
ZONING CODE TEXT AND MAP AMENDMENT

<i>Initiator:</i>	Council Member Goodman
<i>Introduction Date:</i>	February 23, 2023, and March 9, 2023
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<i>Specific Site:</i>	N/A
<i>Ward:</i>	All
<i>Neighborhood:</i>	All
<i>Intent:</i>	Implement the land use policies of Minneapolis 2040, including repealing all existing chapters within the Zoning Code, establishing new zoning chapters and zoning districts, and replacing citywide primary and overlay district maps accordingly

APPLICABLE SECTION(S) OF THE ZONING CODE

Title 20, Zoning Code

1. Replacing Chapter 520 Introductory Provisions with General Provisions.
2. Repealing Chapter 521 Zoning Districts and Maps Generally.
3. Replacing Chapter 525 Administration and Enforcement with Administration and Procedures.
4. Repealing Chapter 527 Planned Unit Development.
5. Repealing Chapter 529 Interim Ordinances.
6. Replacing Chapter 530 Site Plan Review with Zoning Districts.
7. Repealing Chapter 531 Nonconforming Uses and Structures.
8. Replacing Chapter 535 Regulations of General Applicability with Overlay Districts.
9. Repealing Chapter 536 Specific Development Standards.
10. Repealing Chapter 537 Accessory Uses and Structures.
11. Adding a new Chapter 540 Built Form Overlay Districts.
12. Repealing Chapter 541 Off-Street Parking, Loading, and Mobility.
13. Repealing Chapter 543 On-Premises Signs.
14. Repealing Chapter 544 Off-Premise Signs and Billboards.
15. Adding a new Chapter 545 Use Regulations.
16. Repealing Chapter 546 Residence Districts.
17. Repealing Chapter 547 Office Residence Districts.
18. Repealing Chapter 548 Commercial Districts.
19. Repealing Chapter 549 Downtown Districts.

20. Replacing 550 Industrial Districts with Development Standards.
21. Repealing Chapter 551 Overlay Districts.
22. Repealing Chapter 552 Built Form Overlay Districts.
23. Adding a new Chapter 555 Off-Street Parking, Loading, and Mobility.
24. Adding a new Chapter 560 Signs.
25. Adding a new Chapter 565 Definitions.

Title 22, Chapter 598, Land Subdivision Regulations

BACKGROUND

Minneapolis is built on the traditional homelands of the Dakota people. It is important to acknowledge the original inhabitants who cared for the land and waterways of this region for thousands of years prior to the arrival of Europeans. CPED also acknowledges that planning and zoning have been utilized to perpetuate racist and discriminatory practices and we have a responsibility to reverse those practices and utilize the tools available to us to advance equity.

While all the comprehensive plan goals are important, Minneapolis 2040 is centered on eliminating racial disparities. The land use and built form maps implement all the goals of Minneapolis 2040, but are most directly influenced by the first four policies found in the plan.

1. Access to Housing: Increase the supply of housing and its diversity of location and types.
2. Access to Employment: Support employment growth downtown and in places well-served by public transportation.
3. Production and Processing: Expand and maintain areas for production, processing, and distribution of products, services, and ideas.
4. Access to Commercial Goods and Services: Improve access to goods and service via walking, biking and transit.

Following adoption of Minneapolis 2040, staff embarked on a multi-year workplan to update the city's zoning ordinance. State law requires that the city's zoning ordinance conform with its comprehensive plan. New and updated policies in Minneapolis 2040 necessitate numerous changes to the zoning ordinance. So far, the city has adopted an inclusionary zoning ordinance and eliminated single-family exclusive zoning in 2020, new built form regulations in early 2021, and an overhaul of parking and travel demand management standards also in 2021.

The current phase of implementation work is to align regulations in the zoning ordinance related to the types and locations of uses allowed by the guidance in Minneapolis 2040. The comprehensive plan includes two maps that are particularly significant in terms of guiding the development of new zoning regulations: a future land use map and a built form map. Work on built form regulations that govern issues such as building height, floor area ratio (FAR), setbacks, lot coverage, impervious surface, and transitions between districts was completed in 2021. The future land use map is now the focus of the city's work and includes drafting new primary zoning districts that align with the guidance from Minneapolis 2040. These new districts regulate the use of every individual property in the city. To best implement these new districts the city must consider how those regulations relate to other elements of the code. The work includes restructuring the zoning ordinance with an eye toward making it easier for staff, applicants, elected and appointed officials, and other stakeholders to use.

These new and updated land use regulations ensure that key elements of Minneapolis 2040 are implemented. The goals of climate change resilience and clean environment are addressed through more efficient use of land – reducing the incidence of sprawling development both within and outside of the city's borders. This is done in part by encouraging the development of complete neighborhoods, resulting in more efficient transportation options and travel patterns. The goals of affordable and accessible housing and complete neighborhoods are addressed by ensuring that a variety of land use designations and uses are allowed citywide. This sets the stage for increased access to goods and services and employment opportunities closer to where people live and work. The goal of more residents and jobs is addressed by allowing a greater variety of housing options in more forms throughout the city and ensuring that zoning supports establishment of jobs producing industries. The goal to eliminate disparities is addressed by ensuring zoning provides the opportunity to produce housing, jobs, and commercial activity citywide, while also restricting industries that have historically produced a disproportionate

negative burden on Black, Indigenous, and Communities of Color in Minneapolis. These proposed regulations do not work in isolation – they dovetail with other ordinance amendments adopted in recent years to implement the goals of Minneapolis 2040 such as inclusionary zoning, elimination of single-family zoning, built form regulations, and parking reform.

