



PREPARED FOR THE PLAN COMMISSION

Project Address: 3630 Milwaukee Street
Application Type: Demolition Permit – Final Plan Approval
Legistar File ID # [58787](#)
Prepared By: Tim Parks, Planning Division
Report includes comments from other City agencies, as noted.
Reviewed By: Kevin Firchow, Planning Division

Summary

Applicant: Aaron Falkosky, Quam Engineering, LLC; 4604 Siggelkow Road; McFarland.

Property Owners: Leo Ritter & Company; 872 Madison Avenue, Suite 2A; New York, New York; and Duren Income Trust; 3602 Cascade Road; Madison.

Requested Action: Approval of final plans for a parking lot and stormwater management at 3630 Milwaukee Street on a site previously approved for demolition of a commercial building with no proposed use.

Proposal Summary: The applicant is requesting Plan Commission approval to construct a driveway, surface parking and part of a stormwater management facility on the 3630 Milwaukee Street parcel, which will support the partial demolition and reuse of the adjacent industrial building at 3650 Milwaukee Street as an “Amazon Hub” package distribution facility. The 3630 Milwaukee parcel previously contained an approximately 9,150 square-foot commercial building, which was approved by the Plan Commission for demolition without a proposed use in September 2018 conditioned on the future use of the property being approved by the Commission prior to issuance of permits. The package distribution facility project will commence as soon as all regulatory approvals have been granted, with completion anticipated later this year.

Applicable Regulations & Standards: Section 28.185 provides the process and standards for the approval of demolition and removal permits.

Review Required By: Plan Commission

Summary Recommendation: The Planning Division recommends that the Plan Commission find the standards met and **approve** the final plans for 3630 Milwaukee Street, subject to input at the public hearing. No conditions of approval are recommended.

Background Information

Parcel Location: The subject parcel is a long, narrow 3.0-acre parcel located on the north side of Milwaukee Street roughly midway between Walter Street and Schenk Street and approximately 750 feet west of West Corporate Drive; Aldermanic District 15 (Foster); Madison Metropolitan School District.

Existing Conditions and Land Use: The 3630 Milwaukee Street parcel is undeveloped following demolition of the 9,150 square-foot commercial building. The adjacent parcel at 3650 Milwaukee Street is developed with a one-story, 228,100 square-foot warehouse/light industrial building most recently occupied by The Swiss Colony, a specialty food distribution business. Most of the land between the 3650 building and Milwaukee Street is

improved with surface parking, including an ad hoc park and ride used by users of the adjacent Metro Transit East Transfer Point. Both parcels are zoned IL (Industrial–Limited District).

Surrounding Land Uses and Zoning:

North: City of Madison stormwater greenway, zoned CN (Conservancy District)

South: Milwaukee Street;

East: Former Swiss Colony distribution facility and Metro Transit East Transfer Point, zoned IL (Industrial–Limited District); West Corporate Drive;

West: Undeveloped land in the Town of Blooming Grove and the City of Madison, zoned TR-C1 (Traditional Residential–Consistent 1 District) and CN.

Adopted Land Use Plans: The 2018 [Comprehensive Plan](#) recommends the southern half of the 3630 site closest to Milwaukee Street for Community Mixed-Use, while the northern half is recommended for Medium Residential.

The demolition permit application approved in September 2018 was submitted just prior to the Common Council’s adoption of the 2018 Plan, and was reviewed using the recommendations in the 2006 [Comprehensive Plan](#), which identified the subject site and properties located to the south and west of the site for Low-Density Residential uses. The City-owned land to the north is recommended for Park and Open Space uses, while the industrial land to the east is recommended for Community Mixed-Use development.

The [Milwaukee Street Special Area Plan](#) was adopted by the Common Council on December 4, 2018 to provide detailed land use, development and transportation recommendations for the Milwaukee Street corridor between Fair Oaks Avenue and US Highway 51/Stoughton Road. The adopted plan recommends Community Mixed-Use development as part of a larger corridor of mixed-use development planned to extend along the north side of Milwaukee Street from West Corporate Drive to Walter Street, including the East Transfer Point. Moving north, development of the remainder of the subject site would transition to medium-density housing in Residential Mix 2 to the boundary between development and the City’s Starkweather Conservation Park at a planned future extension of Chicago Avenue across the planning area. Like with the [Comprehensive Plan](#), the original demolition permit application was submitted for review prior to adoption of the special area plan.

