

Community Development Committee

Meeting date: August 6, 2018

For the Metropolitan Council meeting of August 8, 2018

Subject: City of Minneapolis Malcolm Yards Comprehensive Plan Amendment, Review File No. 20348-13

District(s), Member(s): District 8, Cara Letofsky

Policy/Legal Reference: Metropolitan Land Planning Act (Minn. Stat. § 473.175)

Staff Prepared/Presented: Michael Larson, AICP, Senior Planner, Local Planning Assistance (651-602-1407)

Division/Department: Community Development / Regional Planning

Proposed Action

That the Metropolitan Council:

1. Adopt the attached Review Record and allow the City of Minneapolis to place the Malcolm Yards Comprehensive Plan Amendment into effect.
2. Advise the City to work with the Council to determine an updated forecast for its 2040 comprehensive plan update that incorporates stronger than forecasted market demand and changes in guiding land use.
3. Advise the City that the Council requires the incorporation of density ranges into its land use policy to determine conformance and consistency with *Thrive MSP 2040*, the *2040 Transportation Policy Plan*, and the *2040 Housing Policy Plan*.
4. Advise the City to implement the additional advisory comments in the Review Record for Forecasts, Land Use, and Housing.

Background

The amendment proposes to change the boundary of the Southeast Minneapolis (SEMI) Industrial Employment District to exclude 9.44 acres of property along the southern edge of the district and to regrade the location from Industrial to Transitional Industrial. Wall Development Company is proposing a two-phased mixed-use redevelopment project on vacant industrial lands, including up to 800 attached residential units and 80,000 square feet of new commercial development constructed in two phases. This review is associated with an Environmental Assessment Worksheet that the Council reviewed on March 23, 2018 (Review File No. 21874-1).

Rationale

The proposed amendment conforms to regional system plans, is consistent with Council policies, and is compatible with the plans of other local communities and school districts.

Thrive Lens Analysis

The proposed amendment is reviewed against the land use policies in *Thrive MSP 2040*. To achieve the outcomes identified in *Thrive*, the metropolitan development guide defines the Land Use Policy for the region and includes strategies for local governments and the Council to implement. These policies and strategies are interrelated and, taken together, serve to achieve the outcomes identified in *Thrive*.

Funding

None.

Known Support / Opposition

There is no known local resident or local government opposition to this proposal.

Review Record

City of Minneapolis
Malcolm Yards Comprehensive Plan Amendment

Review File No. 20348-13, Council Business Item No. 2018-206 SW

BACKGROUND

The City of Minneapolis is approximately 57.4 square miles, located in Hennepin County. It is bordered by the cities of St. Paul, Lauderdale, and St. Anthony Village to the east; Robbinsdale, Golden Valley, St. Louis Park, and Edina to the west; Brooklyn Center, Fridley, and Columbia Heights to the north; and Richfield and Fort Snelling to the south.

Consistent with the policies adopted by the Council in June 2014 ([Business Item 2014-143](#)) regarding review of local comprehensive plans, this amendment is being reviewed under *Thrive MSP 2040* and its policy plans.

Thrive MSP 2040 identifies the City as an Urban Center community. The Metropolitan Council forecasts that between its estimate for 2017 and 2040, the City will grow from 423,990 to 459,200 people, and from 180,340 to 204,000 households. The Metropolitan Council also forecasts that between 2017 and 2040, the City's employment will increase from 324,014 to 350,000 jobs.

The Council reviewed the City's Update ([Business Item 2009-244](#), Review File No. 20348-1) on July 22, 2009. This is the 12th amendment since the review of the Update. The Council has since administratively reviewed a 13th amendment.

REQUEST SUMMARY

The amendment proposes to change the boundary of the Southeast Minneapolis (SEMI) Industrial Employment District to exclude 9.44 acres of property along the southern edge of the district and to regrade the location from Industrial to Transitional Industrial. Wall Development Company is proposing a two-phased mixed-use redevelopment project on vacant industrial lands, including up to 800 attached residential units and 80,000 square feet of new commercial development constructed in two phases. This review is associated with an Environmental Assessment Worksheet that the Council reviewed on March 23, 2018 (Review File No. 21874-1).

