PLANNING DIVISION STAFF REPORT

September 19, 2016

PREPARED FOR THE PLAN COMMISSION

Project Address: 961 S. Park Street

Application Type: Conditional Use

Legistar File ID # 41731

Prepared By: Timothy M. Parks, Planning Division

Report includes comments from other City agencies, as noted.

Summary

Applicant: Matt Weygandt, Barriques; 1825 Monroe Street; Madison.

Property Owner: Dave Vogel; 1009 N. Wingra Drive; Madison.

Requested Action: Approval of a conditional use to allow limited production and processing in an existing coffeehouse at 961 S. Park Street.

Proposal Summary: The applicant is currently using a commercial coffee roaster to produce coffee beans for a local chain of seven coffeehouses in the backroom of the Barriques at 961 S. Park Street, which requires approval of a conditional use for limited production and processing. If approved, the applicant wishes to continue this production activity in the same fashion as it is now conducted.

Applicable Regulations & Standards: Table 28D-2 in Section 28.061(1) of the Zoning Code identifies limited production and processing as a conditional uses in the TSS (Traditional Shopping Street) zoning district subject to Supplementary Regulations in Section 28.151. "Limited production and processing" is defined as "Uses that produce minimal off-site impacts due to their limited nature and scale, are compatible with office, retail and service uses, and may include wholesale and off-premises sales." Section 28.151 requires that a limited production and processing shall be compatible with adjacent nonindustrial uses and be accompanied by a retail component. Section 28.183 provides the process and standards for the approval of conditional use permits.

Review Required By: Plan Commission. The site is located in Urban Design District 7; however, no changes to the existing building or site are proposed with this request, which is conducted within the building.

Summary Recommendation: If the Plan Commission can find the standards met, it should **approve** a conditional use to allow limited production and processing of coffee at 961 S. Park Street subject to input at the public hearing and the conditions from reviewing agencies beginning on page 6 of this report.

Background Information

Parcel Location: The subject site is a 5,000 square-foot parcel located at the southeasterly corner of S. Park Street and Parr Street opposite the northern end of Fish Hatchery Road; Aldermanic District 13 (Eskrich); Urban Design District 7; Madison Metropolitan School District.

Existing Conditions and Land Use: The subject site is developed with a one-story, 2,700 square-foot retail building housing a Barriques coffeehouse and wine store and outdoor eating area, zoned TSS (Traditional Shopping Street District).



Surrounding Land Uses and Zoning:

North: Apartments in converted former fire station and multi-tenant commercial building (Subway, Klinke's, etc.) along S. Park Street, zoned TSS (Traditional Shopping Street District); single-family residences along West Shore Drive, zoned TR-C2 (Traditional Residential—Consistent 2 District);

South: St. Mary's EMS Training Center, zoned TSS;

West: Wingra Clinic/ Wingra Point Planned Development; Mexi Muffler and Shell gas station, zoned TSS;

East: Single-family residences along South Shore Drive, zoned TR-C2.

Adopted Land Use Plans: The subject site and nearby properties located along the S. Park Street corridor are recommended for Community Mixed-Use development by the <u>Comprehensive Plan</u>. Adjacent properties to the east of the site are recommended for Low-Density Residential uses consistent with the existing development pattern. The <u>South Madison Neighborhood Plan</u> includes no specific land use recommendations for the property.

Zoning Summary: The site is zoned TSS (Traditional Shopping Street District). The requested conditional use will occur within the existing building, and no building or site improvements are proposed at this time. The Zoning Administrator has determined that no auto or bike parking is required for the limited production and processing use.

Other Critical Zoning Items	
Yes:	Urban Design (UDD 7), Utility Easements, Barrier Free
No:	Wellhead Protection, Landmarks, Waterfront Development, Adjacent to Park, Wetlands, Floodplain
Prepared by: Jenny Kirchgatter, Assistant Zoning Administrator	

Environmental Corridor Status: The subject 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 S. Park Street and Fish Hatchery Road.

Previous Approval

On April 11, 2011, the Plan Commission approved a conditional use for an outdoor eating area for a restaurant/coffeehouse/ wine shop at 961 S. Park Street.

