

Department of Community Planning and Economic Development
Variances and Site Plan Review
BZZ-6240

Date: September 30, 2013

Applicant: Surly Brewing Company, Attn: Omar Ansari, 4811 Dasharme Drive, Brooklyn Center, MN 55429, (763) 535-3330

Address of Property: 520, and 522 ½ Malcolm Avenue SE and 3171 5th Street SE

Project Name: Surly Brewing Company

Contact Person and Phone: HGA, Attn: John Cook, 420 N. 5th Street, Suite 100, Minneapolis, MN 55401, (612) 758-4531

CPED Staff and Phone: Becca Farrar-Hughes, Senior City Planner, (612) 673-3594

Date Application Deemed Complete: September 4, 2013

End of 60-Day Decision Period: November 3, 2013

End of 120-Day Decision Period: Not applicable for this application.

Ward: 2 **Neighborhood Organization:** Prospect Park East River Road Improvement Association (PPERRIA)

Existing Zoning: I2 (Medium Industrial) District, UA (University Area) Overlay District and SH (Shoreland Overlay) District

Proposed Zoning: Not applicable for this application.

Zoning Plate Number: 22

Lot area: 318,424 square feet or approximately 7.31 acres

Legal Description: Not applicable for this application.

Proposed Use: A 48,790 square foot destination brewery.

Concurrent Review:

- A variance of the maximum allowable size of food and beverages uses in the I2 District in order to exceed 5,000 square feet;
- Variance of the minimum off-street parking requirement;
- Site Plan Review to allow for the construction of a 48,790 square foot destination brewery that includes a 24,725 square foot beer production area, beer hall and tap room (with a capacity of 300 individuals), restaurant space (with a capacity of 100 individuals), event space (with a capacity of 150 individuals), an outdoor beer garden (with a capacity of 300 individuals) as well as offices, a sales shop, and a satellite food/beer building.

Applicable zoning code provisions: Chapter 525, Article IX, Variances and Chapter 530, Site Plan Review.

Background: The site is currently vacant other than foundations for industrial buildings that were formerly demolished. The applicant is proposing to construct a new two-story destination brewery totaling 48,790 square feet on an approximately 7.3 acre brownfield parcel located on the properties at 520 and 522½ Malcolm Ave SE and 3171 5th St SE. The property is zoned I2 (Medium Industrial) District and located in the UA (University Area) Overlay District; the northeast corner of the property is also located in the SH (Shoreland Overlay) District. A portion of the property, approximately 39,204 square feet, is located in the City of St. Paul and is therefore exempt from City review. The applicant has stated that this portion of the site would likely provide additional parking for the facility in the future as needed.

The proposal would result in the construction of a destination brewery that includes a 24,725 square foot beer production area for beer and canning, a 9,895 square foot beer hall and tap room (with a capacity of 300 individuals), a 6,245 square foot restaurant space (with a capacity of 100 individuals), a 5,545 square foot event space (with a capacity of 150 individuals), an outdoor beer garden (with a capacity of 300 individuals) as well as offices (790 square feet), a 1,590 square foot sales shop, and a satellite food/beer building. The site would also accommodate off-street parking for approximately 182 vehicles and 100 bicycles. Further, the site has been designed to accommodate a potential future expansion of an additional 40,000 square feet.

The use of the property as a destination brewery that includes beverage production and processing, and food and beverages uses, is a permitted use in the I2 district. The proposal requires a variance as the size of food and beverages uses (specifically, the restaurant related spaces) is limited to a maximum gross floor area of 5,000 square feet. A variance of the off-street parking requirement is also necessary as the various components of the proposed use of the site total a parking requirement of 461 off-street parking spaces and the applicant proposes to include a total of 182 spaces. Site plan review is also required.

The design of the facility incorporates a flat roof, corrugated metal siding, wood and glass that is intended to reflect the character of the neighborhood's surrounding industrial context including the train yards and grain silos. As proposed the visitors to the brewery would enter through a green space along a tall hedge wall that leads to the principal entrance with floor to ceiling walls that frame the fermentation center. The facility would include an open beer hall with community-style drinking and eating tables that overlook the outdoor beer deck and gardens. The upper mezzanine level would include a restaurant and special event space. Initially, six stainless steel fermentation tanks would be visible from Malcolm Avenue SE and 5th Street SE. Future expansion would allow for up to 22 tanks lining 5th Street SE.

Staff has received official correspondence from the Prospect Park East River Road Improvement Association (PPERRIA) which has been attached for reference. Any additional correspondence received prior to the Planning Commission meeting will be forwarded on for consideration.

VARIANCE – (1) Variance of the maximum allowable size of food and beverages uses in the I2 District in order to exceed 5,000 square feet; and (2) Variance of the minimum off-street parking requirement.

Findings as Required by the Minneapolis Zoning Code for the Variance:

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.

Size of food and beverages uses: Food and Beverages uses are either permitted or conditional in the I1 (Light Industrial) district and I2 (Medium Industrial) district; but are not allowed in the I3 (General Industrial) district. In 2007, the City approved a text amendment that limited the size of food and beverages uses, specifically the restaurant related spaces that include the 9,895 square foot beer hall and tap, the 6,245 square foot restaurant space, and the 5,545 square foot event space, to a maximum gross floor area of 5,000 square feet in the industrial districts in response to the policy direction outlined in the City's Industrial Land Use and Employment Policy Plan, which was adopted in 2006. The following specific policy direction that lead to the text amendment was as follows: "Limit the size of food & beverages uses (nightclubs, restaurants, etc.) within designated employment districts or within industrial districts generally while preserving the ability for smaller scale Food & Beverages uses to primarily serve the employees in these districts." In essence, by limiting the overall scale of Food and Beverages uses in the industrial districts the City was ensuring that the uses allowed in industrial districts would have available and adequate space to locate. In this specific circumstance, both an industrial use (beverage production and processing) and food and beverage uses would be co-locating on the site. While the proposed food and beverage uses are greater than the maximum of 5,000 square feet, they are secondary or subordinate to the principal industrial use of the facility which is the production and processing of beer. As a result, practical difficulties do exist in complying with the ordinance; it would not be practical to require the facility to comply with the maximum gross square footage of 5,000 square feet for the food and beverage component of a destination brewery. Further, when the zoning code standard was adopted to limit the size of these uses in the industrial districts the purpose was to limit large stand-alone or singular food and beverage uses.