OVERVIEW

Conformance with Regional Systems

The amendment conforms to the Regional System Plans for Parks, Transportation (including Aviation), and Wastewater, with no substantial impact on, or departure from, these plans.

Consistency with Council Policies

The amendment is consistent with the *Thrive MSP 2040*, with the *2040 Housing Policy Plan*, and with water resources management. The amendment underscores the need to develop a revised forecast for the City's comprehensive plan update, as Council staff believe the City is exceeding its 2020 forecasts for population and households.

Compatibility with Plans of Adjacent Jurisdictions The amendment will not have an impact on adjacent communities, school districts, or watershed districts, and is compatible with the plans of those districts.

PREVIOUS COUNCIL ACTIONS

- The Council acted on the City's Update on May 26, 2010 (Review File No. 20348-1, [Business Item 2009-244](#)).
- The Council administratively approved the City's North Loop Small Area Plan amendment on April 13, 2011 (Review File No. 20348-2). The amendment incorporated the North Loop Small Area Plan into the comprehensive plan, expanded the Glenwood Commercial Corridor, and made changes in guiding land use.
- The Council administratively approved the City's Lowry Avenue Strategic Plan amendment on April 13, 2011 (Review File No. 20348-3). The amendment incorporated the Lowry Avenue Strategic Plan into the comprehensive plan, eliminated the Neighborhood Commercial Node at Lowry & Lyndale Avenues, modified the Neighborhood Commercial Node designations at Lowry & Emerson and at Lowry & Penn, and made changes in guiding land use.
- The Council administratively approved the City's Central Corridor LRT Transit Station Areas amendment on August 16, 2011 (Review File No. 20348-4). The amendment incorporated into the comprehensive plan the Transit Station Area land use feature at METRO Green Line stations at Prospect Park/29th Avenue, Stadium Village, East Bank, East Bank and Target Field.
- The Council approved the City's Nicollet Island East Bank Neighborhood Small Area Plan amendment on June 10, 2015 (Review File No. 20348-5, [Business Item 2015-119](#)). The amendment incorporated the Nicollet Island East Bank Neighborhood Small Area Plan into the City's comprehensive plan, and made adjustments in guiding land use.
- The Council administratively approved the City's Linden Hills Small Area Plan amendment on May 22, 2015 (Review File No. 20348-6). The amendment incorporated the Linden Hills Small Area Plan into the comprehensive plan and made adjustments in guiding land use.
- The Council administratively approved the City's Loring Park Neighborhood Master Plan amendment on May 22, 2015 (Review File No. 20348-7). The amendment incorporated the Loring Park Neighborhood Master Plan into the comprehensive plan and made adjustments in guiding land use.
- The Council approved the City's Marcy-Holmes Neighborhood Master Plan amendment on October 14, 2015 (Review File No. 20348-8, [Business Item 2015-234](#)). The amendment incorporated the Marcy-Holmes Neighborhood Master Plan into the comprehensive plan, expanded the boundary of the Dinkytown Activity Center, created three new Neighborhood Commercial Nodes, increased the amount of land guided as Mixed Use, and made other changes in guiding land use.
- The Council approved the City's Stadium Village / University Avenue Station Area Plan amendment on October 14, 2015 (Review File No. 20348-9, [Business Item 2015-235](#)). The amendment incorporated the Stadium Village / University Avenue Station Area Plan into the comprehensive plan, and made significant changes in guiding land use.
- The Council approved the City's Very High Density amendment on June 8, 2016 (Review File No. 20348-10, [Business Item 2016-99](#)). The amendment amended the allowable maximum residential density in the City's Growth Centers and adjacent Activity Centers from 200 dwelling units per acre (units/acre) to 800 units/acre, provided that projects at these higher densities are consistent with adopted small area plans.

