

**Community Planning and Economic Development Planning Division Report
Zoning Code Text Amendment**

Date: August 24, 2009

Initiator of Amendment: Council Member Schiff

Date of Introduction at City Council: July 17, 2009

Ward: Citywide **Neighborhood Organization:** Citywide

Planning Staff and Phone: Jim Voll 612- 673-3887

Intent of the Ordinance: The intent of the amendment is to update standards related to reception or meeting halls to better align with licensing standards and adopted applicable city policies and practices.

Appropriate Section(s) of the Zoning Code:

Chapter 520: Introductory Provisions

Chapter 536: Specific Development Standards

Chapter 537: Accessory Uses and Structures

Chapter 548: Commercial Districts

Chapter 551: Overlay Districts was also introduced. However, staff is not recommending changes to this chapter as part of this amendment and therefore recommends returning it to the author.

Background: On September 26, 2008, the City Council introduced a moratorium on the on the establishment, re-establishment, intensification or expansion of reception, banquet, rental and/or meeting halls outside of the B4, B4S and B4C zoning districts. This was due to concerns about the possible impacts of these uses outside of the downtown, including, but not limited to noise, traffic, parking, public safety and hours of operation and the impact on neighborhood livability. Also, staff was directed to review the alignment between zoning and licensing standards, regulations and definitions for these uses. The CPED-Planning division in cooperation with Regulatory Services-Licensing division has conducted a study to consider possible amendments to the official zoning and licensing controls.

One of the main concerns identified in relation to definitions is that some rental or reception hall owners have been found to be operating effectively as nightclubs by charging admission fees and providing live entertainment to the general public. Currently there is not a definition of a reception, rental, or meeting hall in the zoning code. The definition used by Licensing in Chapter 266, Rental Halls, of the Municipal Code of Ordinances refers only to rental halls. In order to rectify these issues CPED-Planning staff is proposing the following zoning code definition:

Reception or meeting hall: Also known as a rental hall or a banquet hall. A building, facility, room, or portion thereof, which is rented, leased or otherwise made available to any person or

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group for a private event or function, that is not open to the general public, whether or not a fee is charged.

Regulatory Services-Licensing staff is proposing the following definition for Chapter 266 (as a part of a separate ordinance change):

Rental hall: Also known as a reception or meeting hall or a banquet hall. A building, facility, room, or portion thereof, which is rented, leased or otherwise made available to any person or group for a private event or function, that is not open to the general public, whether or not a fee is charged.

This approach will create the same definition for rental halls, reception or meeting halls, or banquet halls, without having to significantly rewrite the licensing ordinance, which refers to rental halls, or the zoning code, which refers to reception and meeting halls, for these respective terms. It will also make a distinction between these uses and nightclubs.

In order to address the concerns with the impacts from operation of the use including public safety, noise, traffic, and litter. Staff is proposing adding specific development standards to the zoning code to address these issues as follows:

- (1) Where alcoholic beverages are served, the use shall comply with the requirements of Title 14, Liquor and Beer, of the Minneapolis Code of Ordinances and Chapter 4 of the Minneapolis City Charter.
- (2) The premises, all adjacent streets, sidewalks and alleys, and all sidewalks and alleys within one hundred (100) feet shall be inspected regularly for purposes of removing any litter found thereon.

Also, staff is recommending that reception or meeting halls be made conditional use permits in some of the zoning districts where they are currently permitted uses (C2, C3S, and C4). They would remain permitted uses in the C3A, B4, B4S, and B4C districts and the Industrial Living Overlay District. The conditional use permit is proposed in districts that are typically adjacent to residential districts and that do not allow a wide range of more intensive uses. This change would also give staff, commissioners, and the public the chance to evaluate if adequate parking is provided for the use and to require additional parking if it were deemed necessary based on the standards found in Section 541.170(b):

Conditional use permit (C.U.P.). Where a use is allowed as a conditional use, additional parking may be required through the conditional use permit. In addition to the conditional use standards, the city planning commission shall consider, but not be limited to, the following factors in determining the number of off-street parking spaces required:

- (1) Documentation regarding the actual parking demand for the proposed use.
- (2) The impact of the proposed use on the parking and roadway facilities in the surrounding area.
- (3) Whether the proposed use is located near a parking area that is available to the customers, occupants, employees and guests of the proposed use.

