



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: April 28, 2004

To: Council Member Gary Schiff, Zoning and Planning Committee

Prepared by: Greg Mathis, Senior Planner-Heritage Preservation, Phone 612-673-2439
Presenter in Committee: Greg Mathis

Approved by: Barbara Sporlein, Director, Planning _____

Subject: Historic Variance for 1220 Marshall Street N.E.

RECOMMENDATION: The Heritage Preservation Commission (HPC) recommends that the City Council adopt staff findings and approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the following conditions:

1. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed by December 28, 2006. If the rehabilitation of the Boiler House is not completed within the specified timeframe, the variance shall terminate.
2. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
3. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 2:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 2:00 a.m.
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 6:00 a.m. to 2:00 a.m.
4. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.
5. The historic variance the City Council approved for this property on December 28, 2001 is terminated.

Previous Directives: On December 28, 2001, the City Council approved and on December 31, 2001, the Mayor signed an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the following conditions:

1. The Boiler House shall be rehabilitated pursuant to the applicable guidelines of the HPC. Such rehabilitation work shall be approved by the HPC and shall be completed within 3 years from the date of this action (December 28, 2004), and if not completed within the specified timeframe, the variance shall terminate.
2. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
3. The above described reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 1:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 1:00 a.m.
 - On days when the principal office use in the Brew House is not open, 6:00 a.m. to 1:00 a.m.
4. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Community Impact

Ward: 3

Neighborhood Notification: Sheridan Neighborhood Organization

City Goals: The request is consistent with Goal 6, "Preserve and enhance our natural and historic environment and promote a clean, sustainable Minneapolis."

Comprehensive Plan: The request is consistent with Goal 6 of the plan.

Zoning Code: Sections 525.530 and 599.490 of the Minneapolis Code of Ordinances authorize the City Council to approve historic variances "to encourage the preservation and reuse of landmarks and properties in historic districts by providing the commission with authority to recommend departure from the literal requirements of any of the applicable zoning applications."

Background/Supporting Information

The attached report and minutes summarize the actions taken by the Heritage Preservation Commission at meetings held on March 9, 2004 and April 13, 2004. The findings and recommendations are respectfully submitted for the consideration of your Committee

Draft excerpts from the Minneapolis Heritage Preservation Commission's April 13, 2004 Permit Review / Public Hearing Meeting Minutes:

PERMIT REVIEW/PUBLIC HEARING

Items for Public Hearing

OLD BUSINESS

- 2. 1220 Marshall Street N.E., Grain Belt Brewery, Individual Designation, by RSP Architects, Ltd., for an Historic Variance to allow the Boiler House to be used as a reception/meeting hall with extended hours and to reduce the parking requirement for the site. (Staff, Greg Mathis)**

Mr. Graham presented the staff report in Mr. Mathis' absence, recommending that the HPC adopt staff findings a forward to the City Council a recommendation to approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the following conditions:

6. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed within one (1) year from the effective date of this approval. If the rehabilitation of the Boiler House is not completed within the specified timeframe, the variance shall terminate.
7. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
8. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 2:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 2:00 a.m.
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 6:00 a.m. to 2:00 a.m.
9. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.
10. The historic variance the City Council approved for this property on December 28, 2001 is terminated.

Commissioner Koski requested clarification of the hours. Mr. Graham directed commissioners to look at the correct page of the staff report.

The public hearing continued from March 9, 2004 was reopened.

Todd Phelps, the attorney for the applicant, spoke. He said last month he requested a one month continuance because he was hopeful that RSP and CPED were close to finalizing a parking solution that would have made the rehabilitation of the boiler house possible this year. Unfortunately he was wrong. The final point to the agreement between RSP and CPED was whether or not RSP's rights to this additional parking could be automatically terminated upon the City's acceptance of a development proposal or conveyance of the property. The City was offering 120 parking spaces on the site in back of the warehouse

building. The City was offering a day to day parking solution. RSP needed a long term parking solution. The City needed the flexibility to sell the parking area to potential developers, unencumbered by a long term parking lease, and RSP needed the certainty that they would have parking if they were making a \$2,500,000 investment in the boiler house. These competing interests could not be reconciled presently because of the uncertainty of the development of the surrounding area. As practical matter today there are plenty of parking spaces located around this site, enough to support a reception hall/meeting area use of the boiler house. There are at least three development proposals planned that will affect the surrounding land, each will intensify parking usage around the site. Collectively they will have a tremendous parking impact on the Grain Belt Brewery site. RSP only controls the brew house and the boiler house. This will probably require a parking ramp solution. Based upon their conversations with CPED, the developers and other interested stakeholders, the bulk of these developments will be phased in over the next one to three years. RSP needs additional time to watch this development unfold and to be a participant in a long term parking solution. He respectfully requests that the current variance, as a technical matter, needs to go forward as a new variance simply be amended to give RSP an additional three years. The variance approved by HPC in December of 2001 and the language changes would be extending the time period to December 31, 2007 and extending the hours of operations to 2:00 a.m. They are dropping any other requests at this point for daytime hours of operations. Legal matters aside, there is a practical parking problem on this site. His client would not want to have daytime events there without some assurance that they could park cars there. Last month he talked about the historic tax credits and accelerated depreciation bonus that they needed to use or lose. They came to the decision that the tax credits and accelerated depreciation were not going to drive the rehabilitation. Why doesn't RSP withdraw its application at this point, there are a lot of moving parts to rehabilitation and potential development, financing, property acquisition, land use, tax credits, a lease with Ryan our landlord. Having this variance in place narrows the focus, it sets forth the use as a permitted use while they are trying to negotiate a parking deal, it is not contingent on getting the variance in order to have this use. It sets forth maximum occupancy to be 470 people and in turn, triggers the parking requirement. If the variance is not extended the variance covers not only the boiler house, but also the brew house atrium and the conference rooms in the brew house. Last month there was an implication that RSP had taken advantage of the variance by renting out the brew house atrium and conference rooms. There have been 28 events that have been held. RSP collected a total of \$320 for these events. The cost for maintenance, utilities, and security far out weights the \$320. The organizations that are using this space are non-profit and community organizations. When they started the brew house project, one of the development objectives for the brew house was to bring in third parties to enjoy this historic resource. They have brought in community groups, various city departments, and other non-profits to enjoy and use the historic resource. If they lose the variance they would not be allowed to bring in these types of groups for third party use, it would be precluded under the zoning code as no longer having the reception or meeting hall use. He is requesting that HPC recommend to the Zoning and Planning Committee and the City Council to grant another three years, to December 31, 2007 and a 2:00 a.m. closing time.

No one else wished to speak for or against the application. The public hearing was then closed.

