



Date: May 9, 2018

To: Planning Commission

From: Cary Teague, Community Development Director

Subject: Preliminary Rezoning, Subdivision & Preliminary Development Plan for Pentagon Park South.
(4815 & 4901 77th Street and 7710 Computer Avenue.)

Information / Background:

Solomon Real Estate Group is requesting a Rezoning from MDD-6 to PUD-17 to develop the vacant 12.5 acre Pentagon South Parcel (4900 77th Street). The first phase would include 11,800 square feet of retail space, a 193-room hotel, a 153 room hotel, and a parking ramp. The second phase would be two 5-story office buildings, a parking ramp and 19,000 square feet of office/retail. A Preliminary Rezoning to PUD with a draft Overall Development Plan was approved for these parcels for an office development in 2014, however, no Final Rezoning was sought and no Final Development Plan was approved. (See attached 2014 draft Overall Development Plan.)

The uses proposed here are generally consistent with the south portion of the draft overall development plan for Pentagon South. Pentagon Park North will be reviewed as a separate future development, as that plan is very different than the uses and development plan proposed in 2014 (office). Therefore the applicant is proposing a revised PUD and Overall Development Plan to just include the south parcel.

At full development build out, the project would include 225,000 square feet of office space, 2 hotels (346 rooms), 30,800 square feet of retail and two parking structures with a total of 1,545 spaces.

As proposed the development would require the following:

- Rezoning from MDD-6 to PUD-17, Planned Unit Development, Overall Development Plan;
- Preliminary Development Plan for Phase I; and
- Subdivision.

The Southdale Area Development Principles were shared with the applicant. The applicant has responded. (See the attached applicant narrative.) The City's consultant for the Greater Southdale Area Plan, Mic Johnson, AFO, has also reviewed the plans and provided feedback. (See attached memo from AFO). The following highlights some of the comments:

- The plan has retained the central park feature from the draft PUD but at a much reduced scale.
- In place of larger buildings fronting W. 77th Street, the proposal suggests 2 retail pads with parking and a mixed use retail/office on the corner of W. 77th and Computer Avenue. This would suggest a more typical suburban development approach, not consistent with primary buildings facing W. 77th as delineated in the approved PUD.
- Incorporating retail into office buildings could enliven these buildings during more times of day, supporting the goal of a 24/7 community.
- Having retail, hotel and office surrounding all sides of the central park as outlined in the PUD, along with a direct connection to Pentagon Park North, begins to create a relationship between both sides of 77th. We would suggest moving all components of the proposal closer together with greater density of activity closer to 77th.
- On grade parking should be considered as a placeholder for future development and not as part of the overall plan in phase one.
- The west office building terrace at the 2nd level should face the park, which would create a stronger semi-urban identity.
- All building should create program space for street fronting buildings on secondary streets around the whole development.

The applicant has gone through the Sketch Plan process before the Planning Commission and City Council. (See attached sketch plans and minutes.) Based on feedback from the Planning Commission, the City Council, the applicant has:

- Eliminated the drive-through;
- Reduced the amount of surface parking;
- Increased setback on Viking Drive from 5 to 10 feet;
- Increased the setback on Computer Drive from 10 feet to 18 & 20 feet; and
- Combined the parking structures with buildings.

Attached is the city attorney's "pyramid of discretion." This project is within the "green" zone, meaning this is a legislative decision in which the City has considerable discretion when reviewing this application.

SUPPORTING INFORMATION

Surrounding Land Uses

Northerly: Multi-family residential and retail; zoned MDD-6, Mixed Development District and guided OR, Office Residential.

Easterly: Office/light industrial uses; zoned PID, Planned Industrial District and guided OR, Office Residential.
Southerly: City of Bloomington.
Westerly: Highway 100.

Existing Site Features

The proposed redevelopment site is currently vacant. All the buildings on the site were removed a few years ago. The site is 12.5 acres in size, and relatively flat.

Planning

Guide Plan designation: OR, Office Residential.
Zoning: MDD-6, Mixed Development District

Parking

Based on the City Code requirement, Section 36-1311, at full build out the development would require 1,718 parking stalls. As proposed, the development would provide 1,422 parking stalls total. This includes the surface parking (195 stalls) and the two ramps. Flexibility is requested through the PUD Rezoning to reduce the number of stalls.