- The Council administratively approved the City’s Sheridan Neighborhood Small Area Plan amendment on June 22, 2016 (Review File No. 20348-11). The amendment incorporated the Sheridan Neighborhood Small Area Plan into the comprehensive plan, expanded the Grain Belt Activity Center, reguידed land along the Marshall Street Community Corridor, and made other adjustments in guiding land use.
- The Council administratively approved the City’s St. Anthony East Neighborhood Small Area Plan amendment on June 22, 2016 (Review File No. 20348-12). The amendment incorporated the St. Anthony East Neighborhood Small Area Plan into the comprehensive plan, established a new Neighborhood Commercial Node, and made adjustments in guiding land use.
- The Council administratively approved the City’s East Side Storage and Maintenance Facility amendment on October 9, 2017 (Review File No. 20348-14). The amendment reguידed 1.27 acres from Urban Neighborhood and unguided right-of-way to Transitional Industrial to support a new City street and equipment maintenance facility.

ISSUES

- I. Does the amendment conform to the regional system plans?
- II. Is the amendment consistent with *Thrive MSP 2040* and other Council policies?
- III. Does the amendment change the City’s forecasts?
- IV. Is the amendment compatible with the plans of adjacent local governmental units and affected jurisdictions?

ISSUES ANALYSIS AND FINDINGS

Conformance with Regional Systems

The amendment conforms to the regional system plan for Regional Parks, Transportation, and Wastewater, with no substantial impact on, or departure from, these system plans. Additional review comments for transportation are included below.

Regional Parks

Reviewer: Michael Larson (651-602-1407)

The amendment conforms to the *2040 Regional Parks Policy Plan*. The area being reguידed for development is generally within the regional trail search corridor for the Grand Rounds Missing Link. There is no approved master plan from the Minneapolis Park and Recreation Board that identifies the alignment of the future regional trail at this time. Council staff do not anticipate that the change in land use guiding from “Industrial” to “Transitional Industrial” will negatively impact planning for a future alignment. The proposed project describes a new publicly-accessible greenway that would run east-west between Malcolm Avenue and a proposed park. These features would complement the future regional trail.

Transportation

Reviewer: Russ Owen (651-602-1724)

The amendment conforms to the *2040 Transportation Policy Plan (TPP)*. The area being reguידed for development is within ¼ mile of the METRO Green Line Prospect Park Station. The reguידing of land and associated development do not negatively impact regional surface transportation or aviation systems. The proposed density and mix of uses near the station conforms to land use policies in the TPP for regional transitways. This is addressed in more detail in the Land Use section below.

Advisory Comments

The EAW for Malcolm Yards included a traffic study. A significant portion of the traffic on Malcolm Avenue SE consists of truck traffic accessing the industrial uses located to the north. Council staff encourage the City to implement the recommendations in the EAW, and carefully manage the evolution of land uses in the area so that rail/truck transfer operations are maintained.

Wastewater

Reviewer: Roger Janzig (651-602-1119)

The amendment conforms to the system elements of the 2040 Water Resources Policy Plan (WRPP). The existing Metropolitan Disposal System has adequate capacity for the proposed change in guiding land use.

Consistency with Council Policy

The amendment is consistent with Council policies for land use, housing, sub-surface sewage treatment systems, and water supply. Additional review comments regarding consistency with forecasts, land use, and housing policies are detailed below.

Forecasts

Reviewer: Todd Graham (651-602-1322)

The amendment allows residential activity in an area previously guided and forecasted to be entirely employment-related. The amendment is associated with a development that proposes approximately 800 dwelling units. Council staff find that the expected development significantly exceeds the housing capacity and TAZ allocation that the Metropolitan Council had previously forecasted. Previous Council forecasting assumed that future development on the site would be employment-related.

Considering the Council's estimates for 2017, as well as known projects under development, Council staff believe that Minneapolis already exceeds its 2020 forecasts for population and households, which are shown in Table 1. As part of the review of the EAW for Malcolm Yards (Review File No. 21874-1), Council staff recommended that the City request an increase in its population and household forecasts as part of this amendment or as part of the 2040 comprehensive plan update. Council staff recommended that the forecast increase include 800 additional households and 1,600 population, and that the City allocate this growth to TAZ #1277.