Commissioner Anderson stated that three years is not an extraordinary request. Mr. Graham stated if the Commission were to recognize that there is a need for a long term parking solution for this area, it is reasonable given that factor to allow additional time for that to occur by extending the deadline to December 31, 2007 if it was supported by that type of finding. Staff does not oppose that. There will have to be a solution to parking to allow the variety of uses proposed. Additional time is not unreasonable.

Commissioner Messenger commented that the loss of the variance would be detrimental to RSP. She would make a motion to extend the variance to December 28, 2006.

Commissioner Anderson asked if two years was enough. Mr. Phelps responded that the Feffercorn development is a phased type development. It is his understanding that phase I of the development possibly will not break ground until the spring of 2005. Where the parking becomes an issue is with phase IV because they will be taking out a 120-stall parking space that RSP currently controls. There are some obligations in the parking agreement with the City that they will need to locate an additional 120 spaces when phase IV goes forward, that is when the long term parking solution will be required. At that point will they will need an additional 120 spaces for the boiler house, but they will be down 120 at the brew house. It is an obligation of the city as part of the development to find another 120 spaces. He is happy to come back and give an update at that time.

MOTION by Commissioner Messenger to **approve** the staff recommendation to **adopt** the staff findings at **forward** to the City Council a recommendation to approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the staff recommended conditions, with a change to Condition 1, to state that the rehabilitation of Boiler House shall be completed by December 28, 2006. **SECOND** by Commissioner Anderson. **MOTION APPROVED** with Commissioner Lindquist abstaining.

Excerpts from the Minneapolis Heritage Preservation Commission's March 9, 2004 Permit Review / Public Hearing Meeting Minutes:

PERMIT REVIEW/PUBLIC HEARING

Items for Public Hearing

3. 1220 Marshall Street N.E., Grain Belt Brewery, Individual Designation, by RSP Architects, Ltd., for an Historic Variance to allow the Boiler House to be used as a reception/meeting hall with extended hours and to reduce the parking requirement for the site. (Staff, Greg Mathis)

Mr. Mathis gave a background on this item and presented the staff report recommending that the HPC adopt staff findings a forward to the City Council a recommendation to approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the following conditions:

11. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed within one (1) year from the effective date of this approval. If the rehabilitation of the Boiler House is not completed within the specified timeframe, the variance shall terminate.
12. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
13. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 2:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 2:00 a.m.
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 6:00 a.m. to 2:00 a.m.
14. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.
15. The historic variance the City Council approved for this property on December 28, 2001 is terminated.

Commissioner Messenger asked about Condition 5, which says the historic variance the City Council approved this property is terminated when they do not have a variance at this time. Mr. Mathis replied that if they do not rehab the Boiler House by the end of this year, the existing variance will expire and will be terminated. Staff is recommending approval of this new application and terminating the old one at the same time. The existing variance would not terminate until the new application is executed.

Commissioner Housum asked if the Boiler House is the building that is boarded up. Mr. Mathis responded yes.

Mr. Mathis submitted a letter from the applicant's attorney, requesting that this item be continued for one month.

Todd Phelps, the attorney representing RSP Architects, spoke. He said there are a lot of moving pieces to a rehabilitation project such as this, land use and financing issues. Most central to the gap between the staff recommendations and RSP's desires to use this property boils down to lack of parking. Parking has been an issue not only for RSP but for potential developers looking at the surrounding properties. The reason for the continuance is that they are very close to cutting a deal for additional parking spaces. He apologized for the last minute nature of this, there are lots of moving pieces and it just did not get done. There are some differences in staff's recommendations and perhaps it is best to address them now. They are hopeful to continue this hearing to better bridge that gap within the next month if they can come forward in unison with staff and say this is what they would like to do with this project. Work has been done on the Boiler House over the past 3 years to make it weather tight. It was in terrible shape and is still not in very good condition, it is not habitable. Work had to be done to keep snow, rain and pigeons out. It is a tough property in tough shape. They are at loggerheads over two conditions. The first is in Finding 1. They had originally requested an additional 3 years. Just last week they received an opinion from one of their tax personnel that in order to qualify for an accelerated depreciation bonus they needed to have the project done by December 31, 2005. There are also some historic tax credits. He does not understand the full scope of the tax implications. These are use it or lose it type tax advantages. They need to get this project done by December 31, 2005, or they lose these tax credits. A ballpark estimate on what these advantages would be it is in the neighborhood of \$600,000-\$700,000. The applicant anticipates spending about \$2,500,000-\$3,000,000 to renovate this building. They are obviously viewing this as a cost center, not a revenue generator. They have this eyesore sitting in the middle of their beautiful complex and their architects. They request that the time limit be extended to December 31, 2005. The third condition, dealing with the hours restrictions, is really the hardest issue to overcome. He worked with Mr. Mathis three years ago and with Mr. Graham in the interim. In the last couple of weeks they have been working diligently with Chuck Lutz, Judy Cedar, Julie McGuire, Lee Sheehy at CPED because they control the surrounding properties. There is a real chicken and egg problem because they control these properties in hopes that there will be a developer, they do not want to encumber the surrounding property with additional parking requirements or a long term parking solution because then a developer would not come in. Setting the legal parking requirements aside, there is a practical parking issue. RSP does not want events that are under parked, only to look bad themselves. There is a real business purpose for having an adequate number of parking spaces and they are trying to reach a resolution with CPED to use the surrounding properties. They hope it falls into place. The applicant is resistant to the proposed hours restrictions of Monday through Friday 6:00 p.m. to 2:00 a.m. The applicant desires to have daytime events there, such as meetings and breakfasts. These are events that would bring in various community groups to see this historic treasure and they central to the applicant's business. They would like to see in the time restrictions for hours of operations changed to 6:00 a.m. to 2:00 a.m. Those are the two issues. He is here tonight to ask for a continuance, not to argue the merits of this. Hopefully within the next month they come to some agreement were by the project doesn't die.

Commissioner Anderson asked if the parking deal comes through, would they need to ask for a variance. Mr. Phelps replied that he does not know that they will get it, so the short answer is no, but they will still need a variance and one of the reasons is that they will need a use variance. This property is zoned I-1 light industrial, and the reception/meeting hall is not a permitted use. They will still need the use variance and he does not think they will have a

parking agreement that will get them all the way there. They are going to try to do better, since the applicant wants as many parking spaces as they can get.

Commissioner Anderson questioned the work on the building, if it was exterior only to stabilize it. Mr. Phelps responded that is correct.

