

PLANNING DIVISION STAFF REPORT

June 9, 2025



PREPARED FOR THE PLAN COMMISSION

Project Address: 10 S Paterson Street
Application Type: Conditional Use
Legistar File ID # [88195](#)
Prepared By: Chris Wells, Planning Division
Report includes comments from other City agencies, as noted.
Reviewed By: Kevin Firchow, Planning Division

Summary

Applicant & Contact: Fed Novikov; The Neutral Project, LLC; 25 W Main Street, Suite 500; Madison, WI 53703
Property Owner: Bakers Place SPE, LLC; 25 W Main Street, Suite 500; Madison, WI 53703

Requested Actions: Consideration of a conditional use in the Traditional Employment (TE) District for a restaurant-tavern, and consideration of a conditional use in the TE District for food and related goods sales, all to allow a cafe/ grocery tenant in a mixed-use building at 10 S Paterson Street.

Proposal Summary: The applicant is seeking approval to establish a coffee shop and mercantile (store) in the roughly 3,400-square-foot tenant space located at the north corner of the recently-constructed, mixed-use building. The establishment will be accessed off S Paterson Street via the courtyard which runs along the building's northwest façade.

Applicable Regulations & Standards Table 28F-1 in Section 28.082(1) of the Zoning Code identifies a *Restaurant-Tavern* and *Food and Related Goods Sales* as conditional uses in the TE district. The Supplemental Regulations section, MGO Section 28.151, has additional requirements for *Restaurant-Taverns*.

Review Required By: Plan Commission

Summary Recommendations: The Planning Division recommends that the Plan Commission find the standards met and approve the conditional use requests in the Traditional Employment (TE) District for a restaurant-tavern, and consideration of a conditional use in the TE District for food and related goods sales, all to allow a cafe/ grocery tenant in a mixed-use building at 10 S Paterson Street. This recommendation is subject to input at the public hearing and the conditions from reviewing agencies beginning on **page 6** of this report.

Background Information

Parcel Location: An approximately 1.0-acre parcel that extends along the westerly side of S Paterson Street from E Washington Avenue to E Main Street; Alder District 6 (Mayer); Urban Design District 8; Madison Metropolitan School District.

Existing Conditions and Land Use: The subject site is developed with a fourteen-story, mixed-use building containing roughly 10,000 square-feet of commercial space and 214 apartments. The parcel is zoned Traditional Employment (TE) District.

Surrounding Land Uses and Zoning:

North: Across E Washington Avenue is the “Galaxie” mixed-use development, zoned TE (Traditional Employment District) and Breese Stevens Field, zoned PR (Parks and Recreation District);

South: Across E Main Street are Madison Water Utility administrative offices, storage facility and garage, zoned TE;

West: One- and two-story multi-tenant commercial buildings and the Tinsmith, a wedding and reception hall, zoned TE;

East: Across S Paterson Street is Hotel Indigo and a five-story office building, zoned TE.

Adopted Land Use Plans: The 2023 [Comprehensive Plan](#) recommends the subject site and the E Washington Avenue frontage for Regional Mixed-Use (RMU) uses. RMU is generally described as an intensive mix of region-serving retail, office, service, entertainment, civic, institutional, and high-density residential uses (2-12 stories).

The 2004 [East Rail Corridor Plan](#) identifies the site for commercial and industrial uses consistent with the historic use of the property as part of a larger employment corridor that is centered along E Main Street and generally extends from E Washington Avenue to E Wilson Street.

Regarding the 2008 [East Washington Avenue Capitol Gateway Corridor Plan](#), Staff note that when the 14-story building was proposed in 2021, its approval requests included a proposed map amendment to the Plan to change the recommended land use for the 800-Block of E Washington Avenue and E Main Street from Employment to Employment-Residential to support the residential uses proposed (ID [65925](#)). (This request was approved.) The Plan includes specific recommendations for height, building placement, and design which have been codified in MGO Section 33.24(15) as Urban Design District 8.

