Department of Community Planning and Economic Development
Conditional Use Permit and Variance
BZZ-6378

Date: January 13, 2014

Applicants: Fair State Brewing Cooperative

Address of Property: 2506 Central Avenue NE

Project Name: Fair State Brewing Cooperative

Contact Person and Phone: Matthew Hauck, (612) 803-8912

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

Date Application Deemed Complete: December 5, 2013

End of 60-Day Decision Period: February 3, 2014

Ward: 1 **Neighborhood Organization**: Holland Neighborhood Improvement Association

Existing Zoning: C1, Neighborhood Commercial District, PO, Pedestrian Oriented Overlay District

Proposed Zoning: Not applicable for this application

Zoning Plate Number: 10

Legal Description: Lot 11, Block 19, Menage's Supplement to East Side Addition to Minneapolis, Hennepin County, Minnesota

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

Concurrent Review:

- **Conditional use permit** to allow a limited production and processing use in the C1 District.
- **Variance** to increase the gross floor area of a limited production and processing use from 1,200 square feet to 2,600 square feet.

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

Background: Fair State Brewing Cooperative has submitted a land use application to establish a limited production and processing use in an existing building at 2506 Central Avenue NE. The proposed use would be a craft microbrewery and taproom. In addition to the brewing activity, the applicant plans to have a retail component for growler sales as well as a taproom for on-site

consumption. The retail area makes up the majority of the square footage of the use which will be used for the taproom and growler sales. Approximately 1,048 square feet of the tenant space would be comprised of limited production (brewing) space. The remaining 1,552 square feet would consist of the taproom and retail space. Both growler sales and a taproom are allowed as accessory uses to a brewery subject to obtaining the appropriate licenses from the City.

The subject building was formerly a furniture store in conjunction with the adjacent building at 2504 Central Avenue. The two buildings are now under separate ownership. In addition to the proposed use, the subject building would contain a retail bakery with approximately 1,500 square feet of gross floor area.

Limited production and processing is a conditional use in the C1 Neighborhood Commercial District. Limited production and processing in commercial districts includes food and beverage products such as beer brewing. 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 will comply with both of these conditions. The limited production and processing space will be less than 1,200 square feet and the tap room and retail component will comprise approximately 59 percent of the building.

As of the writing of this staff report, no correspondence has been received from the Holland Neighborhood Improvement Association. Any correspondence, if received, will be forwarded to the Planning Commission for consideration.

CONDITIONAL USE PERMIT: to allow a limited production and processing use in the C1 District.

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

The Department of Community Planning and Economic Development 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 microbrewery with a tap room. A microbrewery is classified as a limited production and processing use in the commercial zoning districts. The applicant is proposing to remodel the building to create a taproom and retail space fronting on Central Avenue and a separate space in the rear for brewing activities. The building owner is also making façade improvements to the building. All activities related to the use will occur indoors and no excessive noise or odors are expected to result from the use. Spent grain will be stored in airtight containers for disposal. The proposed use will not be detrimental to public health, safety, comfort or general welfare provided the development complies with all applicable building codes, licensing requirements 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 surrounding area is fully developed with a mix of commercial and residential uses. The building fronts on Central Avenue and abuts commercial uses to the north and south. The properties to the west across the alley are low-density residential 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 subject building most recently housed a furniture store. The use will have a large retail area and tap room component to activate the street, consistent with the intent of the Pedestrian Oriented Overlay district. The use is not expected to produce any significant odors, noise or dust. No other nuisances are expected. 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. The applicant is not proposing any that will affect drainage, and will make changes as required by the building code if needed to address waste water or other utility usage.

