

Department of Community Planning and Economic Development
Conditional Use Permit and Variances
BZZ-6370

Date: January 13, 2014

Applicants: Paul Cossette

Address of Property: 2934 Lyndale Avenue South

Project Name: LynLake Brewery

Contact Person and Phone: Paul Cossette, (612) 741-5444

CPED Staff and Phone: Mei-Ling Anderson, City Planner, (612) 673-5342

Date Application Deemed Complete: December 9, 2013

End of 60-Day Decision Period: February 7, 2014

End of 120-Day Decision Period: April 8, 2014

Ward: 10 **Neighborhood Organization:** Lowry Hill East Neighborhood Association
Whittier Alliance

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

Proposed Zoning: Not applicable for this application.

Zoning Plate Number: 24

Legal Description: AUDITOR'S SUBDIVISION NO. 187 HENNEPIN COUNTY, MINN

Proposed Use: Limited production and processing for a brewery and taproom

Concurrent Review:

- **Conditional Use Permit** to allow a limited production and processing use in the C3A Community Activity Center District.
- **Variance** to increase the maximum allowed gross floor area of a limited production and processing use from 1,200 square feet to 5,186 square feet.
- **Variance** to increase the maximum allowed signage from 90 square feet to 117 square feet.

Applicable zoning code provisions: Chapter 525, Article VII, Conditional Use Permits; and Chapter 525, Article IX, Variances, specifically Section 525.520(6) “To vary the gross floor area, floor area ratio and seating requirements of a structure or use” and Section 525.520(21) “To vary the number, type, height, area or location of allowed signs on property located in an OR2 or OR3 District or a commercial, downtown or industrial district, pursuant to Chapter 543, On-Premise Signs.”

Background: Paul Cossette has submitted land use applications to establish a brewery and taproom called “LynLake Brewery” in an existing building at 2934 Lyndale Avenue South. The taproom would be on-site and would only serve beer brewed within the building. The property is zoned C3A Community Activity Center District and is located in the PO Pedestrian Oriented Overlay District.

The existing building was originally constructed as theater in 1914. The theater closed in the 1952 and has since operated as a grocery store, a furniture store, a bingo parlor, and most recently as an antiques store. The building has been vacant since 2006. There is a retail clothing store directly to the north of the property and food and beverage use directly to the south. The surrounding area contains a wide variety of commercial and residential uses, including other microbreweries, bars and restaurants, theaters and music venues, art galleries, grocery stores, sports and health facilities, general retail stores, multi-family housing, and single-family homes.

Of the 4,677 square feet on the first floor, 1,156 square feet would be used for beer production. The remaining 3,521 square feet of the first floor would be occupied by the taproom bar area, seating, growler sales, a receiving area, restrooms, an entry vestibule, and bicycle storage. The 486-square foot mezzanine level would be turned into office space, an employee restroom, and a new stairway landing. The applicant is also proposing to add a patio space on approximately half of the rooftop area on the side that faces Lyndale Avenue South, of which 23 square feet counts toward the building’s total gross floor area of 5,186 square feet. All non-production areas of the building are considered accessory to rather than separate from the beer production use for the purposes of the ordinance.

Beer brewing is considered a limited production and processing use in the C3A district and requires a conditional use permit. As a principal use in a commercial district, limited production and processing may include wholesale and off-premise sales provided that 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 (Section 548.30). The applicant has applied for a variance to increase the maximum gross floor area of the limited production and processing from 1,200 square feet to 5,186 square feet within an existing building. The applicant has applied for a variance to increase the gross floor area of the limited production and processing use. The original public hearing notice for the gross floor area variance was to increase the square footage of the use from 1,200 square feet to 4,793 square feet. Since then, the applicant has submitted revised floor plans that show an increase in the gross floor area by 393 square feet for a total of 5,186 square feet due to the addition of a stairway landing on the mezzanine level and a small storage unit on the rooftop level. As these changes do

not significantly increase the overall bulk of the building and are interior to the building, staff did not send a new notice for the public hearing.

