PLANNING DIVISION STAFF REPORT

May 12, 2025

PREPARED FOR THE PLAN COMMISSION

| Project Address: | 901 East Washington Avenue (District 6 – Alder Mayer) |
|--------------------|---|
| Application Type: | Conditional Use |
| Legistar File ID # | <u>87799</u> |
| Prepared By: | Colin Punt, AICP, Planning Division Report includes comments from other City agencies, as noted. |
| Reviewed By: | Kevin Firchow, AICP, Principal Planner |

Summary

Applicant: Zacharie Gray; Hotel Indigo Madison; 901 E Washington Ave; Madison, WI 53703

Owner: Neil Densmore; 5102 Silvertree Run #102; Madison, WI 53705

Requested Action: The applicant is seeking approval of a conditional use for a restaurant-nightclub and amplified sound in an outdoor eating area in a TE (Traditional Employment) district per §28.084(2) MGO.

Proposal Summary: The applicant is seeking approvals to operate a restaurant-nightclub in an existing hotel building with performances also occurring on an existing outdoor patio. No structural changes to the building are planned.

Applicable Regulations & Standards: Standards for conditional use approval are found in §28.183(6) MGO. The Supplemental Regulations [MGO §28.151] contain further applicable regulations for restaurant-nightclubs and outdoor eating areas associated with food and beverage establishments.

Review Required By: Plan Commission

Summary Recommendations: The Planning Division recommends that the Plan Commission find that the standards for conditional uses are met and **approve** conditional uses for a restaurant-nightclub with outdoor amplified sound at 901 East Washington Avenue, subject to input at the public hearing and the conditions recommended by the Planning Division and other reviewing agencies beginning on page 4.

Background Information

Parcel Location: The 4.27-acre subject parcel occupies nearly the entire block bounded by East Washington Avenue, South Paterson Street, East Main Street, and South Brearly Street. The subject site is at the westernmost corner of the block at the corner of East Washington Avenue and South Paterson Street. The site is within Alder District 6 (Alder Mayer) and the Madison Metropolitan School District.

Existing Conditions and Land Use: The site, zoned TE (Traditional Employment district), is occupied by a five-story, 144-room hotel constructed in 2019 (a portion is a renovated former warehouse built in 1915). The parcel contains several other buildings, including a parking structure and office building.

Surrounding Land Uses and Zoning:

Northeast: Currently vacant, planned for a ten-story mixed-use building, zoned TE;

Northwest: Across East Washington Avenue, Breese Stevens Field, zoned PR (Parks & Recreation district);

Southwest: Across South Paterson Street, a 14-story mixed-use building, both zoned TE; and

Southeast: A five-story office building zoned TE.

Adopted Land Use Plan: The <u>Comprehensive Plan</u> (2023) recommends Regional Mixed Use (RMU) for the site. The <u>Capitol Gateway Corridor Plan</u> (2008) recommends a mix of employment and residential for the site.

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

| Other Critical Zoning Items | Urban Design (UDD 8), TOD Overlay |
|-----------------------------|---|
| | Table Prepared by Jacob Moskowitz, Assistant Zoning Administrator |

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.

Project Description, Analysis, & Conclusion

The applicant is requesting conditional use approval to establish a restaurant-nightclub with an entertainment license at an existing restaurant-tavern within a hotel at 901 East Washington Avenue. The applicant is requesting live music both inside the existing restaurant space and the outdoor eating patio. The outdoor eating patio is located along East Washington Avenue on the northwest façade of the building directly adjacent to the indoor restaurant space. The outdoor eating area was approved with 17 tables and up to 44 seats for patrons. When music is performed outdoors, performers will be staged at the east side of the patio. When music is performed indoors, performers will be staged in the bar area near the windows closest to East Washington Avenue. When music is performed indoors, it will not be amplified on the outdoor eating area. The letter of intent indicates performances would occur once weekly between 4:30 p.m. and 7:30 p.m. The letter of intent further indicates that the only amplification would be used for vocal performances and that all instrumental music would be acoustic.

This request is subject to the standards for conditional uses. This section continues with a summary of adopted plan recommendations, conditional use standards, supplemental regulations, and ends with a conclusion.

Consistency with Adopted Plans

The <u>Comprehensive Plan</u> (2023) recommends Regional Mixed Use (RMU) for the site. The RMU category includes high-intensity centers supporting a variety of multifamily housing options and commercial activity serving the needs of the entire region. Building heights and residential densities are expected to be high, as RMU areas represent the most intensely-developed areas in the city outside downtown. The <u>Capitol Gateway Corridor Plan</u> (2008) recommends a mix of employment and residential for the site. The East Washington Avenue frontage, as well as the corners of South Paterson Street and South Brearly Street on this block are recommended for potential ground-floor commercial uses as well. The corridor plan has several other specific recommendations regarding new development along East Washington, including for this block, that are not applicable to this request.

Conditional Use Standards

In regard to 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 §28.183(6) M.G.O. are met. Staff advises the Plan Commission

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that in evaluating the conditional use standards, 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.