Zoning Summary: The subject property is zoned IL (Industrial–Limited District). Review for compliance with the Zoning Code and other relevant City ordinances is being conducted as part of the larger site plan review for the package distribution facility proposed on the 13.3-acre parcel at 3650 Milwaukee Street.

Environmental Corridor Status: The subject site is not located within a mapped environmental corridor. However, the City-owned greenway adjacent to the property is located in a corridor due to the presence of wetlands and floodplain.

Public Utilities and Services: The site is served by a full range of urban services, including seven-day Metro Transit service.

Previous Approval

On September 17, 2018, the Plan Commission approved a demolition permit to allow a one-story, 9,150 square-foot commercial building at 3630 Milwaukee Street to be razed with no proposed use. As a condition of approval,

the applicant was required to execute a restrictive covenant prior to issuance of permits that required the applicant or his successors and assigns to submit their plans for future use of the property for approval by the Plan Commission following a public hearing using the standards in Section 28.185 of the Zoning Code. A copy of the executed restriction is attached for reference.

Project Description

The applicant is requesting Plan Commission approval to construct surface parking and a portion of a stormwater management facility on a vacant 3.0-acre parcel addressed as 3630 Milwaukee Street parcel, which will support the partial demolition and reuse of the adjacent industrial building at 3650 Milwaukee Street as an Amazon Hub package distribution facility. The 3630 Milwaukee parcel previously contained an approximately 9,150 square-foot commercial building, which was approved by the Plan Commission for demolition without a proposed use in September 2018 conditioned on the future use of the property being approved by the Commission prior to issuance of permits. The current owner of 3630, Leo J. Duren, trustee of the Duren Income Trust, executed the required restrictive covenant on October 17, 2018, and the building was razed in March 2019.

Amazon is proposing to remove the northern approximately half of the former Swiss Colony distribution facility on the larger, 13.3-acre property at 3650 Milwaukee Street, immediately adjacent to 3630 on the east. That aspect of the development is not before the Plan Commission, as the partial demolition and proposed use are permitted under the Zoning Code. The proposed demolition is permitted by right, as it represents removal of less than half of the exterior walls of the existing 228,100 square-foot building, including no street facing walls. [Both demolition of greater than 50 percent of the exterior walls of a principal building and/or any portion of a street-facing wall would trigger Plan Commission approval of a demolition permit.] Following removal of the northern portion of the building (111,865 square feet), the applicant proposes to construct delivery vehicle and employee parking and vehicle queuing surrounding the remaining approximately 116,242 square-foot building, which will be converted into a package delivery facility for packages brought to the site by tractor-trailers from Amazon "fulfillment centers" located elsewhere. The packages will then be loaded into local delivery vehicles, which will include a combination of liveried Amazon delivery vehicles and personal automobiles driven by independent contractors. Floorplans and elevations of the proposed facility are included for informational purposes, which show delivery vehicles entering the building along the north side and exiting along the south facade. Shipments will be received on the east side of the facility.

According to project representatives, Amazon will lease the facility from the property owner, Leo Ritter and Company, who is under contract to acquire the vacant 3630 Milwaukee parcel from the Duren Income Trust to incorporate into the distribution facility project. [A second Duren-owned parcel adjacent on the west at 3618 Milwaukee Street is not part of the proposed distribution facility project.] Following the acquisition of the 3630 parcel, Ritter will combine the two parcels into one for zoning and assessment purposes. Parking for the package distribution facility will be provided in approximately 500 van/fleet stalls to be located adjacent to the north and west walls, and 204 employee stalls to be located between the building and Milwaukee Street. The 3.0-acre 3630 parcel will contain approximately 200 stalls of the 709 overall stalls proposed, as well as access to other stalls technically located on the 3650 parcel. One of the three driveways proposed to serve the overall 16.15-acre zoning lot and a portion of one of the stormwater management ponds proposed will also be located on the 3630 parcel subject to Plan Commission review.