Minimum off-street parking requirement: Based on the uses that are proposed to be located on site, a total of 461 off-street parking spaces are required according to Chapter 541 of the Zoning Code and the applicant is proposing to provide a total of 182 spaces on the premises. The sizeable parking requirement is due to the food and beverages related uses on site as the proposed 6,245 square foot restaurant, a 9,895 square foot beer hall and tap room, and a 5,545 square foot event space are collectively categorized as a restaurant with general entertainment for the purposes of calculating the parking requirement. This square footage total of 21,685 square feet, results in a parking requirement of 434 spaces just for these uses based on 30% of the capacity of persons. The 25,515 square feet production and processing component, or the principal industrial use of the facility requires only 23 spaces and the proposed retail component requires 4 spaces. From a traffic generation stand point, the food and beverage related uses will be the largest draw in terms of traffic; however, practical difficulties do exist in complying with the ordinance as providing 461 parking spaces on the premises would not be necessary given the ample transportation options that exist in the area and serve the site including: the site's proximity to the Green Line (Central Corridor LRT line) with the closest stop located on 29th Avenue SE between University Avenue and 4th Street SE, the Route 16 bus line that stops at the Malcolm Avenue SE and the University Avenue intersection, the University of Minnesota Transitway and 4th Street Bikeway as well as the Nice Ride station located at 27th Avenue SE and University Avenue. In addition to the 182 off-street parking spaces, a total of 100 bicycle parking spaces are also proposed to be provided on site. It is Staff's position that the proposal to provide 182 off-street parking spaces is adequate given the expected demand and that in the future if is necessary to accommodate additional off-street parking, ample area exists on the premises to construct additional surface parking.

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.

Size of food and beverages uses: The proposal to allow an increase in the maximum allowable gross floor area of food and beverages uses beyond the maximum of 5,000 square feet is reasonable and would be keeping with the spirit and intent of the ordinance and the comprehensive plan. As previously noted the principal purpose of the new facility is to allow for the production and processing of the beer with the food and

beverage uses ancillary components that complement the principal use allowing for a multi-purpose destination brewery. Given the uniqueness of the use, and the fact that the proposal is a mix of an industrial and commercial uses, the proposal is reasonable and consistent with adopted city policies.

Minimum off-street parking requirement: The proposal to allow a reduction in the minimum off-street parking requirement is reasonable and would be in keeping with the spirit and intent of the ordinance and the comprehensive plan. As previously noted, in addition to accommodating 182 off-street parking spaces and parking for 100 bicycles, the site is also located within close proximity to several different transportation options including the Green Line (Central Corridor LRT line) with the closest stop located on 29th Avenue SE between University Avenue and 4th Street SE, the Route 16 bus line that stops at the Malcolm Avenue SE and the University Avenue intersection, the University of Minnesota Transitway and 4th Street Bikeway as well as the Nice Ride station located at 27th Avenue SE and University Avenue. Further, the TDMP concludes that the proposed development is not anticipated to have a significant impact on area traffic operations. No roadway or traffic control improvements are recommended. Several TDMP measures would be implemented to encourage non-single occupancy vehicle modes of transportation for the site's employees and visitors with the goal of having at least 45% of its transportation trips made by transit, bicycling, or walking. Further, the following strategies would be implemented to minimize the site's impact on the area transportation system: (1) designating a transportation coordinator to monitor TDM activities as well as to serve as liaison to Metro Commuter Services and Metro Transit; (2) promote walking; (3) promote bicycling; and (4) minimize the impact of trucks.

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.

Size of food and beverages uses: The proposal to allow for an increase in the size of food and beverages uses above the maximum of 5,000 square feet in order to allow for a multi-purpose destination brewery, would not adversely alter the essential character of the locality or be injurious to the use and enjoyment of other properties in the vicinity. Nor would it be detrimental to the health, safety, and/or welfare of the general public or of those utilizing the property or nearby properties. The proposal to include food and beverages uses as a complement to the principal industrial use of the proposed facility would be reasonable and appropriate given the context of the area and adopted city policies applicable to the site.

Minimum off-street parking requirement: The proposal to vary the off-street parking requirement in order to allow a reduction in the number of spaces provided would not adversely alter the essential character of the locality or be injurious to the use and enjoyment of other properties in the vicinity. Nor would it be detrimental to the health, safety, and/or welfare of the general public or of those utilizing the property or nearby properties. Various transportation options exist in the immediate vicinity; as a result the proposal should not have adverse impacts on other properties in the vicinity.

SITE PLAN REVIEW

Findings as Required by the Minneapolis Zoning Code:

- A. The site plan conforms to all applicable standards of Chapter 530, Site Plan Review. (See Section A Below for Evaluation.)**
- B. The site plan conforms to all applicable regulations of the zoning ordinance and is consistent with**

applicable policies of the comprehensive plan and applicable small area plans adopted by the city council. (See Section B Below for Evaluation.)

