

**LAND USE APPLICATION SUMMARY**

*Property Location:* 1313 Chestnut Avenue  
*Project Name:* Industrial Living Overlay District Rezoning  
*Prepared By:* Mei-Ling Smith, City Planner, (612) 673-5342  
*Applicant:* Jeremy D. Stanbary  
*Project Contact:* Jeremy D. Stanbary  
*Request:* To add the IL Industrial Living Overlay District to the existing II Light Industrial District and DP Downtown Parking Overlay District.

*Required Applications:*

<b>Rezoning</b>	Petition to rezone the properties located at 1313 Chestnut Avenue to add the Industrial Living Overlay District to the existing II Light Industrial District and DP Downtown Parking Overlay District.
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**SITE DATA**

<b>Existing Zoning</b>	II Light Industrial District DP Downtown Parking Overlay District
<b>Lot Area</b>	60,000 square feet / 1.38 acres
<b>Ward(s)</b>	5
<b>Neighborhood(s)</b>	North Loop Neighborhood Association
<b>Designated Future Land Use</b>	Transitional Industrial
<b>Land Use Features</b>	n/a
<b>Small Area Plan(s)</b>	<u>North Loop Small Area Plan (2010)</u>

<b>Date Application Deemed Complete</b>	September 10, 2015	<b>Date Extension Letter Sent</b>	September 29, 2015
<b>End of 60-Day Decision Period</b>	November 9, 2015	<b>End of 120-Day Decision Period</b>	January 8, 2016

## BACKGROUND

**SITE DESCRIPTION AND PRESENT USE.** The subject site is a through lot with frontage on Chestnut Avenue to the north and Linden Avenue to the south. Its west corner side property line runs along 15<sup>th</sup> Street North, and the east interior side lot line is adjacent to an industrial site. The existing building contains between one and two stories with 35,670 square feet in gross floor area. There are multiple uses within the building right now, including an indoor theatre (for which the applicant is requesting the addition of the Industrial Living Overlay District), a fitness facility, a church, film and art studios, and storage. There is parking lot facing 15<sup>th</sup> Street North and Linden Avenue South which contains 77 parking spots. The site is 60,000 square feet total.

**SURROUNDING PROPERTIES AND NEIGHBORHOOD.** The subject site belongs to an area comprised of industrial buildings and surface parking lots. The immediate vicinity is located to the northwest of downtown and is bounded by Interstates 394 and 94 to the south and west, respectively. Across Linden Avenue, to the south, there is Office Residential (OR3) and Downtown district zoning. There is also Downtown zoning to the east of the block on which the property is located.

**PROJECT DESCRIPTION.** The applicant is seeking to add the IL Industrial Living Overlay District to the existing II Light Industrial District and DP Downtown Parking Overlay District. The applicant is proposing to use approximately 7,241 square feet of the existing building for an indoor theater.

**PUBLIC COMMENTS.** As of the writing of this report, staff has not received any correspondence from the North Loop Neighborhood Association or from the public. Any correspondence received prior to the public meeting will be forwarded on to the Planning Commission for consideration.

## ANALYSIS

### REZONING

The Department of Community Planning and Economic Development has analyzed the application for a petition to rezone the properties located at 1313 Chestnut Avenue to add the Industrial Living Overlay District to the existing II Light Industrial District and DP Downtown Parking Overlay District based on the following findings:

1. *Whether the amendment is consistent with the applicable policies of the comprehensive plan.*

The proposed zoning would be consistent with the applicable policies of *The Minneapolis Plan for Sustainable Growth*, the comprehensive plan. The property is designated as Transitional Industrial on the future land use map. The comprehensive plan states that industrial areas, which are located outside of Industrial Employment Districts, are labeled “transitional” since they may eventually evolve to other uses compatible with surrounding development. Although they may remain industrial for some time, they do not have the same level of policy protection as areas within industrial districts. Further, the site is adjacent to a range of land uses, including non-industrial uses. The proposal to add the IL Overlay District to this property would be consistent with the future land use guidance for this property.