Table 1. Metropolitan Council Forecasts for the City of Minneapolis

	Census	Council Estimate	Current Council Forecasts		
	2010	2017	2020	2030	2040
Population	382,578	423,990	423,300	439,100	459,200
Households	163,540	180,340	183,800	194,000	204,000

Advisory Comments

The City's amendment submittal materials did not address the issue of forecasts. In correspondence submitted as supplemental information, the City has acknowledged the need to amend its forecasts as part of the 2040 comprehensive plan update. Further, the City expresses an intention to incorporate staff recommendations as part of revised forecasts. Council staff recommend that the City allocate a forecast increase of 800 additional households and 1,600 population to TAZ #1277.

Land Use

Reviewer: Michael Larson (651-602-1407)

Thrive MSP 2040 designates Minneapolis as an Urban Center community, as shown in Figure 1. The amendment is consistent with *Thrive MSP 2040* policies for Urban Center communities, which directs communities to accommodate forecasted growth at an overall residential density of at least 20 units/acre and to target higher densities in locations with convenient access to transportation corridors and with adequate sewer capacity.

The amendment proposes removing 9.44 acres from the Southeast Minneapolis Industrial (SEMI) Employment District, and reguiding the land from Industrial to Transitional Industrial, as shown in Figure 3. The City's comprehensive plan states that industrial areas located outside of Industrial Employment Districts will be classified as "transitional," which supports an evolution to non-industrial uses that are compatible with surrounding development. The amendment area is located adjacent to a large area guided Mixed Use, which is associated with the University Avenue Commercial Corridor and the nearby Stadium Village Activity Center. The amendment location is also within ¼ mile of the Prospect Park METRO Green Line Station, a designated Transit Station Area in the City's comprehensive plan. In these locations, City policy supports High Density residential in the range of 50-120 units/acre. The project's proposed density of 79 units/acre (800 units over 10.1 acres) is consistent with that guidance.

The proposed project associated with the amendment conforms to the *2040 Transportation Policy Plan* (TPP) with regard to residential density near transit. The amendment area location is within ½ mile of the Prospect Park METRO Green Line Station. Therefore, the amendment is subject to review for conformance with land use policies in the TPP for station areas along transitways with fixed or dedicated rights-of-way. For Urban Center communities, the expectation is a minimum average density of 50 units/acre for new development and redevelopment. The project's density of 79 units/acre contributes to meeting that minimum.

Advisory Comments

In its comments for the Malcolm Yards EAW (Review File No. 21874-1), Council staff recommended guiding the area to a designation that reflects greater certainty in land use policy (rather than a "transitional" one), concurrent with its 2040 comprehensive plan update. The City should be aware that the 2040 comprehensive plan update must include both minimum densities and residential density ranges that are associated with guiding land uses. The Council includes minimum densities in its policy plans to evaluate conformance with regional systems and consistency with policies in the areas of wastewater, transit, land use, and affordable housing. The Council uses density ranges to determine whether a community can accommodate its forecasted growth. Furthermore, guiding land uses that include a mix of uses should identify the percentage of land that the City estimates would develop as residential across all areas guided as such. The City is encouraged to contact their Sector Representative with any questions regarding the Council's expectations for the 2040 comprehensive plan update.

The City should also consider the TPP's density requirements for station areas during the update of its comprehensive plan, so that areas identified for new development and redevelopment in station areas are in conformance with the TPP.

Housing

Reviewer: Tara Beard (651-602-1051)

The proposed amendment is consistent with the Council's policies for housing. The City currently provides sufficient land to address its share of the region's 2011-2020 need for affordable housing,

which is 4,224 units. As of this amendment, the City is guiding more than 207 acres of medium- and high-density residential and mixed-use land such that at least 5,409 units could be built.

Minneapolis is a participant in the Livable Communities Act programs and has received numerous awards through the Livable Communities Demonstration Account, Local Housing Incentives Account, and Tax Base Revitalization Account. Complete data on production for the year 2017 is not yet available, but 254 units were constructed in 2016.