Note: The letter of intent for the 2011 conditional use request noted that a portion of the building might be used as a bakery for Barriques local chain of coffeehouses. However, no specific approval for that use was granted.

Project Description

The applicant, Barriques, is requesting approval of a conditional use in TSS zoning for limited production and processing within his existing coffeehouse at 961 S. Park Street. The applicant uses a commercial-grade coffee roaster in the back room of the one-story, 2,700 square-foot building to roast coffee for sale and service at his six other coffeehouses around the Madison area, as well as for sale online and to wholesale purchasers.

According to the letter of intent, the majority of the building is dedicated to the coffeehouse and wine shop in the front two-thirds, with entrances into the building from S. Park Street and from the parking lot that extends along the rear and southerly side of the building. A small outdoor eating area is located along the southerly side of the coffeehouse. The remaining 600 square feet of the building is used for office and storage for the coffeehouse and for the storage, roasting and packaging of coffee primarily used at the company's seven locations. An overhead door facing north towards Parr Street serves this backroom storage and production area, which is also accessible via a man door along the rear wall. Floorplans and a site plan of the property are included for reference in the application materials, and the letter of intent provides significant detail regarding how the roasting process works, including the mechanical equipment the applicant uses to control odors, including an afterburner and catalytic converter or catalyst to reduce particulate matter in the exhaust.

The hours for the coffee roasting are approximately 8:30 AM to 4:00 PM, although the letter of intent suggests that certain non-roasting activities related to the production facility occur before and after the roasting. The original letter of intent estimates that 200-300 batched of coffee are roasted per month, and the applicant verbally indicated to staff that this equates to 15 roasts per day. Loading is limited to 3-5 deliveries of raw ("green") coffee per month, with finished packaged coffee delivered to stores by passenger van on an as-needed basis.

The applicant has been roasting coffee for use off-site since shortly after the coffeehouse opened in 2011, and is requesting approval to continue doing so. The applicant obtained the necessary building permits to install the roasting equipment and related ventilation equipment from the Building Inspection Division and the facility was inspected by City building inspectors prior to production commencing. However, because those permits and inspections did not require approval by Zoning staff, there was no opportunity to prevent the use from commencing. The roasting operation proceeded without complaint until 2014, when Zoning staff became of the use and notified the applicant that it was not allowed. Since that initial notice by Zoning, the applicant has been cooperative with staff. However, there was not at the time an approval in the Zoning Code for the applicant to seek retroactively to allow the roasting to continue. The Zoning Code was not amended for this purpose until November 3, 2015 (see Ordinance 15-00124, ID 39500), shortly, after which time the applicant began pursuing the subject conditional use approval, which was formally submitted to the City on February 1, 2016 but referred on April 18 and May 23 at the applicant's request.

Analysis

"Limited production and processing" is defined in the Zoning Code as "Uses that produce minimal off-site impacts due to their limited nature and scale, are compatible with office, retail and service uses, and may include wholesale and off-premises sales." Limited production and processing is allowed as a conditional use in the TSS, CC-T (Commercial Corridor—Transitional) and CC (Commercial Center) zoning districts, and includes, but is not limited to, the following:

- a.) Apparel and other finished products made from fabrics.
- b.) Blueprinting.
- c.) Computers and accessories, including circuit boards and software.
- d.) Electronic components, assemblies, and accessories.
- e.) Film, video and audio production.
- f.) Food and beverage products, except no live slaughter, grain milling, cereal, vegetable oil or vinegar processing.
- g.) Jewelry, watches and clocks.
- h.) Milk, ice cream, and confections.
- i.) Musical instruments.

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 - j.) Novelty items, pens, pencils, and buttons.
 - k.) Precision dental, medical and optical goods.
 - I.) Signs, including electric and neon signs and advertising displays.
 - m.) Toys.
 - n.) Wood crafting and carving.
 - o.) Wood furniture and upholstery; and
 - p.) Wholesale production of foods.

The Zoning Code requires that a limited production and processing use be "compatible with adjacent nonindustrial uses" and be accompanied by a retail component. The production of coffee for off-site sales and service at the applicant's six other coffeehouses and to wholesale purchasers is the genesis of the conditional use request; the roasting of coffee for sale exclusively on the subject site would be considered accessory to the principal coffeehouse use and would not require conditional use approval. Staff believes that the sale of coffee and wine and service of food in the front two-thirds of the subject building satisfies the need for a retail component for the limited production and processing use.