In addition, the following principles and policies outlined in the plan apply to this proposal:

**Land Use Policy I.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.**

- I.1.1 Ensure that the City’s zoning code is consistent with The Minneapolis Plan and provides clear, understandable guidance that can readily be administered.
- I.1.4 Support context-sensitive regulations for development and land use, such as overlay districts, in order to promote additional land use objectives.

The proposal to include the IL Overlay District would support a mix of land uses and flexible approach in implementing the comprehensive plan. The application of the IL Overlay District in an industrial area would allow for the retention of existing industrial uses while also allowing other compatible uses on the property.

The *North Loop Small Area Plan* (2010) characterizes the area containing the site as the Lower Industrial North Loop. The plan describes this area as the most self-contained industrial area in its study area, and says that “the primary land use in the future should remain industrial with intermittent opportunities for residential and commercial. It is a high priority of this plan to perpetuate the unique location of these industrial job opportunities in proximity to the Downtown Core and nearby transit.” The small area plan provides further support for the rezoning of this property to add the IL Overlay District to allow intermittent commercial activity in a primarily industrial area.

2. *Whether the amendment is in the public interest and is not solely for the interest of a single property owner.*

The proposal to add the IL Overlay District would allow more flexibility in uses, while maintaining the underlying industrial zoning district uses. As this area is outside the Industrial Employment District, the rezoning would allow the primary use of the property to include residential and commercial uses in addition to the existing industrial uses. Adding the IL Overlay District to allow these additional uses on the subject site would support the potential for reinvestment in the neighborhood. The zoning amendment is in the public interest and not solely in the interest of the property owner.

3. *Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.*

The proposed zoning would be compatible with the zoning classifications and existing uses of other property in the area. There are no other properties with the IL Overlay District in the immediate vicinity. However, the surrounding area contains Office Residential and Downtown zoning districts, which allow for similar uses as those allowed in the IL Overlay District. The existing uses of the surrounding properties would be compatible with the proposed use and zoning classification.

4. *Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.*

The addition of the IL Overlay District would not eliminate any uses, but would allow for additional permitted uses:

- General retail sales and services;
- Antiques and collectibles;
- Banks and financial institutions;
- Bookstore, new or used;
- Grocery store;
- Laundry, self-service;
- Performing, visual or martial arts school;
- Reception or meeting hall;

- Sports and health facility;
- Theater, indoor, provided live performance only.
- Video stores up to four thousand (4,000) square feet.

The IL Overlay District would also allow dwelling units, planned unit developments, and grade schools as conditional uses. All of these allowed uses would transition this parcel out of strictly industrial uses into a mix of uses.

5. *Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.*

The opportunity to transition this area of the city to non-industrial uses is supported by the policy guidance in the applicable comprehensive plan and small area plan policies. The subject site was zoned B4C-1 Central Commercial District from approximately 1963 to 1999. The previous zoning classification allowed business and commercial uses that were not compatible with the uses permitted in other Central districts. While the immediate vicinity of the property has not changed significantly since the property was rezoned to II and DP, the general area has seen substantial commercial, residential, and institutional reinvestment since the base zoning district was changed to II. The underlying zoning for the parcel would not change as a result of the rezoning. However, the additional uses would increase the compatibility of the subject site with the general area in which it is located.

## FOR REZONINGS ONLY

### ZONING PLATE NUMBER. 13

### LEGAL DESCRIPTION.

Addition Name: WILSON BELL & WAGNERS ADDN TO MPLS  
Block: 019  
LOTS 3 TO 10 INCL

## RECOMMENDATIONS

The Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council adopt staff findings for the rezoning petition by Jeremy D. Stanbary for the property located at 1313 Chestnut Avenue:

### **A. Rezoning the property located at 1313 Chestnut Avenue to include the Industrial Living Overlay District.**

Recommended motion: **Approve** the petition to add the Industrial Living Overlay District to the existing II Light Industrial District and DP Downtown Parking Overlay District at the property located at 1313 Chestnut Avenue.