Commissioner Glancy asked if staff had any problem with granting a request for a continuance. Mr. Mathis said he has seen no new information that would justify a continuance. To follow up on Commissioner Anderson's question. There are two issues. There is a use issue and a parking issue. The staff concern is that if you allow hours of 6:00 a.m. to 2:00 a.m. on weekdays, there is not enough parking and it would be a bad idea to allow the use during the day when there is not sufficient parking.

Commissioner Glancy questioned why the Commission needs to be concerned with Conditions 2 through 5 since none of them have to do with protecting an historic building. Mr. Mathis replied that the purpose of an historic variance is to alleviate a circumstance or condition that is associated with the historic character of the property and not created by the applicant. One issue is that the property is zoned I-1 and a meeting hall is not allowed in that area. There is not a way to vary the use through a variance of the Planning Commission. They have a unique property that is sitting there. We would not actually see that property rehabbed. It makes sense to grant that variance to allow that use since it would generate income to make it a viable property. Second, in regards to the parking, if there is insufficient parking there will be all kinds of problems and people will start to park in the neighborhoods. It is a bad policy. The "shared" parking approach that staff is recommending, allows the different uses to use the same parking lot. If the city grants a variance that states the hours are 6:00 a.m. to 2:00 a.m. everyday of the week, the employees of the Brew House will park there on weekdays and there will be no place for the people attending the meeting hall facility to park. If a variance is granted vary the parking to zero (0) during the daytime on weekdays, there will be no place for people to park. Staff does not want to see the historic buildings torn down to meet the parking requirements. If they can find parking that meets their needs, staff would recommend that they come back for a different historic variance just for the use. Then they would have to meet parking requirements through the Planning Commission process rather than the HPC.

Commissioner Housum stated that the provisions of 599.490 is to encourage the preservation and reuse of landmarks by providing the Commission with authority to recommend a departure from the requirements of any applicable zoning requirements. This one of the times the HPC would get into zoning and the necessity of finding another use for the building that is not permitted by zoning. It over rides the zoning for the purpose of allowing the building to have a viable use. Mr. Mathis followed up by saying that is what the HPC is being asked to do and to forward a recommendation to the City Council.

Commissioner Koski asked if the Commission were to go ahead and approve the staff recommendation, could the applicant come back at some future date and amend the variance if parking was secured so that they could extend the hours. Mr. Mathis responded that an historic variance cannot be amended. Applicant would have to apply for a new one. If the HPC approves this one and the City Council approves it, they would probably come back and ask for an historic variance to only vary the use to allow for the meeting/reception hall. If

they prove that they have adequate parking for this site. Staff would recommend approval of an historic variance just for the use and to terminate the one the is currently before the Commission.

Commissioner Koski asked if they have a deal with some shared parking situation in a month or two can that be handled. Continuing the variance for one year, if construction would take longer than that would they have to come back in a year. Mr. Mathis replied that staff would treat it the same as a Certificate of Appropriateness, whereas as long as the work has begun by that time and remains in a continued state of progress the approval will be valid.

Commissioner Koski asked for clarification that it does not represent a hardship on the applicant if they already have work under way. Mr. Mathis stated that the work would have to be substantially underway, they would not be able to start on December 31, 2005 and then claim to comply with the approval, staff would have concerns at that point.

Commissioner Housum asked the applicant why he did not withdraw his application and then come back when he knows what he really wants. Mr. Phelps said it was an option, but he thought they were close yesterday, they almost had an agreement signed. That is why at the last moment they had to get this continuance. Withdrawing would sort of take the trains off the tracks. His client is very close to not doing this and they are trying to keep this train on the tracks. Everyone on this project sees this as a wonderful opportunity with a narrow window to actually do it. These guys are architects. There is a fantastic business plan. There was an implication in the staff report that somehow RSP has taken advantage of the variance by using the atrium and the conference rooms. The Sheridan Neighborhood Organization, the Northeast Minneapolis Arts Association, ABC International Montessori, Minneapolis Regional Chamber of Commerce, Eastside Food Cooperative Fundraiser, the Public Library, Commercial Real Estate Women, the Kiwanis , and the Rotary are some of the groups using the space. For all people that have come in, they have collected about \$5,000. This is not a windfall, they are not reaping windfalls from all of this. They see an opportunity to renovate this historic treasure and to put it to reuse. The reason he is looking for a continuance is that he wants to find some common ground, to put it to reuse. Parking is a difficult issue. Maybe the answer is that there is no good answer to the parking issue. That is at the heart of this. He hates to see that get in the way of restoring this. It would be unfortunate not to rehabilitate.

Commissioner Housum asked if the window of opportunity is really that short, it is March and they have until December 31, 2005. They could come in August or September and ask for the exact same thing. She is not clear why the Commission is being asked to continue it, and why the HPC would not adopt the staff recommendation and forward it to the City Council since that give them more time. She does not understand why this is not withdrawn, she does not want to end up with monthly continuances and have the applicant come back next week and repeat that they are close to a parking agreement but are not quite there.

Mr. Phelps said they are on a shorter time line than it might appear. Under the tax code the building needs to be placed in service, which is the technical term, by December 31, 2005. However all of the capital expenditures which are going to be depreciated need to be made by December 31, 2004. Construction can continue, but they need to prepay for the construction by the end of this year. They are trying to find a construction lender that is willing to do that, there is a construction time-line. They have timed this out. Ryan

construction owns the building and leases it to RSP under a long term lease. There is the best of both worlds, a strong contracting company that can do the rehabilitation, and the architects which can plan and design it. They are down to the wire in getting this done. The time will grow short and without these tax benefits they will not do the project.

Commissioner Messenger said she saw no reason why not to give them a continuance if another month will give them some time to pull something together. She knows that Mr. Mathis says that there are no changes, but perhaps it would.

No one else wished to speak for or against the application.

Commissioner Anderson said she saw no reason not to give them a couple more weeks.

MOTION by Commissioner Messenger to **continue** the public hearing on this item to the April 13, 2004 HPC meeting, for an Historic Variance to allow the Boiler House to be used as a reception/meeting hall with extended hours and to reduce the parking requirement for the site. **SECOND** by Commissioner Anderson. **MOTION APPROVED** with no abstentions.