In considering any conditional use request, the Plan Commission shall not approve a conditional use without due consideration of the recommendations in the Comprehensive Plan and any applicable, neighborhood, neighborhood development, or special area plan, including design guidelines adopted as supplements to these plans, and no application for a conditional use shall be granted by the Plan Commission unless it finds that all of the standards for approval are met.

The Planning Division does not believe that there are any plan recommendations germane to the central question regarding approval of the conditional use for limited production and processing. As noted in the second section of this report, the S. Park Street corridor that includes the subject site is recommended for Community Mixed-Use, while immediately adjacent, the single-family homes on West Shore and South Shore drives are recommended for Low-Density Residential uses. Likewise, there are no land use recommendations in any adopted neighborhood or corridor plans applicable to this conditional use request.

Since the conditional use request was submitted earlier this year, the Plan Commission has received a considerable volume of correspondence from area residents noting concerns about the impacts they attribute to the coffee roasting operation, as well as a survey of nearby residents conducted by members of the Bay Creek Neighborhood Association. This correspondence is included in the meeting materials, and should be given careful consideration along with the testimony at the public hearing as the Commission weighs whether or not the conditional use standards are met.

When considering the conditional use standards, the Planning Division believes that standards 1, 3, 4, and 16 are central to whether the proposed limited production and processing facility can be approved. Staff does not believe that the approval of the conditional use will cause an undue burden on the City's ability to provide services to the site (standard 2) or on utilities, traffic or parking (5 and 6), and believes that the conditional use conforms to all applicable regulations of the TSS zoning district in which it is located (7). Standards 8-15 do not apply to this conditional use request.

1. The establishment, maintenance or operation of the conditional use will not be detrimental to or endanger the public health, safety, or general welfare.

The coffee roasting operation as it is currently configured emits an odor at one of the final stages of the roasting process that can be experienced off the subject site, including in the residential area immediately adjacent to

the east. The smell, which is akin to burnt toast, varies widely in duration and impact based on weather conditions. The closer one is to the exhaust downwind of the source, as well as the air temperature, speed and relative humidity could all impact how one experiences the odors generated by the coffee roasting. Despite the olfactory impacts from the roasting, which do not appear to extend the entire length of the roasting process, staff from Madison-Dane County Public Health have determined that the coffee roasting does <u>not</u> constitute an air quality hazard based on Health staff visits to the site, when air quality samples were taken. Staff from Madison-Dane County Public Health will be present at the Plan Commission hearing to answer questions about the potential impacts from the coffee roasting operation.

Although some of the public comments received to date and likely some of the testimony at the public hearing will suggest that the applicant's coffee roasting operation has caused health impacts, it is likelier that these issues are more appropriately considered to be impacts on the "general welfare" and less on "public health" as it pertains to standard 1. The odor let off by the coffee roasting is largely emitted over an approximately two-to three-minute window near the end of each roasting cycle and not both during the full length of the cycle, or on a continuous basis due to the time that elapses between roasts. Were the odor impacts longer in duration, more frequent or persistent, or if Public Health staff indicated otherwise, Planning staff could be more inclined to suggest that a larger public health concern existed sufficient to suggest that this conditional use standard could not be met.

3. The uses, values and enjoyment of other property in the neighborhood for purposes already established will not be substantially impaired or diminished in any foreseeable manner.

This standard is often the most difficult standard for the Plan Commission to address in the process of reviewing conditional use applications due to its potential subjectivity and breadth. Information provided by neighbors at the Plan Commission hearing usually provides additional information for the Plan Commission to use to determine whether this standard has been met or not. As noted above, there has been concern expressed by nearby residents that the coffee roasting operation is having a negative effect on other properties in the neighborhood primarily due to the odors generated during the process. The Plan Commission will need to weigh the application materials and public input to determine whether this standard is met.

