



PREPARED FOR THE PLAN COMMISSION

Project Address: 931 E. Main Street (6th Aldermanic District, Alder Rummel)
Application Type: Conditional Use
Legistar File ID #: [56547](#)
Prepared By: Chris Wells, Planning Division
Report includes comments from other City agencies, as noted.
Reviewed By: Kevin Firchow, AICP, Principal Planner

Summary

Applicant/Contact: Nathan Greenawalt; Old Sugar Distillery; 931 E. Main Street, #8; Madison, WI 53703
Property Owner: Common Wealth Development; 1501 Williamson Street; Madison, WI 53703

Requested Action: The applicant requests approval of a three conditional uses in the Traditional Employment (TE) District to add – 1) a tasting room; 2) a reception hall and 3) a nightclub – to an existing Distillery, and approval of an alteration to an existing conditional use to alter the hours of operation and capacity of the distillery, all located in an existing multi-tenant commercial building at 931 E. Main Street.

Proposal Summary: The applicant proposes sell beer at the existing establishment (therefore requiring a new conditional use approval for a tasting room), hold events in the space (therefore requiring a conditional use for a reception hall), and, because it now holds an Entertainment License, a conditional use for a nightclub is required. Additionally, the applicant proposes to amend the existing conditional use approval to increase the hours of operation and capacity of the existing distillery. No structural changes are proposed to the building or space.

Applicable Regulations & Standards: This application is subject to the standards for Conditional Uses [MGO §28.183] as §28.082(1) of the Zoning Code lists a tasting room, reception hall, and nightclub as Conditional Uses in the Traditional Employment (TE) District. The Supplemental Regulations [MGO §28.151] contain further regulations for nightclubs.

Review Required By: Plan Commission (PC)

Summary Recommendation: The Planning Division recommends that the Plan Commission find that the conditional use standards are met and **approve** the requests to add a tasting room, reception hall, and nightclub, and amend an existing conditional use approval for the distillery, all in an existing multi-tenant commercial building in the Traditional Employment (TE) District at 931 E. Main Street. This request is subject to input at the public hearing and the comments and conditions recommended by reviewing agencies, beginning on Page 6 of this report.

Background Information

Parcel Location: The roughly 69,696-square-foot (1.60-acre) subject site is located on the south corner of E. Main Street and S. Brearly Street; within Aldermanic District 6 (Ald. Rummel); and within the Madison Metropolitan School District.

Existing Conditions and Land Use: The subject parcel is developed with a 50,455-square-foot building that served as a former bus terminal converted into a business incubator with up to 19 possible rental suites. The lot contains 46 surface parking spaces.

Surrounding Land Use and Zoning:

Northwest: Across S. Brearly Street is a light manufacturing building, zoned TE (Traditional Employment District);

Northeast: Across E. Main Street are warehouses and small commercial buildings, zoned TE;

Southeast: An active rail line and warehouse and office buildings, zoned TE; and

Southwest: The City of Madison Water Utility’s fleet storage building, zoned TE.

Adopted Land Use Plan: Both the [Comprehensive Plan](#) (2018) and the [East Washington Capitol Gateway Corridor Plan](#) (2008) recommend Employment (E) uses for the subject site. The Comprehensive Plan states that Employment uses “include predominantly corporate and business offices, research facilities, laboratories, hospitals, medical clinics, and other similar uses. They generally do not include retail and consumer service uses for the wider community, but may include limited retail and service establishments that primarily serve employees and users of the area.” This description is virtually identical to that provided by the [East Washington Capitol Gateway Corridor Plan](#) for Employment uses.

The [Marquette-Schenk-Atwood Neighborhood Plan](#) (1994) does not provide specific recommendations pertaining to the subject site.

Zoning Summary: The property is in the Traditional Employment (TE) Zoning District.

Requirements	Required	Proposed
Lot Area (sq. ft.)	6,000 sq. ft.	69,696 sq. ft.
Lot Width	50’	264’
Front Yard Setback	None	None
Side Yard Setback	None unless needed for access	None northeast 18’-6” southwest
Rear Yard Setback	Lesser of 20% lot depth or 20’	Adequate
Maximum Lot Coverage	85%	Existing lot coverage
Minimum Building Height	22’ measured to building cornice	One story existing building
Maximum Building Height	5 stories/ 68’	One story existing building

Site Design	Required	Proposed
Number Parking Stalls	Tasting room; nightclub; reception hall: 15% of capacity of persons (34) Existing brewery: 1 per 2 employees (2) Existing tasting room for brewery: 15% of capacity of persons (7) Existing office, service business: 1 per 400 sq. ft. floor area (67) (Total 110)	45 <i>(See Comment #4)</i>
Accessible Stalls	Yes	3
Loading	2 (10’ x 50’)	2