Such uses should be considered with reference to conditional use approval standards, with staff noting standard 3, regarding impairment or diminishment of uses, values, and enjoyment of other property in the neighborhood.

Staff notes that there are a variety of similar uses, including several outdoor eating areas in the adjacent properties along this stretch of East Washington Avenue, as well as Breese Stevens Field directly across East Washington Avenue, which hosts live concerts. Further, no outdoor instrumental music will be amplified. In fact, no instrumental music will be amplified at all—indoors or outdoors—only vocal amplification.

To better understand the relationship of approved outdoor eating areas, Staff reviewed conditional use approvals for outdoor eating areas dating back to mid-2015. There have been 80 such requests during that timeframe. Of this number, the Plan Commission approved amplified sound for just nine of these and prohibited it 56 times. The estimated median distance between outdoor eating areas with outdoor amplified sound and nearest residential units was approximately 143 feet. In the case of this request there are no existing residential units on the same block as the proposed use and the nearest existing residential units are over 220 feet away across both East Washington Avenue and Paterson Street. Residential units are included in the Baker's Place development across Paterson Street, which is under construction at the time of report writing. The closest residential units in that building are approximately 160 feet away from the nearest point of the outdoor eating area, but the five-story hotel building mass is located between the patio and Baker's Place and staff expects any amplified sound on the patio will have little or no impact at all on residents of that building. On the subject site block, a 10-story apartment building has been approved on the East Main Street frontage, but has not been constructed. The residential units in that unbuilt building nearest to the outdoor eating area would be approximately 250 feet away and separated from the live music by the existing hotel building, an existing five-story office building, and a five-level parking structure. Further, a second hotel has been approved adjacent to the hotel requesting this conditional use. Space along the East Washington Avenue frontage is available for a future mixed-use or residential building beyond the approved hotel building. That residential or mixed-use building would be a minimum of 250 feet from the outdoor eating area, and separated from the live music by the 14-story hotel building mass.

Finally, per the submitted letter of intent, live musical performances are limited to once a week generally from 4:30 p.m. to 7:30 p.m. The applicant has indicated that the once-a-week limit includes all performances, indoors and out, so some weeks there will be no outdoor amplified sound. As a result, the Planning Division does not anticipate that the establishment of this use and hosting live entertainment will not have significant impacts on surrounding properties. In this case, because of the location of the use along East Washington Avenue, the land use recommendation and use of the larger development, the intensity of surrounding development, and the urban characteristic of the surrounding environment, Staff believes that all applicable standards of approval can be found met.

Supplemental Regulations

According to Table 28F-1 in MGO §28.084(2), a restaurant-nightclub must adhere to the Supplemental Regulations found in MGO §28.151:

(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) Shall hold entertainment license under Sec. 38.06(11).

(d) Shall at all times operate consistent with and according to the requirements of a valid alcohol license issued by the City.

Similarly, outdoor eating areas associated with food and beverage establishments must adhere to the Supplemental Regulations also found in MGO §28.151:

(a) Primary access to the area shall be from within the establishment.

(b) Hours of operation shall end at 9:00 p.m. in all districts except for MXC, CC and RMX, unless extended as part of the conditional use approval.

(c) No amplified sound is permitted in all districts except MXC, CC and RMX, unless allowed as part of the conditional use approval.

(d) Where the use is conditional, an appropriate transition area between the use and adjacent property may be required, using landscaping, screening, and other site improvements consistent with the character of the neighborhood.

Staff believes that all the Supplemental Regulations can be found met for this request.

Conclusion

The applicant requests conditional use approval to operate a restaurant-nightclub in an existing hotel, which also includes limited amplified sound on the associated existing outdoor eating area. Staff believe the request is consistent with the recommendations of the applicable adopted plans and that all applicable conditional use standards can be found met.

Staff notes that as a conditional use, the Plan Commission retains continuing jurisdiction over this conditional use, meaning that should complaints be filed, the Plan Commission could take further action on this conditional use as allowed in MGO §28.183(9)(d).

At time of writing, staff has received comments in support of this request from the Marquette Neighborhood Association. All written public comment has been included within the legislative file for this request

Recommendation

Planning Division Recommendations (Contact Colin Punt 243-0455)

The Planning Division recommends that the Plan Commission find that the standards for conditional uses are met and **approve** conditional uses for a restaurant-nightclub with outdoor amplified sound at 901 East Washington Avenue, subject to input at the public hearing and the conditions recommended by the Planning Division and other reviewing agencies below.

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

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

1. That all outdoor amplified sound shall end by 7:30 pm per the letter of intent, or with the closing of the Outdoor Eating Area, whichever is earlier. An administrative minor alteration process as defined in the Zoning Code may be considered to extend the permitted hours.

2. That Outdoor Amplified Sound events are limited to once per week per the letter of intent. An administrative minor alteration process as defined in the Zoning Code may be considered to extend the number of weekly events.

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

3. Hours of operation shall end at 9:00 p.m., unless extended as part of a future conditional use approval.

The Engineering Division Main Office, Engineering Division Mapping Section, Traffic Engineering Division, Parks Division, Forestry Section, Water Utility, and Parking Utility have reviewed this request and have recommended no conditions of approval.