Section A: Conformance with Chapter 530 of Zoning Code
BUILDING PLACEMENT AND DESIGN:

- Placement of the building shall reinforce the street wall, maximize natural surveillance and visibility, and facilitate pedestrian access and circulation.
- First floor of the building shall be located not more than eight (8) feet from the front lot line (except in C3S District or where a greater yard is required by the zoning ordinance). If located on corner lot, the building wall abutting each street shall be subject to this requirement.
- The area between the building and the lot line shall include amenities.
- The building shall be oriented so that at least one (1) principal entrance faces the public street. In the case of a corner lot, the principal entrance shall face the front lot line.
- Except in the C3S District, on-site accessory parking facilities shall be located to the rear or interior of the site, within the principal building served, or entirely below grade.
- For new construction, the building walls shall provide architectural detail and shall contain windows as required by Chapter 530 in order to create visual interest and to increase security of adjacent outdoor spaces by maximizing natural surveillance and visibility.
- In larger buildings, architectural elements, including recesses or projections, windows and entries, shall be emphasized to divide the building into smaller identifiable sections.
- Blank, uninterrupted walls that do not include windows, entries, recesses or projections, or other architectural elements, shall not exceed twenty five (25) feet in length.
- Exterior materials shall be durable, including but not limited to masonry, brick, stone, stucco, wood, metal, and glass.
- The exterior materials and appearance of the rear and side walls of any building shall be similar to and compatible with the front of the building.
- The use of plain face concrete block as an exterior material shall be prohibited fronting along a public street, public sidewalk, public pathway, or adjacent to a residence or office residence district.
- Entrances, windows, and active functions:
 - Residential uses:
 - Principal entrances shall be clearly defined and emphasized through the use of architectural features such as porches and roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Twenty (20) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:
 - a. Windows shall be vertical in proportion.
 - b. Windows shall be distributed in a more or less even manner.
 - Nonresidential uses:
 - Principal entrances shall be clearly defined and emphasized through the use of architectural features such as roofs or other details that express the importance of the entrance. Multiple entrances shall be encouraged. Thirty (30) percent of the walls on the first floor and ten (10) percent of the walls on each floor above the first that face a public street, public sidewalk, public pathway, or on-site parking lot, shall be windows as follows:
 - a. Windows shall be vertical in proportion.
 - b. Windows shall be distributed in a more or less even manner.
 - c. The bottom of any window used to satisfy the ground floor window requirement may not be more than four (4) feet above the adjacent grade.
 - d. First floor or ground floor windows shall have clear or lightly tinted glass with a visible light transmittance ratio of 0.6 or higher.
 - e. First floor or ground floor windows shall allow views into and out of the building at eye level. Shelving, mechanical equipment or other similar fixtures shall not block views into and out of the building in the area between four (4) and seven (7) feet above the adjacent grade. However,

window area in excess of the minimum required area shall not be required to allow views into and out of the building.

- f. Industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, may provide less than thirty (30) percent windows on the walls that face an on-site parking lot, provided the parking lot is not located between the building and a public street, public sidewalk or public pathway.**
- g. In multiple tenant buildings, each individual ground level tenant space that faces a public street, public sidewalk, public pathway, or on-site parking lot shall comply with the minimum window requirements of this section.**

Minimum window area shall be measured as indicated in section 530.120 of the zoning code.

Minimum window area shall be measured as indicated in section 530.120 of the zoning code.

- Ground floor active functions: Except for industrial uses in Table 550-1, Principal Industrial Uses in the Industrial Districts, the first floor or ground level of buildings shall be designed to accommodate active functions by ensuring that parking, loading, storage, or mechanical equipment rooms are limited to no more than thirty (30) percent of the linear building frontage along each wall facing a public street, public sidewalk, or public pathway.**
- The form and pitch of roof lines shall be similar to surrounding buildings.**
- Parking Garages: The exterior design shall ensure that sloped floors do not dominate the appearance of the walls and that vehicles are screened from view. In addition to compliance with minimum window requirements, principal and accessory parking garages shall comply with provisions requiring active functions on the ground floor. In the downtown districts, the more restrictive parking garage provisions of Chapter 549, Downtown Districts, shall apply.**

An approximate 48,790 square feet destination brewery is proposed on the property located at the northeast corner of Malcolm Avenue SE and 5th Street SE that includes a 24,725 square foot beer production area, beer hall and tap room (with a capacity of 300 individuals), restaurant space (with a capacity of 100 individuals), event space (with a capacity of 150 individuals), an outdoor beer garden (with a capacity of 300 individuals) as well as offices, a sales shop, and a satellite food/beer building. The development is not subject to any yard requirements.

The building as proposed does not comply with the requirement that the building be within 8 feet of both Malcolm Avenue SE and 5th Street SE as the building is setback approximately 225 feet from the property line along Malcolm Avenue SE and approximately 108 feet from the property line along 5th Street SE. Alternative compliance is required for the placement of the building. CPED Staff would recommend that the Planning Commission grant alternative compliance in this specific circumstance. Along Malcolm Avenue SE, the property line is irregular as the grain silos adjacent to Malcolm Avenue SE are located on a separate parcel and owned by a separate entity. Along 5th Street SE, the building is setback to accommodate a drop-off area, off-street parking and landscaping. In addition, other factors that impact the placement of the building are as follows: (1) easements on the north and southwest sides of the site that impact the layout, although arguably, this would have no impact on the siting of the building adjacent to 5th Street SE; (2) due to subsurface contamination and site remediation, the building floor elevation is required to be more than 6 feet above the street elevation. The height difference between grade at 5th and Malcolm and the height of the finished floor elevation of the building is approximately 6 feet. As such the proposed building setback and parking buffer allow for a gradual elevation change from the street level to the first floor level; (3) separation of public areas and production areas; (4) the parking and green space provide a buffer between the existing loading docks and truck traffic along 5th Street SE; and (5) the placement of the building allows for the beer garden to be oriented and open to the south and west. As mitigation for allowing the parking and drop-off area in front of the building, Staff would recommend that the Planning Commission require that the drop-off area be constructed of decorative pavers or stamped concrete and further, that decorative metal fencing be installed along 5th Street SE in order to create a street edge that prevents individuals from cutting through the landscaped areas and directing visitors appropriately on-site as called for in the City's CPTED standards.