WSB conducted a parking study and determined that 1,359 spaces would be adequate. (See attached study.)

Site Circulation/Access/Traffic

Access to the proposed development would be off all four sides of the site; 77th Street, Normandale Road, Computer Avenue and Viking Drive. There is internal access to all uses within the site. The main entrance to the site is off 77th Street. WSB also conducted a traffic study. The study concludes that the existing roadways can be supported by the project subject to the following road improvements:

1. Addition of a northbound left turn lane, southbound striped left turn lane and eastbound right turn lane at 77th Street and Commercial Access driveway.
2. Addition of a northbound dual left turn lane and eastbound right turn lane at 77th Street and Computer Avenue.

Per the existing development agreement with the property owner in 2014 was that the applicant/landowner is responsible for roadway improvements to 77th Street with the construction of 100,000 square feet. Staff would recommend that that same condition apply to this new proposal. Final plans would be subject to the recommendations in the WSB traffic study and approval of the city engineer. The above road improvements should also be a condition of any approval.

Landscaping

Based on the perimeter of the site, 50 overstory trees would be required. The proposed plans show that 150 overstory trees would be planted. A full complement of understory shrubs and bushes are also proposed. Every overstory tree on the subject property would be removed. At full build out of the project, the landscaping would be a vast improvement over existing landscaping and trees.

Grading/Drainage/Utilities

Within the project there are two water features; one in the center plaza area and the other along Normandale Road adjacent to the office building. There would also be underground storage. The city engineer has reviewed the proposed plans and found them to be acceptable subject to the comments and conditions outlined in the attached memo. A site improvement plan agreement would be required for the construction/repair of the public drive to the park, sidewalks and utilities. Any approvals of this project would be subject to review and approval of the Nine Mile Creek Watershed District, as they are the City's review authority over the grading of the site.

Building/Building Material

The building materials would be a combination of stone, metal panel and glass. The applicant will have a materials board for review at the Planning Commission meeting.

Mechanical Equipment

Any rooftop and/or ground level equipment would have to be screened if visible from adjacent property lines.

Loading Dock/Trash Enclosures

Loading and trash areas would be adjacent to the buildings and within the parking ramps.

Building Height

The building height requirement for this site is 12 stories and 144 feet. (See attached building height overlay district map.) The proposed projects meets the City's height standards.

Living Streets/Multi-Modal Consideration

Sec. 36-1274. - Sidewalks, trails and bicycle facilities.

- (a) In order to promote and provide safe and effective sidewalks and trails in the City and encourage the use of bicycles for recreation and transportation, the following improvements are required, as a condition of approval, on developments requiring the approval of a final development plan or the issuance of a conditional use permit pursuant to article V of this chapter:

- (1) It is the policy of the City to require the construction of sidewalks and trails wherever feasible so as to encourage pedestrian and bicycle connectivity throughout the City. Therefore, developments shall provide sidewalks and trails which adjoin the applicant's property:
 - a. In locations shown on the City's sidewalk and trail plan; and
 - b. In other locations where the council finds that the provision of such sidewalks and trails enhance public access to mass transit facilities or connections to other existing or planned sidewalks, trails or public facilities.
 - (2) Developments shall provide sidewalks between building entrances and sidewalks or trails which exist or which will be constructed pursuant to this section.
 - (3) Developments shall provide direct sidewalk and trail connections with adjoining properties where appropriate.
 - (4) Developments must provide direct sidewalk and trail connections to transit stations or transit stops adjoining the property.
 - (5) Design standards for sidewalks and trails shall be prescribed by the engineer.
 - (6) Nonresidential developments having an off-street automobile parking requirement of 20 or more spaces must provide off-street bicycle parking spaces where bicycles may be parked and secured from theft by their owners. The minimum number of bicycle parking spaces required shall be five percent of the automobile parking space requirement. The design and placement of bicycle parking spaces and bicycle racks used to secure bicycles shall be subject to the approval of the city engineer. Whenever possible, bicycle parking spaces shall be located within 50 feet of a public entrance to a principal building.
- (b) The expense of the improvements set forth in subsection (a) of this section shall be borne by the applicant.