Advisory Comments

Though the City has utilized the inventory of land guided as Transitional Industrial for housing development, the Council did not originally consider this guiding land use category as part of the City's inventory of land to support affordable housing. In preparing the 2040 comprehensive plan update, the City should note that the minimum density of land guided to address this need is 8 units/acre. As a reminder, the Council will require density ranges to determine consistency with regional housing policy. Please see related comments above under Land Use, including those related to estimates on the percentage of land developing as residential in mixed use districts.

The City should be aware that its share of the region's 2021-2030 need for affordable housing is 3,499 units. Please note that this number will increase with the forecast adjustment that is recommended above. The City is encouraged to contact their Sector Representative or Council housing staff with any questions regarding the Council's housing policy for the 2040 comprehensive plan update.

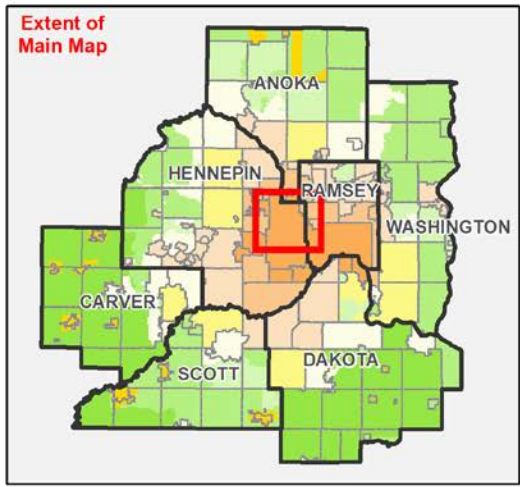
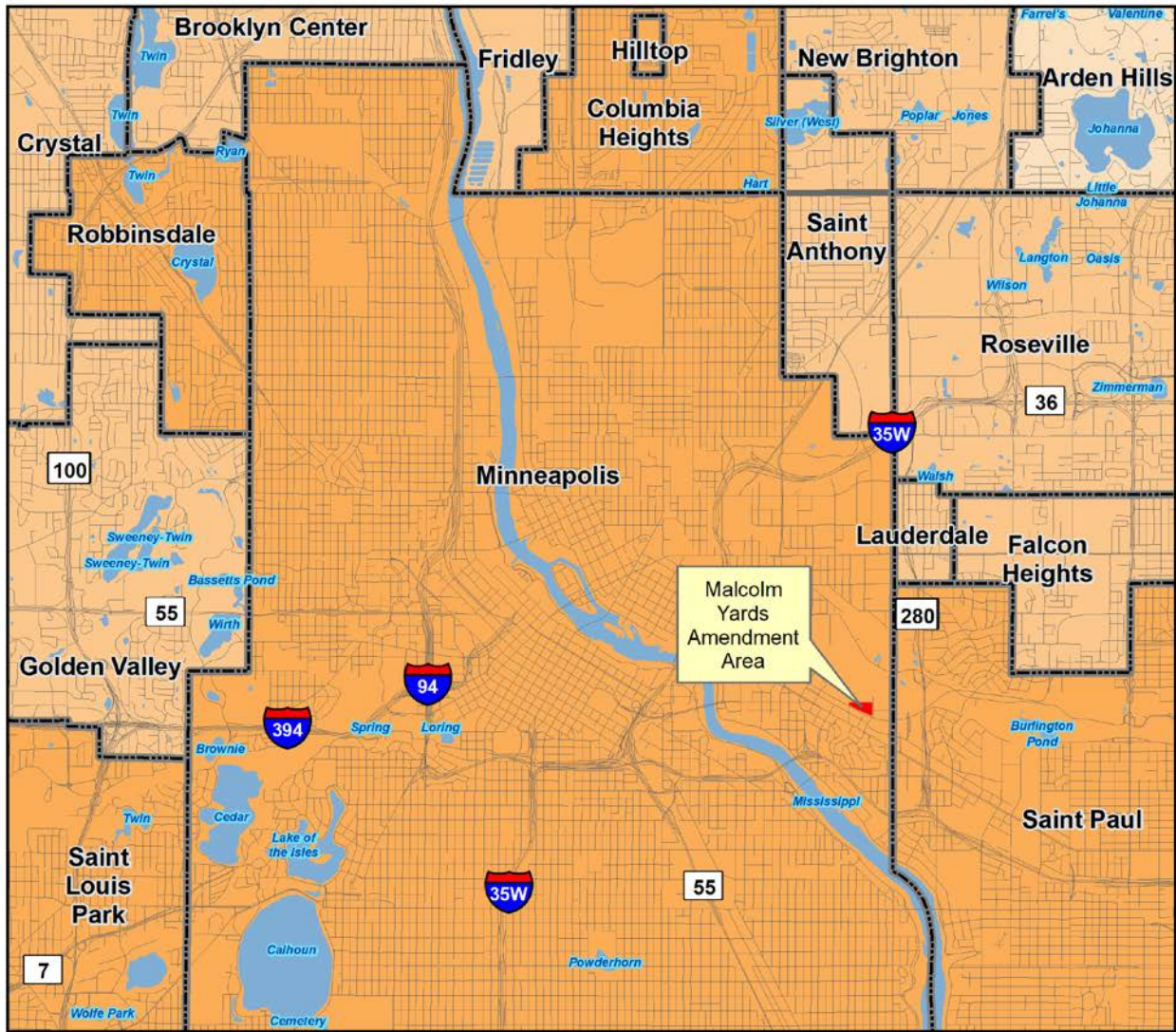
Compatibility with Plans of Adjacent Governmental Units and Plans of Affected Special Districts and School Districts

