



## Legislation Text

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**Date:** February 7, 2017

**To:** Mayor and City Council  
City Administrator

**From:** Scott Tempel, City Planner

Consider Approval of Conditional Use Permit for Tanzenwald Brewing Company - 103 N Water St.

**Action Requested:**

The City Council consider the attached Resolution approving a Conditional Use Permit (CUP) for Tanzenwald Brewing Company at 103 N Water St.

**Summary Report:**

Tanzenwald Brewing Company has leased the old Northfield Creamery building at 103 N Water St. for a new brewery and restaurant. The building has been under renovation for over a year, gone through site plan approval and received multiple building permits. It was anticipated the use would be allowed as a Brewpub under the LDC. However, the brewery applied to the State of Minnesota Alcohol and Gambling Enforcement Division (AGE) for a Microbrewery with a Taproom license. During the permitting process it was discovered that the State of MN had an issue with the local zoning not matching the State Manufacturing license.

Tanzenwald Brewing Company's business plan includes eventual distribution of cans and kegs from the facility. This is called self-distribution and is also licensed by the State AGE Division. With self-distribution, the brewer may distribute to licensed retailers for sale to the general public. The Brewpub zoning only allows refillable growlers and bomber bottles to be sold to the public from the facility. While there is no municipal license for self-distribution, the State AGE Division requires this license be in line with the local zoning. The off sale of malt liquor to the general public at the facility is regulated by State law and City Code Chapter 6 Sect. 6-57 (d) (3) (e) which reads in part, "The malt liquor for off-sale shall be packaged pursuant to Minn. Stat. § 340A.285 in 64-ounce containers commonly known as "growlers" or in 750 milliliter bottles." Consideration of the liquor license for the taproom will be on a future meeting agenda.

The solution to both of these issues is for the applicant to obtain a Conditional Use Permit to operate as a Microbrewery with a taproom. Conditional uses are those uses that because of special requirements or characteristics may be allowed in a particular zoning district only after a recommendation by the planning commission and a decision by the City Council. The following is an analysis of the Conditional Use Permit approval criteria for Tanzenwald.

**Analysis:**

(A) Approval Criteria

- (1) In the approval of a conditional use permit, the city council may impose such conditions as necessary to make the use compatible with other uses allowed in the same district zone or vicinity.

- (2) Criterion (a) below must be met and criteria (b) through (n) shall be considered in the review of conditional use permit applications:
- (3) The proposed use is allowed as a conditional use in the district for which it is proposed as shown in Table 2.7-1;

**Microbrewery is an allowed conditional use in the C1 zone district.**

- (a) The conditional use will be in accordance with the general objectives, or with any specific objective, of the city's comprehensive plan and this LDC;

**The proposed use meets the following goals of the Comprehensive Plan:**

**CI 2.5 Support existing and new local businesses that provide dining, retail, arts and entertainment.**

**CI 3.2 Provide economic incentives and design flexibility to aid in the restoration and long-term economic vitality of historically significant buildings in the Downtown.**

**CI 4.6 Encourage architectural styles and scales that contain a relationship to the overall community identity.**

**LU 2.1 Promote general merchandise retailers, financial institutions, office developments and entertainment uses within the downtown core. Create new opportunities for businesses by reinvesting in the infrastructure and public spaces in and around the downtown.**

**LU 3.1 Create incentives to encourage infill, redevelopment, and land intensification.**

**LU 5.1 Encourage small-scale retail and service commercial uses to locate in the downtown area.**

**ER 1.3 Natural resource conservation will be incorporated into the design and construction of residential, commercial and industrial development.**

**The proposed use meets the following purposes of the LDC:**

**1.1.1 Maintain and enhance the community's distinct small town character.**

**1.1.2 Preserve and protect the area's natural, historic, and cultural resources while providing for improved methods of integrating these resources in the community.**

**1.1.3 Encourage growth in infill locations as the desired location of development with expansion on the edge of the city a secondary priority.**

**1.1.4 Create residential community areas with strong neighborhood qualities including pedestrian-friendly streets, community gathering spaces, and basic commercial needs within walking distance.**

**1.1.6 Allow for places with a mixture of uses that are distinctive and contribute to the city's overall vitality.**

**1.1.8 Provide for the expansion and diversification of the economic base to assure a strong economy.**

**1.1.9 Promote an ethic of sustainability in all activities to ensure that proposed development and redevelopment will, at a minimum, conserve energy and natural resources.**

**1.1.14 Encourage vibrancy in the downtown core and fringe areas.**

- (b) The conditional use will be designed, constructed, operated, and maintained so as to be harmonious and appropriate in appearance with the existing or intended character of the general vicinity and that such use will not change the essential character of the same area;

**The proposed use utilizes a rehabilitated historic structure on the edge of the downtown. While the old Creamery was not rehabilitated to National Register standards, the**