The proposal would enhance pedestrian, bike and vehicular connections in the area. A boulevard sidewalk is proposed along all four streets, as well as a series of internal pedestrian connections. There are also pedestrian crosswalks proposed across 77th street. (See attached plans.) Bike racks shall be provided to meet City Code as highlighted in (6) above, which would be 87 stalls for bikes.

COMPLIANCE TABLE

While the applicant is proposing to rezone the site to PUD, the following table demonstrates compliance with the existing MDD-6 District:

	City Standard (MDD-6)	Proposed – PUD Rough Estimates
<u>Setbacks - Buildings</u> Front Setback	35 feet + ½ foot for each foot the building height exceeds minimum setback	<i>17, 25, & 30 feet (77th Street)* 18 & 20 feet (Computer Ave)* 50 Feet (Normandale Blvd.)*</i>
<u>Setbacks - Parking Structures</u>	20 feet or the height of the structure	<i>10 feet (Viking Drive)*</i>
Building Height	12 stories south of 77 th Street	6 stories
Parking lot and drive aisle setback	20 feet (street)	20 feet
Building Coverage	30%	29%
Maximum Floor Area Ratio (FAR)	50% - Non-residential Uses 50% - Residential Uses 527,947 SF Total	494,000 s.f. mixed use
Parking Stalls – Mixed Development District	1,718 required	<i>1,422 proposed*</i>

****Does not meet City Code***

Planned Unit Development (PUD)

Per Section 36-253 the following are the regulations for a PUD:

- I. Purpose and Intent. The purpose of the PUD District is to provide comprehensive procedures and standards intended to allow more creativity and flexibility in site plan design than would be possible under a conventional zoning district. The decision to zone property to PUD is a public policy decision for the City Council to make in its legislative capacity. The purpose and intent of a PUD is to include most or all of the following:***
 - a. provide for the establishment of PUD (planned unit development) zoning districts in appropriate settings and situations to create or maintain a development pattern that is consistent with the City's Comprehensive Plan;***

- b. promote a more creative and efficient approach to land use within the City, while at the same time protecting and promoting the health, safety, comfort, aesthetics, economic viability, and general welfare of the City;**
- c. provide for variations to the strict application of the land use regulations in order to improve site design and operation, while at the same time incorporate design elements that exceed the City's standards to offset the effect of any variations. Desired design elements may include: sustainable design, greater utilization of new technologies in building design, special construction materials, landscaping, lighting, stormwater management, pedestrian oriented design, and podium height at a street or transition to residential neighborhoods, parks or other sensitive uses;**
- d. ensure high quality of design and design compatible with surrounding land uses, including both existing and planned;**
- e. maintain or improve the efficiency of public streets and utilities;**
- f. preserve and enhance site characteristics including natural features, wetland protection, trees, open space, scenic views, and screening;**
- g. allow for mixing of land uses within a development;**
- h. encourage a variety of housing types including affordable housing; and**
- i. ensure the establishment of appropriate transitions between differing land uses.**

Some of the above criteria are included with this development proposal. The project is mixed use (retail, office, hotel) though the buildings themselves are not. The proposal would provide improved vehicle and pedestrian connections in and around the site. The proposed plans are generally consistent with the draft overall development plan for this site, which included two large parking ramps and three large office buildings. The proposed plan introduces retail and restaurants to the site.

2. Applicability/Criteria

- a. Uses. All permitted uses, permitted accessory uses, conditional uses, and uses allowed by administrative permit contained in the various zoning districts defined in this Chapter shall be treated as potentially allowable uses within a PUD district, provided they would be allowable on the site under the Comprehensive Plan.**

The proposed uses are consistent with the Comprehensive Plan. As mentioned, the site is designated as OR, Office Residential, which encourages a mixture of uses. Uses include:

- Offices, attached or multifamily housing.
- Limited retail and service uses (not including “big box” retail),
- Vertical mixed use should be encouraged, and may be required on larger sites.

b. Eligibility Standards. To be eligible for a PUD district, all development should be in compliance with the following:

- i. where the site of a proposed PUD is designated for more than one (1) land use in the Comprehensive Plan, the City may require that the PUD include all the land uses so designated or such combination of the designated uses as the City Council shall deem appropriate to achieve the purposes of this ordinance and the Comprehensive Plan;**

This project would be a mixture of uses, though no individual building contains mixed use. There is potential for the Phase 2 retail and office building on the corner of Computer and 77th to contain mixed uses.