The proposed amendment is compatible with the plans of adjacent jurisdictions. No compatibility issues with plans of adjacent governmental units and plans of affected special districts and school districts were identified.

ATTACHMENTS

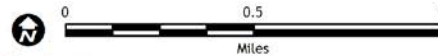
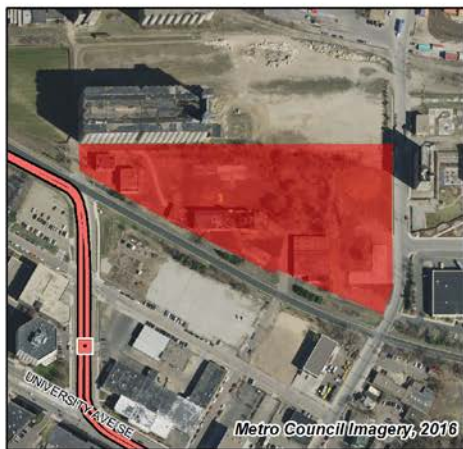
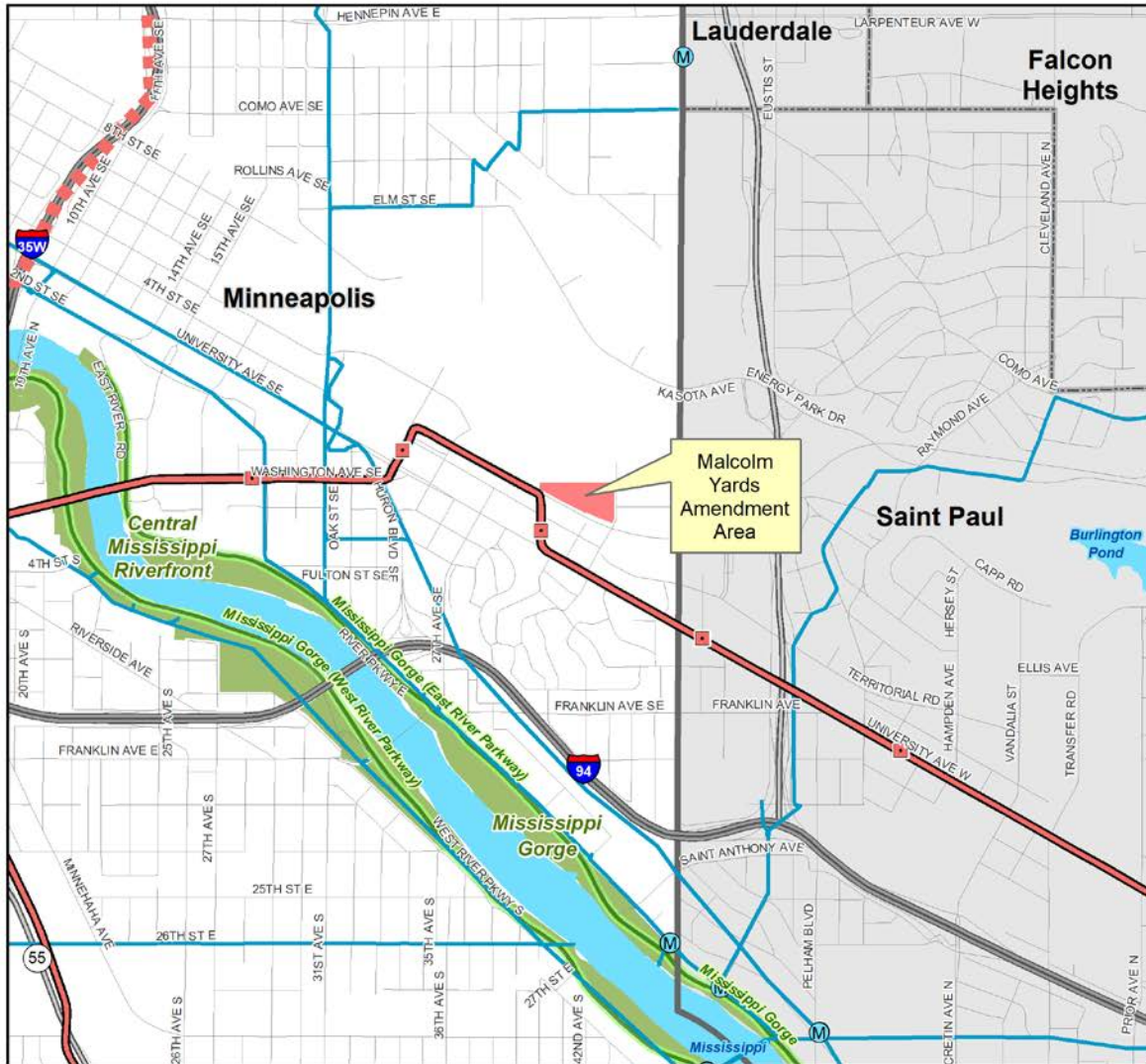
- Figure 1: Location Map Showing Community Designations
- Figure 2: Location Map showing Regional Systems
- Figure 3: Current and Proposed Land Use Guiding