- renovations were intended to give the building a unique historic feel that is compatible with the downtown. The new use will not change the essential character of the area.**
- (c) The conditional use will not be hazardous or reasonably disturbing to existing or future neighboring uses;  
**The proposed use is in no way hazardous. Distribution activities will be fairly limited and will occur mainly at off-peak hours from the pub and restaurant. The brewery is sandwiched between two gas stations on Highway 3 and should have no disturbing impacts to these existing uses.**
- (d) The conditional use will be served adequately by essential public facilities and services such as, streets, police and fire protection, drainage structures, refuse disposal, water and sewer, and schools;  
**The conditional use will be adequately served by essential public services. The Northfield Water and Wastewater divisions have worked with the applicant to ensure adequate system capacity.**
- (e) The benefits of the conditional use outweigh the potential negative effects to the surrounding area or community;  
**This project will bring multiple benefits to the community:**
- **Locally owned business**
  - **Increased tax base**
  - **Additional restaurant choice, focused on locally sourced food**
  - **Brewer with nationally renowned reputation**
  - **Rehabilitation and reuse of vacant building**
  - **New jobs**
- Potential negative impacts could include increased traffic, parking issues and unacceptable patron behavior.**
- (f) The conditional use will not create excessive additional requirements at public cost for public facilities and services;  
**The proposed use will create no additional requirements at public cost for public facilities and services.**
- (g) The conditional use will not involve uses, activities, processes, materials, equipment and conditions or operations that will be detrimental to any persons, property, or the general welfare by reason of excessive traffic, noise, smoke, fumes, glare, or odors;  
**The proposed use will not generate noise, smoke, fumes, glare, or odors that are any more excessive than a standard restaurant. There will be a noticeable increase in traffic to and from the site as the property has been vacant for decades, but it is not anticipated to be excessive.**
- (h) The conditional use will not result in the destruction, loss or damage of natural, scenic, or historic features of major importance as may be established in the comprehensive plan or other city plans related to natural, scenic, or historic features.  
**The proposed use will not result in the destruction, loss or damage of any important features of Northfield. The project involves rehabilitation and repurposing of a vacant historic structure.**
- (i) The traffic and parking generated by the use will not lower the Levels of Services as described in the comprehensive transportation plan update of intersections within a quarter of a mile of the site.

**The proposed conditional use will not lower the Levels of Services. The site is located on Highway 3 which has some of the highest traffic volumes in Northfield. Estimated daily trips on this section of roadway are over 15,500 per day. The additional trips generated by this use are not significant enough to lower the Levels of Services.**

- (j) In residential districts, the use is of a similar height, building orientation, massing, setback, and scale as to be compatible with surrounding uses in compliance with Section 3.5, Neighborhood Compatibility Standards.

**Not Applicable**

- (k) In the Perimeter Transition Area (PTA) within the college development district (CD-S) that abut residential and commercial districts, height, building orientation, massing, setback and scale shall be considered in building renovation and/or new construction in order to maintain compatibility with surrounding areas as described in Section 3.4, Neighborhood Compatibility Standards. These neighborhood compatibility standards are to be administered in order to maintain a harmonious neighborhood environment and absolute compliance with these standards is not intended.

**Not Applicable**

- (l) Impacts such as noise, hours of activity, and outdoor lighting have been sufficiently addressed to mitigate negative impacts on nearby uses.

**Tanzenwald will operate with similar hours as other downtown bars and restaurants.**

**There will be no outside activity to generate noise - all operations are contained within the building. All additional lighting is required to be downcast in compliance with the LDC.**

- (m) Parking is adequately provided for the proposed conditional use, but an excessive number of parking spaces are not proposed.

**The LDC requires only 50% of the parking standard be met in the C1 West of Hwy 3 zone. This is based on the square footage of the use and translates to 28 required spaces. These spaces are provided behind the building. Additional shared parking has been acquired through agreements with neighboring properties.**

The following information shall be provided as part of the Conditional Use Permit application:

- (i) Number of customers, patients, visitors, or other patrons of the proposed use.  
Information should also be included detailing the expected parking behavior of these persons (i.e., how long a customer may be expected to be at the facility);  
**The taproom has seating for 75 customers. They are expecting 2 "turns" (150 people) on weekdays & 3 turns (225 people) on Fri-Sun. They are closed Mondays so this averages 1125 customers a week.**
- (ii) Number of full time and part time employees;  
**Tanzenwald is planning to open with 30 employees, 4 full-time and 26 part time. It is anticipated 6 employees and management will work each shift.**
- (iii) Number and approximate timing of deliveries.  
**Food and supply trucks are anticipated to make deliveries to the restaurant 2-3 times per week before the restaurant is open to mitigate parking conflicts. Wholesale deliveries will eventually happen once a day using a small company delivery vehicle.**

### Alternative Options:

Conditional Uses are allowed uses subject to additional scrutiny to address potential negative impacts. If

unaddressed negative impacts are identified the proper course of action is to condition the approval to address the impact, rather than deny the permit.

**Financial Impacts:**

There are no direct financial impacts to the City of Northfield by approving the CUP.

**Timeline:**

The Planning Commission held a public hearing on the CUP at its January 19, 2017, meeting. No testimony was received from the public. No letters of opposition have been received by staff. The Planning Commission voted unanimously to recommend approval to City Council.