- ii. any PUD which involves a single land use type or housing type may be permitted provided that it is otherwise consistent with the objectives of this ordinance and the Comprehensive Plan;**

This is a mixed use proposal.

- iii. permitted densities may be specifically stated in the appropriate planned development designation and shall be in general conformance with the Comprehensive Plan; and**

The uses allowed are consistent with the Comprehensive Plan. The square footage of the proposed development is within the AUAR development scenarios. Additionally, the VSB Traffic study concludes that the surrounding roadways could support the use, subject to roadway improvements.

- iv. the setback regulation, building coverage and floor area ratio of the most closely related conventional zoning district shall be considered presumptively appropriate, but may be departed from to accomplish the purpose and intent described in #1 above.**

The table on page 6 shows how the proposed new buildings would comply with the MDD-6 Zoning Ordinance Standards and the zoning standard in the new PUD-17 District. The only flexibility requested is in regard to setbacks and parking. In relaxing these standards, the purpose and intent, as described in #1 above should be met.

The area would be improved from existing conditions on the site, and the pedestrian and vehicle connections would be improved. There also would be an increase in green space.

AUAR (Alternative Urban Areawide Review)

As part of a rezoning of the Pentagon Park Area to MDD-6, Mixed Use Development, an AUAR, Environmental Study was completed in 2007, to examine impacts of the proposed development, and development scenarios beyond the densities suggested by the development.

The proposed development in 2007 was to tear down the buildings on the Pentagon Tower and Pentagon Quads site and build the following:

- 634 senior housing units
- An 80,000 square foot hotel
- Two office towers that would total 737,000 square feet, and two above ground parking structures.

The 2007 project was never developed; and the property ownership has since changed to Hillcrest Development. The study was updated in 2013 to consider the Hillcrest proposal. (See attached.) The following is a breakdown of the anticipated land uses at that time:

- Office – 1,420,000 square feet.
- Retail – 40,000 square feet.
- Hotel – 250,000 square feet (375-425 rooms)
- Parking structures – 6,400 parking stalls.
- Housing (would replace some of the office if built.)

An AUAR allows the flexibility to examine different development scenarios, including what would be allowed under the current zoning and comprehensive plan; and other development scenarios, including, what the developer is considering. An AUAR enables cities to evaluate how much development can be accommodated in an area without significant environmental impacts.

The proposed office, hotel and retail development is consistent with the south parcel scenario 3 contemplated. (See the attached AUAR.)

PRIMARY ISSUES/STAFF RECOMMENDATION

Primary Issue

- **Is the proposal reasonable to justify the PUD rezoning of the site?**

This site has some significant development challenges to redevelop. There is a high water table and peat soils, which prevents a significant amount of parking to go underground. The soils are very poor for re-development. Pilings would be required due to the peaty soils. Pilings would add significant development cost to the project. The applicant has tried to address the site issues and respond to the comments from the sketch plan. Since the project closely resembles

the draft preliminary development plan, and the plan approved in 2007, staff supports the proposed project for the following reasons:

- I. Conformance with the Development Principles established in the Greater Southdale Area Planning Framework Vision. The following principles are included:
 - Improved pedestrian connections to move people through and around the site.
 - Provide a “come to” and “stay at” development with mixed uses, retail, restaurant, public space including seating areas, and a center plaza;
 - High quality buildings and design;
 - Provision of added shared public parking.
 - Public art; and
 - Economic vitality brought to Pentagon Park.
2. The proposed project would meet the following goals and policies of the Comprehensive Plan:
 - a. Movement Patterns.
 - Provide sidewalks along primary streets and connections to adjacent neighborhoods along secondary streets or walkways.
 - Provide pedestrian amenities, such as wide sidewalks, street trees, pedestrian-scale lighting, and street furnishings (benches, trash receptacles, etc.)
 - A Pedestrian-Friendly Environment.
 - b. Encourage infill/redevelopment opportunities that optimize use of City infrastructure and that complement area, neighborhood, and/or corridor context and character.
 - c. Support and enhance commercial areas that serve the neighborhoods, the City, and the larger region.
 - d. Increase mixed-use development where supported by adequate infrastructure to minimize traffic congestion, support transit, and diversify the tax base.
 - e. Increase pedestrian and bicycling opportunities and connections between neighborhoods, and with other communities, to improve transportation infrastructure and reduce dependence on the car.
 - f. Buildings should be placed in appropriate proximity to streets creating pedestrian scale. Buildings “step down” at boundaries with lower-density districts and upper stories “step back” from street.
 - g. Building Placement and Design. Where appropriate, building facades should form a consistent street wall that helps to define the street and enhance the pedestrian environment. On existing auto-oriented development sites, encourage placement of liner buildings close to the street to encourage pedestrian movement.
 - i. Locate prominent buildings to visually define corners and screen parking lots.