**CITY OF MINNEAPOLIS
HERITAGE PRESERVATION COMMISSION STAFF REPORT**

FILE NAME: 1220 Marshall Street Northeast
DATE OF APPLICATION: February 24, 2004
APPLICANT: RSP Architects, Ltd.
DATE OF HEARING: March 9, 2004, April 13, 2004
HPC SITE/DISTRICT: Grain Belt Brewery, Individual Designation
CATEGORY: Contributing
CLASSIFICATION: Historic Variance
STAFF INVESTIGATION AND REPORT: Greg Mathis
DATE: March 3, 2004, updated April 6, 2004

A. SITE DESCRIPTION & BACKGROUND:

The Grain Belt Brewery & Malting Company (nee Minneapolis Brewing & Malting Company) was created by the merger of four smaller breweries in 1890. The current brewery complex, which is located on the corner of Marshall Street NE and Broadway Street NE, was completed in 1893. Grain Belt Beer, the company's premier product, was introduced in 1893. The brewery grew over the years and several buildings were added to the complex. During the Prohibition Era, the company survived by producing soft drinks and "near beer." After the repeal of Prohibition in 1933, the brewery resumed its production of beer and continued to produce Grain Belt Beer into the late 1970s. The brewery was listed on the National Register in 1974 and designated a local landmark in 1977.

For nearly two decades, most of the brewery complex sat vacant. In the early 1990s, the MCDA successfully rehabilitated the Bottling House and parts of the Warehouse as artist studios. Between 2000 and 2002, the Heritage Preservation Commission (HPC) approved numerous plans for the complex, including the rehabilitation of the Brew House as an office building, the demolition of the Stock Cellar across the street at 13th and Marshall, so this site could be used as an interim surface parking lot to meet the parking needs of the Brew House. Other approvals included permits to remove the boilers and stacks from the Boiler House, the construction of a link between the Brew House and the Boiler House, and the rehabilitation of the Wagon Shed and Millwright Shop as a library.

In the fall of 2001, the applicant indicated that they wanted to rehabilitate the Boiler House and use it as a meeting/reception hall. The goal was to place an economically viable use in the Boiler House that would insure the preservation of the building. The applicant stated that their intent was to use the Boiler House as their meeting room during weekday business hours and to rent the facility to outside parties on weekday evenings and all day on weekends. This proposal had two problems. First, the property is zoned I1 and a meeting/reception hall is not an allowed use on property zoned I1. The second problem was parking. When the applicant wanted to use the Boiler House as a meeting/reception hall for their offices in the Brew House, it was considered an accessory use to the Brew House and no additional parking was required. However, if the Boiler House is rented out to another party, the Zoning Code considers the meeting/reception hall use to be a principal use. When a use becomes a principal use it is required to have its own parking, it cannot use the parking spaces that are required for the Brew House. The Zoning Code would require 91 parking spaces for the Boiler House when the reception/meeting hall space is a principal use (based upon a capacity of 303 people). When the City Planning Commission

approved the parking plan for the Brew House, no provision was made for the parking needs of the Boiler House. Table 1 shows the parking situation for the property.

Table 1.

Parking spaces available	
# in the parking lot behind the Boiler House (onsite)	101
# in the parking lot at 13 th & Marshall	120
Actual # of spaces available	221
# of grandfathered spaces attributed to the property	43
Total # of spaces attributed to the property	264
Total # of spaces required for uses in the Brew House	219
Total # of spaces required for the meeting/reception hall use proposed for the Boiler House	91
# of grandfathered spaces claimed by the Boiler House	43
# of spaces still required for the Boiler House	48

To resolve the parking and use issues, the applicant applied to the HPC in the fall of 2001 for an historic variance for the following:

- To allow the Boiler House, the Brew House atrium, and five conference rooms in the Brew House to be used as a reception/meeting hall as a principal use under the property's I1 zoning.
- To vary the parking requirement for the proposed reception/meeting hall use in the Boiler House from 45 parking spaces to zero (0) parking spaces (this number assumed that the grandfathered parking spaces for the site could be used to make up the difference).

The HPC reviewed the application at a public hearing on December 11, 2001. After listening to the staff report and all public testimony the HPC adopted findings and forwarded a recommendation to the City Council to approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject to the following conditions:

1. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed within three (3) years from the effective date of this approval (December 31, 2004). If the rehabilitation of the Boiler House is not completed within the specified timeframe, the variance shall terminate.
2. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.

3. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 1:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 1:00 a.m.
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 6:00 a.m. to 1:00 a.m.
4. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.

The City Council approved the historic variance on December 28, 2001 and the mayor signed the historic variance on December 31, 2001.

The purpose of the three-year time limit to restore the Boiler House was to give the applicant ample time to complete the restoration of the Boiler House, while still ensuring that they would not reap the benefits of the historic variance by allowing the Brew House atrium and conference rooms to be used as a reception/meeting hall, while leaving the Boiler House to deteriorate.

The purpose of varying the parking requirement for the meeting/reception hall use to zero and setting the hours of the meeting/reception hall use was to essentially permit shared parking on the site whereby the meeting/reception hall use was only allowed when the offices in the Brew House were closed. If both uses were allowed at the same time there would be insufficient onsite parking to meet demand. For this reason, the starting hours was set at 6:00 p.m. on weekdays. This gave employees who work in the Brew House offices adequate time to leave the facility and open up parking in the existing parking lots before vehicles started to arrive for the meeting/reception hall use.

The applicant has taken advantage of the historic variance that the City Council approved in December 2001, and used the Brew House atrium and conference rooms as a meeting/reception hall. However, the applicant has not yet followed through with their responsibility to rehabilitate the Boiler House.

In 2003, the State of Minnesota changed state liquor law to extend the closing time for liquor establishments from 1:00 a.m. to 2:00 a.m. Consequently, the applicant is now applying to amend the historic variance that the City Council approved in December 2001, to extend the hours of operation for the meeting/reception hall use in the Boiler House and Brew House atrium and conference rooms. Additionally, they are requesting a multiyear extension of the deadline to rehabilitate the Boiler House (the existing historic variance is set to expire on December 31, 2004 if the Boiler House is not rehabilitated). This request would allow the applicant to use the Brew House atrium and conference rooms as a meeting/reception hall for several years before they had to rehabilitate the Boiler House.

In the application, the applicant asks the City to amend the historic variance that was approved by the City Council on December 28, 2001. However, an historic variance cannot be amended; Chapter 599.550 requires a new application for any change to an historic variance. This means that any proposed changes to an historic variance must be treated as an application for a new historic variance.

B. PROPOSED CHANGES:

The applicant is applying for an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the following conditions:

1. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed within six (6) years from the effective date of this approval. If the rehabilitation of the Boiler House is not completed within the specified timeframe, the variance shall terminate. *(As proposed, the deadline to rehabilitate the Boiler House would be spring 2010, versus December 31, 2004 under the existing historic variance.)*
2. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
3. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - When liquor is not served:
 - Sunday through Saturday, 24 hours per day *(compared to 6:00 p.m. to 1:00 a.m. Monday through Friday, and 6:00 a.m. to 1:00 a.m. Saturday, Sunday, and on days when the principal use in the Brew House is not open under the current historic variance)*
 - When liquor is served:
 - Monday through Friday, from 5:00 p.m. to 2:00 a.m. *(compared to 6:00 p.m. to 1:00 a.m. under the current historic variance)*
 - Saturday and Sunday, from 6:00 a.m. to 2:00 a.m. *(compared to 6:00 a.m. to 1:00 a.m. under the current historic variance)*
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 5:00 a.m. to 2:00 a.m. *(compared to 6:00 a.m. to 1:00 a.m. under the current historic variance)*
4. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.