The owner of 3650 Milwaukee Street has filed plans with the Zoning Administrator for permitted use site plan approval for the proposed package facility. Final approval of those plans by City agencies is pending.

Analysis

Package delivery services are permitted uses in the IL (Industrial–Limited) zoning district. However, the request before the Plan Commission stems from the condition of approval placed on the 2018 demolition permit for the 9,150 square-foot commercial building that formerly occupied the 3.0-acre subject site at 3630 Milwaukee Street, which required that the owner or his/her successor submit their plans for future use of the property for approval by the Plan Commission following a public hearing using the standards in Section 28.185 of the Zoning Code and prior to issuance of building permits for the site.

Per Section 28.185(7)(b) of the Zoning Code, the Plan Commission has two procedural options when considering the demolition of a non-residential building with no immediate proposed use: it may include a requirement that a property owner obtain subsequent approval from the Plan Commission for an alternative use that is not known at the time of application pursuant to approval standards discussed above, or it may find that the use, bulk, and design requirements of the existing zoning district designation are adequate to ensure that any future development will conform to existing adopted City plans. In recommending that the condition be approved as part of the 2018 demolition permit request, Planning staff believed that the IL zoning of the property would not ensure that future development of 3630 Milwaukee would conform to the adopted City plans in effect at that time, which recommended residential and community mixed-use land uses for the site (2006 Comprehensive Plan). Staff felt that requiring Plan Commission approval of the future use of the subject would provide the opportunity to consider whether the proposed future use is compatible with adopted neighborhood plans and the Comprehensive Plan, as well as the impact the demolition and proposed use would have on the normal and orderly development and improvement of surrounding properties.

Subsequent to the submittal of the initial demolition permit application on August 1, 2018, two plans were adopted by the Common Council that include specific recommendations for the subject property.

The Comprehensive Plan adopted on August 7, 2018 recommends the southern half of the 3630 site closest to Milwaukee Street for Community Mixed-Use, while the northern half is recommended for Medium Residential. The City's Starkweather Conservation Park adjacent to the site on the north is recommended for Park and Open Space.

The Milwaukee Street Special Area Plan was adopted by the Common Council on December 4, 2018 to provide detailed land use, development and transportation recommendations for the Milwaukee Street corridor between Fair Oaks Avenue and US Highway 51/Stoughton Road, including the subject site. The adopted plan recommends community mixed-use as part of a larger corridor of mixed-use development planned to extend along the north side of Milwaukee Street from West Corporate Drive to Walter Street, including the East Transfer Point site. Moving north towards Starkweather Park, development of the remainder of the subject site is recommended to transition to medium-density housing in Residential Mix 2. A planned future extension of Chicago Avenue east-west across the planning area would serve as the boundary between development and Starkweather Park. An alternative land use concept for the planning area designates the subject site and adjacent 3650 Milwaukee parcel for General Commercial to accommodate a potential relocation of the Woodman's Food Market across Milwaukee Street, with potential mixed-use redevelopment recommended for that site. However, despite identifying the 3650 parcel as a "prime candidate for redevelopment," the Milwaukee Street Special Area Plan identifies that parcel's long-established use as a warehouse and distribution facility and acknowledges that reuse of the site with permitted uses in the IL district was possible.