## ATTACHMENTS

1. Written description and findings submitted by applicant
2. Zoning map
3. Rezoning matrix
4. Plans and photos

General Land Use Application

Statement of Proposed Use and Project Description

Property: 1313 Chestnut Ave., Minneapolis

Open Window Theatre is a professional non-profit theater company that was founded in 2011 by actors and international performers, Jeremy & Sarah Stanbary. Against all odds for a start-up theater company that has received no arts grant funding to date, Open Window Theatre has grown and flourished over the past four years, adding to the rich theater community and cultural heritage of Minneapolis. Last season in 2014-2015, our intimate 80-100 seat theatre hosted over 7,000 patrons from all over the Twin Cities and from as far away as Owatonna, Rochester, New Ulm, St. Cloud, Duluth, and Hudson & LaCrosse, Wisconsin. Last season we boasted 470 individual season ticket holders and this coming season we are expecting that number to increase to 600 with our patron base expected to grow to over 8,000. The reason for our remarkable and organic growth is found in our unique mission in the arts combined with our family-friendly approach to high quality, professional theater and educational programming for youth in grades 3-12.

Open Window Theatre is seeking to apply an Industrial Living Overlay District to the property at 1313 Chestnut Ave. in Minneapolis, which is currently zoned as I1 Light Industrial, for the purpose of operating our full-time theater out of this location. The purpose of the Industrial Living Overlay District is described by the City of Minneapolis as follows:

- **551.330. - Purpose.**

The IL Industrial Living Overlay District is established to encourage the rehabilitation and reuse of existing industrial structures and to provide for limited residential and retail uses in the I1 and I2 Industrial Districts where such uses are compatible with other uses in the area.

The property at 1313 Chestnut Avenue fits perfectly within this description of the purpose of the IL Overlay. The property is a former and abandoned industrial structure that was purchased in 2004 by Space Unlimited LLC and renovated for commercial/retail use. Renovated warehouse spaces often make for creative and affordable performing arts venues, but the permitted uses under the current I1 zoning restrict such use even though a “place of assembly” and an “educational arts center” are both permitted uses under the I1. The Industrial Living Overlay District applied to this property would not change the underlying Industrial zoning, but would simply allow for a broader range of commercial uses, including an indoor theater. We believe a full-time, professional, and family friendly non-profit theater makes a lot of sense in this area and is compatible with other uses in the area. For instance, the Theatrical Costume Company is located just around the corner from 1313 Chestnut Ave. on Linden Ave.

The Hennepin Theatre District is located just a few short blocks away from 1313 Chestnut Ave., not to mention the other cultural offerings nearby including the Walker Art Center. Nearby eateries and lounges, such as Lee's Liquor Lounge, Buca di Beppo's, Davanni's, Lund's on Hennepin, the Butcher and the Boar, and the various Loring Park restaurants are all within walking distance of 1313 Chestnut Avenue. The property at Chestnut Ave. is also highly accessible from I-94, I-394, and downtown Minneapolis alike and features plenty of on-site (off-street) parking.

Additionally, we believe that this proposed use and the IL Overlay would in no way threaten or encroach upon the current industrial jobs in the Lower North Loop, which are well established in the area. The North Loop Small Area Plan adopted by the City of Minneapolis on April 16th, 2010 even states on p.70 with regards to the Lower North Loop (Lower Industrial) that "intermittent opportunities for residential and commercial" land use should be allowed. The property at 1313 Chestnut Avenue has already been operating as a renovated commercial property in this area for the past decade.

Open Window Theatre founders, Jeremy & Stanbary, know all too well just how difficult it is to start, maintain, and grow a non-profit theater organization. Artists do not take on such a brutal and challenging endeavor because of the promise or hope of wealth, fame, or "success" as defined by most. They do it because of a deep and unyielding passion for making a positive impact on society and culture, even if it means that they can't always pay themselves each month, and even if it means many anxious and sleepless nights as they pour everything they have into this passion for the common good. Open Window Theatre is now the sole project and official DBA of its 501c3 parent organization, Epiphany Studio Productions, and in 2015 will maintain an annual expense budget of \$250,000 with only one full-time staff member and one consistent part-time employee. But Open Window Theatre employs another 60 actors, directors, designers and other theater technicians on a contract basis each year while utilizing approximately 200 volunteers on an annual basis.