There are several inconsistencies in the application. For example, the applicant is asking for six years to rehabilitate the Boiler House, which would extend the deadline to spring 2010, although they indicate elsewhere that the deadline should be December 31, 2007. Another example is the starting time for the meeting/reception hall use when liquor is served. In one place the applicant requests that the starting time on Saturday and Sunday be 6:00 a.m. and on the next line, requests that the starting time for days when the principal use in the Brew House is not open, which includes Saturday and Sunday, be 5:00 a.m.

C. GUIDELINE CITATIONS:

CHAPTER 599. HERITAGE PRESERVATION REGULATIONS

ARTICLE IX. HISTORIC VARIANCE

599.490. Purpose. This article is established to encourage the preservation and reuse of landmarks and properties in historic districts by providing the commission with authority to recommend departure from the literal requirements of any of the applicable zoning regulations.

599.500. Application for historic variance. An application for historic variance shall be filed on a form approved by the planning director and shall be accompanied by all required supporting information, as specified in section 599.160.

599.510. Hearing on application for historic variance. The commission shall hold a public hearing on each complete application for historic variance as provided in section 599.170. Following the public hearing, the commission shall make findings with respect to the proposed historic variance and shall submit the same together with its recommendation to the zoning and planning committee of the city council.

599.520. Required findings for historic variance. Before recommending approval of a historic variance, the commission shall make findings that the variance is compatible with the preservation of the property and with other properties in the area, and that the variance is necessary to alleviate undue hardship due to special conditions or circumstances unique to the property and not created by the applicant.

599.530. Historic variance conditions and guarantees. The commission may impose such conditions on any historic variance and require such guarantees as it deems reasonable and necessary to protect the public interest and to ensure compliance with the standards and purposes of this chapter.

599.540. City council decision. The city council shall make the final decision on all historic variances.

599.550. Changes in approved historic variance. Changes to an approved historic variance shall require a new application. The requirements for application and approval of a change to a historic variance shall be the same as the requirements for original approval.

THE SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION (1990)

District/Neighborhood

Recommended:

-Identifying, retaining, and preserving buildings, and streetscape, and landscape features which are important in defining the overall historic character of the district or neighborhood. Such features can include streets, alleys, paving, walkways, street lights, signs, benches, parks and gardens, and trees.

-Retaining the historic relationship between buildings, and streetscape and landscape features such as a town square comprised of row houses and stores surrounding a communal park or open space.

-Designing required new parking so that it is as unobtrusive as possible, i.e., on side streets or at the rear of buildings. "Shared" parking should also be planned so that several business' can utilize one parking area as opposed to introducing random, multiple lots.

Not Recommended:

-Removing or radically changing those features of the district or neighborhood which are important in defining the overall historic character so that, as a result, the character is diminished.

MINNEAPOLIS CODE OF ORDINANCES, CHAPTER 550. INDUSTRIAL DISTRICTS

550.90. Hours open to the public. (a) In general. All uses located in the industrial districts, except residential uses, religious institutions, hotels and hospitals, shall comply with the following regulations governing maximum hours open to the public, except where the city planning commission further restricts such hours:

Sunday through Thursday, from 6:00 a.m. to 10:00 p.m.

Friday and Saturday, from 6:00 a.m. to 11:00

D. FINDINGS

1. The Grain Belt Brewery Boiler House and Brew House are contributing buildings to the Grain Belt Brewery, which is an individually designated landmark property.
2. The purpose of an historic variance is to allow a departure from the literal interpretation of the Zoning Code to relieve an undue hardship that is due to special conditions or circumstances unique to the property and not created by the applicant.
3. A reception/meeting hall is not allowed as a principal use under the property's I1 zoning.
4. The reception/meeting hall use proposed for the Boiler House is a reasonable use of the property, it is consistent with the character of nearby uses, it will enhance the viability of the property, and it will create an amenity for the neighborhood. Therefore, the proposed use is "compatible with the preservation of the property and with other properties in the area."
5. The reception/meeting hall use proposed for the Boiler House is a reasonable use of the property in light of the size and configuration of the Boiler House and the spatial limitations and historic nature of the property. Therefore, the proposed historic "variance is necessary to alleviate undue hardship due to special conditions or circumstances unique to the property and not created by the applicant."
6. The hours of operation for liquor establishments are set by state law, not the Zoning Code; therefore, HPC and City Council do not have the authority to extend the hours of operation

for a liquor use via an historic variance. The HPC and City Council can only grant an historic variance to vary hours set by the Zoning Code for a particular use such as a meeting/reception hall.

7. The Zoning Code states that “all uses located in the industrial districts, except residential uses, religious institutions, hotels, and hospitals, shall comply with the following regulations governing maximum hours open to the public, except where the City Planning Commission further restricts such hours: Sunday through Thursday, from 6:00 a.m. to 10:00 p.m.; Friday and Saturday, from 6:00 a.m. to 11:00 p.m.” Hours for the proposed use should not exceed the hours specified in the Zoning Code or by State liquor law.
8. The applicant has presented no new information to justify their proposed hours for the meeting/reception hall use. Moreover, there are no special conditions or circumstances that are unique to the property and not created by the applicant to justify the proposed hours for the meeting/reception hall use.
9. The purpose of the hours of operation that were imposed on the reception/meeting hall use when the City Council approved the historic variance in 2001 were to a) make the hours of use consistent with what is allowed by the Zoning Code and b) to insure that then were no traffic and parking conflicts were created on the site by the reception/meeting hall use.
10. If the start time for the reception/meeting hall was allowed to start 5:00 p.m. on Monday through Friday, there would be insufficient parking on-site during the turn over period when the Brew House office employees are leaving the property and attendees of the meeting/reception house are arriving at the site.
11. The parking needs of the Boiler House were not considered when the City approved the parking plan for the Brew House. Consequently, there is insufficient parking for the use proposed for the Boiler House.
12. *The Secretary of the Interior’s Standards* recommend that “shared” parking should also be planned so that several business’ can utilize one parking area as opposed to introducing random, multiple lots.”
13. Due to the unique historic nature of the site, there is not enough land available to construct a parking lot that will meet the parking requirements for all of the uses proposed for the brewery complex. However, there is an abundance of onsite parking when the offices in the Brew House are closed. In light of the size and configuration of the Boiler House and the spatial limitations and historic nature of the property, a variance to reduce the parking requirement for the proposed reception/meeting hall use in the Boiler House “is compatible with the preservation of the property and with other properties in the area,” and is necessary to alleviate the undue hardship caused by these special conditions and circumstances that are unique to the property and not created by the applicant.
14. The purpose of the three-year time limit that was specified in the historic variance approved by the City Council on December 28, 2001, was to give the applicant ample time to complete the restoration of the building, while still insuring that the applicant would not reap the

benefits of the historic variance by using the Brew House atrium as reception/meeting hall while the Boiler House was left to deteriorate.