- ii. Locate building entries and storefronts to face the primary street, in addition to any entries oriented towards parking areas.
 - iii. Encourage storefront design of mixed-use buildings at ground floor level, with windows and doors along at least 50% of the front façade.
 - iv. Encourage or require placement of surface parking to the rear or side of buildings, rather than between buildings and the street.
- 3. The proposal meets the City's criteria for PUD zoning. (See pages 6-8 of this report.) In summary the PUD zoning would:
 - a. Provides a mixed-use development by including retail, office, hotel and restaurants.
 - b. Creates a very pedestrian-friendly development with the construction of sidewalks through and around the site.
 - c. Ensure that the buildings proposed would be the only buildings built on the site, unless an amendment to the PUD is approved by City Council.
 - d. Provide for a more creative site design, consistent with the draft Preliminary Plan, the 2007 Plan, and goals and policies in the Comprehensive Plan.
- 4. The existing roadways and parking would support the project. WSB Consulting conducted a traffic impact study, and concluded that the proposed development could be supported by the existing roads and proposed parking, subject to roadway improvements. (See attached traffic & parking study.)

Conclusion/Recommendation

As this is a request for a Rezoning, the City has substantial discretion as to approving or denying this request. (See the pyramid of discretion on page.)

Below are the alternative actions to be considered by the Planning Commission and City Council:

Preliminary Rezoning to PUD, Overall Development Plan & Preliminary Development Plan

Approval

Recommend that the City Council approve the Preliminary Rezoning from MDD-6, Mixed Development District to PUD-17, Planned Unit Development District, including an Overall Development Plan, Subdivision, and Preliminary Development Plan for Phase I.

Approval is subject to the following findings:

1. The proposed land use is consistent with the Comprehensive Plan.
2. Conformance with the Development Principles established in the Greater Southdale Area Planning Framework Vision. The following principles are included:
 - Improved pedestrian connections to move people through and around the site.
 - Provide a “come to” and “stay at” development with mixed uses, retail, restaurant, public space including seating areas, and a center plaza;
 - High quality buildings and design;
 - Provision of added shared public parking.
 - Public art; and
 - Economic vitality brought to Pentagon Park.
3. The proposed project would meet the following goals and policies of the Comprehensive Plan:
 - a. Movement Patterns.
 - Provide sidewalks along primary streets and connections to adjacent neighborhoods along secondary streets or walkways.
 - Provide pedestrian amenities, such as wide sidewalks, street trees, pedestrian-scale lighting, and street furnishings (benches, trash receptacles, etc.)
 - A Pedestrian-Friendly Environment.
 - b. Encourage infill/redevelopment opportunities that optimize use of City infrastructure and that complement area, neighborhood, and/or corridor context and character.
 - c. Support and enhance commercial areas that serve the neighborhoods, the City, and the larger region.
 - d. Increase mixed-use development where supported by adequate infrastructure to minimize traffic congestion, support transit, and diversify the tax base.
 - e. Increase pedestrian and bicycling opportunities and connections between neighborhoods, and with other communities, to improve transportation infrastructure and reduce dependence on the car.
 - f. Buildings should be placed in appropriate proximity to streets creating pedestrian scale. Buildings “step down” at boundaries with lower-density districts and upper stories “step back” from street.
 - g. Building Placement and Design. Where appropriate, building facades should form a consistent street wall that helps to define the street and enhance the pedestrian environment. On existing auto-oriented development sites, encourage placement of liner buildings close to the street to encourage pedestrian movement.
 - i. Locate prominent buildings to visually define corners and screen parking lots.

