

Department of Community Planning and Economic Development – Planning Division
Conditional Use Permit and Variance
BZZ-4845

Date: July 19, 2010

Applicant: Arthur McGregor, FLLP

Address of Property: 3036 Minnehaha Avenue

Project Name: Harriet Brewing

Contact Person and Phone: Jason Sowards, (651) 491-8979

Planning Staff and Phone: Kimberly Holien, (612) 673-2402

Date Application Deemed Complete: June 21, 2010

End of 60-Day Decision Period: August 20, 2010

Ward: 9 **Neighborhood Organization:** Longfellow Community Council

Existing Zoning: C3A Community Activity Center District, PO Pedestrian Oriented Overlay District

Proposed Zoning: Not applicable for this application

Zoning Plate Number: 27

Legal Description: Not applicable for this application

Proposed Use: Limited production and processing for a food and beverage use; specifically, beer brewing.

Concurrent Review:

- **Conditional use permit** to allow a limited production and processing use in the C3A District.
- **Variance** to increase the gross floor area of a limited production and processing use from 1,200 square feet to 5,000 square feet.

Applicable zoning code provisions: Chapter 525, Article VII Conditional Use Permits, Chapter 525, Article IX, Variances and Chapter 548 Commercial Districts.

Background: Jason Sowards has submitted a land use application to establish a limited production and processing use in an existing building at 3036 Minnehaha Avenue. The proposed use would be a micro-brewery, known as the Harriet Brewing Company, and will produce craft beers. In addition to the brewing activity, the applicant plans to have a retail component for growler sales. The retail area of the building will also be used for art displays and events may be held here on occasion. The growler sales

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are contingent on a separate text amendment to the City’s Licensing regulations. The site has accessory parking on the south side of the building. The site is bordered by a vacant lot to the south, a contractor’s office to the north, a manufacturing use to the west and a United States Post Office to the east.

Limited production and processing is a conditional use in the C3A district. Limited production and processing in commercial districts includes food and beverage products, such as beer brewing. Due to the required land use application for a conditional use permit, the site plan is also subject to design and maintenance standards as provided in Chapter 530 Site Plan Review and Chapter 541 Off-Street Parking and Loading and Preliminary Development Review.

Section 548.30 of the zoning code states that limited production and processing is allowed as a principal use in commercial districts, and may include wholesale and off-premise sales, provided the use shall not exceed 1,200 square feet of gross floor area, and the main entrance shall open to a retail or office component equal to not less than 15 percent of the floor area of the use. The applicant is proposing to establish the use in a 6,000 square foot building with 5,000 square feet of production and processing area. The applicant has applied for a variance to increase the gross floor area of the use accordingly.

The site is in Longfellow neighborhood. As of the writing of this staff report, no correspondence has been received from the Longfellow Community Council. Any correspondence, if received, will be forwarded to the Commission.

CONDITIONAL USE PERMIT: to allow a limited production and processing use in the C3A District.

Findings as required by the Minneapolis Zoning Code for the conditional use permit:

The Community Planning and Economic Development Planning Division has analyzed the application and from the findings below concludes that the establishment, maintenance, or operation of the proposed conditional use:

- 1. Will not be detrimental to or endanger the public health, safety, comfort or general welfare.**

The applicant is proposing to convert an existing commercial building to a micro-brewery. This type of use is classified as limited production and processing for zoning purposes, which allows for the production of food and beverage products. To accommodate the use, the applicant is proposing to slightly reconfigure the floor plan to create a larger space in the back of the building for brewing activities. All activities related to the use will occur indoors and no excessive noise or odors are expected to result from the use. The applicant is proposing to use only food-grade ingredients to reduce environmental impacts. Waste resulting from spent grains will be composted or sold to farmers to be used as livestock feed. The applicant also intends to use an electric boiler to reduce any risk of combustion. Planning staff believes that the proposed use will not prove detrimental to public health, safety, comfort or general welfare provided the development complies with all applicable building codes and life safety ordinances, as well as Public Works Department standards.

2. Will not be injurious to the use and enjoyment of other property in the vicinity and will not impede the normal or orderly development and improvement of surrounding property for uses permitted in the district.

The surrounding area is fully developed with a mix of commercial and industrial uses. The conversion of an existing commercial building to accommodate a limited production and processing use within the building should not impede on the normal or orderly development of surrounding property in the area. The use will have a retail component to activate the street and will utilize the existing parking lot. The use is not expected to produce any significant odors due to the fact that all emissions will be steam only. No other nuisances are expected. As such, the use will not be injurious to the use and enjoyment of adjacent properties.

