (LRT) facilities.

An overall parking summary table can be found in the parking study (see Figure 2 on subsequent page sharing the TC2 parking study summary table on pg. 5 of the report). Using the average weekday ITE parking demand, the study notes a total demand of 121 spaces for full occupancy of the building, whereas the 85<sup>th</sup> percentile demand would be 210 spaces. The analysis shows there is definitely sufficient parking to accommodate the proposed cannabis dispensary at the current office occupancy. However, full occupancy of the remaining vacant office area could create up to a 67-space deficit according to the 85<sup>th</sup> percentile ITE rate. Note that proximity to the Blue Line LRT was not factored into the study.

The parking study recommended several items for consideration, including:

- Verify existing parking stall dimensions and meet City Code requirements (9'x18'). Several striped stalls on the office building site do not meet minimum parking stall dimensions.
- Review signage and wayfinding to reduce driver confusion and utilize all available parking
- Update parking striping
- Require an updated parking study be submitted before any additional office leases to verify adequate parking supply.

**Figure 2 – TC2 Parking Summary Table**

Land Use (ITE Code / Variable)	Size	Weekday Rate (Average to 85 <sup>th</sup> Percentile)	Weekday Parking Demand		City Code Requirement
			Average	85 <sup>th</sup> Percentile	
Existing Office Building (Observed)	9,500 SF	Observed	21 spaces	25 spaces	169 spaces
Existing Office Building (710)	9,500 SF	1.95 to 2.98 spaces per KSF	19 spaces	28 spaces	33 spaces
Marijuana Dispensary (882)	7,600 SF	5.55 to 11.87 spaces per KSF	42 spaces	90 spaces	42 spaces
Remaining Vacant Office (710)	31,010 SF	1.95 to 2.98 spaces per KSF	60 spaces	92 spaces	109 spaces
<b>Total Future Site Parking Demand (Fully Occupied – 48,110 SF)</b>			<b>121 spaces</b>	<b>210 spaces</b>	<b>184 spaces</b>
<b>Existing Parking Supply</b>			<b>143 spaces</b>		
<b>Parking Surplus / (Deficit)</b>			<b>22 spaces</b>	<b>(67 spaces)</b>	<b>(41 spaces)</b>

**Parking Deviation**

There are several factors to consider when evaluating the requested parking deviation:

**Access to Transit.** While the requested deviation from the City’s off-street parking requirements (25.0%) is higher than typically approved, proximity to transit was not factored into the overall parking calculation. The property is located within a couple hundred feet from a Blue Line LRT station (American Boulevard). It is anticipated that office and dispensary employees and customers would utilize transit to access the site to some degree, therefore reducing overall parking demand. It is challenging to estimate the precise impact of transit ridership, however.

**South Loop District Plan Guidance.** The subject property is located in the South Loop District area. The South Loop District Plan has multiple findings or policy recommendations that are relevant to the subject application. The South Loop District Plan encourages mixed-use development with active ground floor uses that provides a safe, comfortable and interesting pedestrian environment. Similarly, the Plan also encourages ground floor retail uses to complement existing office uses. Lastly, the Plan promotes shared parking strategies and encourages limiting off-street parking. The proposed retail use and reduced parking is consistent with the goals and strategies identified in the South Loop District Plan.

**Review of Parking Supply Requirements Project.** Staff currently finds the City’s parking requirements to generally be conservative, better accounting for periods of peak demand as opposed to average demand. The approved 2026 Planning Commission Work Plan includes a project studying minimum off-street parking requirements, acknowledging the City’s parking requirements are too high for many uses. This project is already underway and is likely to be delivered in the

second or third quarter of 2026. Therefore, it is possible that parking standards could change, and the parking requirements for retail and office uses may be reduced.

**Building Reuse Parking Flexibility.** In 2025, the City Council approved various City Code amendments to remove City Code barriers to opening a small business. One of the amendments includes a parking flexibility measure for building reuse. City Code Section 21.301.06(e)(7) says “To support the reuse of existing, smaller commercial and industrial buildings or individual tenant spaces that are 10,000 gross square feet or less in floor area, the issuing authority may grant a 25 percent reduction in the number of off-street parking spaces required in subsection (d).” The proposed use is not eligible to utilize said flexibility measure because the property is in a Planned Development (PD) that already has an approved parking deviation with Risor Apartments for shared parking. Current parking standards dictate that only City Council is the approval authority for shared parking arrangements as part of a planned development (PD).

**Office Conversion Study.** In 2025, Planning staff delivered the findings of a study focused on the conversion or reuse of vacant office space in Bloomington. As a result of the COVID-19 Pandemic, the office market has experienced significant challenges associated with vacancy. Changing patterns in work delivery, especially telework or remote work, has driven many companies to reduce or reconfigure the total amount of office space that they need or utilize. While the findings of the Office Conversion Study did not result in any policy changes that are directly related to the subject development application, one general finding was that the City must be cognizant and poised to take thoughtful future action related to the occupancy of Bloomington’s office buildings. Prolonged vacancy of the community’s office properties would not be positive for the continued health of Bloomington business and real estate assets. This development application represents a substantive example of how multi-tenant office properties can pivot and adjust over time.

