



EXECUTIVE SUMMARY

To: Jim Scholl, City Manager
Through: Donald Leland Craig, AICP, Planning Director
From: Nicole Malo, Planner II
Date: July 17, 2012
RE: **Major Development Plan - 201 William Street (RE# 00072082-004200)** A Major Development Plan for the addition of outdoor commercial activity for a new restaurant in the HRCC-2 zoning district per Section 108-91A(2)c. of the Land Development Regulations of the Code of Ordinances of the City of Key West.

ACTION STATEMENT:

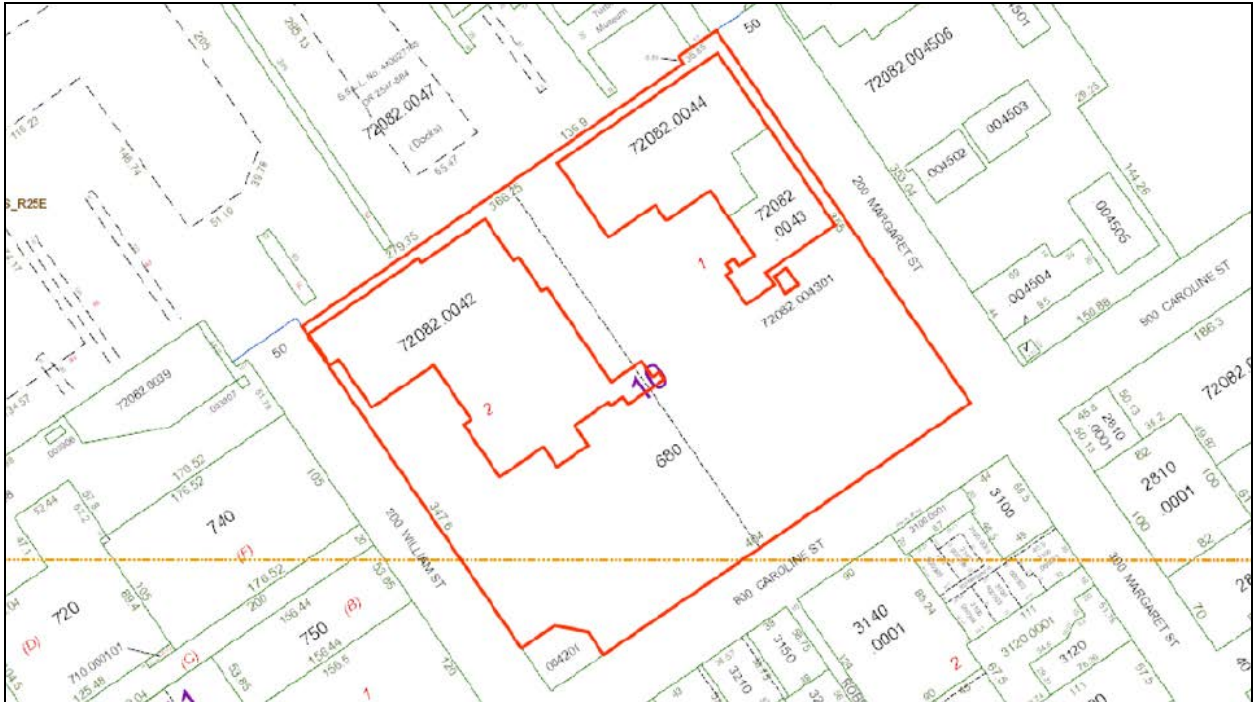
Request: To redevelop a portion of the City owned Key West Bight District property known as the Waterfront Market warehouse building and associated outdoor café area, loading docks, parking and landscaping, to be used as a restaurant with a brewery, events space and retail area, which are allowed uses in the HRCC-2 zoning district. Warehousing and distribution is an existing use on the site, previously associated with the market that may be continued as accessory to the principal use.