Comprehensive Plan and Zoning Ordinance Alignment

Though the land use rezoning study does not signal the end of the regulatory implementation of Minneapolis 2040, it will eliminate overt conflicts between the comprehensive plan and the zoning code. Once adopted, the new ordinance will be considered a new zoning code, making it the fourth zoning code in the City's history. Previous Minneapolis zoning codes were adopted in 1924, 1963, and 1999.

Among the chief tasks at hand is to address any misalignment between our existing primary zoning districts and the guidance in the Minneapolis 2040. Since the adoption of Minneapolis 2040, the city has been tasked with reviewing requests from individual applicants for rezonings that are aligned with the adopted future land use map. For example: some corridors that are guided with Corridor 4 Built Form zoning still have R1 zoning, which only allows up to three residential units on a property. To build more units at the height and scale envisioned by the built form map, projects are required to rezone their primary zoning district. State law compels the city to approve such requests, but state law also requires the city to adopt official controls that are consistent with comprehensive plan policy. The recommendations included in this report remove conflicts such as these and will bring the city into compliance with state statute regarding consistency between the comprehensive plan and official controls.

There is urgency to amend the zoning ordinance to both encourage the type of housing development and small business growth envisioned in Minneapolis 2040, but also to prohibit the establishment of new uses that the plan deems undesirable. The longer the city waits to implement new regulations that address how properties are used, the more opportunities there are for noxious industrial users to locate in parts of the city where it is allowed by zoning today, but where Minneapolis 2040 suggests those uses should be prohibited. The opposite is also true. In parts of the city where commercial activity is not allowed by current zoning but otherwise encouraged by Minneapolis 2040 policies the city stands to miss out on economic development opportunities that benefit residents, employees, and visitors. Acting expeditiously is critical for achieving the goals outlined in Minneapolis 2040.

Development of Regulations

Following adoption of a Comprehensive Plan, municipalities in Minnesota are required to evaluate and amend their zoning regulations to implement the policies outlined in their plans. Minneapolis 2040 took effect on January 1, 2020, and early implementation efforts have included key zoning updates that bring parts of the zoning ordinance into to compliance with the plan: one to allow three-unit development on residential property citywide, another to require affordable housing as a component of residential and mixed-use buildings with 20 or more dwelling units, one eliminating minimum parking requirements citywide and overhauling travel demand management standards, and a built form rezoning study that established built form overlay districts to ensure that the city both allows and limits the size and scale of buildings envisioned in the plan, in the specific locations outlined in the adopted built form map.

The land use rezoning study is the next step needed to bring the zoning code into compliance with the comprehensive plan. In addition to addressing any misalignment between our existing primary zoning districts and the guidance found in the Minneapolis 2040 Future Land Use Map, the scope of work was determined to

include replacing all existing primary zoning districts, reevaluating the framework of the zoning code, and improving administration and navigation of the code.

Staff relied on a variety of sources of information to arrive at regulatory recommendations for the land use rezoning study and each new primary zoning district, including but not limited to an existing land use inventory, best practices research, and feedback from key stakeholders. Evaluation of racial equity impacts also guided the development of the land use recommendations. The attached Racial Equity Impact Analysis (REIA) was drafted in concurrence with developing the draft regulations to ensure changes to the zoning code further achieve the racial equity comprehensive plan goal. Staff engaged with elected and appointed officials, staff from within CPED and other departments in the City enterprise, the development community, residents, and business owners through a variety of methods outlined in the Public Engagement section of this report. Internal partners included collaboration across CPED divisions and work teams and cross-department collaboration (Health, City Clerk, City Attorney, etc.). As needed, outside partners, such as the DNR, were consulted. Draft concepts were also reviewed by the City Planning Commission and City Planning staff at various stages in the drafting process, culminating in the draft proposals made public during the 45-day review period, and the final recommendations presented in this report.

As a direct result of this process, the recommendation is a substantial update of land use regulations and primary district zoning maps and an overhaul of the zoning code framework. An explanation of the organization and substance of the new regulations can be found in the following sections of this report, along with the attached materials that show changes to the existing zoning text and the new maps. While a large part of the zoning ordinance is proposed to be updated, there are large parts that are not proposed to change substantially because they are outside the scope of this amendment.

Public Engagement

The land use recommendations are a regulatory interpretation of the policies found in Minneapolis 2040, and as such are built off the engagement efforts for the plan. The planning process for creating the policies and maps in the plan stretched out over several years, included over 150 in-person engagement events, and resulted in over 20,000 points of feedback from stakeholders. Since this process is not a reimagining of the policy itself, the engagement for land use regulations was more focused on gathering technical feedback on the proposed regulations as well as broader feedback on whether the regulations are adequately implementing the goals and policies of Minneapolis 2040.

The [Minneapolis 2040 website](#) served as the key source of information for anyone interested in learning more or providing input on the rezoning study. The website includes relevant background, draft regulations and maps, timeline and process information, frequently asked questions, means to submit comments and other resources.

Although not required, a public review period was incorporated into the public engagement process. A draft of the code text and maps was released on January 12, 2023, for public review. The public review period was initially planned for 45-days. Upon receiving various requests from the public to extend the review period, it was extended an additional 30-days ending on March 26, 2023. During the public review period, a virtual public meeting was held on February 15, 2023. The meeting included a staff presentation and meeting attendees were invited to submit comments and questions – some of which staff were able to directly address in real time. The meeting was recorded and posted on the project website along with a PDF of the presentation slides and all questions and comments submitted by the public during the meeting, organized by topic area, along with responses from staff as appropriate. Also during the public review period, the public was invited to respond to a survey designed to help answer key questions on implementing policies in Minneapolis 2040 through the land use rezoning study.