When the Stanbarys were first looking for a location for Open Window Theatre in 2011 they ran into numerous roadblocks. It was nearly impossible for them to find an adequate and affordable space that didn't require an unreasonable upfront investment for a start-up theater. Numerous commercial real estate agencies were of no help to them, so they ventured out on their own looking for space. Eventually they found a property listing for 1313 Chestnut Avenue and suite #102 at the property met all of their needs including their tight budget. They were assured by the property owners that the building was properly zoned for their use, so they took a leap of faith and signed the lease and have been operating out of 1313 Chestnut Avenue ever since. The owners of the property continue to lease to Jeremy Stanbary for the stated purpose of a "Performing Arts Venue". The Stanbarys, not being typical business owners or entrepreneurs, didn't realize there was a problem until July 2015 when they began to expand their presence at 1313 Chestnut Avenue by leasing additional space for a planned expansion of their fast growing theater. Over the past four years the Stanbarys have been proactive in scheduling their own safety inspections with architects and a general contractor to make sure they were operating according to appropriate safety

codes, making changes and investing in improvements in order to fix potential problems. It wasn't until they applied for a building permit to build additional restrooms in July 2015 that they became aware of the zoning problem.

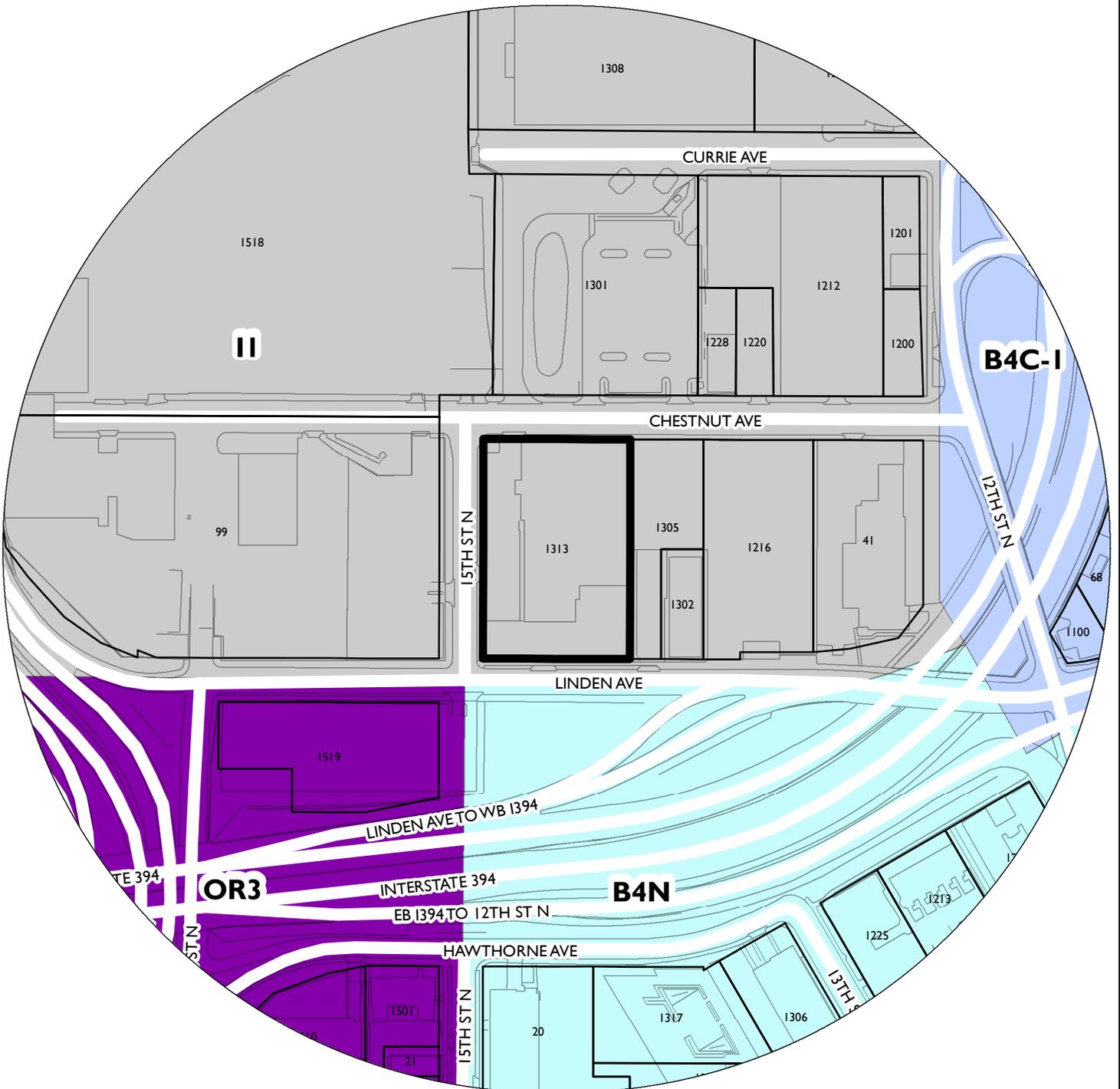
Given the still fragile nature of the Stanbary's growing theater company and the tremendous hardships presented by trying to uproot and move their theater, they decided to press forward with the rezone option to apply the IL Overlay District to the property where they are already well established and growing. The Stanbarys along with the small Board of Directors for Open Window Theatre wish in every way to comply with the laws and ordinances of the City of Minneapolis while still maintaining and continuing to operate their valuable theater company. An unsuccessful rezone effort would promptly put Open Window Theatre out of business and would negatively impact not only the Stanbarys and their family of five, but many, many others as well.