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The proposed building is oriented towards the interior of the site, with the area at the corner of the public streets dedicated to space for an outdoor beer garden. The use of progressive design and street-oriented building alignments is not reinforced. The design does not promote natural surveillance and visibility in the traditional sense but does facilitate pedestrian access and circulation along a portion of the street frontages. The principal entrance to the destination brewery, although not a prominent feature of the facade, faces Malcolm Avenue SE and is connected via a walkway wider than 4 feet to the public sidewalk. The applicant is not proposing to install a sidewalk along 5th Street SE, nor is Public Works requiring one as part of the PDR process; however, CPED Staff would recommend that a minimum of a 6 foot wide sidewalk be installed along the entire length of the property abutting 5th Street SE.

The west and south elevations of the building are subject to a 30% window requirement. Windows between 2 and 10 feet are required in order to provide natural surveillance and visibility by having active uses located along public streets and facing on-site parking areas.

On the west elevation of the proposed structure facing Malcolm Avenue SE, the proposal meets the 30% window requirement as a total of 30% are provided. The windows are vertical in nature and for the most part evenly distributed.

On the south elevation of the proposed structure facing the drop off and on-site surface parking lot, the proposal does not meet the 30% window requirement as a total of 5% are provided overall on the elevation. The windows that qualify are vertical in nature but not evenly distributed. Alternative compliance is necessary for overall percentage and window distribution. Staff would recommend that the Planning Commission grant alternative compliance in this specific circumstance subject to the provision that the entrance vestibule be composed primarily of glass. Given the principal use as a brewery and the corresponding floor plan/interior programming of the facility which results in much of the production areas including fermentation and canning located along the east elevation, there are not significant opportunities to include additional windows as natural light must be minimized in these areas. Future expansion to the building is planned along 5th Street. These future plans would provide additional office space that would be intended to be composed primarily of windows.

The active functions provision is not applicable to industrial uses located in the industrial districts.

The exterior materials and appearance of the rear and side walls of the proposed building would be similar to and compatible with the front of the building. The primary materials proposed on the structure include metal panels, wood siding and glass.

The proposed building incorporates some architectural elements including recesses and projections, windows and entries. There are blank uninterrupted walls that exceed 25 feet in width on the north, south, east and west elevations of the building. Alternative compliance is necessary. Staff would recommend that the Planning Commission grant alternative compliance in this specific circumstance due to the design of the structure, the industrial nature of the building and the surrounding industrial context. The principal roof line of the building would be flat. In the area both pitched roofs and flat roofed buildings can be found.

A total of 182 off-street parking spaces are proposed on site within a surface parking lot. No ramp is proposed.

ACCESS AND CIRCULATION:

- **Clear and well-lighted walkways of at least four (4) feet in width shall connect building entrances to the adjacent public sidewalk and to any parking facilities located on the site.**
- **Transit shelters shall be well lighted, weather protected and shall be placed in locations that promote security.**
- **Vehicular access and circulation shall be designed to minimize conflicts with pedestrian traffic and surrounding residential uses.**
- **Traffic shall be directed to minimize impact upon residential properties and shall be subject to section 530.150 (b) related to alley access.**
- **Site plans shall minimize the use of impervious surfaces.**

As proposed, the principal entrance to the structure is located on the west elevation of the building that is facing Malcolm Avenue SE. The principal entrance is connected to the public sidewalk via a walkway that is greater than 4 feet in width. In addition, a pedestrian walkway is proposed along the north side of the parking lot that provides a connection to the principal entrance as well.

The site is located within close proximity to ample transportation options that exist in the area and serve the site including: the Green Line (Central Corridor LRT line) with the closest stop located on 29th Avenue SE between University Avenue and 4th Street SE, the Route 16 bus line that stops at the Malcolm Avenue SE and the University Avenue intersection, the University of Minnesota Transitway and 4th Street Bikeway as well as the Nice Ride station located at 27th Avenue SE and University Avenue. In addition to the 182 off-street parking spaces, a total of 100 bicycle parking spaces are also proposed to be provided on site.

Provided a 6-foot wide walkway is installed along the entire length of the property adjacent to 5th Street SE to allow for pedestrians to safely access their vehicles, the proposed development would be designed to minimize conflicts with pedestrian traffic. There are no immediate surrounding residential uses; however, there are existing residential uses in the broader vicinity. The off-street parking for the proposed development would be located within a surface parking lot on the south side of the site accessed via two curb cuts off of 5th Street SE. Industrial uses are located adjacent to the site.

There is no public alley adjacent to the site.

Currently, the vacant industrial site is nearly entirely impervious. The site has been somewhat designed to minimize the use of impervious surfaces as a total of approximately 67% of the site not occupied by buildings is pervious as a result of providing on site and perimeter landscaping on the property. Overall, a net of 69% of the entire site is impervious, however.