Several common themes emerged during the public comment period, including:

- Prohibiting the establishment or expansion of industrial uses that result in harmful pollution, particularly in communities that have been burdened with a concentration of these uses.
- Ensuring that the zoning code does not act as a barrier to accessing healthy food.
- Expanding access to commercial goods and services, including in areas designated as Urban Neighborhood.

Consent Signatures

State statute requires that written consent be obtained from the owners of two-thirds of the properties within 100 feet of any property being changed from residential to either commercial or industrial zoning unless the amendment is based on a 40-acre survey/planning study AND the Planning Commission determines that the number of properties affected by the proposed amendment(s) renders obtaining of such written consent impractical. The City Planning Commission, therefore, must make a formal finding of impracticality. If the finding is made by the City Planning Commission that obtaining consent signatures is impractical, the City Council voting requirement to approve the rezoning is two-thirds (with consent signatures obtained, the voting requirement is a majority). Reaching applicable property owners and obtaining signatures would be a monumental and time-consuming effort and would indeed be impractical. In addition, there is a level of impracticality of contacting these property owners when the zoning changes are intended to comply with another part of state statute requiring consistency between adopted land use policy and zoning.

Proposed Zoning Regulations

The land use rezoning study recommends establishing 15 new primary zoning districts that will be mapped throughout the entire city. This compares to 23 primary districts in the current zoning code. Recommendations include 11 overlay districts compared to the 15 that exist in the current code. The 13 overlay districts that took effect January 1, 2021, would continue to exist in this zoning code. Had the City created a zoning district for each unique combination of future land use and built form applicable to every property in the city, this would have resulted in an unreasonably large number of districts and would have made it more difficult and complicated to understand and administer the zoning code.

Best practices related to zoning code organization have evolved since the adoption of the City's current zoning code in 1999. Features of the new format include:

- Fewer chapters and fewer zoning districts
- More intuitive order of information, placing related topics in closer proximity to one another
- Reduce duplicative information
- Consolidate the list of allowed uses into a single table
- Expanded use of use groups and use categories with clear descriptions and examples of uses that fit within each category

While substantial effort has gone into making the code more user-friendly for City staff and the public, a zoning code for a major city is an inherently complex legal document that must address to an extremely wide range of issues and contexts. The code must also be consistent with the framework of the municipal planning and zoning powers authorized by the state of Minnesota. CPED's intent is to continue to work with policymakers to make the code more user-friendly, including exploring opportunities for inclusion of more graphics within the code. Further, the ordinance will be supplemented by a variety of communication tools, including handouts, technical bulletins, formal interpretations, training sessions, etc. CPED will also work with the City Clerk and the codifier to explore

tools that improve the experience when using the online code, including more hyperlinks and seamless integration with policy documents and the communication tools noted above.

Summary of Primary Zoning Districts

Urban Neighborhood Districts

The Urban Neighborhood Districts are established to allow residential uses and small scale institutional and civic uses. Select commercial uses are allowed through the adaptive reuse of existing structures. Urban neighborhood districts are primarily distinguished by the types of residential uses allowed. These districts are implementing the urban neighborhood future land use guidance.

Three Urban Neighborhood Districts are proposed:

- **UN1 Urban Neighborhood District** allows predominantly small-scale residential uses where individual lots are allowed to have up to three dwelling units. To be consistent with the built form guidance, it is only mapped on properties with Interior 1 built form guidance.
- **UN2 Urban Neighborhood District** allows predominantly small to moderate-scale residential uses. In addition to the uses allowed in the UN1 District, the UN2 District allows multiple-family dwellings with four or more units. It is mapped on properties with Interior 2 and Interior 3 built form guidance.
- **UN3 Urban Neighborhood District** allows predominantly moderate to large-scale residential uses near transit routes and METRO stations. In addition to the uses allowed in the UN2 District, the UN3 District allows other congregate living uses. It is mapped in areas with all other built form guidance.

Residential Mixed-Use Districts

The Residential Mixed Districts are established to provide an environment of mixed residential, office, and institutional and civic uses, with small-scale, lower-impact commercial uses intended to serve a local market.

- **RM1 Residence Goods and Services District** allows predominantly small to moderate-scale residential uses adjacent to goods and services corridors. In addition to uses allowed in the urban neighborhood districts, commercial uses are allowed in mixed-use buildings that include a residential use. It is typically applied where properties front directly on a goods and services corridor and are guided for urban neighborhood future land use.
- **RM2 Residence Office and Services District** allows residential uses at a range of scales and low impact, small-scale commercial activity. It is proposed where the future land use guidance is neighborhood office and services.
- **RM3 Residence and Institutional District** allows large-scale dwellings, large office uses, and major institutions. It is proposed where the future land use is public, office and institutional outside of downtown.

Commercial Mixed-Use Districts

The commercial mixed-use districts are established to provide a range of goods and services and to promote employment opportunities. In addition to commercial uses, residential, institutional, limited production, and public services uses are allowed. The commercial mixed-use districts are distinguished primarily on the basis of allowed uses and commercial floor area limits.

The future land use map in Minneapolis 2040 increases commercial guided land by 50%. Most of this expansion occurs on existing commercial corridors, at neighborhood nodes, near transit stations, and in downtown. While residential uses are generally allowed in these areas, some districts require commercial uses on key properties.