Jeremy D. Stanbary

5th

NAME OF APPLICANT

WARD



PROPERTY ADDRESS

1313 Chestnut Avenue

FILE NUMBER

BZZ-7387

	I1	ILOD
	Light Industrial District	Industrial Living Overlay District
<b>FAR</b>		
Base FAR Maximum	<b>2.70</b>	<b>2.70</b>
20% bonus for enclosed, underground or structured parking	n/a	0.54
20% bonus for 50% ground floor commercial	n/a	n/a
20% bonus for 20% affordable units	n/a	0.54
<b>Total possible FAR</b>	<b>2.70</b>	<b>3.78</b>
Required lot area per dwelling unit (sq. ft.)	n/a	900
<b>Possible DU Bonuses:</b>		
20% bonus for enclosed, underground or structured parking	n/a	Y
20% bonus for 50% ground floor commercial	n/a	
20% bonus for 20% affordable units	n/a	Y
Base building height maximum (in stories)	4	4
Maximum size of retail store (sq. ft.)	n/a	unlimited
Maximum Lot Coverage	n/a	n/a
Maximum Impervious Surface Coverage	n/a	n/a
<b>Yard Requirements</b>		
Front	0	0
Interior side or rear <sup>1</sup>	5+2X <sup>2</sup>	5+2X <sup>2</sup>
Corner Side	0	0
<b>Drive-through permitted?</b>	Y	