Number Bike Parking Stalls	Tasting; nightclub; reception hall: 5% of capacity of persons (11) Existing brewery: 1 per 10 employees (1) Existing tasting room for brewery: 5% of capacity of persons (2) (Total 14)	Existing bike racks <i>(See Comment #5 & #6)</i>
Landscaping and Screening	Not required	Existing landscaping
Lighting	Not required	Existing lighting
Building Forms	Not required	Existing building

Other Critical Zoning Items:	Barrier Free (ILHR 69)
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Tables Prepared by Jenny Kirchgatter, Assistant Zoning Administrator

Environmental Corridor Status: The subject site is not located in a mapped environmental corridor.

Public Utilities and Services: This property is served by a full range of urban services. Regarding Metro Transit service, the nearest stop is located one block west at the intersection of Paterson Street and E. Washington Ave.

Previous Approvals

On August 6, 2019, the Common Council, with a recommendation of approval from the Alcohol License Review Committee, approved a Class B Beer License for the Old Sugar Distillery space at 931 E. Main Street. (Legistar File ID: [56490](#)) It was approved for an interior capacity at 200 persons and an exterior capacity of 48.

On August 6, 2019, the Common Council, with a recommendation of approval from the Alcohol License Review Committee, approved an Entertainment License for the Old Sugar Distillery space at 931 E. Main Street. (Legistar File ID: [56667](#)) It was approved for a total capacity at 230 persons.

On April 22, 2013, the Plan Commission approved a conditional use to allow an existing distillery to expand at 931 E. Main Street. (Legistar File ID [#29439](#)) While the proposal also included a tasting room, because it was considered accessory to the distillery, it did not require separate conditional use approval.

Project Description

The applicant requests approval of a three conditional uses in the Traditional Employment (TE) District to add – 1) a tasting room; 2) a reception hall and 3) a nightclub – to an existing distillery, and approval of an alteration to an existing conditional use to alter the hours of operation and capacity of the distillery, all located in an existing multi-tenant commercial building at 931 E. Main Street.

With this application, the applicant is not proposing any structural changes to the building or space.

Old Sugar Distillery has had a tasting room at this location since its inception. The need for an additional conditional use for the tasting room at this time, however, is due to the fact that the applicant wants to also sell beer. As noted above, the Common Council approved a Class B Beer License for the establishment back on August 8, 2019 with an interior capacity of 200 persons and an exterior capacity of 48.

The need for the conditional use for a reception hall is to bring the establishment into compliance since it holds occasional events (including music, wedding, etc.) in the space.

Finally, the need for the conditional use for a nightclub is due to the fact that it now meets the definition of this use in MGO Section 28.211, which states *“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) but does not include kitchen facilities.”* As noted above, the Common Council approved an Entertainment License for the establishment back on August 8, 2019, with a capacity of 230 persons. (Note: the discrepancy in approved capacities between the Entertainment License and the Class B Beer License, mentioned above, was based solely on how the application forms were completed by the applicant. In the end, the lower number will win out.

The application also requests an alteration to the existing conditional use – to alter the hours of operation and capacity of the Distillery. Regarding capacity, the previous (2013) conditional use approval to expand the distillery, set the capacity at 99 persons. As the applicant has subsequently add three bathrooms within the existing space, and added sprinklers for fire protection, they are now proposing to increase the capacity to 230 persons. While both of the recent license approvals increased the capacity – the Class B Beer License up to 248 total (200 persons on the interior and 48 on the exterior) and the Entertainment License (up to 230 total persons) – the final details of the seating plan and capacity will still need to be approved by the Building Inspection Unit.

The 2013 approval also set the hours of operation for the tasting room as Thursdays and Fridays, 4:00-11:00 pm, and Saturdays, Noon to 11:00 pm, with occasional extended hours associated with special events. With this submittal, the applicant is requesting the ability to have the business be open seven days per week with the following hours: Mondays to Fridays, 4:00 pm to midnight, and Saturdays and Sundays, noon to midnight, with occasional extended hours associated with special events.

Regarding parking, 45 automobile parking stalls are located to the southeast and southwest of the multi-tenant building, and accessed, via a one-way drive aisle, from S. Brearly Street. Six bicycle stalls are located in an alcove along the S. Brearly Street façade with another three located along the building’s southeast façade.

Analysis and Conclusion

This application is subject to the standards for Conditional Uses [MGO §28.183] as §28.082(1) of the Zoning Code lists a tasting room, reception hall, and nightclub as Conditional Uses in the Traditional Employment (TE) District. The Supplemental Regulations [MGO §28.151] contain further regulations for nightclubs.