- **The CM1 Neighborhood Mixed-Use District** includes individual commercial uses and small collections of commercial uses that are typically small in scale and serve a local market.
- **The CM2 Corridor Mixed-Use District** includes small, moderate, and large-scale commercial uses. Mixed use multi story development is encouraged.
- **The CM3 Community Mixed-Use District** includes large-scale mixed-use development with commercial uses fronting on major streets. Commercial spaces are typically smaller in order to generate pedestrian activity. Non-residential uses that are accessible to the general public are required at the street level.
- **The CM4 Destination Mixed-Use District** includes multi-story mixed use development. Commercial retail uses are required at the street level of all development in this category to encourage pedestrian activity beyond the typical daytime business hours. Permitted uses reflect the need to serve the most active commercial areas of the city.

The CM3 and CM4 districts include a provision that does not allow residential development without a non-residential or commercial use. Minneapolis 2040 calls for these districts to be applied in locations where commercial activity is essential to creating complete communities, supporting walkability, and reducing greenhouse gas emissions.

Downtown Districts

The Downtown Districts are established to provide a range of retail, entertainment, office, employment, residential, institutional, and governmental activities of citywide and regional significance. The regulations recognize the unique qualities of downtown as the business and cultural center of the region, as a community of high-density residential choices, and as a place where the combined environment attracts businesses, workers, shoppers, visitors, tourists, and residents.

- **The DT1 Downtown Center District** is established to provide an environment for retail and office activities of citywide and regional significance at the center of downtown. The district also allows entertainment, residential, and public uses, which complete the mixed-use core of the city.
- **The DT2 Downtown Destination District** is established provide a downtown district where commercial uses are required at the street level of all development in this category to encourage pedestrian activity beyond the typical daytime business hours. Permitted uses reflect the need to serve the most active commercial areas of the city.

Production Districts

The Production Districts are established to provide locations for production and non-production uses with the primary purpose of creating opportunities for employment-focused development. In addition to production uses, commercial uses, institutional and public uses and public services and utilities are allowed. The production districts are distinguished primarily on the basis of allowed uses, which accommodate more uses of an industrial nature than other zoning districts.

- **The PR1 Production Mixed-Use District** includes production, commercial, and warehousing and storage uses. Residential uses are allowed as part of mixed-use buildings that provide production space.
- **The PR2 Production and Processing District** includes production uses and are designated with the intent of protecting them from encroaching non-production uses. Residential uses are not allowed.

Transportation District

The **TR1 Transportation District** is an industrial district that includes a limited number of uses that primarily support the movement of industrial and commercial goods and people.

Overlay Districts

The zoning ordinance includes three main ways in which uses and built form are regulated – primary zoning districts, built form overlay districts, and other overlay districts that serve special purposes. With the adoption of built form overlays and the drafting of new primary zoning districts, many provisions within these other overlay districts become redundant and are therefore proposed for revision or elimination.

The Overlay Districts chapter includes descriptions and regulations for each overlay district (Built Form Overlay Districts are found in a separate chapter). Overlay districts are applied selectively on top of primary zoning in circumstances where a property warrants additional regulations to achieve the goals of the comprehensive plan. Examples include regulating areas near bodies of water to protect natural features with the SH Shoreland Overlay District.

Several overlay districts are proposed for elimination as part of this rezoning study. In most cases this is because the regulations that were once only applied in specific locations in those overlay districts are now being applied more broadly through either the primary zoning districts, the built form overlay districts, or through use regulations. The overlay districts proposed for elimination are listed below.

- PO Pedestrian Oriented Overlay District – Created to promote pedestrian friendly environments in key locations throughout the city. This district is proposed for elimination in favor of applying the same or similar regulations to property citywide. Examples of expanding the application of regulations formerly in the PO Overlay include prohibiting automobile services uses in the CM1, CM3, and CM4 districts, and limiting parking lot frontage in most districts citywide.
- IL Industrial Living Overlay District – created to allow for flexibility on Industrial zoned property which allowed residential and select commercial uses. This district is proposed for elimination as the PR1 Production Mixed-Use primary zoning district now fills this role.
- NM Nicollet Mall Overlay District – Created to ensure an adequate level of commercial activity and pedestrian vibrancy on Minneapolis' premier commercial destination corridor. This district is proposed for elimination as the DT2 Downtown Destination primary zoning district now fills this role.
- WB West Broadway Overlay District – Existing regulations are very similar to those found in the current PO Pedestrian Oriented Overlay District. This district is proposed for elimination in favor of applying the same or similar regulations to property citywide, including built form regulations that require minimum height in the applied area.

While many of the remaining existing overlay districts are not anticipated to change, some instances where changes are proposed are outlined below.

- SH Shoreland Overlay District – A provision was added to regulate proposed lot subdivisions in the SH overlay district in a manner that considers the intent of the state rules in an urban environment.

Use Standards and Development Standards

Use Standards

Use standards are found in Chapter 545 of the draft zoning ordinance to provide supplemental regulations that address unique characteristics of certain use groups, use categories, and specific uses listed in the code. Uses subject to use standards are identified in with an “X” under the Use Standard column in Table 545-1 Uses Allowed, which indicates that all uses within a use category are subject to the specific use standards in Article II of Chapter 545. Permitted and conditional uses specified with a “+” in the use table indicate that a specific use is subject to the specific use standards in Article II of Chapter 545. Where both an “X” and a “+” appear, the specific use is subject to use standards applicable to the broader use category as well as the standards applicable to the specific use. A copy of the proposed use table is included as a separate attachment to this report in addition to being found in the proposed Chapter 545.