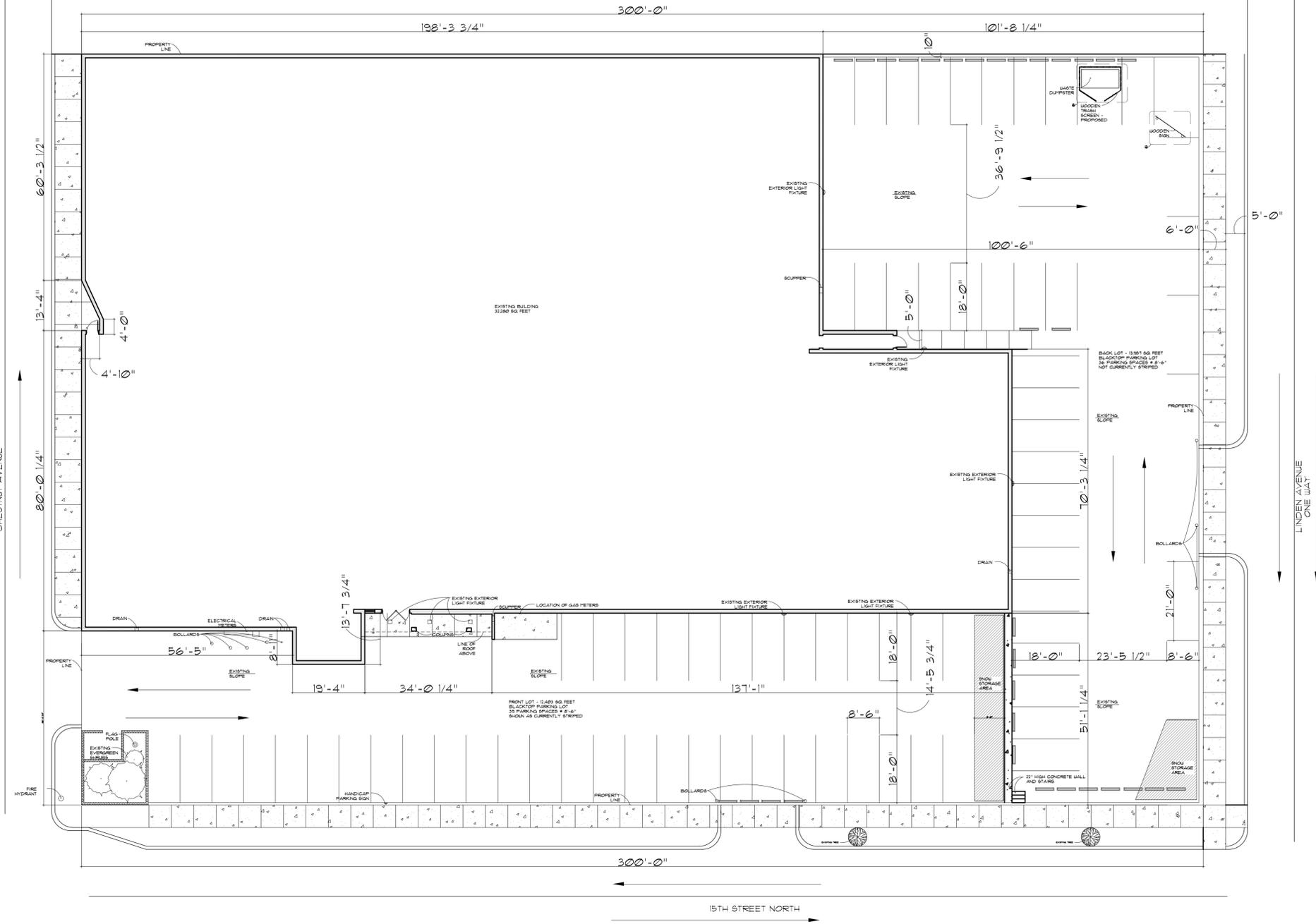
**Notes:**

1 - (2X) is added for uses that are not SFDs, 2FDs, or CRFs serving 1-6 persons

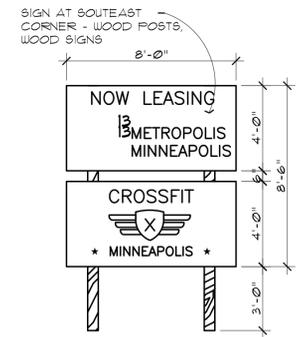
2 - For residential uses and hotels

# 1313 CHESTNUT AV MINNEAPOLIS, MN

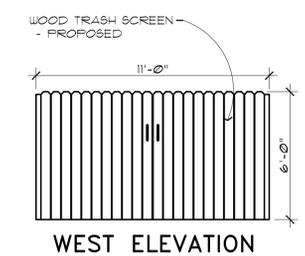
