



Project Addresses: 118 State Street
Application Type: Zoning Map Amendment and Conditional Use
Legistar File ID # [80828](#) and [80432](#)
Prepared By: Timothy M. Parks, Planning Division
Report includes comments from other City agencies, as noted

Summary

Applicant: Susan McKinney, MCKO, LLC; 2809 Rosellen Avenue; Fitchburg.

Property Owner: 118, LLC; 2535 University Avenue; Madison.

Requested Actions: Consideration of a request to rezone 118 State Street from PD (Planned Development District) to DC (Downtown Core District); and consideration of a conditional use in the [Proposed] DC District for a nightclub.

Proposal Summary: The applicant is requesting land use approvals to convert a two-story building at 118 State Street into a nightclub, "Cielo." The application indicates that renovation of the building into the nightclub use will commence as soon as all regulatory approvals have been granted, with opening anticipated by mid-2024.

Applicable Regulations & Standards: Section 28.182 of the Zoning Code provides the process for zoning map amendments. Table E-2 in Section 28.072(1) identifies nightclubs as a conditional use in the proposed DC zoning district subject to Supplemental Regulations in Section 28.151. Section 28.183 provides the process and standards for the approval of conditional use permits.

Review Required By: Plan Commission and Common Council.

Summary Recommendation: The Planning Division recommends that the Plan Commission forward Zoning Map Amendment ID 28.022-00660, rezoning 118 State Street from PD to DC, to the Common Council with a recommendation of **approval**; and find the standards for conditional uses are met to **approve** a nightclub in the existing building, subject to input at the public hearing and the conditions from reviewing agencies beginning on **page 4**.

Background Information

Parcel Location: The subject site is a 3,294 square-foot (0.08-acre) parcel with frontage on the north side of State Street and southwesterly side of N Carroll Street; Alder District 4 (Verveer); Madison Metropolitan School District.

Existing Conditions and Land Use: A two-story, 5,626 square-foot commercial building constructed in 1886 and expanded in 1938, which has been used most recently as a restaurant and is currently vacant. The site is zoned PD.

Surrounding Land Uses and Zoning: The subject site is bounded on the west by a six-story retail/office building at 122 State Street, by three two-story commercial buildings at 124, 128 and 130 State Street, and by a three-story mixed-use building at 126 State (also 117 W Dayton Street). The site is bounded on the east by a three-story commercial and residential building at 114 State Street and by a four-story commercial building at 100 State. The

blockface across State Street from the subject site is comprised of two- and four-story commercial and mixed-use buildings. The land opposite the W Dayton Street frontage is developed with the City’s State Street-Capitol Parking Ramp, while the blockface across the N Carroll Street frontage is developed with the thirteen-story, 373-room Concourse Hotel and the ten-story 30 West Mifflin building, which houses the State of Wisconsin Veteran’s Museum on the lower two floors and offices above. The adjacent and opposing buildings fronting onto State Street are zoned DC (Downtown Core District), as are the Concourse Hotel and Capitol Square buildings. Buildings across W Dayton Street are zoned UMX (Urban Mixed-Use District).

Adopted Land Use Plan: The 2012 [Downtown Plan](#) includes the subject site and flatiron block of State Street, W Dayton Street and N Carroll Street in the “State Street” District. The Plan recommends that the subject site and properties west of N Carroll Street be developed with Downtown Mixed-Uses. The Plan seeks to maintain and enhance the “unique,” “vibrant,” “special,” and “intimate” character of the State Street District as the City’s “premier” destination for shopping, dining, culture and entertainment by reinforcing the pedestrian-scale of the district and “human-scale” developments that promote synergy and interaction (Objective 4.2).

Zoning Summary: The subject site will be zoned DC (Downtown Core District), which will be reviewed in the following sections.

Requirements	Required	Proposed
Maximum Building Height	2 stories at State Street; 4 stories beginning 30’ from State Street	Existing; no change proposed
Auto Parking	None; Central Area	0
Electric Vehicle (EV) Stalls	N/A	---
Accessible Stalls	Yes	0
Bike Parking	Existing	0
Loading	None	0
Building Forms	Commercial Block Building	Existing; no change proposed
Other Critical Zoning Items		
Yes:	Urban Design (DC zoning), Adjacent to Landmark, Utility Easements	
No:	Floodplain, Wellhead Protection, Waterfront Development, Adjacent to Park, Barrier Free	
<i>Prepared by: Jacob Moskowitz, Assistant Zoning Administrator</i>		

Environmental Corridor Status: The property is not located within a mapped environmental corridor.