LANDSCAPING AND SCREENING:

- **The composition and location of landscaped areas shall complement the scale of the development and its surroundings.**
 - **Not less than twenty (20) percent of the site not occupied by buildings, including all required landscaped yards, shall be landscaped as specified in section 530.160 (a).**
- **Required screening shall be six (6) feet in height, unless otherwise specified, except in required front yards where such screening shall be three (3) feet in height.**
- **Except as otherwise provided, required screening shall be at least ninety-five (95) percent opaque throughout the year. Screening shall be satisfied by one or a combination of the following:**
 - **A decorative fence.**
 - **A masonry wall.**
 - **A hedge.**

- **Parking and loading facilities located along a public street, public sidewalk or public pathway shall comply with section 530.170 (b), including providing landscape yards along a public street, public sidewalk or public pathway and abutting or across an alley from a residence or office residence district, or any permitted or conditional residential use.**
- **The corners of parking lots where rows of parking spaces leave areas unavailable for parking or vehicular circulation shall be landscaped as specified for a required landscaped yard. Such spaces may include architectural features such as benches, kiosks or bicycle parking.**
- **In parking lots of ten (10) spaces or more, no parking space shall be located more than fifty (50) feet from the center of an on-site deciduous tree. Tree islands located within the interior of a parking lot shall have a minimum width of seven (7) feet in any direction.**
- **All other areas not governed by sections 530.160 and 530.170 and not occupied by buildings, parking and loading facilities or driveways, shall be covered with turf grass, native grasses or other perennial flowering plants, vines, mulch, shrubs or trees.**
- **Installation and maintenance of all landscape materials shall comply with the standards outlined in section 530.210.**
- **The city planning commission may approve the substitution or reduction of landscaped plant materials, landscaped area or other landscaping or screening standards, subject to section 530.80, as provided in section 530.220.**

The Zoning Code requires that at least 20% of the site not occupied by the building be landscaped. The lot area of the site is 318,424 square feet and the footprint of the building is 36,488 square feet. When you subtract the footprint from the lot size the resulting number is 281,936 square feet; 20% of this number is 56,387 square feet. According to the applicant's landscaping plan there is 189,074 square feet of landscaping on the site or approximately 67% percent of the site not occupied by the building, which meets the minimum requirement.

The Zoning Code requires at least 1 canopy tree for each 500 square feet of required green space and at least 1 shrub for each 100 square feet of required green space. The tree and shrub requirement for this site is 113 trees and 564 shrubs. The applicant is proposing to plant 133 canopy trees on site and a total of 327 shrubs. The proposal is not meeting the quantity requirement for shrubs. Alternative compliance is necessary. CPED Staff would recommend that the Planning Commission require compliance in this specific circumstance as it would be practical to include additional plantings on the premises.

A nine-foot wide landscaped yard and screening, 3 feet in height and equal to 60% opacity is required between the parking area and 5th Street SE. The applicant is proposing an approximately 20 foot wide landscaped yard and screening in the form of vegetation that meets the requirements.

In parking lots of 10 spaces or more, no parking space shall be located more than 50 feet from an on-site deciduous tree. In addition, tree islands in parking lots must have a minimum width of 7 feet in any direction. The applicant is proposing a total of 182 off-street parking spaces in the surface parking lot. Two landscaped tree islands are proposed that meet the requirement; however, a center island is proposed within the drop-off area that is not proposed to be landscaped. CPED Staff would require that this space be landscaped to mitigate the impacts of the drop-off between the building and the lot line. Regarding the provision that requires 1 tree per 25 linear feet of parking along a public street, the development complies with the provision along the south property line abutting 5th Street SE.

ADDITIONAL STANDARDS:

- **All parking lots and driveways shall be designed with wheel stops or discontinuous curbing to provide on-site retention and filtration of stormwater. Where on-site retention and filtration is not practical, the parking lot shall be defined by six (6) inch by six (6) inch continuous concrete curb.**

- To the extent practical, site plans shall minimize the blocking of views of important elements of the city.
- To the extent practical, buildings shall be located and arranged to minimize shadowing on public spaces and adjacent properties.
- To the extent practical, buildings shall be located and arranged to minimize the generation of wind currents at ground level.
- Site plans shall include crime prevention design elements as specified in section 530.260 related to:
 - Natural surveillance and visibility
 - Lighting levels
 - Territorial reinforcement and space delineation
 - Natural access control
- To the extent practical, site plans shall include the rehabilitation and integration of locally designated historic structures or structures that have been determined to be eligible to be locally designated. Where rehabilitation is not feasible, the development shall include the reuse of significant features of historic buildings.

The surface parking area would be designed with curb openings so that stormwater runoff drains towards the perimeter green space areas on the site.

Staff would not expect the two- floor, 39 foot tall building to result in the blocking of any significant views or to have any measurable shadowing impacts on adjacent properties or on public spaces. Staff would also not expect the proposal to have any impacts on light, wind and air in relation to the surrounding area.

The site appears to incorporate some of the applicable CPTED principles. The active uses proposed on-site and within the ground level of the building provide little to no natural surveillance as there are few windows facing an actual street or toward the parking lot that would allow people to observe adjacent public spaces. The entrances are connected to the public sidewalk. The site appears to be adequately lit; however, the final lighting plan shall comply with all Zoning regulations and the parking lot must be lit. The dense vegetation proposed at the corner of the site, the location of the building and proposed principal entrance, in addition to the surrounding industrial context indicates a potential need for additional monitoring by the property owner during business hours. Staff has no additional comments at this time regarding site safety.

There are no designated or eligible historic structures on the subject property. The site is currently vacant other than foundations for industrial buildings that were formerly demolished.