**Tenant Space Floor Plan.** Lastly, the actual retail floor area (when including public entrance, security, packaging, and sales counter areas) is only approximately 2,500 square feet of the overall tenant space. The remaining 5,100 square feet is office, staff lounge, and storage. The City’s typical retail parking calculation includes the entire area, which results in the high parking requirement, even though only 2,500 square feet will be used by customers. The owner would like to keep the existing tenant space as is instead of right-sizing the tenant space for the retail component only. If the owner sectioned off the retail space to 2,500 square feet, for example, the parking requirement would be 14 spaces versus 42 spaces. Using the observed peak parking demand from the TC2 parking study (8 spaces per 1,000 square feet), the expected peak demand would be 20 parking spaces. This estimated peak parking demand based on the unique floor plan is significantly lower than the average or 85<sup>th</sup> percentile expected demand from the ITE Parking Generation Manual.

For parking flexibility to be approved, the applicant must demonstrate that there is a public benefit. The proposed cannabis retail use is an adaptive reuse of an existing office building. Since the COVID-19 pandemic, the office market demand has decreased dramatically. Allowing a retail use in an office building to diversify tenant mix and fill office space that has proven difficult to lease is a public benefit. In addition, a cannabis dispensary located in the South Loop District, close to Mall of America and many hotels, fulfills a demand for the area. For these reasons, staff supports the

requested parking deviation and recommends approval of the application, subject to conditions of approval.

**Code Requirements**

City Code Section 21.301.07 requires upgraded lighting when there is a change of use. Updated lighting must be provided for the required parking stalls for the retail use. A minimum of 2.0 foot-candles is required on the parking surface. A photometric plan must be reviewed and approved prior to building permit issuance.

In addition to exterior lighting compliance, City Code Section 21.301.04(g) requires a sidewalk link between public sidewalk and the proposed retail space. This requirement is triggered when the City Engineer determines pedestrian traffic is likely to increase relative to the previous use. When compared to vacant office space, the proposed retail space will lead to greater pedestrian traffic. The sidewalk connection must be completed prior to the issuance of the Certificate of Occupancy.

**OUTREACH**

Outreach/Notification

- Mailed Notice (10-day notice – 500-foot buffer)
- Newspaper Notice (10-day notice – 01/08/2026 Sun Current)
- Public Hearing Notice Online
- E-Subscribe Group Notification

Staff have received five emails from nearby property owners expressing concern about the proposed application. Common themes include:

- Cannabis odor impacting nearby residential use
- Traffic increase
- Overflow parking onto neighboring properties

**FINDINGS**

**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.	<b>Finding Made</b> – The subject property is guided South Loop Mixed Use. The proposed cannabis dispensary is not in conflict with the Comprehensive Plan.
(2) The proposed development is not in conflict with any adopted district plan for the area.	<b>Finding Made</b> – The subject property is in the South Loop District. Changing an existing office to a cannabis retail use does not conflict with the District Plan. The Plan encourages

	more ground-level retail uses to serve the neighborhood. In addition, the South Loop District Plan encourages flexibility with parking by encouraging shared parking and reducing parking requirements.
(3) The proposed development is not in conflict with the approved preliminary development plan for the site.	<b>Finding Made</b> – No physical expansion is proposed. A change of use from office to retail is not in conflict with the approved Preliminary Development Plan.
(4) The proposed development is not in conflict with state law and 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.	<b>Finding Made</b> – The proposed parking reduction allows for building reuse of existing office space while advancing other goals within the South Loop District Plan. The requested deviation to off-street parking requirements provides a public benefit and is within the parameters allowed under the Planned Development Overlay Zoning District.
(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.	<b>Finding Made</b> – The proposed parking reduction is feasible as a complete unit and not dependent on any subsequent unit or phase.
(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.	<b>Finding Made</b> – The site is served well by streets and adjacent transit. There is adequate capacity in the City’s sanitary sewer system that serves the site. The proposed development will not create an excessive burden on public facilities or utilities.
(7) The proposed development will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.	<b>Finding Made</b> – Subject to compliance to the conditions of approval for the application, the proposed off-street parking reduction will not be injurious to the surrounding neighborhood or otherwise harm the public health, safety and welfare.

**RECOMMENDATION**

Staff recommends approval through the following motion:

In Case #PL202500203, having been able to make the required findings, I move to recommend City Council approval of a major revision to Final Development Plans to reduce parking requirements at 8101 34th Avenue South to allow for a retail tenant, subject to the conditions and Code requirements attached to the staff report.