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 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. For this 2,600 square foot use, the base parking requirement is four spaces. The parking requirement is reduced to three spaces due to the presence of the Pedestrian Oriented Overlay district. The adjacent bakery tenant also requires three parking spaces, for a total parking requirement of six spaces. The applicant is proposing to take advantage of the bicycle incentive in Section 541.220 of the zoning code. This provision allows for the minimum automobile parking requirement for each non-residential use to be reduced 10 percent or one space, whichever is greater, where bicycle parking spaces are provided equal to 25 percent of the number of required automobile spaces specified in Table 541-1, Specific Off-Street Parking Requirements, but not less than four bicycle parking spaces. The applicant will provide four bicycle parking spaces that meet the requirements for short-term bicycle parking. This reduces the total parking requirement for the building to five spaces. The off-street parking area behind the building contains five spaces, satisfying the minimum requirement.

Delivery trucks will access the rear of the building via the alley. The alley access to the property is an existing condition. The previous furniture store use, which occupied the subject building and the building at 2504 Central Avenue, also utilized the alley for access and deliveries. The number of truck trips for the proposed use is expected to be less frequent than the number of

truck trips for the previous use. The applicant has indicated that trucks will access the site during regular daytime business hours.

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.* The site is also within the boundaries of a Neighborhood Commercial Node and Central Avenue is a commercial corridor in this location. The following policies of the Comprehensive Plan apply to this proposal:

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.

1.1.4 Support context-sensitive regulations for development and land use, such as overlay districts, in order to promote additional land use objectives.

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 1.2: Ensure appropriate transitions between uses with different size, scale, and intensity.

1.2.1 Promote quality design in new development, as well as building orientation, scale, massing, buffering, and setbacks that are appropriate with the context of the surrounding area.

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.

1.4.1 Support a variety of commercial districts and corridors of varying size, intensity of development, mix of uses, and market served.

1.4.2 Promote standards that help make commercial districts and corridors desirable, viable, and distinctly urban, including: diversity of activity, safety for pedestrians, access to desirable goods and amenities, attractive streetscape elements, density and variety of uses to encourage walking, and architectural elements to add interest at the pedestrian level.

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.

1.10.1 Support a mix of uses – such as retail sales, office, institutional, high-density residential and clean low-impact light industrial – where compatible with the existing and desired character.

1.10.2 Encourage commercial development, including active uses on the ground floor, where Commercial Corridors intersect with other designated corridors.

Policy 1.11: Preserve and enhance a system of Neighborhood Commercial Nodes that includes a mix of housing, neighborhood-serving retail, and community uses.

1.11.2 Support the continued presence of small-scale, neighborhood serving retail and commercial services in Neighborhood Commercial Nodes

1.11.7 Encourage the redevelopment of vacant commercial buildings and direct City services to these areas.

The proposed use would be established in an existing vacant building formerly occupied by a furniture store. The layout of the limited production and processing use would include a retail and taproom component, activating the front of the building along Central Avenue NE. The conversion of this existing building to a production and processing use with active functions at the street is consistent with the above policies of 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.

The proposed use will comply with all applicable regulations of the C1, Neighborhood Commercial district. As part of a conditional use permit application, staff typically reviews the parking area for compliance with the parking and loading landscaping and screening requirements in Section 530.170 of the zoning code. Parking and loading facilities that abut or are across an alley from a residence or office residence district require a landscaped yard 7 feet in width along the alley. Said landscaped yard is required to contain screening that is 95 percent opaque. The proposed site plan shows the required 7-foot landscaped yard between the parking area and the alley with an existing chain link fence. No plantings or other screening provisions are shown in this location. As a condition of approval, staff recommends that the applicant provide dense shrub plantings in this location to screen the parking area from the residential uses to the west. Said plantings shall be a minimum of three feet in height and 60 percent opaque.

RECOMMENDATION

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 at 2506 Central Avenue NE in the C1 Neighborhood Commercial 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 two years of approval.

2. Plantings a minimum of three feet in height and 60 percent opaque shall be provided between the parking area and the alley, consistent with Section 530.170 of the zoning code.

Attachments:

1. Applicant's statement of use and findings
2. Correspondence
3. Zoning map
4. Site plan and floor plans
5. Photos