Zoning Summary: The site is zoned TE (Traditional Employment District):

Requirements	Required	Proposed
Lot Area (sq. ft.)	6,000 sq. ft.	43,669 sq. ft.
Lot Width	50'	125.47'
Front Yard Setback	0' or 5'	0' existing front yard
Max. Front Yard Setback: TOD	20'	0' existing front yard
Side Yard Setback: Street side yard	0' or 5'	0' existing front yard
Side Yard Setback: Other cases	None unless needed for access	5.0' existing side yard
Rear Yard Setback: For corner lots	The required rear yard setback shall be the same	19'6" existing rear yard
Maximum Lot Coverage	85%	<85%
Minimum Building Height: TOD	2 stories/22' measured to building cornice	14 stories existing building
Maximum Building Height	5 stories/68'	14 stories existing building

Requirements	Required	Proposed
Number Parking Stalls	Not required: TOD	118 existing stalls
Electric Vehicle Stalls	Not required	3 EV existing stalls
Accessible Stalls	Yes	Existing accessible stalls
Loading	Not required	None
Number Bike Parking Stalls	Restaurant-tavern: 5% of capacity of persons (5)	36 surface bike stalls

Requirements		Required	Proposed
Landscaping and Screening		Not required	Existing landscaping
Lighting		Not required	Existing lighting
Building Form and Design		Not required	Existing building
Other Critical Zoning Items			
Yes:	Urban Design (Urban Design Dist. 8), Barrier Free (ILHR 69), Utility Easements, Wellhead Protection (WP 24)		
No:	Floodplain, Landmarks, Waterfront Development, Adjacent to Park		
Prepared by: Jenny Kirchgatter, Assistant Zoning Administrator			

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

Public Utilities and Services: The site is served by a full range of urban services, including Metro Transit’s Bus Rapid Transit (BRT) service along E Washington Avenue, with a stop at the Paterson Street intersection.

Project Description

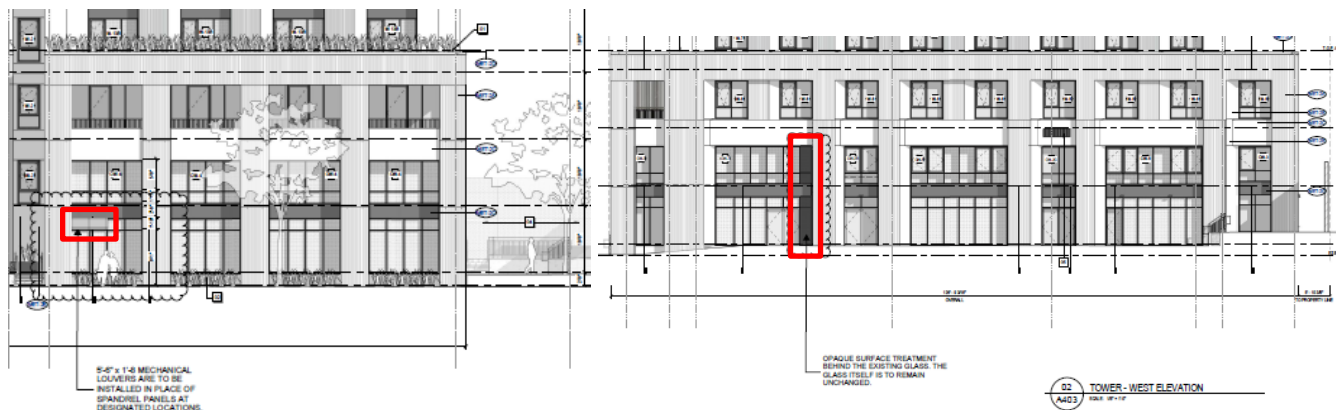
The applicant is seeking approval to establish a coffee shop and mercantile (store) in the roughly 3,400-square-foot tenant space located at the north corner of the 14-story, mixed-use building. The site actually contains two buildings – 1) an older, narrow, two-story, roughly 5,600-square-foot mixed-use building located along E Washington Avenue (this is the remainder of the former Gardner Bakery building which once occupied the entire site) and 2) the aforementioned 14-story building to the east, which occupies the majority of the site, whose construction was recently completed, and will house the proposed tenant. The access to the proposed establishment will be off S Paterson Street via the private courtyard located between the site’s two buildings.

The business establishment will have two components – a coffee shop and a mercantile (i.e. a small retail store). As noted in the submitted materials, the coffee shop operator will only serve coffee, soft drinks, and hot breakfast and lunch. The mercantile will sell such items as organic produce, prepackaged snacks for breakfast and lunch, coffee, milk products, soft drinks, packaged beer and wine, and basic toiletries.