Public Utilities and Services: The site is served by a full range of urban services, including seven-day Metro Transit service along State Street and the Capitol Square, with trips at least every 15 minutes, until roughly 11:00 PM each night (midnight on weeknights). Metro Transit would initially estimate the following counts of potentially eligible trips towards US Green Building Council/LEED Quality Access to Transit points: 318 Weekday and 149 Weekend (average). Please contact Metro Transit if additional analysis would be of interest.

Previous Approval

On September 25, 2018, the Common Council approved a request to rezone 0.3 acres at 118-126 State Street from DC (Downtown Core District) to PD (Planned Development District) and approved a General Development Plan and Specific Implementation Plan to construct a nine-story, 133-room hotel with first floor restaurant-tavern

and rooftop lounge. On September 17, 2018 meeting, the Plan Commission approved a demolition permit for 118, 122, 124, and 126 State Street and recommended approval of the proposed PD zoning for the hotel.

Supplemental Regulations

Section 28.151 of the Zoning Code includes the following supplemental regulations for a Nightclub, defined as a “an establishment in which fermented malt beverages or intoxicating liquors are sold for consumption upon the premises and which holds an entertainment license under Sec. 38.06(11) and may serve meals and include kitchen facilities”:

- (a) Shall hold entertainment license under Section 38.06(11), MGO.
- (b) Shall at all times operate consistent with and according to the requirements of a valid liquor alcohol license issued by the City.

Project Description, Analysis & Conclusion

The applicant is requesting approval of a request to rezone a 3,294 square-foot parcel located at 118 State Street back to the DC zoning that the site and two other parcels to the west had before the three parcels were rezoned to PD in September 2018 for a redevelopment that did not proceed. The applicant is also seeking approval of a conditional use to allow the existing two-story building that occupies the site to be converted into a nightclub.

Per the letter of intent, the nightclub, “Cielo,” will have a capacity of 250 persons and will include amplified music, food, and beverages. Hours for the club will vary by day, as outlined in the letter of intent. The proposed nightclub was granted a Class B combination liquor and beer license and a 21+ entertainment license by the Common Council on November 7, 2023 following recommendations to approve by the Alcohol License Review Committee on October 18, 2023. The liquor and beer license estimated a 60/40 ratio of alcohol and food sales for the club.

Section 28.098(5)(c) of the Zoning Code stipulates that if a Planned Development General Development Plan and Specific Implementation Plan approved at the same time are not recorded as approved within five (5) years of the date of approval by the Common Council, that the approval shall be null and void and a new petition and approval process shall be required to obtain approvals. Likewise, while the PD zoning may be null and void due to the expiration of the five-year period, a subsequent zoning map amendment is required to be approved by the Common Council to zone the property differently.

In this case, the applicant and property owner are seeking to restore the DC zoning the site had prior to the 2018 rezoning to PD. In order to approve the zoning map amendment, the Common Council shall find that the zoning map amendment is *consistent with* the City’s Comprehensive Plan as required by Section 66.1001(3) of Wisconsin Statutes. “Consistent with” is defined as “furthers or does not contradict the objectives, goals and policies contained in the comprehensive plan.” Similarly, the Plan Commission may not approve an application for a conditional use unless it can find that all of the standards found in Section 28.183(6)(a), Approval Standards for Conditional Uses, are met. That section states: “The City Plan Commission shall not approve a conditional use without due consideration of the recommendations in the City of Madison Comprehensive Plan and any applicable, neighborhood, neighborhood development, or special area plan, including design guidelines adopted as supplements to these plans. No application for a conditional use shall be granted by the Plan Commission unless it finds that all of the [standards for approval in Section 28.183(6) are met].”

Staff believes that the proposed DC zoning is consistent with the recommendations in the Downtown Plan for the site and nearby properties, which are located in the “State Street” District. The Plan recommends that the subject site and properties west of N Carroll Street be developed with Downtown Mixed-Uses. The DC zoning and proposed nightclub use are consistent with the plan’s goal to maintain and enhance the “unique,” “vibrant,” “special,” and “intimate” character of State Street as the City’s “premier” destination for shopping, dining, culture and entertainment by reinforcing the pedestrian-scale of the district and “human-scale” developments that promote synergy and interaction. Staff further believes that the supplemental regulations for nightclubs in the Zoning Code and the standards for approval of conditional uses can be met subject to the conditions included in the following section.