Proposed use standards are a mixture of regulations referred to in the current zoning code as “specific development standards” and new standards developed as part of the land use rezoning study. Use standards can address a variety of issues unique to a use category or specific use such as on-site location requirements, spacing requirements from other uses, and prohibition on specific activities within a use.

Overview of Specific Uses

Adaptive Re-use

An adaptive reuse provision was developed to allow more options for reusing existing principal structures, originally constructed for nonresidential use in the urban neighborhood and RM1 Districts. The reuse options include more residential uses and nonresidential uses, such as art studio, grocery store, medical or dental clinic and office, than would otherwise be allowed. Most of the additional use options would require a conditional use permit. The additional nonresidential reuse options are limited to ensure the intent of the primary zoning district as a residential district is maintained. Most of nonresidential uses are tied to comprehensive plan policies that strongly support more access for these uses. Even so, the conditional use process will allow discretion to ensure the proposed size and off-site impacts of the uses are not inconsistent with the intent of the district.

Common Lot Development

A common lot development is a proposed new residential use that would provide an option to develop a property with more than one residential structure without needing to apply for a cluster development or a planned unit development, both of which require a public hearing and are subject to additional standards in order to allow flexible development standards. A common lot development would allow two residential structures to be established on a shared lot. Use standards apply to the use that are intended to ensure the development meets the applicable development standards as well as the intent of the applicable primary district and built form overlay district regulations. The use is proposed to be a permitted use because the use standards do not allow a level of flexibility that requires discretionary decision making.

Congregate Living

Several separate congregate living uses (community residential facilities, assisted living, board and care home, and nursing home facilities) are recommended to be redefined as one congregate living use: state credentialed care facility. These uses are all under the care and supervision of a program licensed by the State of Minnesota or Hennepin County providing supportive services for a period of more than 30 days. The size of the use and where it’s allowed would continue to be determine by the number of persons served residing on site (up to 6, 7-16, and

17 or more persons). The recommendation also includes relaxing the spacing requirements that are currently in effect.

Entertainment Uses

Current zoning code definitions for uses that provide entertainment such as Nightclub, Theater, Restaurant, and Reception Hall have counterintuitive, conflicting, or overlapping attributes that can make it difficult to classify these uses when a new establishment is proposed. Draft changes to the way entertainment related uses are defined are intended to provide greater clarity and distinctions between uses and better address potential off-site adverse impacts that can include noise, traffic, etc., with high usage at peak periods compared to many other types of commercial uses. There is also an attempt to improve alignment between zoning code and business licensing regulations.

The draft changes include two new entertainment uses: bar and entertainment venue. A bar was separated out from the nightclub definition to distinguish between providing entertainment as a primary versus incidental function of the use. Entertainment venue was added as a new type of use that provides entertainment, but doesn't fit within other use classifications that may provide entertainment.

Two main strategies were used to address potential adverse impacts, particularly when entertainment and alcohol sales are a primary function of the use. The first strategy was to limit locations where a use could be established. For example, a nightclub can only be established in the CM2, CM3, CM4, DT1, DT2, and PR1 Districts provided the site is located at least 500 feet from a UN or RM District boundary whereas a restaurant that provides entertainment incidentally is allowed in all RM, CM, DT, and PR Districts without a separation requirement. The second strategy is applying a maximum gross floor area (GFA) to specific uses. For example, a maximum GFA of 10,000 square feet applies to nightclubs in the CM2, CM3, and CM4 Districts where typically a maximum GFA does not apply to other commercial uses in those districts.

Grocery Stores

General retail sales and services uses were identified early on in this process as a key way to achieve the Minneapolis 2040 goal of complete neighborhoods. Allowing more of these uses in more locations should over time increase access to goods and services, increasing the opportunity for residents to meet daily needs without using a car. One use has stood out from this use category in public feedback as being essential to achieving plan goals. Having more grocery stores in more locations throughout the city would go a long way in achieving plan goals. To that end, staff has proposed some changes to how they should be regulated compared the initial draft recommendations published in January 2023. In response to public feedback the proposed maximum gross floor area for grocery stores in RM1 has been increased to 10,000 square feet, increased to 15,000 square feet in RM3, and added as a permitted use in PR2 with a maximum gross floor area of 40,000 square feet. Gross floor area limitations are not proposed for grocery stores in the CM2, CM3, CM4, DT1, and DT2 districts. Staff continues to balance the need for this use citywide with regulations that consider the context in which zoning districts are proposed.

High-Impact and Moderate-Impact Production Uses

Recommendations include elimination of any zoning district that would be equivalent to the current I3 General Industrial District. CPED has worked with the City's Environmental Health staff to develop regulations that prohibit or restrict industrial uses that would be most likely to lead to air pollution and other off-site impacts that make them inappropriate in urban environment in close proximity to residents, schools, etc. A use category called High-Impact Production and Processing includes production uses with the greatest potential to negatively impact health

or the environment. Except for a small number of specific uses which are affirmatively permitted (subject to strict spacing standards as discussed below), all uses that fall into this category would be prohibited. Examples of prohibited uses would include, for example, the production and processing of asphalt products, chemicals, oil-based paints, petroleum products, plastics, and tires. Similarly, most post-consumer waste processing uses would be prohibited. Examples of prohibited post-consumer waste processing uses include scrap yards, medical waste processing and disposal, and sewage treatment or disposal. Principal electricity generation uses that would be prohibited include those utilizing materials combustion, including but not limited to biochar, biomass, coal, natural gas, oil, and waste materials combustion.