15. The applicant has used the atrium of the Brew House as a reception/meeting hall, thus they have reaped the benefits of the historic variance that the City Council approved on December 28, 2001. However, the applicant has not fulfilled their obligation to rehabilitate the Boiler House as was required by that historic variance.
16. The applicant has presented no new information or valid reason to justify their request to extend the deadline to complete the rehabilitation of the Boiler House. Moreover, the applicant indicated in their application that the Boiler House may be rehabilitated by December 31, 2004 as required by the historic variance granted by the City Council on December 28, 2001.

E. STAFF RECOMMENDATION:

Staff recommends that the HPC adopt staff findings a forward to the City Council a recommendation to approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject the following conditions:

16. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed within one (1) year from the effective date of this approval. If the rehabilitation of the Boiler House is not completed within the specified timeframe, the variance shall terminate.
17. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
18. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 2:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 2:00 a.m.
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 6:00 a.m. to 2:00 a.m.
19. If the property ceases to be used as a reception/meeting hall, the historic variance shall terminate.
20. The historic variance the City Council approved for this property on December 28, 2001 is terminated.

HPC ACTION

The HPC reviewed this item at a public hearing on March 9, 2004. After listening to the staff report and all public testimony the Commission, at the applicant's request, continued the public hearing until April 13, 2004 to give the applicant additional time to resolve some of their parking issues. Since that time, the applicant has submitted no new information to staff. Consequently, the staff recommendation has not changed. Staff is recommending that the HPC approve the original staff recommendation (see Section E).

Attachments

1. HPC staff report dated December 4, 2001
2. Minutes from the December 11, 2001 HPC meeting
3. Excerpt from the City Council Actions dated December 28, 2001

**CITY OF MINNEAPOLIS
HERITAGE PRESERVATION COMMISSION STAFF REPORT**

FILE NAME: 1220 Marshall Street N.E.

DATE OF APPLICATION: October 9, 2001

APPLICANT: RSP Architects, LTD

DATE OF HEARING: November 13, 2001, postponed, December 11, 2001

HPC SITE/DISTRICT: Grain Belt Brewery (Boiler House) – Individual Designation

CATEGORY: Contributing

CLASSIFICATION: Historic Variance

STAFF INVESTIGATION AND REPORT: Greg Mathis

DATE: December 4, 2001

A. SITE DESCRIPTION:

The Grain Belt Brewery & Malting Company (nee Minneapolis Brewing & Malting Company) was created by the merger of four smaller breweries in 1890. The current brewery complex, which is located on the corner of Marshall Street NE and Broadway Street NE, was completed in 1893. Grain Belt Beer, the company's premier product, was introduced in 1893. The brewery grew over the years and several buildings were added to the complex. During the Prohibition Era, the company stayed alive by producing soft drinks and "near beer." After the repeal of Prohibition in 1933, the brewery resumed its production of beer. The brewery continued to produce Grain Belt Beer into the late 1970s. The brewery was listed on the National Register in 1974 and designated a local landmark in 1977.

B. BACKGROUND:

For nearly two decades most of the brewery complex sat vacant. In the early 1990s, the MCDA successfully rehabilitated the Bottling House and parts of the Warehouse as studio space for artists. In 2000, Ryan Companies, US, received approvals from the Heritage Preservation Commission (HPC) to rehabilitate the Brew House as a commercial office building. The approvals included a demolition permit to allow the Stock Cellar across the street, at 13th and Marshall, to be torn down so an interim surface parking lot could be built to meet the parking needs of the Brew House. Other approvals included permits to remove the boilers and stacks from the Boiler House, and most recently, a Certificate of Appropriateness for the construction of a link between the Brew House and the Boiler House.

The applicant would now like to rehabilitate the Boiler House and use it as a meeting/reception area, where alcohol is served. The building would be used as a meeting room for the applicant during their business hours. After hours and on weekends, the applicant would like to rent the Boiler House to other parties. If the Boiler House is used as a meeting hall for the offices in the Brew House, the meeting hall is considered an accessory use by the Zoning Code and no additional parking spaces are required. If the Boiler House is rented to another party for use as a reception/meeting hall, the use is considered a principal use by the Zoning Code. The Zoning Code would require 91 parking spaces for the Boiler House when the reception/meeting hall space is a principal use (based upon a capacity of 303 people). When the City Planning Commission approved the parking plan for the Brew House, no provision was made for the parking needs of the Boiler House. Table 1 shows the parking situation for the property.

C. PROPOSED CHANGES:

The applicant is applying for an Historic Variance for the following:

- To allow the Boiler House to be used as a reception/meeting hall as a principal use under the property’s I1 zoning.
- To vary the parking requirement for the proposed reception/meeting hall use in the Boiler House from 45 parking spaces to zero (0) parking spaces (this number assumes that the grandfathered parking spaces for the site will be used to make up the difference).

Table 1.

Parking spaces available	
# in the parking lot behind the Boiler House (onsite)	101
# in the parking lot at 13 th & Marshall	120
Actual # of spaces available	221
# of grandfathered spaces attributed to the property	43
Total # of spaces attributed to the property	264
Total # of spaces required for uses in the Brew House	219
Total # of spaces required for the use proposed for the Boiler House	91
# of grandfathered spaces claimed by the Boiler House	43
# of spaces still required for the Boiler House	48

D. GUIDELINE CITATIONS:

**CHAPTER 599. HERITAGE PRESERVATION REGULATIONS
ARTICLE IX. HISTORIC VARIANCE**

599.490. Purpose. This article is established to encourage the preservation and reuse of landmarks and properties in historic districts by providing the commission with authority to recommend departure from the literal requirements of any of the applicable zoning regulations.

599.510. Hearing on application for historic variance. The commission shall hold a public hearing on each complete application for historic variance as provided in section 599.170. Following the public hearing, the commission shall make findings with respect to the proposed historic variance and shall submit the same together with its recommendation to the zoning and planning committee of the city council.