The proposed hours of the establishment are 6:00 a.m. to 10:00 p.m. It will have a capacity of 92 persons and the applicant is not proposing any outdoor seating. In communications with staff, the applicant communicated with staff that patrons may choose to take their purchased items and sit in the outdoor seating located in the private courtyard but that the establishment will not provide table service. As such, approval of an outdoor eating area is not required and is not currently before the Plan Commission. A separate zoning approval would be needed in the future for that use.

Bathrooms are located along the southwest side of the tenant space. As for deliveries, those arriving before operating hours will come through the front door (located off the courtyard, to the northwest) while those made during business hours will come through the ‘back door’ which is located at the east corner of the space. Garbage will also use the back door.

No changes to the exterior are proposed save for two minor ones – 1) the switch from a spandrel panel to a mechanical louver roughly 8.5 feet above grade, at the west end of the tenant space’s S Paterson Street façade, and 2) the addition of an opaque surface treatment (behind the glass) proposed just to the south of the tenant space’s main entrance (located off the courtyard). Both changes are indicated in the screen shots, below. These changes will also require administrative review by the Secretary of the Urban Design Commission as the building is located in Urban Design District 8.



Analysis

Table 28F-1 in Section 28.082(1) of the Zoning Code identifies a *Restaurant-Tavern* and *Food and Related Goods Sales* as conditional uses in the TE district. The Supplemental Regulations section, MGO Section 28.151, has additional requirements for *Restaurant-Taverns*.

Plan Consistency

The 2023 [Comprehensive Plan](#) recommends the subject site and the E Washington Avenue frontage for Regional Mixed-Use (RMU) uses. RMU is generally described as an intensive mix of region-serving retail, office, service, entertainment, civic, institutional, and high-density residential uses (2-12 stories).

Regarding the 2008 [East Washington Avenue Capitol Gateway Corridor Plan](#), Staff note that when the 14-story building was proposed in 2021, its approval requests included a proposed map amendment to the Plan to change the recommended land use for the 800-Block of E Washington Avenue and E Main Street from Employment to Employment-Residential to support the residential uses proposed (ID [65925](#)). (This request was approved.) The Plan includes specific recommendations for height, building placement, and design which have been codified in MGO Section 33.24(15) as Urban Design District 8.

The 2004 [East Rail Corridor Plan](#) identifies the site for commercial and industrial uses consistent with the historic use of the property as part of a larger employment corridor that is centered along E Main Street and generally extends from E Washington Avenue to E Wilson Street.

Staff believe the proposed uses are consistent with the plan recommendations described above.

Conditional Use Standards

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 Plan Commission may find the conditional use standards met for the proposed requests. Staff believe that the modest size and capacity of the establishment (3,400 square-feet in size and a maximum capacity of 92 persons); the entirely interior nature of the uses, and recommended conditions of approval, will not result in negative impacts to the surroundings. Regardless, Staff note that the Plan Commission retains continuing jurisdiction over conditional uses, meaning that should complaints be filed, the Plan Commission could take further action on a Conditional Use as allowed in MGO §28.183(9)(d).

Supplemental Regulations

Per MGO Section 28.151, *Restaurant-Taverns* are subject to the following Supplemental Regulations:

- a) Maximum capacity to be established by the Director of the Building Inspection Division, not to exceed the number of available seats, plus staff, plus a reasonable number of people waiting for seats, as shown on the floor plan consistent with approved capacity.
- b) Must serve food at all hours it is open.
- c) Restaurant-Taverns shall not hold an entertainment license under Sec. [38.06](#)(11).
- d) Restaurant-Taverns shall at all times operate consistent with and according to the requirements of a valid alcohol license issued by the City.

With the recommended conditions of approval, Staff believe the supplemental conditions can be found met.

Public Comment

At the time of writing, a letter of support from the Marquette Neighborhood Association (MNA) had been received and was uploaded to the public record for these requests.

Conclusion

In general, the Planning Division believes that the proposed uses, in a recently-completed mixed-use building, are consistent with the adopted plan recommendations. Staff believe that the modest size and capacity of the establishment (3,400 square-feet in size and a maximum capacity of 92 persons); the entirely interior nature of the uses; and recommended conditions of approval, will not result in negative impacts to the surroundings. Staff believes that the Plan Commission may find the conditional use standards met for the proposed requests.