Figure 1: Location Map Showing Community Designations



- ThriveMSP 2040 Community Designations**
- Agricultural
 - Rural Residential
 - Diversified Rural
 - Rural Center
 - Emerging Suburban Edge
 - Suburban Edge
 - Suburban
 - Urban
 - Urban Center
 - Ncompass Street Centerlines

Figure 2: Location Map Showing Regional Systems

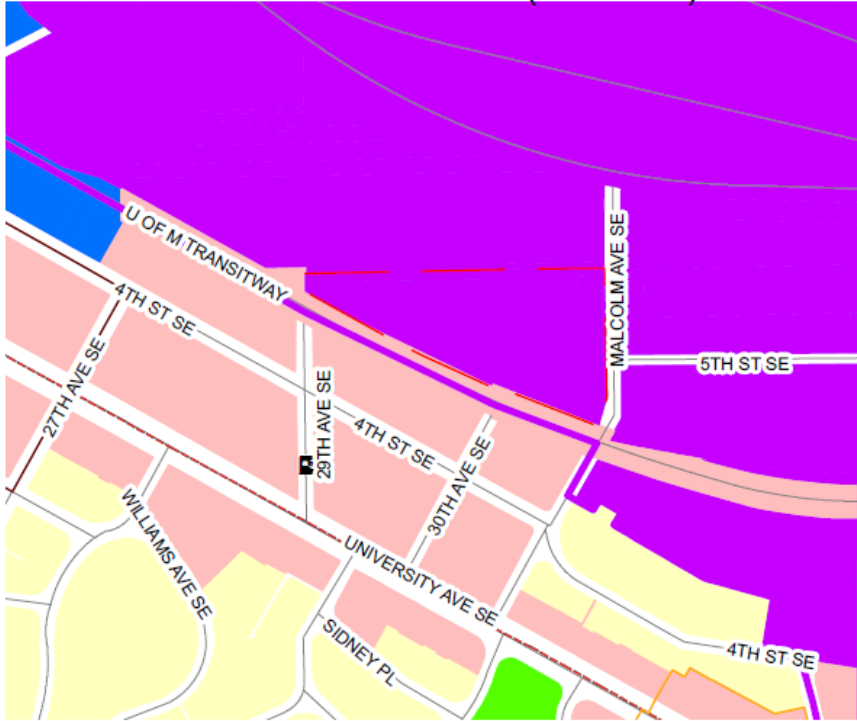


Regional Systems

- Planned Fixed Guideway Stations
- Existing Fixed Guideway Stations
- Regional Transitways**
- Existing, Fixed Guideway
- Proposed, Fixed Guideway
- Existing, Bus Rapid Transit
- Proposed, Bus Rapid Transit
- Wastewater Treatment**
- Meters
- Lift Stations
- MCES Interceptors
- MCES Treatment Plants
- Regional Highway System**
- Interstates
- US Highways
- State Highways
- County Roads