Section B: Conformance with All Applicable Zoning Code Provisions and Consistency with the Comprehensive Plan and Applicable Small Area Plans Adopted by the City Council

ZONING CODE - The use of the property as a destination brewery that includes beverage production and processing, and food and beverages uses, is a permitted use in the I2 district. With the approval of the variances and site plan review, this development would meet the requirements of the I2 zoning district.

Parking and Loading:

Minimum automobile parking requirement: According to the development proposal, the proposed uses that would comprise the destination brewery are broken down into 3 categories: (1) restaurant w/ general entertainment (includes a 9,895 square foot beer hall and tap room, a 6,245 square foot restaurant space, and a 5,545 square foot event space) totaling 21,685 square feet; (2) food & beverage products/processing totaling 25,515 square feet; and (3) general retail totaling 1,590 square feet. Restaurants with general entertainment have a minimum off-street parking requirement of 30% of the capacity of persons. Based on the total of 21,685 square feet, 434 off-street parking spaces are required for this component of the use. Food and beverage products/processing have a minimum off-street parking requirement of 1 space per 1,000 square feet

of gross floor area up to 20,000 square feet plus 1 space per 2,000 square feet of gross floor area in excess of 20,000 square feet. Based on the total of 25,515 square feet, 23 off-street parking spaces are required for this component of the use. Lastly, general retail would have a minimum off-street parking requirement of 1 space per 500 square feet of gross floor area in excess of 4,000 square feet or a minimum of 4 spaces. The retail component which totals 1,590 square feet requires 4 spaces. Therefore the minimum off-street parking requirement for the development is 461 off-street parking spaces. The applicant is proposing to provide a total of 182 off-street parking spaces within a surface parking lot accessed off of 5th Street SE which does not meet the minimum requirement and requires a variance. See the variance findings listed above.

Maximum automobile parking requirement: Restaurants with general entertainment have a maximum off-street parking requirement of 40% of the capacity of persons. Based on the total of 21,685 square feet, 578 off-street parking spaces are the maximum allowable for this component of the use. Food and beverage products/processing have a maximum off-street parking requirement of 1 space per 200 square feet of gross floor area up to 20,000 square feet plus 1 space per 1,000 square feet of gross floor area in excess of 20,000 square feet. Based on the total of 25,515 square feet, 106 off-street parking spaces are the maximum allowable for this component of the use. Lastly, general retail would have a minimum off-street parking requirement of 1 space per 200 square feet of gross floor area. The retail component which totals 1,590 square feet would have a maximum allowable of 8 spaces. Therefore the maximum off-street parking requirement for the development is 692 off-street parking spaces. The applicant is proposing to provide a total of 182 off-street parking spaces within a surface parking lot accessed off of 5th Street SE. The development complies with the maximum requirement.

Bicycle parking requirement: Based on the three categories and their associated square footages the following bicycle parking requirements apply: (1) restaurants with general entertainment require 3 bicycle parking spaces; (2) food & beverage products/processing or medium industrial uses require 2 spaces; and (3) general retail requires 3 spaces. Therefore, a minimum of 8 bicycle parking spaces must be provided for the proposed development of which not less than 50 percent of the required bicycle parking shall meet the standards for short-term bicycle parking which is as follows:

- *“Required short-term bicycle parking spaces shall be located in a convenient and visible area within fifty (50) feet of a principal entrance and shall permit the locking of the bicycle frame and one (1) wheel to the rack and shall support a bicycle in a stable position without damage to the wheels, frame or components. With the permission of the city engineer, required bicycle parking may be located in the public right-of-way. Public bicycle parking spaces may contribute to compliance with required bicycle parking when located adjacent to the property in question.”*

The applicant is proposing to locate 100 bicycle parking spaces on site that meet the short-term stipulations. The development exceeds the minimum requirement.

Loading: Based on the three categories and their associated square footages the following loading requirements apply: (1) restaurants (defined as “Low”) between 20,000 square feet and 50,000 square feet require one small space; (2) food & beverage products/processing (defined as “High”) between 10,001 and 30,000 square feet require one large loading space; and (3) general retail (defined as “Low”) below 20,000 square feet does not require a loading space. The applicant is proposing to locate four loading spaces on the site which exceeds the minimum requirement.

Dumpster screening: Section 535.80. Refuse storage containers shall be enclosed on all four (4) sides by screening compatible with the principal structure not less than two (2) feet higher than the refuse container or shall be otherwise effectively screened from the street, adjacent residential uses located in a residence or

office residence district and adjacent permitted or conditional residential uses. A trash room would be located within the building.

Signs: All signage must meet the requirements as outlined in Chapter 543 of the Zoning Code. Separate permits are required from the Zoning Office for any proposed signage. In the I2 District, signs attached to building are allocated 1.5 square feet of signage for each 1 foot of primary building wall if there is no freestanding sign on the same zoning lot. There is no maximum number of signs, but the maximum area per sign except for projecting signs is 180 square feet. The maximum height of signs is 28 feet. The south elevation primary building wall length is 275 feet, 3 inches. The applicant is proposing to install one painted building identification wall sign totaling 180 square feet (5 feet 4 inches by 33 feet 9 inches) at a height of 28 feet above grade on the south elevation of the building. This is the maximum allowed. The applicant is also indicating a painted address wall sign that exceeds the one square foot exempt allowance permitted in Chapter 543 at approximately a total of 10 square feet (2 feet by 4 feet, 10 inches). This sign would be allowed given the wall sign budget based on the length of the primary building wall. Any additional signage on site shall meet the requirements of the Zoning Code.