As with any conditional use, the Plan Commission retains continuing jurisdiction in the event that complaints are received about any of the conditional uses associated with the subject site, which could result in more restrictive conditions being applied if deemed necessary.

The applicant indicates that renovation of the building into the nightclub use will be mostly confined to the interior. However, any alterations to the exterior of the building may require review consistent with Section 28.074(4) of the Zoning Code for the DC district. Also, because the adjacent building at 114 State Street is a City-designated landmark, review of any development adjacent to it is subject to Landmarks Commission review per Section 28.144 of the Zoning Code.

Recommendation

Planning Division Recommendation (Contact Timothy M. Parks, (608) 261-9632)

The Planning Division recommends that the Plan Commission forward Zoning Map Amendment ID 28.022–00660, rezoning 118 State Street from PD to DC, to the Common Council with a recommendation of **approval**; and find the standards for conditional uses are met to **approve** a nightclub in the existing building, subject to input at the public hearing and the conditions from reviewing agencies that follow:

Recommended Conditions of Approval Major/Non-Standard Conditions are Shaded

Planning Division

1. Note: Approval of any exterior alterations related to the proposed renovation may require review pursuant to Sections 28.074(4) and 28.144 of the Zoning Code prior to issuance of building permits.

City Engineering Division (Contact Tim Troester, (608) 267-1995)

This agency has reviewed the request and recommended no conditions of approval.

City Engineering Division – Mapping Section (Contact Jeffrey Quamme, (608) 266-4097)

2. The applicant/ owner shall note that this property is subject to a Private Air Rights Agreement over this entire property in favor of the 122 State Street property in which the air space above specified elevations is restricted per Document No. 1929114. It is solely the owner's responsibility to comply with the agreement in regard to any improvements such as the sky tubes.

Traffic Engineering Division (Contact Sean Malloy, (608) 266-5987)

This agency has reviewed the request and recommended no conditions of approval.

Zoning Administrator (Contact Jacob Moskowitz, (608) 266-4560)

3. Exterior lighting is not required. However, if it is provided, it must comply with MGO Section 29.36 outdoor lighting standards. If exterior site lighting is provided, submit an exterior lighting plan and fixture cut sheets with the final plan submittal.
4. The nightclub shall at all times operate consistent with and according to the requirements of a valid liquor alcohol license issued by the City.
5. Signage approvals are not granted by the Plan Commission. Signage must be reviewed for compliance with MGO Chapter 31 Sign Codes and Section 33.24 Urban Design Commission ordinances. Signage permits are issued by the Zoning Section of the Department of Planning and Community and Economic Development.

Fire Department (Contact Matt Hamilton, (608) 266-4457)

6. Provide automatic fire sprinkler system per IFC 903.
7. Provide life safety/ egress plan for increased proposed increase occupancy load prior to final sign-off.

Parks Division (Contact Ann Freiwald, (608) 243-2848)

This agency has reviewed the request and recommended no conditions of approval.

Water Utility (Contact Jeff Belshaw, (608) 261-9835)

This agency has reviewed the request and recommended no conditions of approval.

Metro Transit (Contact Tim Sobota, (608) 261-4289)

8. Vehicle travel lanes on the State Street transit mall have been officially designated by the City of Madison as fixed guideway facilities for transit operations with the Federal Transit Administration. This official designation, and the associated travel restrictions against general traffic usage, allows the City of Madison to receive annual Federal funding that goes towards the operation and maintenance of these lane facilities for transit operations.
9. Any closure of the designated transit travel lanes along State Street that may be approved by City Traffic Engineering to facilitate construction of this project may require that the applicant post a deposit or otherwise reimburse Metro Transit and the City of Madison for the potential loss of Federal funding for any period of time where scheduled transit trips might be required to detour off this fixed guideway facility.
10. Any detour of scheduled transit trips to alternate downtown streets that may be implemented by Metro Transit in response to such an approved closure of State Street may additionally require that the applicant reimburse the Madison Parking Utility for the loss of any parking meter revenue (where implementing alternate bus stop zones may eliminate existing metered parking stalls).

Forestry Section (Contact Bradley Hofmann, (608) 267-4908)

This agency has reviewed the request and recommended no conditions of approval.

Parking Section (Contact Trent W. Schultz, 608-246-5806)

The agency has reviewed this project and determined that a Transportation Demand Management (TDM) Plan is not required.