- ii. Locate building entries and storefronts to face the primary street, in addition to any entries oriented towards parking areas.
 - iii. Encourage storefront design of mixed-use buildings at ground floor level, with windows and doors along at least 50% of the front façade.
 - iv. Encourage or require placement of surface parking to the rear or side of buildings, rather than between buildings and the street.
4. The proposal meets the City's criteria for PUD zoning. In summary the PUD zoning would:
 - a. Provides a mixed-use development by including retail, office, hotel and restaurants.
 - b. Creates a very pedestrian-friendly development with the construction of sidewalks through and around the site.
 - c. Ensure that the buildings proposed would be the only buildings built on the site, unless an amendment to the PUD is approved by City Council.
 - d. Provide for a more creative site design, consistent with the draft Preliminary Plan, the 2007 Plan, and goals and policies in the Comprehensive Plan.
5. The existing roadways and parking would support the project. WSB Consulting conducted a traffic impact study, and concluded that the proposed development could be supported by the existing roads and proposed parking, subject to road improvements.

Approval is subject to the following Conditions:

1. The Final Development Plans must be generally consistent with the Preliminary Development Plans dated April 10, 2018, and the materials board as presented to the Planning Commission.
2. The Final Landscape Plan must meet all minimum landscaping requirements per Chapter 36 of the Zoning Ordinance. A performance bond, letter-of-credit, or cash deposit must be submitted for one and one-half times the cost amount for completing the required landscaping, screening, or erosion control measures at the time of any building permit.
3. The exterior treatment on the parking garage facing the internal street must be matched on the exterior of the parking garage that faces Bloomington.
4. The Final Lighting Plan must meet all minimum requirements per Section 36-1260 of the City Code.
5. Roof-top mechanical equipment shall be screened per Section 36-1459 of the City Code.
6. Submit a copy of the Nine Mile Creek Watershed District permit. The City may require revisions to the approved plans to meet the district's requirements.
7. A Developer's Agreement is required at the time of Final Approval.

8. Compliance with all of the conditions outlined in the director of engineering's memo dated May 3, 2018.
9. Compliance with the WSB Traffic & Parking Study recommendations including:
 - A. Addition of a northbound left turn lane, southbound striped left turn lane and eastbound right turn lane at 77th Street and Commercial Access driveway.
 - B. Addition of a northbound dual left turn lane and eastbound right turn lane at 77th Street and Computer Avenue.
10. Per the Master Development Agreement, dated May 20, 2014, reconstruction of 77th Street is required with the construction of 100,000 square feet. Therefore, the applicant/landowner is responsible for roadway improvements to 77th Street. Final plans would be subject to the recommendations in the WSB traffic study and approval of the city engineer.
11. All crosswalks shall be marked with "duraprint" type stamping, or whatever is the city standard at the time of installation, to clearly identify the pedestrian crossings.
12. The minimum number of bicycle parking spaces required shall be five percent of the automobile parking space requirement.
13. Subject to the Zoning Ordinance Amendment creating the PUD-17, Planned Unit Development for this site.

Denial

Recommend the City Council deny the Preliminary Rezoning from MDD-6, Mixed Development District to PUD-17, Planned Unit Development District, including an Overall Development Plan, Subdivision and Preliminary Development Plan for Phase I, subject to the following findings:

1. The proposal does not adequately address the guiding principles regarding Green Streets, Integrated Stormwater, Pedestrian Friendly 77th Street, Connections from West to East, Multimodal Connections and Shared Parking.
2. The proposal does not adequately meet the City's criteria for PUD zoning, including vertical mixed uses, sustainable design, greater utilization of new technologies in building design, special construction materials, landscaping, lighting, stormwater management, and pedestrian oriented design.
3. The current zoning, MDD-6 provides a reasonable use of the property and is consistent with the Comprehensive Plan.

Staff Recommendation:

Based on the findings outlined above, staff recommends approval of the proposed Preliminary Rezoning from MDD-6, Mixed Development District to PUD-17, Planned Unit Development District, including an Overall Development Plan, Subdivision, and Preliminary Development Plan for Phase I, subject to the findings and conditions above.

Deadline for a city decision: August 7, 2018