Conformance with Adopted Plans

Both the [Comprehensive Plan](#) (2018) and the [East Washington Capitol Gateway Corridor Plan](#) (2008) recommend Employment (E) uses for the subject site. The Comprehensive Plan states that Employment uses *“include predominantly corporate and business offices, research facilities, laboratories, hospitals, medical clinics, and other similar uses. They generally do not include retail and consumer service uses for the wider community, but may include limited retail and service establishments that primarily serve employees and users of the area.”* This description is virtually identical to that provided by the [East Washington Capitol Gateway Corridor Plan](#) for Employment uses.

The [Marquette-Schenk-Atwood Neighborhood Plan](#) (1994) does not provide specific recommendations pertaining to the subject site.

Conditional Use Standards

In regards to the Conditional Use Approval Standards, the Plan Commission shall not approve a conditional use without due consideration of the City's adopted plan recommendations, design guidelines, supplemental regulations, and finding that all of the conditional use standards of MGO §28.183(6) are met. Please note, recent changes to state law requires that conditional use findings must be based on "substantial evidence" that directly pertains to each standard and not based on personal preference or speculation.

In regards to plan consistency, Staff note that while not entirely consistent with adopted plans, the Planning Division believes the proposed uses and alteration could be found to be compatible, especially due to the fact that the proposed use changes are largely in name only and will not result in a notably different use of the establishment that is currently occurring. Staff also believe it to be an appropriate interim use of the site considering the existing TE zoning on this and surrounding properties. Finally, Staff do not believe it would prevent the surrounding properties from redeveloping in a manner more consistent with adopted plans.

The Planning Division believes that the Conditional Use Standards can be found met and provides the following discussion of Approval Standard #5, below.

Standard #5 states, "Adequate utilities, access roads, drainage, parking supply, internal circulation improvements, including but not limited to vehicular, pedestrian, bicycle, public transit and other necessary site improvements have been or are being provided."

While Table 28I-2 in MGO Section 28.141 notes that there are no automobile parking minimums in the TE (Traditional Employment) District, because the building is a multi-tenant building with over 25,000 square-feet of floor area, that exemption from providing parking does not apply. That said, there are 45 automobile parking stalls on the site located to the southeast and southwest of the multi-tenant building, which are accessed, via a one-way drive aisle, from S. Breatly Street. According to the Zoning Tables earlier in this report, the building is required to provide a total of 110 automobile parking stalls. However, due to the fact that the City's S. Livingston Street Parking Garage is located less than 1,320 feet to the west (roughly 960 feet to be more precise), Table 28I-4 allows the applicant to reduce the required number of stalls on site and assumes the parking structure will provide the shortage of required stalls. Therefore, the shortage of required stalls in the subject site for the existing mixed-use building and proposed tasting room, nightclub, and reception hall may therefore be considered satisfied. While there is no need to submit a Parking Reduction application – as far as the requests at 931 E. Main Street are concerned – Zoning is however requesting such an application still be submitted for the purpose of documenting the availability of off-site parking.

The applicant also notes the general availability of on-street automobile parking near the site and points out that the establishment's hours largely do not overlap those of the nearby office buildings (which typically empty before 6:00 pm), and therefore anticipates stalls in the structure will be available in the evenings.

Bicycle parking will be important given that the Capital City Bicycle Trail runs parallel to E. Main St. roughly 0.2 miles from the subject site. That said, while the applicant is providing nine stalls on site, 11 are required by the Zoning Code. They will therefore be required to add another two stalls or request a 2-stall reduction (likely pointing out that there are eight bike stalls in the adjacent right-of-way, more across the street, and additional stalls located in the nearby public garage.)

It is also anticipated that many guests will arrive at the site via Metro as the nearest stop is located roughly 0.1 miles away at the intersection of E. Washington Avenue and S. Paterson Street.

Given due consideration, the Planning Division anticipates that if well-managed, the proposed tasting room, reception hall, nightclub and conditional use alteration should not result in significant negative impacts to the surrounding properties. Factors such as the location away from nearby residential uses; the fact that the site is nearby both the Cap City Bicycle Trail as well as a Metro stop, which are anticipated to potentially reduce automobile trips; the automobile parking provided both on the site as well as in the nearby public parking structure; and the proposed conditions of approval, will help mitigate possible negative impacts. Staff also point to the letter of support provided by the Marquette Neighborhood Association, which fully supports the proposal in its entirety. Finally, if approved, the Plan Commission retains continuing jurisdiction over these conditional uses, meaning that should complaints be filed, the Plan Commission could take further action on them as allowed in MGO Section 28.183(9)(d).