- Ncompass Street Centerlines
- Regional Parks**
- STATUS**
- Existing (Open to Public)
- In Master Plan (Not Open to Public)
- Planned Units
- Existing Regional Trails
- Planned Regional Trails

Figure 3: Current and Proposed Land Use Guiding

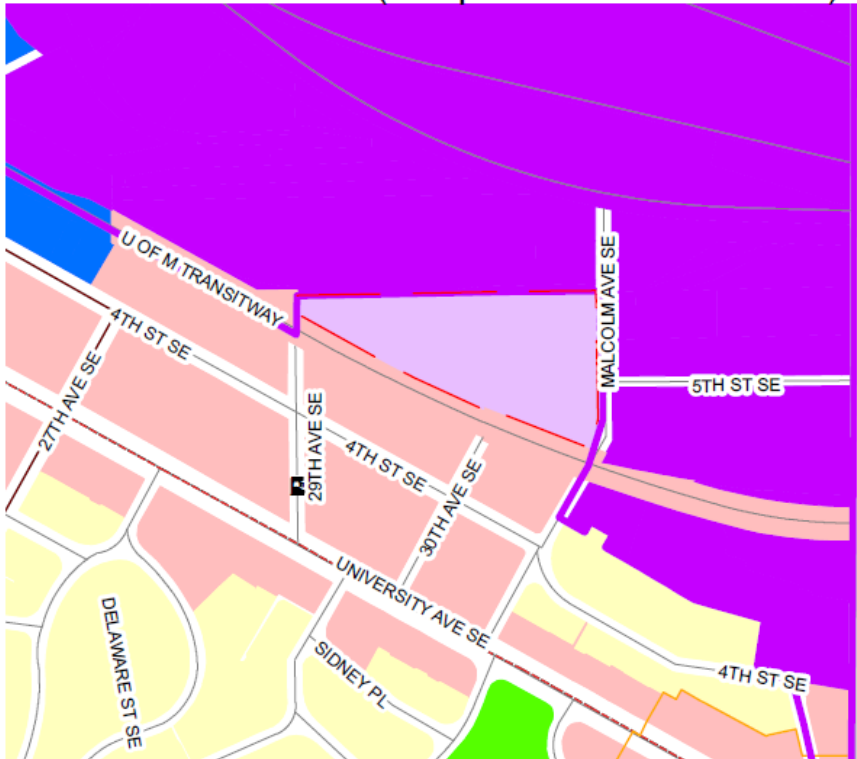
Future Land Use (Current)



Legend

- Subject Property
- Transit Station
- Growth Center
- Major Retail Center
- Activity Center
- Neighborhood Commercial Node
- Industrial Employment District
- Commercial Corridor
- Community Corridor
- Centerline
- Urban Neighborhood
- Mixed Use
- Commercial
- Public and Institutional
- Transitional Industrial
- Industrial
- Parks and Open Space
- Water

Future Land Use (Proposed Amendment)



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