Taken in isolation, a proposal to use the 3.0-acre parcel at 3630 Milwaukee Street as a standalone surface parking lot would be inconsistent with any of the above-referenced plan recommendations for the site. However, staff believes that the Plan Commission may find that the proposed use of the site as access, parking, and stormwater management to serve the reuse of the warehouse/distribution facility on the adjacent 13.3-acre, IL-zoned parcel as consistent with the normal and orderly development and improvement of surrounding properties in a manner consistent with the existing and historic zoning of the properties. Both sites were zoned IL with the adoption of the new Zoning Code that took effect in 2013; previously, both were zoned C3L (Commercial Service and Distribution District) under the 1966 Zoning Code. The statement of purpose for the C3L district states that the district was “established to furnish a wide variety of goods, services and distribution activities,” including wholesale, warehousing, and distribution activities, and a prohibition on residential development. Similarly, the statement of purpose for the IL district states that the district is “established to allow a mix of light manufacturing uses, offices, warehousing, flex-space, limited storage and warehousing, and limited retail and service uses that primarily serve the industrial uses.” The IL district is also intended to “provide a variety of flexible sites for small, local or start-up businesses, as well as sites for large national or regional enterprises.” In general, the IL zoning district allows a wide array of non-residential land uses, with no limitations on the size, height or design of buildings developed in the district.

At a minimum, the distribution facility proposed for the 16.15-acre overall site represents a cohesive development that is consistent with the IL zoning of the two parcels, albeit one that will delay implementation of various plan recommendations for the parcels for the foreseeable future. Staff believes that a zoning map amendment would be required to implement the land use recommendations for the subject site in the Comprehensive Plan and Milwaukee Street Special Area Plan. It is also likely that a subdivision would also be required in order to create the street network and general development pattern recommended in the special area plan.

Staff believes that development of the long, narrow parcel by itself is unlikely, and even during the Milwaukee Street planning process, it was felt that development of the parcel would likely rely on development of the larger parcels to the west or east to implement the land uses and street network recommended for the site. Even if development of the subject site and the current owner’s adjacent residentially zoned 5.1-acre parcel at 3618 Milwaukee Street was proposed, staff felt during the planning process that the 8.1-acre combined site’s approximately 400 feet of frontage along Milwaukee Street would pose challenges for implementation of the proposed street network and recommended land use pattern, including the need to manage stormwater as part of any such development. While the Duren parcels (3618 and 3630) could be developed independent of any other parcels, staff believes that greater economies of scale could be achieved if the parcels were developed with either of the larger Voit property to the west, or the Ritter parcel adjacent on the east.

Conclusion

The Plan Commission is being asked to approve the final plans for 3630 Milwaukee Street following the Commission’s 2018 approval of a demolition permit to allow the commercial building that formerly occupied the site to be razed without a proposed use.

While the proposed use of the 3630 site before the Plan Commission is directly tied to the adjacent parcel at 3650, the Plan Commission’s purview for this request is only the 3630 parcel, which is subject to the 2018 Plan Commission condition of approval and related restrictive covenant. The question for the Commission is limited to whether the 3.0-acre subject parcel may be used as access, parking and stormwater management to serve the package distribution facility primarily located on the adjacent 13.3-acre parcel, and not whether the adjacent

parcel should be used as a package distribution facility. In the event that the Plan Commission cannot find that the standards for approval for 3630 Milwaukee Street are met, it would not preclude the property owner of 3650 Milwaukee Street from proceeding with plans for a package distribution facility on the 13.3-acre parcel, although revised plans would need to be filed with the Zoning Administrator to show how the project would function without the 3.0-acre subject site.

As noted in the preceding section, the applicant's proposal to combine the subject 3.0-acre parcel with the larger adjacent 13.3-acre parcel at 3650 Milwaukee Street for the purposes of developing a package distribution facility is not consistent with the land uses recommended for the subject parcel in the Comprehensive Plan or Milwaukee Street Special Area Plan. However, package delivery services are permitted uses in the IL zoning district, and the Planning Division believes that the use of the subject site as part of a cohesive development of the two parcels consistent with the IL zoning district may be found to consistent with the normal and orderly development and improvement of surrounding properties.

While the use of the property does not implement the adopted plan recommendations, it is permitted by the site's existing IL zoning. With that key consideration, staff believes that the request should be found to meet the applicable standards.

Recommendation

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

The Planning Division recommends that the Plan Commission find the applicable standards met and **approve** the final plans for 3630 Milwaukee Street, subject to input at the public hearing. Staff is not recommending conditions of approval for the final plans. Review of the permitted use site plans for the 3650 Milwaukee Street property for compliance with Madison General Ordinances are ongoing, which will include any ordinance requirements for the 3630 property.