In addition, the applicant has submitted a variance application to increase the maximum allowed signage on the property. The applicant is proposing to use the 90 square feet of signage area where it currently exists on either side of the theater marquee, as well as a new 27 square-foot sign that would be installed along the top of the marquee. Any amount above the 90 square feet of existing signage requires a variance to exceed the maximum allowed sign area based on the sign allocation standards in Section 543.200 of the zoning code. The applicant is proposing to vary the maximum allowed sign area from 90 square feet to 117 square feet.

The site is in the Lowry Hill East neighborhood and is adjacent to the Whittier neighborhood. As of the printing of this report, staff has received correspondence from Whittier Alliance and Lake Street Council, which both express support for the proposal. Any additional correspondence received prior to the public meeting will be forwarded on to the Planning Commission for consideration.

CONDITIONAL USE PERMIT: To allow a limited production and processing use in the C3A Community Activity Center District.

Findings as required by the Minneapolis Zoning Code:

The Community Planning and Economic Development 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, comfort or general welfare.

The applicant is proposing to repair and renovate both the interior and exterior of the existing building to accommodate a microbrewery, which is considered a limited production and processing use in commercial zoning districts. The applicant has stated that all activities associated with production and sales would take place on the interior of the building. Spent grain would be stored in airtight plastic containers for same-day pick-up. No excessive noise or odors are expected to result from the use. CPED finds that the limited production and processing use would not be detrimental to or endanger the public health, safety, comfort, or general welfare provided that the development complies with all applicable building codes and life safety ordinances.

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 structure on the property has served commercial uses from the time that it was built. The proposed development would activate a store front that has been vacant for several years. The

proposed use is consistent with character of the area, which is fully developed and has a mix of commercial and residential uses. The specific block of Lyndale Avenue South on which subject site is located contains numerous other food and beverage uses, including two breweries and several outdoor patios. CPED staff does not anticipate that the brewery would produce significant odors or other exterior nuisances. As such, the use would 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 adequately served by existing roads, utilities, and drainage. The applicant is not proposing any changes as part of the project, but states that any necessary improvements would be completed in compliance with the building code.

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

Staff does not expect that the development would contribute to congestion in the public streets. Deliveries and loading would take place at the rear of the building via the alley. The site is also served by four bus lines.

The existing site does not contain any off-street vehicle or bicycle parking spaces. The proposed development would contain 5,186 square feet of gross floor area throughout the building, resulting in a minimum parking requirement of four spaces per Section 541.170 of the zoning code (five spaces minimum with a 25 percent reduction since the site is located within the PO Pedestrian-Oriented Overlay District). Three spaces are grandfathered from the building's previous use as an antiques and collectible store. The applicant would meet their parking requirement by working with the Public Works department to provide off-street parking in two nearby municipal parking structures.

There are currently zero bicycle parking spaces on-site and no additional spaces are required by the ordinance. The applicant is proposing to install five interior bicycle spaces and two short-term spaces behind the building to meet this requirement and to minimize the number of vehicles traveling to and from the site.

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 located on a Commercial Corridor (Lyndale Avenue South). Commercial Corridors have historically been prominent destinations and contain a mix of uses, with commercial uses dominating. The following policies of the comprehensive plan apply to this project and site:

Land Use Policy 1.1: Establish land use regulations to achieve the highest possible development standards, enhance the environment, protect public health, support a

vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.

- 1.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

Land Use Policy 1.4: Develop and maintain strong and successful commercial and mixed use areas with a wide range of character and functions to serve the needs of current and future users.

- 1.4.4 Continue to encourage principles of traditional urban design including site layout that screens off-street parking and loading, buildings that reinforce the street wall, principal entrances that face the public sidewalks, and windows that provide “eyes on the street”.

Land Use Policy 1.5: Promote growth and encourage overall city vitality by directing new commercial and mixed use development to designated corridors and districts.

- 1.5.1 Support an appropriate mix of uses within a district or corridor with attention to surrounding uses, community needs and preferences, and availability of public facilities.
- 1.5.2 Facilitate the redevelopment of underutilized commercial areas by evaluating possible land use changes against potential impacts on the surrounding neighborhood.
- 1.5.3 Promote the preservation of traditional commercial storefronts wherever feasible.

Land Use Policy 1.10: Support development along Commercial Corridors that enhances the street’s character, fosters pedestrian movement, expands the range of goods and services available, and improves the ability to accommodate automobile traffic.