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- (4) The availability of alternative forms of transportation and actions being taken by the applicant to enhance or promote those alternatives.

Regulatory Services-Licensing staff will, as apart of their proposed ordinance change, include language in Chapter 266 requiring the provision of a business plan that addresses security and operation, among other items, as a requirement of obtaining a business license.

Finally, the text amendment will clarify that reception or meeting halls are an accessory use for restaurants, hotels, museums and theaters, as is the interpretation under the current zoning ordinance. It will also clarify that they are accessory to schools, public parks, and municipal buildings that are exempt under the rental hall licensing requirements of Chapter 266, Rental Halls. They will not require a conditional use permit to be established or continue operating accessory to these uses.

Purpose for the Amendment:

What is the reason for the amendment?

What problem is the Amendment designed to solve?

What public purpose will be served by the amendment?

What problems might the amendment create?

The City Council introduced a moratorium due to concerns about the possible impacts of reception or meeting hall uses outside of the downtown, including, but not limited to noise, traffic, parking, public safety and hours of operation and the impact on neighborhood livability. Also, staff was directed to review the alignment between zoning and licensing standards, regulations and definitions for these uses. The CPED-Planning division in cooperation with Regulatory Services-Licensing division has conducted a study to consider possible amendments to the official zoning and licensing controls.

The amendment will clarify the definition or reception and meeting halls, add specific development standards, and change the use from permitted to conditional in some districts. This will add a public hearing process in those cases where the use will require a conditional use permit, which will take more time than an administrative review, but it will also provide a way to address and mitigate any negative impacts that could be created by the establishment, intensification, or expansion of a reception and meeting hall near residential uses. Planning staff does not anticipate that substantial problems will arise from the amendment.

Timeliness:

Is the amendment timely?

Is the amendment consistent with practices in surrounding areas?

Are there consequences in denying this amendment?

This amendment is necessary to implement the study performed, and to address the issues identified, as a result of the moratorium on the establishment, re-establishment, intensification, or expansion or reception, banquet, rental and/or meeting halls outside of the B4, B4S, or B4C zoning districts.

In general most of the surrounding suburbs do not define banquet, rental, and reception or meeting halls or even list them as permitted or conditional uses in their commercial districts. St Paul does not define reception halls, but does allow them as permitted uses in the general commercial districts.

If the amendment is denied then there will be continued enforcement issues with some reception and meeting halls being operated as nightclubs and there will be fewer tools available to address safety and livability issues. Further, there would be a lack of alignment between zoning and licensing regulations regarding the definition of this particular use.

Comprehensive Plan:

How will this amendment implement the Comprehensive Plan?

The following Policies and Implementation Steps from *The Minneapolis Plan* (adopted in 2000) are most relevant to this zoning code amendment:

4.4 Minneapolis will continue to provide a wide range of goods and services for city residents, to promote employment opportunities, to encourage the use and adaptive reuse of existing commercial buildings, and to maintain and improve compatibility with surrounding areas.

9.18 Minneapolis will establish land use regulations, in order to achieve the highest possible development standards, enhance the environment, promote flexibility in approaches and otherwise carry out the comprehensive plan.

The following Policy and Implementation Step from *The Minneapolis Plan for Sustainable Growth* (adopted pending Metropolitan Council review) are most relevant to this zoning code amendment:

1.1 Establish land use regulations, in order to achieve the highest possible development standards, enhance the environment, protect public health, support a vital mix of land uses, and promote flexible approaches to carry out the comprehensive plan.

1.1.5 Ensure that land use regulations continue to promote development that is compatible with nearby properties, neighborhood character, and natural features; minimizes pedestrian and vehicular conflict; promotes street life and activity; reinforces public spaces; and visually enhances development.

Both plans identify downtown and Activity Centers as areas that have a diversity of uses that have a citywide and regional draw that typically would have entertainment uses like reception or meeting halls, which supports them remaining permitted uses in the downtown and Activity Centers.

Recommendation of the Community Planning and Economic Development Planning Division:

The Community Planning and Economic Development Planning Division recommends that the City Planning Commission and City Council adopt the above findings and **approve** the zoning code text

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amendment, amending Chapters 520, 536, 537, and 548. Staff further recommends that Chapter 551 be returned to author.