Recommendation

Planning Division Recommendation (Contact Chris Wells, cwells@cityofmadison.com or (608) 261-9135)

The Planning Division recommends that the Plan Commission find the standards met and **approve** the conditional use requests in the Traditional Employment (TE) District for a restaurant-tavern, and consideration of a conditional use in the TE District for food and related goods sales, all to allow a cafe/ grocery tenant in a mixed-use building at 10 S Paterson Street. This recommendation is subject to input at the public hearing and the conditions from reviewing agencies below:

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

Planning Division (Contact Chris Wells, cwells@cityofmadison.com or (608) 261-9135)

1. The hours of operation for the restaurant-tavern shall be daily from 6:00 a.m. to 10:00 p.m. Future modifications to the hours of operation of the restaurant-tavern in the tenant space addressed as 10 S Paterson Street may be requested by the applicant in the future as a minor alteration of the conditional use following a recommendation by the district alder.

City Engineering Division (Contact Rebecca Qureishi, (608) 266-4089)

2. This site appears to have a land use that will result in their inclusion as a restaurant class sanitary sewer customer. This will charge commercial kitchen facilities a higher sanitary sewer fee per gallon than domestic users and is based on strengths of waste measured at representative similar customers throughout the City. If the applicant desires, a sampling structure may be installed, as part of the initial construction at their cost, to allow site-specific sampling of their waste to determine sanitary sewer charges specifically for this site. If no sampling structure is installed, this site will default to the restaurant class code in MGO Chapter 35. If you have questions on the restaurant class sewer charges please contact Megan Eberhardt at Meberhardt@cityofmadison.com or 608-266-6432.

City Eng. Review Mapping (Contact Julius Smith, (608) 264-9276)

3. The site plan shall reflect a proper street address of the property as reflected by official City of Madison Assessor's and Engineering Division records.
4. This LNDUSE revises the shared vestibule entrance into a separate external entrance. The previously approved address of 10 S Paterson St Suite 107 for this tenant space is no longer valid.

Submit a Floor Plan in PDF format to Lori Zenchenko (lzenchenko@cityofmadison.com) for the development of the tenant space addressing plan.

The Addressing Plan for the project shall be finalized and approved by Engineering (with consultation and consent from the Fire Marshal if needed).

Per 34.505 MGO, a full copy of the approved addressing plan shall be kept at the building site at all times during construction until final inspection by the Madison Fire Department.

For any updates or changes pertaining to the location, deletion or addition of a unit, or to the location of a unit entrance, (before, during, or after construction), a revised Address Plan shall be resubmitted to Lori Zenchenko to review addresses that may need to be changed and/or reapproved.

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

5. The developer shall post a security deposit prior to the start of development. In the event that modifications need to be made to any City-owned and/or maintained traffic signals, street lighting, signing, pavement marking and conduit/handholes, the developer shall reimburse the City for all associated costs including engineering, labor and materials for both temporary and permanent installations.
6. The City Traffic Engineer may require public signing and marking related to the development; the developer shall be financially responsible for such signing and marking.

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

7. The agency reviewed this project and determined a Transportation Demand Management (TDM) Plan is not required as part of approving the proposed conditional uses. Future changes of use (if any), could require a TDM Plan.

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

8. 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.
9. Signage approvals are not granted by the Plan Commission. Signage must be reviewed for compliance with Chapter 31 Sign Codes of the Madison General Ordinances and Chapter 33 Urban Design District ordinances. Signage permits are issued by the Zoning Section of the Department of Planning and Community and Economic Development.

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

10. Metro Transit operates daily all-day rapid transit service along East Washington Avenue adjacent this property - with trips at least every 30 minutes (every 15 minutes or less during the day on weekdays and Saturdays).
11. Metro Transit would initially estimate the following counts of potentially eligible trips towards US Green Building Council/LEED Quality Access to Transit points: 132 Weekday & 96 Weekend. Please contact Metro Transit if additional analysis would be of interest.

The following agencies reviewed the request and recommended no conditions of approval: Fire Department, Parks Division, Water Utility and Forestry.