

**Department of Community Planning and Economic Development—Planning Division
Conditional Use Permit, BZZ-2070**

Hearing Date: 12/13/04

Applicant: Jason McLean, 327 14th Ave. SE, Minneapolis, MN 55414

Address of Property: 1308 4th St. SE, Minneapolis, MN 55414

Project Name: Varsity Theater

Contact Person and Phone: Jason McLean, 612-673-3252

Staff Contact Person and Phone: J. Michael Orange, Principal Planner. Phone: 612-673-2347; facsimile: 673-2728; TDD: 673-2157; e-mail: michael.orange@ci.minneapolis.mn.us

Date Application Deemed Complete: 10/29/04

End of 60-Day Decision Period: 12/28/04

End of 120-Day Decision Period: N/A

Ward: 2 **Neighborhood Organization:** Marcy Holmes Neighborhood Association

Existing Zoning: C2, Neighborhood Corridor Commercial District, Pedestrian Oriented Overlay District (POOD)

Zoning Plate Number: 15

Proposed Use: Applications by Mr. Jason McLean for a conditional use permit to re-establish a theater in the Varsity Theater building located at 1308 4th St. SE. As in the past, there will be no on-site parking for the use.

Prior Zoning Approvals: None

Concurrent Review: Conditional Use Permit for the use per Table 548-1

Background: The following is excerpted from the Travel Demand Management (TDM) Plan developed for the project: The Varsity Theater is an 8,000 sq. ft., 300-seat theatre that was opened as a Vaudeville showplace in 1915. Over time, it was converted to a movie house, a nightclub, and, most recently, a photo studio. The photo studio closed in November 2003, when the Marcy Holmes neighborhood, recognizing the theater's historic and cultural contribution to the City, provided NRP funding to ensure the building would be maintained and that the marquee would be lit. The theater is currently owned by Varsity Theater, LLP. Mr. Jason McLean, owner of the neighboring Loring Pasta Bar and Kitty Cat Klub, is currently leasing the Varsity Theater and is applying to the City for a

**If you need more information or have special needs, please call the
Minneapolis Planning Department at 612-673-2597.**

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Conditional Use Permit to open the theater as a performance arts and exhibition venue and dinner theater.

The proposed program for the Varsity has been designed to complement and benefit from the theater's unique location in Dinkytown, where:

- The University of Minnesota East Bank campus is immediately adjacent to the Dinkytown business district.
- A number of student-oriented venues (University and private housing for students, clothing stores, bookstore, stationer, photocopy shop, coffee shops, restaurants, bars, nightclubs, etc.)
- Pedestrian, bicycle, and transit services and facilities are provided and have contributed to an urbanized environment where automobile usage and resulting parking demand have been reduced.

The program that is proposed for the Varsity Theater will consist of three types of events:

1. Banquet and reception hall with maximum occupancy of 200. These events could be held anytime during the week, but would typically be held during the day or early evening on weekend days, most likely Sundays.
2. Performances with cabaret seating for 48 and theater seating for 135. When appropriate, dinner and drinks could be served during the performances. These would be held Monday through Saturday.
3. Performances with theatre seating for 300. The performances with theater seating for 300 will be the Varsity Theater's most intense event. These events can be further defined as follows:
 - Live performances (concerts, plays, dance recitals, poetry readings, stand-up comedians, etc.), Monday through Thursday, with the show beginning at 7:30 PM. Typically the weekday program would not include an evening performance, but, depending on the availability of talent passing through the area, evening performances, beginning at 10 PM and ending at midnight, could be arranged.
 - Live performances on Fridays and Saturdays, with the first show beginning at 7:30 and the second show beginning at 10 PM and ending at midnight.
 - Matinee (between 1 and 4 PM) performances of plays and independent, art films on Saturdays.
 - Sunday matinees and evening performances of plays and independent, art films on Sundays. The evening performances on Sundays would begin between 5 and 7:30 PM.

The performances that will be provided Monday through Thursday, on Saturdays, and on Sundays will be typical performances with general admission seating. "Featured shows," which would probably be provided on Fridays and Saturdays (but possibly on Thursdays also), would feature artists of national stature. Dinner/Show packages would be made available for these performances. The Dinner/Show packages would give patrons an opportunity to arrange for reservations for dinner at the Loring Pasta Bar, reserved seating for the performance at the Varsity Theater, a voucher for desert that would be served in the lobby of the Varsity Theater, and a drink voucher at the Kitty Cat Klub.¹

¹ The Loring Pasta Bar, a restaurant with seating for 250, and the Kitty Cat Klub, a 135-seat bar, are two businesses operating at the 4th Street/14th Avenue intersection in Dinkytown. Both businesses are owned by Mr. McLean, who owns the Loring Pasta Bar building and leases space at the Kitty Cat Klub building.

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The price of admission for live performances at comparable venues in the Twin Cities (Jungle Theatre, Theatre de la Juene Lune, Theatre Garage, Guthrie Lab, and Southern Theater) is \$20 to \$40. Depending on the performance, the general admission ticket price at the Varsity Theater will be established at the \$3 to \$15 range, and the Dinner/Show packages will range between \$25 and \$45. The intent of offering lower prices is to ensure that students will be able to afford admission. Mr. McLean has made arrangements with the University of Minnesota theater, film, and dance departments to hold some of their performances at the Varsity Theater, again, to ensure access to students.

Attachment X includes the letter of support from the neighborhood group.