3. Adequate utilities, access roads, drainage, necessary facilities or other measures, have been or will be provided.

The site is served by existing infrastructure. Vehicle access is provided via an existing curb cut from Minnehaha Avenue. The site also has alley access. Utilities, access and drainage will be further reviewed as part of the Preliminary Development Review process.

4. Adequate measures have been or will be provided to minimize traffic congestion in the public streets.

The project is not expected to contribute to congestion in the public streets. The site has adequate space for off-street parking and has access from Minnehaha Avenue and the adjacent public alley. The parking requirement for the use is one space for each 300 square feet of gross floor area up to 4,000 square feet, but not more than 4 spaces, plus one space for each 1,000 square feet from 4,000 square feet to 20,000 square feet. The building has 6,000 square feet of gross floor area, resulting in a parking requirement of 6 stalls. The site plan shows 9 parking stalls, satisfying the minimum requirement. There is no bicycle parking requirement for this use.

Delivery trucks will access the existing loading dock at the rear of the building via the alley. The applicant has indicated that trucks will access the site during regular daytime business hours. The site is also served by transit and is located within the boundaries of a Transit Station Area.

5. Is consistent with the applicable policies of the comprehensive plan.

The site is designated as Mixed Use on the future land use map in *The Minneapolis Plan for Sustainable Growth* and is within the boundaries of an Activity Center. Activity Centers support a wide range of commercial, office, and residential uses. They typically have a busy street life with activity throughout the day and into the evening. They are heavily oriented towards pedestrians, and maintain a traditional urban form and scale. Activity Centers are also well-served by transit. The site is also within the boundaries of a Transit Station Area because it is within a one-half mile radius of the light rail station at Lake Street and Hiawatha Avenue. Minnehaha Avenue is a Community Corridor in this location. The following policies of the Comprehensive Plan apply to this project:

Policy 1.9: Through attention to the mix and intensity of land uses and transit service, the City will support development along Community Corridors that enhances residential livability and pedestrian access.

- 1.9.1 Support the continued presence of existing small-scale retail sales and commercial services along Community Corridors.
- 1.9.2 Support new small-scale retail sales and services, commercial services, and mixed uses where Community Corridors intersect with Neighborhood Commercial Nodes.
- 1.9.3 Discourage uses that diminish the transit and pedestrian oriented character of Community Corridors, such as automobile services and drive-through facilities.

Policy 1.12: Support Activity Centers by preserving the mix and intensity of land uses and by enhancing the design features that give each center its unique urban character.

- 1.12.1 Encourage a variety of commercial and residential uses that generate activity all day long and into the evening.
- 1.12.2 Encourage mixed use buildings, with commercial uses located on the ground floor and secure entrances for residential uses.
- 1.12.3 Encourage active uses on the ground floor of buildings in Activity Centers.
- 1.12.4 Discourage uses that diminish the transit and pedestrian character of Activity Centers, such as automobile services, surface parking lots, and drive-through facilities.

Policy 1.13: Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places.

- 1.13.1 Encourage pedestrian-oriented services and retail uses as part of higher density development near transit stations.
- 1.13.2 Pursue opportunities to integrate existing and new development with transit stations through joint development.
- 1.13.3 Discourage uses that diminish the transit and pedestrian character of areas around transit stations, such as automobile services, surface parking lots, and drive-through facilities.
- 1.13.6 Encourage investment and place making around transit stations through infrastructure changes and the planning and installation of streetscape, public art, and other public amenities.

The proposed use would be established in an existing building. The layout of the limited production and processing use would include a small-scale a retail component with offices at the front of the building, facing Minnehaha Avenue. The applicant is proposing to further activate the public street by displaying art associated with Harriet Brewing Company branding within the

front portion of the building. The conversion of this existing building to a production and processing use with active uses at the street is consistent with the above policies of the Comprehensive Plan.

The site is also within the boundaries of the Hiawatha/Lake Station Area Master Plan. This plan calls for retail uses on the subject site.

6. And, does in all other respects conform to the applicable regulations of the district in which it is located, with the approval of this conditional use permit.

In addition to the conditional use permit, a variance has also been requested to increase the gross floor area of the limited production and processing space from 1,200 square feet to 5,000 square feet. As stated above, the site is also subject to design and maintenance standards as provided in Chapter 530 Site Plan Review and Chapter 541 Off-Street Parking and Loading. Section 530.170 requires parking areas that front along a public street to provide a landscaped yard seven feet in width along the property line. The subject site has a landscaped area approximately three feet in width in this location. To comply with the site plan standard, Planning staff is recommending that this landscaped yard be enlarged to a width of seven feet.

VARIANCE – to increase the gross floor area of a limited production and processing use from 1,200 square feet to 5,000 square feet.