- 1.10.2 Encourage commercial development, including active uses on the ground floor, where Commercial Corridors intersect with other designated corridors.
- 1.10.4 Encourage a height of at least two stories for new buildings along Commercial Corridors, in keeping with neighborhood character.

Economic Development Policy 4.9: Focus economic development efforts in strategic locations for continued growth and sustained vitality.

- 4.9.1 Prioritize economic development efforts around designated neighborhood commercial nodes, commercial corridors, activity centers, and growth centers.

The limited production and production use would be established in an existing, vacant two-story building. The production use is small-scale with no ability to become a large-scale brewery at this location. The production and storage area would occupy less than half of the ground floor near the rear of the building while the taproom and retail components would face Lyndale Avenue South. Establishing active uses at street level is consistent with the above policies in the comprehensive plan.

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, two variances have also been requested for this project. The first is to increase the gross floor area of a limited production and processing use from 1,200 square feet to 5,186 square feet. The second variance is to increase the maximum allowed sign area for the site from 90 square feet to 117 square feet. If the variances are granted, the use would comply with all applicable regulations of the C3A Community Activity Center District and the PO Pedestrian Oriented Overlay District.

VARIANCES: (1) To increase the maximum allowed gross floor area of a limited production and processing use from 1,200 square feet to 4,793 square feet; and (2) To increase the maximum allowed signage from 90 square feet to 117 square feet.

Findings as Required by the Minneapolis Zoning Code:

- 1. Practical difficulties exist in complying with the ordinance because of circumstances unique to the property. The unique circumstances were not created by persons presently having an interest in the property and are not based on economic considerations alone.**

Gross floor area of use:

The applicant is proposing to utilize an existing building for a limited production and processing use that includes a beer production area, a taproom, bathrooms, and an office. Limited production and processing is a conditional use in all commercial districts provided that the gross floor area of the use does not exceed 1,200 square feet and at least 15 percent of the gross floor area consists of a retail or office component off of the main entrance. The applicant is requesting a variance to the gross floor area limitation, proposing a use that contains a total of 5,186 square feet of gross floor area. Only 1,156 square feet would be dedicated specifically to beer production and storage, while the remaining 4,030 square feet throughout the building would consist of the retail, bar, bathroom, office, and mezzanine levels. The entire non-production space is equivalent to 73 percent of the overall floor area, far exceeding the 15 percent minimum requirement.

Practical difficulties exist in complying with the regulations of the zoning ordinance which limit the applicant to 1,200 of the use, including the retail component, which is 27 percent of the overall use in this case. As all non-production areas of the existing building are considered accessory to the beer production use, they are included in the total limited

production and processing gross floor area. The ordinance does not take into account the actual square footage of the production and processing portion. This restriction does not allow the applicant to utilize the building for this conditional use without a variance. The conditions upon which the variance is requested are unique to the parcel of land and were not created by the applicant. The applicant is working within the confines of an existing building and the variance is needed to allow full use of the building.

Area of signs:

The applicant has requested a variance to increase the maximum allowed sign area on the site from 90 to 117 square feet. The existing signage is located on the theater marquee which is prominent on the Lyndale Avenue South façade. The north and south elevations of the marquee both contain 45 square feet of changeable lettering signage, for a total of 90 square feet of existing signage. The 90 square feet is greater than the building's maximum signage allocation of 68.5 square feet per Chapter 542 of the zoning code, so the applicant must apply for a variance to add any additional signage to the site.

The applicant states that the changeable lettering portion of the marquee "is not suitable as naming signage" for the business. Staff recognizes that protecting the integrity of the marquee and building limits the applicant's options in providing an attached or projecting sign for the business name. Staff believes that it is reasonable for the applicant to add a row of standing letters along the top of the marquee that is 27 square feet in area (18 feet wide and 1.5 feet tall). Each letter would be 3 inches thick and would stand approximately 1.5 feet tall. The elevation of the applicant's proposed signage would be between 15 feet 3 inches and 16 feet 9 inches.