Findings as Required by the Minneapolis Zoning Code:

The Minneapolis City Planning Division has analyzed the application and from the findings above concludes that the establishment, maintenance, or operation of the proposed conditional use:

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

The primary off-site impact the project will be parking related. The Pedestrian Oriented Overlay District regulations (Section 551.160 pertaining to the Dinkytown area) state that: “Nonresidential uses shall not be required to provide accessory off-street parking facilities, provided that existing accessory parking facilities shall not be reduced below the requirements for a similar new use, or if existing accessory parking facilities are less than the requirements specified in Chapter 541, Off-Street Parking and Loading, they shall not be reduced further.” Put simply, commercial uses in Dinkytown need not provide parking that normally would be required by Chapter 541 in the Zoning Code. However, existing accessory parking facilities may not be removed below the requirements for the use. In this case, there is no accessory parking, thus the Varsity Theater has no parking requirement.

Nonetheless, the parking impacts for the project must be evaluated for conditional uses. For this reason, the Public Works Dept. ordered the applicant to prepare a TDM Plan. The plan’s conclusion follows: “Based on analysis of: a) the proposed program for the Varsity Theater, b) proposed parking operations, and c) data on the supply and occupancy of parking stalls in the area, it concluded that the allowing the Varsity Theater to operate as a Conditional Use within the Dinkytown Pedestrian-Oriented Overlay District will not result in a reduction of existing parking facilities' capacity to meet the parking requirements of a similar new use. Furthermore, the analysis showed that for time periods when the Varsity Theater will be in operation, an adequate supply of parking is available in the Dinkytown lot and the University Technology Centers lot to meet its parking requirements (per the Municipal Zoning code) and still leave additional parking stalls for other uses in the area.

“The analysis also showed that the 4th Street Ramp, with a minimum supply of 400 transient parking stalls, has capacity to accommodate any parking for the Varsity Theater that cannot be accommodated in the Dinkytown and University Technology Centers surface lots. It is concluded from the inventory and analysis that parkers destined to the Varsity theater should be able to find ample off-street parking in the two surface lots and, if necessary, in the 4th Street

Ramp. As a result of the ample supply, residential areas of the Marcy Holmes neighborhood that border the Dinkytown business area should not experience any spill over parking from the Varsity Theater.”

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.**

Refer to the prior response.

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

The project includes adequate utility service consistent with all pertinent regulations.

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

Refer to the response to the first finding.

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

a) **Applicable policies of the *Minneapolis Plan*:**

Policy 4.2: Minneapolis will coordinate land use and transportation planning on designated Community Corridors streets through attention to the mix and intensity of land uses, the pedestrian character and residential livability of the streets, and the type of transit service provided on these streets.

Implementation Steps (selected):

- Ensure that commercial uses do not negatively impact nearby residential areas.

Policy 4.3: Minneapolis will support development in Commercial Corridors where it enhances the street’s character, improves its ability to accommodate automobile traffic and foster pedestrian movement, and expands the range of goods and services offered.

Implementation Steps (selected):

- Ensure that commercial uses do not negatively impact nearby residential areas.

Policy 4.4: Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

Implementation Steps (selected):

- Plan, implement and monitor projects and programs that encourage and support the city's neighborhood commercial areas.
- Encourage the economic vitality of the city's commercial districts while maintaining compatibility with the surrounding areas.

Policy 4.7: Minneapolis will identify and support Activity Centers by preserving the mix and intensity of land uses and enhancing the design features of each area that give it a unique and urban character.

Implementation Steps (selected):

- Ensure that land use regulations support diverse commercial and residential development types which generate activity all day long and into the evening.
- Develop parking facilities and management strategies that accommodate high customer demand, promote shared facilities and minimize visual impact and adverse effects on pedestrian and sidewalk traffic.
- Ensure that regulations balance the transition between high traffic land uses and adjoining residential areas.

Policy 9.8: Minneapolis will promote design solutions for automobile parking facilities that reflect principles of traditional urban form.

Implementation Steps (selected):

- Encourage parking strategies that reduce the need for parking in order to avoid spillover into neighboring residential areas, including residential parking permits and the joint use of available parking in mixed-use areas.
- Implement parking solutions based on shared parking facilities and critical parking permits for residential districts

Policy 9.27: Minneapolis will coordinate land use and transportation planning on designated Community Corridors through attention to the mix and intensity of land uses, the pedestrian character and residential livability of the streets, and the type of transit service provided on these streets.

Implementation Steps (selected):

- Ensure that commercial uses do not negatively impact nearby residential areas.

Policy 9.31: Minneapolis will identify and support Activity Centers by preserving the mix and intensity of land uses and enhancing the design features of each area that give it a unique and urban character.

Implementation Steps (selected):

- Develop parking facilities and management strategies that accommodate high customer demand, promote shared facilities and minimize visual impact and adverse effects on pedestrian and sidewalk traffic.

c. Petition's Consistency with City Plans and Policies: The following describes how the petition relates to the above plans and policies:

- The Plan designates 4th St. as a Community Corridor and the Dinkytown Area as an Activity Center. Based on the analysis in the TDM Plan, the primary potential impact of the project, namely off-street parking demand, will not negatively impact nearby residential areas. The theater will also promote pedestrian activity and help draw customers to the other businesses in the commercial area. This is consistent with Policies 4.2, 4.3, 4.4, 4.7, 9.27, and 9.31.
- The project will rely primarily on off=peak use of existing parking facilities. This is consistent with Policy 9.8.

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

RECOMMENDATIONS

Conditional Use Permit: The Community Planning and Economic Development Department—City Planning Division recommends that the City Planning Commission **approve** the conditional use permit for the project at 1308 4th St. SE, subject to the following condition: Approval of the Travel Demand Management Plan

ATTACHMENTS

1. Zoning and lot in the area
2. Overlay zoning
3. Uses in the area
4. Floor plan
5. Aerial photo
6. Photo of building
7. Draft Travel Demand Management Plan
8. Letter form the neighborhood group