Lighting: All lighting would need to be downcast and shielded to avoid undue glare. All lighting shall comply with Chapters 535 and 541 of the Zoning Code. A detailed lighting plan including fixtures shall be required as part of the final submittal.

Maximum Floor Area: The maximum FAR for all structures in the I2 zoning district is the gross floor area of the building, which is 48,790 square feet, divided by the area of the lot which is 318,424 square feet. The outcome is .15 which is less than the maximum of 2.7 permitted in the I2 District. The development is in compliance with the allowable FAR.

Minimum Lot Area and Lot Width: Not applicable for this development.

Dwelling Units per Acre: Not applicable for this development.

Height: Maximum building height for principal structures located in the I2 zoning district is 4 stories or 56 feet, whichever is less. The height of the proposed building is 2 floors (technically 3 stories) or approximately 39 feet, 7 inches tall. The development is in compliance with the maximum allowable height. Further, as previously noted, the northeast corner of the property is also located in the SH (Shoreland Overlay) District which has a maximum height requirement of 2 ½ stories or 35 feet. This height limitation only applies to the portion of the site located within the overlay district.

Yard Requirements: Not applicable for this development.

Building coverage: Not applicable for this development.

Impervious surface area: Not applicable for this development.

THE MINNEAPOLIS PLAN FOR SUSTAINABLE GROWTH

According to *The Minneapolis Plan for Sustainable Growth*, the subject parcels are designated as industrial and located within the SEMI Industrial Employment District. The parcels are located approximately three blocks north of University Avenue SE which is a designated Commercial Corridor. Industrial areas are those suited for industrial development and limited supporting commercial uses. Industrial areas are generally found within Industrial Employment Districts, with a high level of policy protection and an emphasis on job

retention and creation. Industrial uses have primacy over other uses. The Minneapolis Plan calls for industrial districts to continue their employment and economic growth, acting as magnets for new investment. The following policies and implementation steps of *The Minneapolis Plan for Sustainable Growth* apply to this proposal:

Land Use Policy 1.1 states, “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.” This policy includes the following applicable implementation steps: (1.5.1) “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 states, “Ensure appropriate transitions between uses with different size, scale, and intensity.” This policy includes the following applicable implementation steps: (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”; (1.2.2) “Ensure that lighting and signage associated with non-residential uses do not create negative impacts for residential.”

Land Use Policy 1.3 states, “Ensure that development plans incorporate appropriate transportation access and facilities, particularly for bicycle, pedestrian, and transit.” This policy includes the following applicable implementation steps: (1.3.1) “Require safe, convenient, and direct pedestrian connections between principal building entrances and the public right-of-way in all new development and, where practical, in conjunction with renovation and expansion of existing buildings”; (1.3.2) “Ensure the provision of high quality transit, bicycle, and pedestrian access to and within designated land use features.”

Land Use Policy 1.14 states, “Maintain Industrial Employment Districts to provide appropriate locations for industrial land uses.” This policy includes the following applicable implementation step: (1.14.5) “Encourage and implement buffering through the site plan review process to mitigate potential conflicts between industrial uses and adjacent other uses.”

The proposal to construct a new two story destination brewery totaling 48,790 square feet is supported by the above listed policies and implementation steps of *The Minneapolis Plan for Sustainable Growth*.

Conformance with Applicable Development Plans or Objectives Adopted by the City Council

There are two additional plans that must be considered when evaluating the proposal which are the City’s *Industrial Land Use and Employment Policy Plan* adopted by the City Council on November 3, 2006, and the *Southeast Minneapolis Industrial (SEMI) / Bridal Veil Refined Master Plan* adopted by the City Council in May of 2001.

The purpose of the City’s *Industrial Land Use and Employment Policy Plan* was to provide the City with a clear policy direction for industrial land uses and industrial sector employment within the City of Minneapolis. The plan evaluates the long-term viability of existing industrial uses and proposes a range of industrial uses to retain for the future. The plan identifies where existing and new industrial uses should be located and what components, either existing or new, these uses will require. In addition to land use, the plan provides a comprehensive examination of current and future industrial sector employment within the City of Minneapolis in relation to national and regional trends. There is no specific policy direction for the subject parcels; however, the proposal to allow a destination brewery, with the principal function being an industrial use, is supported by the policies outlined in the plan.

The purpose of the *Southeast Minneapolis Industrial (SEMI) / Bridal Veil Refined Master Plan* was to provide guidance for the redevelopment and revitalization of the SEMI area. The plan was developed as a vehicle for predicting, guiding and accommodating change in a specified area. It was not intended to propose a final end state build-out, but rather was a general framework that outlines the major land uses and infrastructure interventions required to accommodate growth. The plan omits the subject sites from the redevelopment areas and no specific guidance is provided in the plan regarding the subject parcels.

ALTERNATIVE COMPLIANCE

The Planning Commission may approve alternatives to any site plan review requirement upon finding any of the following:

- **The alternative meets the intent of the site plan chapter and the site plan includes amenities or improvements that address any adverse effects of the alternative. Site amenities may include but are not limited to additional open space, additional landscaping and screening, green roof, decorative pavers, ornamental metal fencing, architectural enhancements transit facilities, bicycle facilities, preservation of natural resources, restoration of previously damaged natural environment, rehabilitation of existing structures that have been locally designated or have been determined to be eligible to be locally designated as historic structures, and design which is similar in form, scale and materials to existing structures on the site and to surrounding development.**
- **Strict adherence to the requirements is impractical because of site location or conditions and the proposed alternative meets the intent of this chapter.**
- **The proposed alternative is consistent with applicable development plans or development objectives adopted by the city council and meets the intent of this chapter.**