Staff believe the proposed tasting room, reception hall, nightclub and conditional use alteration can be found to meet the conditional use approval standards and recommends that the requests be approved by the Plan Commission.

Regarding the Supplemental Regulations, there is only one for Reception Halls: *“Service of food and intoxicating beverages allowed when licensed.”* As noted above, the applicant was granted both a Class B Beer license and Entertainment License by the Common Council for the subject establishment back on August 8, 2019.

Public Input

At the time of report writing, Staff has received a letter of support from the Marquette Neighborhood Association. The letter, which is included in the Plan Commission’s packet of materials, notes the Association’s unanimous approval of the project as proposed with no concerns or additional restrictions.

Recommendation

Planning Division Recommendation (Contact Colin Punt, (608) 243-0455)

The Planning Division recommends that the Plan Commission find that the conditional use standards are met and **approve** the requests to add a tasting room, reception hall, and nightclub, and amend an existing conditional use approval for the distillery, all in an existing multi-tenant commercial building in the Traditional Employment (TE) District at 931 E. Main Street. This request is subject to input at the public hearing and the following comments and conditions recommended by reviewing agencies:

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

City Engineering Division (Contact Brenda Stanley, (608) 261-9127)

The agency reviewed this request and has recommended no conditions of approval.

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

1. The current lease for the parking within the Railroad Street Right of way is expired and is to be converted to an encroachment agreement per City of Real Estate Proj No. 3879. The encroachment agreement for the parking and garbage enclosure shall be completed by Common Wealth Development prior to final sign off.
2. The site plan shall show and acknowledge the patio encroachment area permitted within the right of way of E Main Street per Document No. 4877617.
3. The existing parking lot configuration on the site plan is not accurate at the southeasterly corner of the site. There is not a dumpster enclosure and there are 2 more parking spaces existing than are shown.

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

The agency reviewed this request and has recommended no conditions of approval.

Zoning Administrator (Contact Jenny Kirchgatter, (608) 266-4429)

4. The minimum parking requirement for the proposed tasting room, nightclub, and reception hall is 34 stalls, and 110 for the entire building. However, per Section 28.141(5), parking for nonresidential uses may be reduced by one space for each space in a public parking lot or public parking structure located within 1,320 feet of the use, as measured by using the shortest pedestrian route from the nearest corner of the parking lot or structure to the main public entrance of the use served. Due to the proximity of the City's S. Livingston Street Parking Garage, the shortage of required stalls in the subject site for the existing mixed-use building and proposed tasting room, nightclub, and reception hall may therefore be considered satisfied and there is no need to submit a Parking Reduction application, as far as this proposal is concerned. That said, Staff do still request the applicant submit a Parking Reduction application to document the availability of off-site parking.
5. Bicycle parking for the proposed tasting room, nightclub, and reception hall shall comply with the requirements of Sections 28.141(4)(g) and 28.141(11). Provide a minimum of eleven (11) short-term bicycle parking stalls located in a convenient and visible area on a paved or impervious surface. Bicycle parking shall be located at least as close as the closest non-accessible automobile parking and within one hundred (100) feet of a principal entrance. Note that existing bicycle stalls located in the public right-of-way do not count toward the minimum bicycle parking requirement. A bicycle stall is a minimum of two (2) feet by six (6) feet with a five (5) foot wide access area. Provide a detail of the proposed bike rack.
6. If the owner desires to reduce the amount of required bicycle parking, the owner must obtain approval of a bicycle parking reduction from the Zoning Administrator. In order to obtain a bicycle parking reduction, the owner shall submit the application for a bicycle parking reduction with supporting information. Factors to be considered by the Zoning Administrator include but are not limited to: availability, proximity, and use characteristics of public bike parking in the public right of way within two hundred (200) feet of the subject property; existing or potential shared parking agreements; proximity to transit routes and/or multi-use paths; characteristics of the use, including hours of operation and peak parking demand times; design and maintenance of off-street bicycle parking, and whether the use is existing or is an addition to an existing use.

7. Per Section 28.186(4)(b), the property owner or operator is required to bring the property into compliance with all elements of the approved site plans by the date established by the Zoning Administrator as part of the site and building plan approval. Work with Zoning staff to establish a final site compliance date.

Fire Department (Contact Bill Sullivan, (608) 261-9658)

The agency reviewed this request and has recommended no conditions of approval.

Parks Division (Contact Kathleen Kane, (608) 261-9671)

The agency reviewed this request and has recommended no conditions of approval.

Forestry Division (Contact Brad Hofmann, (608) 267-4908)

The agency reviewed this request and has recommended no conditions of approval.

Metro Review (Contact Timothy Sobota, (608) 261-4289)

The agency reviewed this request and has recommended no conditions of approval.