599.520. Required findings for historic variance. Before recommending approval of a historic variance, the commission shall make findings that the variance is compatible with the preservation of the property and with other properties in the area, and that the variance is necessary to alleviate undue hardship due to special conditions or circumstances unique to the property and not created by the applicant.

599.530. Historic variance conditions and guarantees. The commission may impose such conditions on any historic variance and require such guarantees as it deems reasonable and necessary to protect the public interest and to ensure compliance with the standards and purposes of this chapter.

599.540. City council decision. The city council shall make the final decision on all historic variances.

THE SECRETARY OF THE INTERIOR'S STANDARDS FOR REHABILITATION (1990)

District/Neighborhood

Recommended:

-Identifying, retaining, and preserving buildings, and streetscape, and landscape features which are important in defining the overall historic character of the district or neighborhood. Such features can include streets, alleys, paving, walkways, street lights, signs, benches, parks and gardens, and trees.

-Retaining the historic relationship between buildings, and streetscape and landscape features such as a town square comprised of row houses and stores surrounding a communal park or open space.

-Designing required new parking so that it is as unobtrusive as possible, i.e., on side streets or at the rear of buildings. "Shared" parking should also be planned so that several business' can utilize one parking area as opposed to introducing random, multiple lots.

Not Recommended:

-Removing or radically changing those features of the district or neighborhood which are important in defining the overall historic character so that, as a result, the character is diminished.

E. FINDINGS:

1. The Brew House/Boiler House site is a contributing property to the local landmark Grain Belt Brewery and the National Register listed Minneapolis Brewing & Malting Co. Historic District.
2. A reception/meeting hall is not allowed as a principal use under the property's I1 zoning.
3. The reception/meeting hall use proposed for the Boiler House is a reasonable use of the property, it is consistent with the character of nearby uses, it will enhance the viability of the property, and it will create an amenity for the neighborhood. Therefore, the proposed use is "compatible with the preservation of the property and with other properties in the area."
4. The reception/meeting hall use proposed for the Boiler House is a reasonable use of the property in light of the size and configuration of the Boiler House and the spatial limitations and historic nature of the property. Therefore, the proposed historic "variance is necessary to

alleviate undue hardship due to special conditions or circumstances unique to the property and not created by the applicant.”

5. The Zoning code states that “all uses located in the industrial districts, except residential uses, religious institutions, hotels, and hospitals, shall comply with the following regulations governing maximum hours open to the public, except where the City Planning Commission further restricts such hours: Sunday through Thursday, from 6:00 a.m. to 10:00 p.m.; Friday and Saturday, from 6:00 a.m. to 11:00 p.m.” Hours for the proposed use should not exceed the hours specified in the Zoning Code.
6. The parking needs of the Boiler House were not considered when the City approved the parking plan for the Brew House. Consequently, there is insufficient parking for the use proposed for the Boiler House.
7. *The Secretary of the Interior’s Standards* recommend that “shared” parking should also be planned so that several business’ can utilize one parking area as opposed to introducing random, multiple lots.”
8. Due to the unique historic nature of the site, there is not enough land available to construct a parking lot that will meet the parking requirements for all of the uses proposed for the brewery complex. However, there is an abundance of onsite parking when the offices in the Brew House are closed. In light of the size and configuration of the Boiler House and the spatial limitations and historic nature of the property, a variance to reduce the parking requirement for the proposed reception/meeting hall use in the Boiler House “is compatible with the preservation of the property and with other properties in the area,” and is necessary to alleviate the undue hardship caused by these special conditions and circumstances that are unique to the property and not created by the applicant.

F. STAFF RECOMMENDATION:

Staff recommends that the HPC adopt staff findings and approve a motion to forward to the City Council a recommendation to approve an historic variance to allow the Boiler House to be used as a reception/meeting hall and to vary the parking requirement for that use in the Boiler House from 48 parking spaces to zero (0) parking spaces, subject to the following conditions:

5. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission and such rehabilitation work shall be approved by the Heritage Preservation Commission.
6. The use of the Boiler House as a reception/meeting hall as a principal use shall be limited to the following hours:
 - Sunday, from 6:00 a.m. to 10:00 p.m.
 - Monday through Thursday, from 6:00 p.m. to 10:00 p.m.
 - Friday, from 6:00 p.m. to 11:00 p.m.
 - Saturday, from 6:00 a.m. to 11:00 p.m.

7. If the Boiler House ceases to be used as a reception/meeting hall, the historic variance shall terminate.

MINNEAPOLIS HERITAGE PRESERVATION COMMISSION

**ROOM 220, CITY HALL
350 SOUTH FIFTH STREET
MINNEAPOLIS, MN 55415-1385**

**PERMIT REVIEW/PUBLIC HEARING MINUTES
DECEMBER 11, 2001
5:00 P.M.**

The meeting was called to order at 5:10 p.m. **Present:** Commissioners Glancy, Neiswander, Messenger, Anderson, Koski, Stevens (arrived at 5:43 p.m.). **Excused Absences:** Commissioner Lindquist, Housum, Herman. **Staff Present:** Mathis, Graham.

The meeting began as Committee of the Whole.

PERMIT REVIEW/PUBLIC HEARING

1. 1220 Marshall Street N.E., Grain Belt Brewery, Individual Designation, by RSP Architects, LTD, for an Historic Variance to allow the Boiler House to be used as a reception/meeting hall and to reduce the parking requirement for the site by 118 spaces. (Staff, Greg Mathis) Postponed from November 13, 2001.

Greg Mathis presented the staff report recommending that the HPC adopt staff findings and approve a motion to forward to the City Council a recommendation to approve an historic variance to allow the Boiler House, the Brew House atrium and the five Brew House conference rooms to be used as a reception/meeting hall and to vary the parking requirement for that use in those spaces to zero (0) parking spaces, subject to the following conditions:

8. The variance shall be subject to a requirement that the Boiler House shall be rehabilitated pursuant to the applicable guidelines of the Heritage Preservation Commission. Such rehabilitation work shall be approved by the Heritage Preservation Commission and shall be completed within three (3) years from the effective date of this approval. If the rehabilitation is not completed on the Boiler House within the specified timeframe, the variance shall terminate.
9. The maximum allowed capacity of the meeting/reception hall use shall be 470 persons.
10. The use of the Boiler House, the Brew House atrium, and conference rooms in the Brew House, as a reception/meeting hall use shall be limited to the following hours:
 - Monday through Friday, from 6:00 p.m. to 1:00 a.m.
 - Saturday and Sunday, from 6:00 a.m. to 1:00 a.m.
 - On days when the principal office use in the Brew House is not open, the hours for the meeting/reception hall use shall be 6:00 a.m. to 1:00 a.m.
11. If the Boiler House ceases to be used as a reception/meeting hall, the historic variance shall terminate.