Certain high-impact production and post-consumer waste uses would continue to be allowed as a conditional use but would be subject to a spacing requirement of one-quarter mile (1,320 feet) from the edge of any primary zoning district other than PR2 and TR1. These uses include, for example, concrete crushing, concrete production, grain elevators or mills, metal plating, recycling facilities, and waste transfer facilities. The locations where these uses would be allowed are isolated from zoning districts that allow residential uses and uses such as schools or child care centers. Recycling uses have been divided into two separate uses based on the intensity of their processes, with recycling facilities being a high-impact use. Recycling centers would be allowed in both production districts and would not include shredding, milling, crushing, or grinding. Processes for both uses must be within enclosed buildings, and neither use could include metal shredding.

Liquor Store, Off-sale

With the proposed expansion of property guided for commercial future land use in Minneapolis 2040 and expansion of commercial zoning proposed in this rezoning study, there will be new areas in the city eligible for an off-sale liquor license. In order to qualify for a license, a location must be within an area of at least five contiguous acres of proper commercial zoning and be further than two-thousand feet from an existing off-sale location. While the areas of expansion are distributed across the city, there are concentrations along Lowry Avenue North, 44th Avenue North, Nicollet Avenue, and East 38th Street. As a result of the use no longer being allowed in PR2 areas, there are also locations that will no longer be eligible for an off-sale liquor license that are currently eligible today.

Tobacco Products Shop

The January draft materials for the land use rezoning study proposed allowing Tobacco Products Shops in the CM2, CM3, CM4, DT1, DT2, and PR1 districts. Allowing Tobacco Products Shops specifically in the CM2 and PR1 districts would result in a significant expansion of where the use is allowed compared with today. After further analysis and consultation with public health staff, it was determined that the use should not be allowed in CM2 and PR1 – which is more in keeping with the geographic extent of where the use is allowed today, and is supported by years of recent work by the city to address the harmful impacts of tobacco on public health.

Mapping

As a result of writing all new primary zoning districts, every property in the city is proposed to be remapped into one of these new districts. Decisions about which district to apply to which properties are made by referencing the adopted future land use map in Minneapolis 2040. The future land use map includes 11 designations mapped directly on each individual property in the city and they include broad descriptions of the type of activities and uses that should be allowed in those locations. An additional feature called a goods and services corridor identifies important streets in Minneapolis that should support commercial activity. Along with the built form guidance in the plan, these designations give direction on how to apply each of the proposed primary zoning districts described in this report.

- UN1 Urban Neighborhood zoning is applied to all property with urban neighborhood future land use guidance and Built Form Interior 1 zoning
- UN2 Urban Neighborhood zoning is applied to all property with urban neighborhood future land use guidance and Built Form Interior 2 or Interior 3 zoning
- UN3 Urban Neighborhood zoning is applied to all remaining property with urban neighborhood future land use guidance
- RM1 Residence Goods and Services zoning is applied to all property with urban neighborhood future land use guidance that is immediately adjacent to a goods and services corridor
- RM2 Residence Office and Services zoning is applied to properties with neighborhood office and services future land use guidance
- RM3 Residence and Institutional zoning is applied to areas with public, office, and institutional future land use guidance
- CM1 Neighborhood Mixed-Use zoning is applied to properties with neighborhood mixed-use future land use guidance, and to properties with urban neighborhood future land use guidance that have an existing commercial use
- CM2 Corridor Mixed-Use zoning is applied to properties with corridor mixed-use future land use guidance
- CM3 Community Mixed-Use zoning is applied to properties with community mixed-use future land use guidance
- CM4 Destination Mixed-Use zoning is applied to properties with destination mixed-use future land use guidance
- PR1 Production Mixed-Use zoning is applied to properties with production mixed-use future land use guidance
- PR2 Production and Processing zoning is applied to properties with production and processing future land use guidance
- TR1 Transportation zoning is applied to properties with transportation future land use guidance
- Properties with Parks and Open Space future land use guidance received zoning that reflects the adjacent future land use guidance from Minneapolis 2040 – for example: Parks and Open Space properties surrounded largely by Urban Neighborhood future land use guidance received an Urban Neighborhood zoning district
- Downtown Area – In the downtown area (bounded by Interstates 94 and 35W, and the Mississippi River) properties with public, office, and institutional future land use guidance were given primary zoning districts that align with Minneapolis 2040 policy by following these guidelines.
 - DT1 Downtown Center zoning is applied to properties with Core 50, Transit 10, Transit 15, Transit 20, and Transit 30 built form zoning
 - DT2 Downtown Destination zoning is applied to properties in downtown with destination mixed-use future land use guidance
 - RM3 Residence and Institutional zoning is applied to areas in downtown with public, office, and institutional future land use guidance where there is currently R and OR zoning

Built Form Updates

Because the built form overlay districts and associated regulations went into effect at the beginning of 2021, changes to the built form regulations were limited to ensure the proposed changes to the ordinance remained within the scope of the land use rezoning study. Updates that are proposed focus largely on the yard/setback and lot dimension regulations that are tied to primary zoning districts. After the adoption of the built form

rezoning study, some lot dimension requirements remained in the primary zoning district chapters. These have all been moved into the built form overlay district chapter. Minimum lot dimension requirements have been added for uses that were not previously allowed in the residential districts but are now proposed to be allowed. Other minimum lot dimension requirements are proposed be amended as needed to align with the intent of the UN and RM districts. Yard requirements that are in other parts of the code are also proposed to be moved into the built form overlay district chapter to make them easier to find. More substantial changes to the yard requirements included modifying the increased front yard requirements so that they only apply in the interior built form districts and reducing residential district front and corner side yard requirements where fronting on goods and services corridors in higher-intensity built form overlay districts.