4. The establishment of the conditional use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.

The Planning Division does not believe that approval of this conditional use will impede the normal and orderly development or improvement of surrounding properties. Staff anticipates that the long-established mix of neighborhood and community serving commercial uses interspersed with newer mixed-use infill projects along S. Park Street will continue and that the coffee roasting operation will not impede further redevelopment activities along the corridor, while staff expects that the mature residential area located adjacent to the site and Park Street along West Shore and South Shore drives will continue to function in much the same fashion as it has historically.

16. When applying the above standards to an application for limited production and processing use, the Plan Commission shall consider the effect of such a use on the surrounding properties, including the effects of odors, noise, vibration, glare, hours of operation, and other potential side effects of a manufacturing process.

This standard was added to the Zoning Code with the 2015 amendment to allow limited production and processing facilities as a conditional use in the TSS, CC-T and CC zoning districts, and staff considers this standard

to be the one most pertinent to the Plan Commission's decision on the coffee roasting operation at 961 S. Park Street.

Some of the public comments received to date suggest that the subject site may not be appropriate for limited coffee production given the proximity of the commercial business to the residential properties. Along many of the City's established traditional commercial corridors, including S. Park Street, Monroe Street, Atwood Avenue and Williamson Street, the transition from commercial uses along those streets to residential uses on side or backing local streets is abrupt, with commercial buildings and parking in close proximity to the sides and rears of adjacent homes. This proximity often amplifies any impacts that one use may be having on others adjacent or nearby, and can vary widely from use to use and neighborhood to neighborhood. Like in the case of the subject coffee production facility, some of the impacts can vary in an unpredictable or unforeseen manner due to a variable like weather. Some impacts are more clearly objective than others, and how one party is impacted by a use can be quite different than another's experience.

Conclusion

The specific question before the Plan Commission in this case is whether the roasting of coffee for the applicant's sale at sites other than the subject site should be approved, bearing in mind that the coffeehouse use is otherwise permitted and that the roasting of coffee for sale only on this site would be permitted as an accessory function of the coffeehouse principal use. In making this decision, the Plan Commission should consider the intensity, duration, and variability of the odors emitted by the roasting operation and their impact on surrounding properties. In order for the Plan Commission to find the standards met, it may consider limiting the hours and days that the actual roasting of coffee may occur. However, Planning and Zoning staff discourage the Commission from attempting to regulate the proposed conditional use with conditions that rely on uncontrollable variables such as the weather conditions, which it feels will be very difficult to enforce and will create an environment of uncertainty for the stakeholders involved.

Recommendation

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

If the Plan Commission can find the standards met, it should **approve** a conditional use to allow limited production and processing of coffee at 961 S. Park Street subject to input at the public hearing and the following conditions:

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

Planning Division

1. That the actual roasting of coffee only be permitted from 8:30 AM to 4:00 PM, Monday through Friday and exclusive of City holidays. No roasting is allowed on Saturday or Sunday. This condition does not prohibit the applicant's activities to prepare for roasting, or for the non-roasting aspects of the coffee production, including the packaging and handling of products before or after they are roasted. Any change of hours or days for roasting shall require approval of a conditional use alteration by the Plan Commission following a public hearing.

That no change in the coffee roasting equipment to increase roasting capacity shall be allowed unless
approved by the Plan Commission following a public hearing. Modifications to equipment to improve
exhaust quality may be considered as minor alterations by the Director of the Planning Division following a
recommendation by the district alder.

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

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

<u>City Engineering Division – Mapping Section</u> (Contact Jeff Quamme, 266-4097)

This agency did not submit comments for this request.

<u>Fire Department</u> (Contact Bill Sullivan, 261-9658)

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

Zoning Administrator (Contact Jenny Kirchgatter, 266-4429)

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

Traffic Engineering Division (Contact Eric Halvorson, 266-6527)

3. The applicant shall submit for review a Commercial Delivery Plan. This plan will include times, vehicle size, use of loading zones and all related turning movements.

Metro Transit (Contact Tim Sobota, 261-4289)

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

Parks Division (Contact Janet Schmidt, 261-9688)

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

Water Utility (Contact Adam Wiederhoeft, 266-9121)

4. Note: All operating private wells shall be identified and permitted by the Madison Water Utility and any unused private wells shall be abandoned in accordance with MGO Section 13.21.