Alternative compliance is requested by the applicant to meet the following standards:

Building placement: The building as proposed does not comply with the requirement that the building be within 8 feet of both Malcolm Avenue SE and 5th Street SE as the building is setback approximately 225 feet from the property line along Malcolm Avenue SE and approximately 108 feet from the property line along 5th Street SE. Alternative compliance is required for the placement of the building. CPED Staff would recommend that the Planning Commission grant alternative compliance in this specific circumstance. Along Malcolm Avenue SE, the property line is irregular as the grain silos adjacent to Malcolm Avenue SE are located on a separate parcel and owned by a separate entity. Along 5th Street SE, the building is setback to accommodate a drop-off area, off-street parking and landscaping. In addition, other factors that impact the placement of the building are as follows: (1) easements on the north and southwest sides of the site that impact the layout, although arguably, this would have no impact on the siting of the building adjacent to 5th Street SE; (2) due to subsurface contamination and site remediation, the building floor elevation is required to be more than 6 feet above the street elevation. The height difference between grade at 5th and Malcolm and the height of the finished floor elevation of the building is approximately 6 feet. As such the proposed building setback and parking buffer allow for a gradual elevation change from the street level to the first floor level; (3) separation of public areas and production areas; (4) the parking and green space provide a buffer between the existing loading docks and truck traffic along 5th Street SE; and (5) the placement of the building allows for the beer garden to be oriented and open to the south and west. As mitigation for allowing the parking and drop-off area in front of the building, Staff would recommend that the Planning Commission require that the drop-off area be constructed of decorative pavers or stamped concrete and further, that decorative metal fencing be installed along 5th Street SE in order to create a street edge that prevents individuals from cutting through the landscaped areas and directing visitors appropriately on-site as called for in the City's CPTED standards.

Window percentage and distribution: On the south elevation of the proposed structure facing the drop off and on-site surface parking lot, the proposal does not meet the 30% window requirement as a total of 5% are

provided overall on the elevation. The windows that qualify are vertical in nature but not evenly distributed. Alternative compliance is necessary for overall percentage and window distribution. Staff would recommend that the Planning Commission grant alternative compliance in this specific circumstance subject to the provision that the entrance vestibule be composed entirely of glass. Given the principal use as a brewery and the corresponding floor plan/interior programming of the facility which results in much of the production areas including fermentation and canning located along the east elevation, there are not significant opportunities to include additional windows as natural light must be minimized in these areas. Future expansion to the building is planned along 5th Street. These future plans would provide additional office space that would be intended to be composed primarily of windows.

Blank uninterrupted walls: The proposed building incorporates some architectural elements including recesses and projections, windows and entries. There are blank uninterrupted walls that exceed 25 feet in width on the north, south, east and west elevations of the building. Alternative compliance is necessary. Staff would recommend that the Planning Commission grant alternative compliance in this specific circumstance due to the design of the structure, the industrial nature of the building and the surrounding industrial context.

Landscape quantities: The Zoning Code requires at least 1 canopy tree for each 500 square feet of required green space and at least 1 shrub for each 100 square feet of required green space. The tree and shrub requirement for this site is 113 trees and 564 shrubs. The applicant is proposing to plant 133 canopy trees on site and a total of 327 shrubs. The proposal is not meeting the quantity requirement for shrubs. Alternative compliance is necessary. CPED Staff would recommend that the Planning Commission require compliance in this specific circumstance as it would be practical to include additional plantings on the premises.

RECOMMENDATIONS:

Recommendation of the Department of Community Planning and Economic Development for the 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 of the maximum allowable size of food and beverages uses in the I2 District in order to exceed 5,000 square feet on the properties located at 520, and 522 ½ Malcolm Avenue SE and 3171 5th Street SE.

Recommendation of the Department of Community Planning and Economic Development for the 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 of the off-street parking requirement from 461 spaces to 182 spaces on the properties located at 520, and 522 ½ Malcolm Avenue SE and 3171 5th Street SE subject to the following condition of approval:

1. No less than 100 bicycle parking spaces shall be provided on-site.

Recommendation of the Department of Community Planning and Economic Development for the site plan review:

The Department of Community Planning and Economic Development recommends that the City Planning Commission adopt the above findings and **approve** the site plan review application to allow for the

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construction of a 48,790 square feet destination brewery on the properties located at 520, and 522 ½ Malcolm Avenue SE and 3171 5th Street SE subject to the following conditions of approval:

1. Staff review and approval of the final site, elevation, lighting and landscaping plans before building permits may be issued.
2. All site improvements shall be completed by September 30, 2015, unless extended by the Zoning Administrator, or the permit may be revoked for non-compliance.
3. A lighting plan shall be provided in compliance with Chapters 535 and 541 of the Zoning Code. The parking lot shall be adequately lit.
4. All signs require separate permits from the Zoning Office and must comply with Chapter 543 of the Zoning Code.
5. The entrance vestibule located on the west elevation shall be composed primarily of glass.
6. The drop-off area shall be constructed of decorative pavers or stamped concrete.
7. Decorative metal fencing shall be installed along the entire length of 5th Street SE.
8. A minimum of a 6-foot wide sidewalk shall be installed along the entire length of the property abutting 5th Street SE.
9. The center island proposed within the drop-off area shall be landscaped with a combination of shrubs and trees.
10. The landscape plan shall be modified to comply with the quantity requirements as required in Section 530.160 of the Zoning Code.

Attachments:

1. Statement of use and description of the project
2. Findings for the variances
3. General correspondence
4. Zoning map
5. Plans - site, landscape, floor, elevations, civils, rendering, photos