HENNEPIN COUNTY  
MUNICIPAL BUILDING



1 SITE PLAN  
1/16"=1'-0"



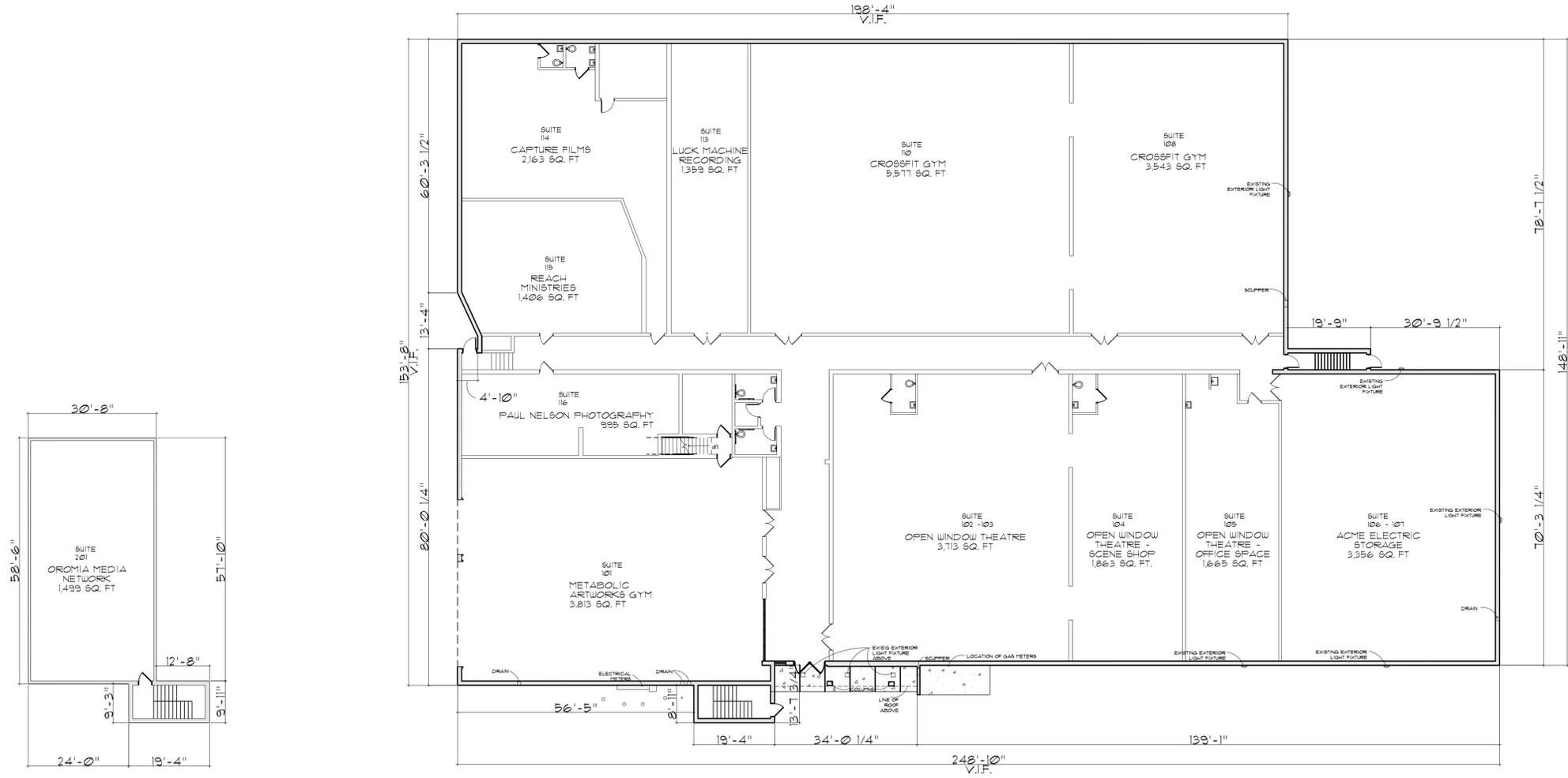
2 SIGN  
1/4"=1'-0"



WEST ELEVATION

3 TRASH SCREEN - PROPOSED  
1/4"=1'-0"

# 1313 CHESTNUT AV MINNEAPOLIS, MN



1 FLOOR PLAN  
1/16"=1'-0"