- 2. The property owner or authorized applicant proposes to use the property in a reasonable manner that will be in keeping with the spirit and intent of the ordinance and the comprehensive plan.**

Gross floor area of use:

A limited production and processing use with a retail component is a reasonable use in the C3A Community Activity Center District. The 1,156 square-foot area dedicated to beer production use is less than the 1,200 square foot maximum for limited production and processing in commercial districts and is in keeping with the spirit and intent of the ordinance. As discussed in the findings for the conditional use permit above, the use is also in keeping with the comprehensive plan.

Area of signs:

The conditions upon which the applicant is requesting a variance to exceed the maximum sign area are unique to the property. The existing marquee contains the entirety of the applicant's maximum allowed sign area of 90 feet. However, the signage on either side of the marquee cannot be viewed from Lyndale Avenue South. The applicant's proposal to install a sign of 1.5 feet in height and 18 feet in width along the top of the marquee would not impact the integrity of the building's masonry or marquee and is reasonable.

- 3. The proposed variance will not alter the essential character of the locality or be**

injurious to the use or enjoyment of other property in the vicinity. If granted, the proposed variance will not be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties.

Gross floor area of use:

The proposal to allow for an increase in the limited production and processing use above 1,200 square feet in order to allow for a bar, seating area, growler sales, storage, a receiving area, restrooms, a small office, an entry vestibule, and a stairway landing is reasonable. The proposed development is consistent with the purpose of the city's commercial zoning districts to promote adaptive reuse of existing commercial buildings and to maintain and improve compatibility with surrounding areas. Limited production and processing activities are specifically listed as consistent with retail sales and services in Section 548.30 of the code. The activities related to the proposed microbrewery, 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 detrimental to the health, safety or welfare of the general public, nor to those using nearby properties. The proposal would be reasonable given the context of the area and adopted City policies applicable to the site.

Area of signs:

The applicant's proposed renovations include repairing the lighting on the existing marquee and replacing the plywood that is blocking one of the display windows facing Lyndale with a new window. These improvements would improve the aesthetic quality of the building as well improve the pedestrian-oriented environment.

The property is zoned commercial and is located along a Commercial Corridor with similar signage and lighting. The properties on the other side of Lyndale Avenue South are also commercially zoned and not located in a residential district. The 27-square foot illuminated sign is designed to match the décor of the existing marquee and building. The applicant's request for a freestanding letter sign would not be detrimental to the health, safety, or welfare of the general public or of those utilizing the property or nearby properties.

In addition, the following findings must be addressed if applying for a SIGN VARIANCE:

- 1. The sign adjustment will not significantly increase or lead to sign clutter in the area or result in a sign that is inconsistent with the purpose of the zoning district in which the property is located.**

Increasing the allowed signage area would not significantly increase or lead to sign clutter in the area, nor would these signs be inconsistent with the purpose of the zoning district in which the property is located. The signage on the marquee as well as the standing letter sign is allowed in commercial zoning districts.

- 2. The sign adjustment will allow a sign that relates in size, shape, materials, color, illumination and character to the function and architectural character of the building or property on which the sign will be located.**

The changeable letters on either side of the marquee would be consistent with the original character of the existing sign and building. The proposed standing letter sign would be in alignment with the marquee and would smaller in width than that of the marquee. The applicant is proposing to use hot-rolled steel for the material of the lettering with neon tubing to match the existing marquee neon. These features would match the décor, color, illumination, and function and architectural character of the existing building.

RECOMMENDATIONS

Recommendation of the Department of Community Planning and Economic Development for the conditional use permit:

The Department of Community Planning and Economic Development 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 in the C3A Community Activity Center District at the property located at 2934 Lyndale Avenue South, subject to the following condition:

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 two years of approval.

Recommendation of the Department of Community Planning and Economic Development for the gross floor area variance:

The Department of Community Planning and Economic Development 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 process use from 1,200 square feet to 5,186 square feet at the property located at 2934 Lyndale Avenue South.

Recommendation of the Department of Community Planning and Economic Development for the sign variance:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **approve** the application for a variance to increase the maximum allowed signage from 90 square feet to 117 square feet at the property located at 2934 Lyndale Avenue South.

Attachments:

1. Statement of use and description submitted by applicant
2. Applicant's findings
3. Correspondence
4. Zoning Map
5. Plans
6. Photos