Future Work

As noted above, the regulatory implementation of Minneapolis 2040 does not end with this project. Public input has raised policy and regulatory issues that may have merit but is out of the scope of this rezoning study. In some instances, changes that the public is advocating for would first require an amendment to the comprehensive plan. CPED's Code Development team will continue to work with policymakers and the City Planning Commission on prioritizing future code revisions, which based on feedback heard during the public comment period will include the following topics:

- **Cannabis Regulations**
- **Review City zoning code (built form and land use) through lens of the APA Equity Zoning Guide** – This is a recent tool published by the American Planning Association and will guide an “equity audit” of the zoning code
- **Single-family, duplex, and triplex development standards** – Re-evaluate site plan review points system
- **Create a sketchbook of missing middle and ADU template construction drawings**
- **Review zoning code to expand healthy food access**
- **Monitor Goods and Services Corridor implementation** – Based on outcomes of the expansion of commercial uses via the Goods and Services Corridor provisions, explore and consider possible refinements to the regulations for small scale commercial in and adjacent to neighborhoods, as well as where Goods and Services Corridors are mapped.
- **Internal and external education about the new zoning code** - How to use the code. Events (virtual, in-person, and possible YouTube videos), handbook, handouts, web resources, and published interpretations.
- **Community education about development and planning** – Work with residents and neighborhood organizations to better understand how to more effectively engage with zoning and the development approval process.
- **Implement zoning related reform based on the Vibrant Storefront Work Group recommendations**

ANALYSIS

What is the reason for the amendment and what public purpose will be served?

The land use rezoning study will help to achieve key goals have been adopted as City policy, as outlined in the analysis below that explains the amendment's consistency with the comprehensive plan. Further, the City is required by Minnesota state law to resolve overt conflicts between its comprehensive plan and its zoning regulations. Substantial conflicts exist between the Future Land Use map in Minneapolis 2040 and the City's zoning maps and policies. For example, certain areas guided by the comprehensive plan for mixed-use development are currently zoned in a manner that only allows residential uses. And certain areas guided for multi-family housing with four or more housing units are currently mapped with zoning districts that allow up to three units. These conflicts have caused confusion among the public and have resulted in the need for rezoning applications that have added unnecessary time, expense, and uncertainty for those investing in housing and establishing businesses in Minneapolis.

The proposed amendment will substantially overhaul the format of the zoning code in a manner that is expected to be more accessible to the public and City staff.

How is the amendment consistent with the purpose of the zoning district(s) or ordinance chapter(s) being amended?

Regulations and maps proposed at this time are tailored to align with the comprehensive plan's policy guidance for each future land use district. As noted in the background information in this report, the land use rezoning study recommends establishing 15 new primary zoning districts that will be mapped throughout the entire city. This compares to 23 primary districts in the current zoning code. Recommendations include 11 overlay districts compared to the 15 that exist in the current code. The 13 overlay districts that took effect January 1, 2021, would continue to exist in this zoning code. All existing zoning districts will be replaced with these districts.

Are there consequences in denying this amendment?

Denying this amendment would prevent the City from aligning its land use regulations with its comprehensive plan. Such a lack of alignment would be legally problematic, would stifle progress toward important policy goals, and would result in a good deal of confusion for all stakeholders as new housing and commercial uses are proposed.

What adverse effects may result with the adoption of this amendment?

Adverse effects are not anticipated as a result of this amendment. The policies that are informing proposed regulations were adopted following a robust public engagement process. The City is now implementing those policies. While some of the proposed regulations are similar to current and past standards, CPED is recommending some approaches that have not been widely utilized in Minneapolis, requiring all stakeholders to adjust. As with any substantial overhaul of zoning regulations, over time the City will discover the need for revisions in the future. Staff and other stakeholders may discover technical errors, that some regulations are not resulting in expected outcomes, or that some standards prove difficult to administer and enforce, etc. CPED has a small team of staff dedicated to regulatory reform and will work with the City Planning Commission and policymakers to prioritize and address future amendments to these standards.

How does the amendment relate to other City ordinances?

CPED and the City Attorney’s Office have collaborated to identify other parts of the City’s code of ordinances that must be updated in conjunction with the land use rezoning study. That includes, for example, references to zoning districts that will cease to exist. The most extensive changes involve business licensing regulations. It’s expected that these changes, which don’t involve City Planning Commission review, will be considered for adoption by the City Council concurrently with the zoning code updates.

What factors are influencing the timing of the proposed amendment? Why?

As noted above, state law requires the City to resolve overt conflicts between its comprehensive plan policies and its zoning regulations. The policies and mapping in Minneapolis 2040 represented a different approach compared to previous comprehensive plans, including much more specificity in most cases. Implementation of the plan has necessitated a substantial rewrite of the City’s zoning regulations. Because of the scope of this effort, the City is currently out of compliance with state rule requiring municipalities to align their official controls with the comprehensive plans within nine months of adoption of the comprehensive plan.

Until the land use rezoning study takes effect, there are significant mismatches between adopted policy and the uses allowed in primary zoning districts. For example, a substantial amount of land area is guided for mixed-use development by Minneapolis 2040 but currently includes residential zoning. Further, lower-intensity zoning districts (R1A, R2B, etc.) allowing up to three residential units continue to be mapped in areas where policy guidance clearly calls for higher-intensity uses with four or more residential units. These ongoing mismatches have resulted in the need for many rezoning applications in order to establish uses that are clearly consistent with adopted City policy. This has resulted in confusion, substantial staff resources, and additional time and expense for those attempting to develop housing or open businesses in Minneapolis.