Findings Required by the Minneapolis Zoning Code:

1. The property cannot be put to a reasonable use under the conditions allowed by the official controls and strict adherence to the regulations of this zoning ordinance would cause undue hardship.

The applicant is proposing to utilize an existing building for a limited production and processing use. Specifically, the limited production and processing would consist of a micro-brewery. Limited production and processing is a permitted conditional use in all commercial districts, provided the gross floor area of the production and processing component does not exceed 1,200 square feet. In addition to the limitation on 1,200 square feet of floor area, limited production and processing in commercial districts must also include a retail or office component that is a minimum of 15 percent of the floor area of the use. The applicant is requesting a variance to the gross floor area limitation, proposing a production and processing space with a gross floor area of 5,000 square feet. The remaining 1,000 square feet will consist of office spaces, a lobby space that will include retail sales and art displays, and bathrooms. This space is equivalent to 16.7 percent of the floor area, equivalent to 100 square feet in excess of the minimum requirement.

The existing building is 6,000 square feet in area. In order to comply with the regulations of the zoning ordinance, a 1,200 square foot production and processing area would equate to a maximum of 20 percent of the gross floor area of the building. As stated above, the applicant is providing a retail and office area of a size that meets the requirements of the zoning ordinance. Undue hardship exists in this case because the gross floor area limitation would not allow the applicant to fully utilize the remainder of the building for this permitted conditional use without a variance.

- 2. The circumstances are unique to the parcel of land for which the variance is sought and have not been created by any persons presently having an interest in the property. Economic considerations alone shall not constitute an undue hardship if reasonable use for the property exists under the terms of the ordinance.**

The conditions upon which the variance is requested are unique to the parcel of land and were not created by the applicant. Limited production and processing in a commercial district in a building of this size must have an office/retail space that is a minimum of 900 square feet in area. The production and processing space is limited to no more than 1,200 square feet in area. However, 5,100 square feet of building area remains after providing the required office/retail space. The applicant is working within the confines of an existing building and the variance is needed to allow full use of the building, resulting in a hardship.

- 3. The granting of the variance will be in keeping with the spirit and intent of the ordinance and will not alter the essential character of the locality or be injurious to the use or enjoyment of other property in the vicinity.**

Section 543.30 of the zoning code describes limited production and processing uses as those that include activities that are consistent and compatible with retail sales and services. These uses produce minimal off-site impacts due to their limited nature and scale. The activities related to the proposed micro-brewery, though larger than what is allowed under the zoning code, would be conducted completely within the building. Therefore, no off-site impacts are expected and the use is not expected to be injurious to the use or enjoyment of other property in the area. The site is located within the boundaries of an Activity Center. City policies encourage active uses on the ground floor of buildings within an activity center. Granting of the variance will allow the proposed use to fully activate the first floor of the building.

- 4. The proposed variance will not substantially increase the congestion of the public streets, or increase the danger of fire, or be detrimental to the public welfare or endanger the public safety.**

The project is not expected to contribute to congestion in the public streets. The site has adequate space for off-street parking and has access from Minnehaha Avenue and the adjacent public alley. Delivery trucks will access the existing loading dock at the rear of the building via the alley. The applicant has indicated that trucks will access the site during regular daytime business hours. The site is also served by transit. The proposed use would be established in an existing building. The findings submitted by the applicant state that the brewing process will use electrically driven equipment and produce only food-grade waste. Thus, the granting of the variance is not expected to be detrimental to the public welfare or endanger the public safety.

RECOMMENDATIONS

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Conditional Use Permit:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a conditional use permit to allow a limited production and processing use at 3036 Minnehaha Avenue, in the C3A Community Activity Center district, subject to the following conditions:

1. The conditional use permit shall be recorded with Hennepin County as required by Minn. Stat. 462.3595, subd. 4 before building permits may be issued or before the use or activity requiring a conditional use permit may commence. Unless extended by the zoning administrator, the conditional use permit shall expire if it is not recorded within one year of approval.
2. The applicant shall provide a 7-foot landscaped yard between the parking lot and Minnehaha Avenue, in accordance with Section 530.170 of the zoning code.

Recommendation of the Community Planning and Economic Development Department – Planning Division for the Variance:

The Community Planning and Economic Development Department – Planning Division recommends that the City Planning Commission adopt the above findings and **approve** the application for a variance to increase the gross floor area of a limited production and processing use from 1,200 square feet to 5,000 square feet for property located at 3036 Minnehaha Avenue, in the C3A Community Activity Center district.

Attachments:

1. Statement of use and findings
2. Correspondence
3. Zoning map
4. Site plan and floor plans
5. Photos.