The public hearing was then opened. Mr. Pat Stebie, owner of Dusty's Bar spoke against redoing the parking. Mr. Todd Phelps, with Leonard, Street and Dienard, the attorney for the applicant, explained the parking and entry locations. Becky Hunter, aide for Council Member Biernat, stated that the council member supports the variance. MCDA is working on an overall parking plan for the area.

No one else wished to speak for or against this item. The public hearing was then closed.

Commissioner Glancy asked for more information about Condition 2, and Mr. Mathis explained.

MOTION by Commissioner Anderson to adopt staff findings and forward, as Committee of the Whole, the staff recommend historic variance to the City Council, but change Condition 4 to read *property*, instead of Boiler House. **SECOND** by Commissioner Glancy. **MOTION APPROVED** with no abstentions.

2. 300 South Second Street, St. Anthony Falls Historic District, by Mill Place Inc., for a Certificate of Appropriateness to construct a five-story brick building containing 122 unit dwelling units and 3,000 square foot of commercial space. (Staff, Greg Mathis) Continued from November 13, 2001.

Mr. Mathis presented the staff report recommending that the HPC adopt staff findings and approve a Certificate of Appropriateness for the proposed building, subject to the following conditions:

HPC adopt staff findings and approve a Certificate of Appropriateness for the proposed building, subject to the following conditions:

1. The canopies must be changed, so that they only break at by the masonry piers.
2. The cornice design must be strengthened and several of the stack bonds on the façade (south) must be eliminated from the design.
3. The landscaping for the parking lot must be modified to reflect the industrial character of the area.
4. The door and window glazing must be clear, non-tinted, non-reflective glass. One coat of Low-E glazing can be applied to the interior surface of the window.
5. The doors and windows must have a painted finish.
6. The HPC staff must approve the materials and colors for the building, including the brick stone, doors, windows, awnings, canopies, and railings.
7. The HPC staff must approve the aforementioned modifications and the final construction drawings.
8. Only the parking lot sign is approved. The applicant must prepare a comprehensive sign plan for the building and submit it to the HPC for approval.

The public hearing was then opened. Mr. Philip Kupritz, the architect from K2 Architects, explained the project. He stated that they agree with the staff recommendations. Commissioner Koski raised numerous questions about the building, including concerns about the cornice. Mr. Craig Kupritz from Mill Place, the developer, spoke. He stated the cornices will be concrete reinforced with fiberglass. Commissioner Neiswander stated she was concerned about the interpretative bays and Philip Kupritz explained the interpretive bays.

No one else wished to speak for or against the application. The public hearing was then closed.

MOTION by Commissioner Koski to adopt staff findings and approve the staff recommendation. **SECOND** by Commissioner Neiswander. **MOTION APPROVED** with no abstentions.

3. 3400 Dupont Avenue South, Individual Designation (Adath Jeshurun Synagogue), by First Universalist Church, for a Certificate of Appropriateness to replace the sanctuary windows.

Commissioner Neiswander recused herself because she is a member of the church.

Mr. Mathis presented the staff report recommending that the HPC adopt staff findings and approve a Certificate of Appropriateness, subject to the following conditions:

1. The glazing must be non-reflective glass. One coat of Low-E glazing can be applied on the third (interior internal) surface of the windows.
2. The stained glass windows cannot be destroyed or damaged when they are removed. Every effort must be made to keep the windows intact.
3. When the stained glass windows are removed, the Church must offer the windows to local Jewish congregations, on appropriate financial terms. If no local Jewish congregation is currently interested in the windows, the windows must be stored onsite, in a secure location.

The public hearing was then opened. Ms. Kate Berquist with MS&R Architects spoke about the windows. The windows are deteriorating and probably cannot be saved. The only way they could be saved is if they were attached to a false wall and removed. Adath Jeshurun Synagogue is not interested in saving them. The Commissioners were concerned about the lack of effort to save the windows, and thought there should be an attempt to offer them to other groups.

No one else wished to speak for or against the application. The public hearing was then closed.

MOTION by Commissioner Koski to adopt staff recommendation, but change a section of Condition #3 to read, “ The Church must offer the sanctuary windows to local Jewish congregations, on appropriate financial terms. If no local Jewish congregation is currently interested in the windows, they must be offered to local historical organizations and non-local Jewish congregations, for appropriate financial terms. If there are no interested parties, the windows must be stored intact, onsite, in a secure location” and add Condition #4 to say, “ The existing windows cannot be removed until either they are sold to another congregation, or a plan to remove and store them intact, onsite is approved by the HPC staff ” **SECOND** by Commissioner Anderson. **MOTION APPROVED** with 1 nay and no abstentions.

4. 329 First Street North, St. Anthony Falls Historic District, by Colliers Towle Real Estate (T. Denny Sanford, C.W., Inc.), for a Certificate of Appropriateness to demolish a one-story concrete block building. (Staff, Greg Mathis)

Mr. Mathis gave the staff report recommending that the HPC adopt staff findings and deny the issuance of a Certificate of Appropriateness for the proposed demolition.

The public hearing was then opened. Ms. Dawn Grant of Colliers Towle Real Estate, the applicant, spoke in favor of the demolition of this building and gave some background on the property. It was purchased 10 years ago to serve as a surface parking lot for colonial Warehouses. Colliers Towle now wants to demolish the building because it is extremely expensive to rehabilitate for another use and is a blight to the neighborhood. There have been a lot of changes to the district and this building is of inappropriate character to the neighborhood. There were two other people who spoke, Jim Stanton from Shamrock Development and a representative (unidentified) of the Creamette Building, they agreed that the building obstructs the intersection.

Commissioner Koski spoke about the importance of saving a building like this since the building type is so increasingly rare. He also stated that the applicant’s viability numbers are very speculative and high.

MOTION by Commissioner Koski to adopt the staff findings and make the following additional findings:

- **The building is an increasingly rare building type in this area, so it is even more important to save it,**
- **The viability is very speculative so it is important to wait to see if the building becomes more viable, like other buildings, such as the Depot,**
- **It is an eyesore because the property owner has not maintained the building and has allowed it to deteriorate,**
- **The building would no longer be an eyesore if the previously approved repairs were made,**
- **The previously approved structural and aesthetic improvements are less costly than demolition,**

and deny the Certificate of Appropriateness for the demolition. SECOND by Commissioner Glancy. MOTION APPROVED with no abstentions.

The meeting was adjourned at 7:10 p.m.