It’s expected that, compared to the current code, rezoning requests will become relatively rare once the land use rezoning study takes effect.

How does the amendment compare to practices in other cities?

While land use regulations are being tailored to align with policy guidance unique to Minneapolis, staff has conducted research regarding regulatory approaches utilized in other cities. This has included reviewing newer zoning codes and speaking with planners in peer cities about what works well and what doesn’t. As noted in the background above, best practices related to the structure of zoning codes have evolved since the City’s current zoning code was adopted in 1999. The new format of the code is expected to result in a more user-friendly product for City staff and the public.

How will this amendment implement the comprehensive plan?

The land use regulations proposed in this amendment intend to achieve the Minneapolis 2040 goals of eliminating disparities, accommodating more residents and jobs, supplying more affordable and accessible housing, addressing climate change, encouraging complete neighborhoods, and maintaining a high-quality physical environment. The proposed regulations help to achieve these ends by creating consistency between the Minneapolis zoning ordinance and the comprehensive plan. Land use policies in Minneapolis 2040 were developed with an eye toward achieving the plan goals, enforcing those policies through regulation is intended to do the same. Specific selected policies that are supported through proposals in the land use regulations are outlined below.

POLICY 1 Access to Housing: Increase the supply of housing and its diversity of location and types.

Consistent with Minneapolis 2040, the land use regulations allow a greater diversity of housing options in a greater diversity of locations throughout Minneapolis.

POLICY 2 Access to Employment: Support employment growth downtown and in places well-served by public transportation.

Land uses that support employment growth are allowed by the proposed regulations in the places outlined in Minneapolis 2040.

POLICY 3 Production and Processing: Expand and maintain areas for production, processing, and distribution of products, services, and ideas.

Land use regulations are proposed that support the ongoing operation and expansion of production and processing uses as outlined in Minneapolis 2040 while reducing the impacts of those uses on residents, employees, and visitors.

POLICY 4 Access to Commercial Goods and Services: Improve access to goods and services via walking, biking and transit.

Commercial uses are incentivized through various mechanisms in the land use regulations, in support of this comprehensive plan policy. In addition, the geographic diversity and building type diversity allowed by the proposed regulations supports creating a consumer base that will allow commercial uses to thrive.

RECOMMENDATIONS

The Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council find that obtaining consent signatures for the rezoning of properties from residential to commercial in the land use rezoning study would be impractical and further recommends that the City Planning Commission and City Council adopt staff findings to amend Title 20 and Title 22 of the Minneapolis Code of Ordinances, as follows:

A. Text and map amendments to Title 20, Zoning Code, to implement the land use policies of Minneapolis 2040, including repealing all existing chapters within the Zoning Code, establishing new zoning chapters and zoning districts, and replacing citywide primary and overlay district maps accordingly.

Recommended motion: The City Planning Commission and the City Council **Approve** the text and map amendment to implement the land use policies of Minneapolis 2040, including repealing all existing chapters within the Zoning Code, establishing new zoning chapters and zoning districts, and replacing citywide primary and overlay district maps accordingly.

Replacing Chapter 520 Introductory Provisions with General Provisions.

Repealing Chapter 521 Zoning Districts and Maps Generally.

Replacing Chapter 525 Administration and Enforcement with Administration and Procedures.

Repealing Chapter 527 Planned Unit Development.

Repealing Chapter 529 Interim Ordinances.

Replacing Chapter 530 Site Plan Review with Zoning Districts.

Repealing Chapter 531 Nonconforming Uses and Structures.

Replacing Chapter 535 Regulations of General Applicability with Overlay Districts.
Repealing Chapter 536 Specific Development Standards.
Repealing Chapter 537 Accessory Uses and Structures.
Adding a new Chapter 540 Built Form Overlay Districts.
Repealing Chapter 541 Off-Street Parking, Loading, and Mobility.
Repealing Chapter 543 On-Premises Signs.
Repealing Chapter 544 Off-Premises Signs and Billboards.
Adding a new Chapter 545 Use Regulations.
Repealing Chapter 546 Residence Districts.
Repealing Chapter 547 Office Residence Districts.
Repealing Chapter 548 Commercial Districts.
Repealing Chapter 549 Downtown Districts.
Replacing 550 Industrial Districts with Development Standards.
Repealing Chapter 551 Overlay Districts.
Repealing Chapter 552 Built Form Overlay Districts.
Adding a new Chapter 555 Off-Street Parking, Loading, and Mobility.
Adding a new Chapter 560 Signs.
Adding a new Chapter 565 Definitions.

B. Text amendment to Title 22, Chapter 598, Land Subdivision Regulations.

Recommended motion: The City Planning Commission and the City Council **Approve** the text amendment to Title 22, Chapter 598, Land Subdivision Regulations.

ATTACHMENTS

1. Proposed Table 545-1, Uses Allowed
2. Zoning district plates index map
3. Primary district plate maps
4. Overlay district plate maps
5. Built form overlay district plate maps
6. Floodplain overlay district plate map
7. Mississippi river corridor critical area overlay district plate maps
8. Zoning Code text, Chapter 520 through 565
9. Land Subdivision Regulations text, Chapter 598
10. Racial Equity Impact Analysis
11. Public comments
12. Summary of changes to draft code text since January draft