Location: 201 William Street, RE# 00072082-004200

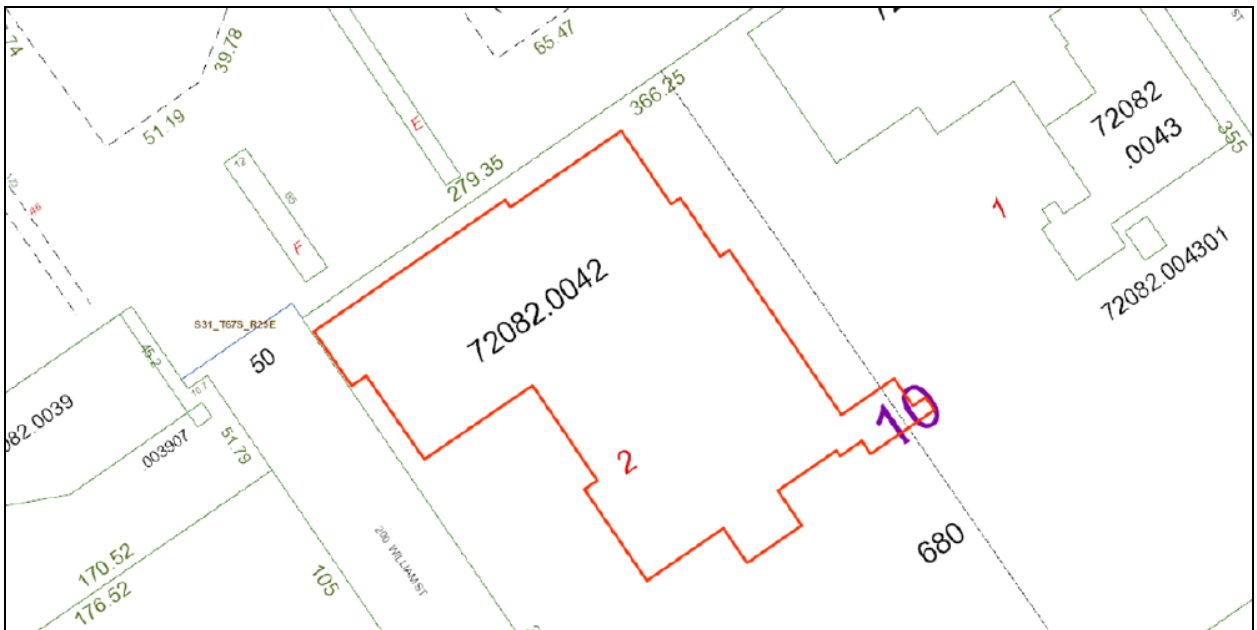
Zoning: Historic Residential Commercial Core – Key West Bight District (HRCC-2)

Previous City Actions:

Development Review Committee Meeting: December 16, 2011
HARC Meetings: January 25, 2012
December 14, 2011
#H12-01-49
#H12-01-50
Tree Commission Meetings: February 28, 2012
April 12, 2012
Planning Board Meetings: May 31, 2012 - Resolution 2012-25
May 17, 2012 – No quorum
April 19, 2012 – Postponed by Board
March 15, 2012 – Postponed by applicant
City Commission Meeting: July 17, 2012



Map 1 - Parcel of Record - RE#000680-000000
142,000 square feet



Map 2 - Leasehold Area - RE# 00072082-004200
25,140 square feet

Planning Staff Analysis:

This request for a Major Development Plan for a restaurant and brewery is triggered by the applicants request for a new outdoor restaurant cafe area only. The proposed uses and redevelopment of the existing commercial floor area is allowed as of right. Section 108-91 A(1)b of the City of Key West Land Development Regulations requires that any proposed plan within the historic district including the addition of outdoor commercial activity consisting of restaurant seating equal to or greater than 2,500 square feet shall require a Major Development Plan. On May 31, 2012 the Planning Board approved a recommendation for the proposed development plan to the City Commission through Resolution 2012-25 with eleven conditions (see below).

Prior to the Planning Board approval date the applicants met with neighboring interest groups and individuals several times to review the proposed project based on concerns about the potential noise that may generate from the outdoor rooftop café. On the evening of April 12, 2012 the applicant held a community meeting in order to demonstrate the impacts of the potential noise generation from the second story rooftop area on the neighboring properties. The test was run between 5:30-7:30 p.m at a time when there were numerous other sources of background noise; however, the music was played at levels higher than City Ordinance 26-191 allows for demonstration purposes, and there was common agreement that the noise was minimally audible from the ground around the sides and back of the building. Staff coordinated with the potential hotel developer of the nearest second story residential property immediately to the west of the project site, and the applicant in order to craft the proposed conditions of approval. Further, the applicant has relocated the proposed performance area in response to the neighbors' request (see Site Plan, A-4) and has agreed to point the speakers away from adjacent transient and residential properties as a condition of approval. It is the departments understanding that with these conditions in place, issues related to the closest residential neighbor are mostly resolved. The hearing of this application was postponed at the Planning Board once by the applicant and once by the Board in order for the applicant and the neighbors to continue to work through their concerns. Therefore, the Planning Board recommendation of approval with conditions has been carefully crafted in order to balance the needs of a mixed use district using operational restrictions to protect the neighborhood from potential noise, and to allow viable use of the commercial property. The proposed eleven conditions are based on a land use analysis inclusive of the neighborhood concerns regarding amplified music, the existing restrictions of Code Section 26-191 for Unreasonable Noise (see Attached Code Excerpts) and comparing the existing hours of operation for the surrounding business. The proposed land use controls agreed upon by the applicant as part of this Major Development Plan request are more restrictive than on any other restaurant in the Bight District and throughout the City. With the proposed conditions it is staffs understanding that the neighbors' concerns have been met to the best extent practicable. The proposed conditions are as follows:

General Conditions:

1. Hours of operation (excluding City approved special events) for the rooftop Waterfront Brewery Café are limited to 8 a.m. to 10 p.m. and any outdoor performance or entertainment activity whether amplified or otherwise shall end by 10 p.m.

2. The applicant shall obtain a Conditional Approval Permit, pursuant to Section 18-610.
3. The applicant shall recycle materials accepted by the city's waste handling contractor.
4. New lighting shall be designed to "Dark Sky" lighting standards.
5. The upstairs turf area shall not be used for table placement or be considered consumption area.
6. Prior to City Commission review of the project the applicant shall submit a site plan with location and direction of proposed speakers to the Planning Department for review and approval that will be attached to the Commission Review Package.

In order to ensure compliance, the following conditions are subject to the Conditional Approval Permit, per Ordinance 10-22 and subject to an associated annual inspection:

7. The applicant shall renew the Conditional Approval Permit issued by the City on an annual basis. The renewal is due on May 31st of every year.
8. The applicant will install and maintain a programmable distributive sound system to assure compliance with the "unreasonable noise" definition of Section 26-191 of the Code of Ordinances, and shall include a computerized sound monitoring system with real time monitoring access provided to the City.
9. Any outdoor televisions will not be wired through the distributive sound system or any surround sound system.
10. The applicant shall point any speakers or any sound amplification device on the rooftop Waterfront Brewery Café, away from neighboring and/or surrounding transient and residential properties.
11. The restaurant use is consistent with the October 21, 2008 Administrative Interpretation defining Bar/Lounge and Restaurant Uses attached herein.

Background Information:

The area proposed for redevelopment is part of the larger City owned Key West Bight district property and is also located within the boundaries of the Caroline Street Corridor Community Redevelopment Area. The leasehold area shown in Map 2 above is part of the larger parcel of record shown on Map 1 above. The area shown in Map 2 is known as the Waterfront Market building, located at the north end of William Street. The building is split into approximately eight units that are currently leased out separately for retail, office and restaurant uses. The proposed use will occupy a large portion of the building and the existing ongoing leaseholds will remain. The building was constructed around 1970 and was originally used as a shrimp processing facility; although, since the City acquired the property in 1993 it has been used primarily for restaurant, retail, wholesale food market, manufacturing (sailing equipment), distribution, and office space in accordance with the 1994 Bight Master Plan (see attached Bight Master Plan).

Most recently the building was a retail market, deli, and bakery with warehousing and distribution uses allowed for the packaging and delivery of produce to restaurants and markets throughout Key West. Warehousing and distribution are identified as Light Industrial uses in the Land Development Regulations (LDR's) and allowed conditionally within the HRCC-2 zoning

district; although, no conditional use approval from the city has been identified. These uses are also identified in the most recent 2007 Waterfront Market lease agreement (see attached). These uses are not considered abandoned pursuant to the definition of “Abandoned” pursuant to Code Section 86-9, and are therefore retains the status of existing non-conforming uses.

The uses identified in the Bight Master Plan (BMP) are examples of the limited Water-related uses intended to be allowed from 30’ to 100’ of the mean high water line within the HRCC-2 zoning district:

Water-related uses means activities which are not directly dependent upon access to a water body, but which provide goods and services that are directly associated with water-dependent or waterway uses and/or provide supportive services to persons using a duly permitted marina. (Section 86-9)

Although the historic and existing uses of the Waterfront Market building are compatible with the intent of the BMP and LDR’s, the HRCC-2 zoning district regulations further limit new development by requiring land uses within 30’ of the mean high water line be water-dependent:

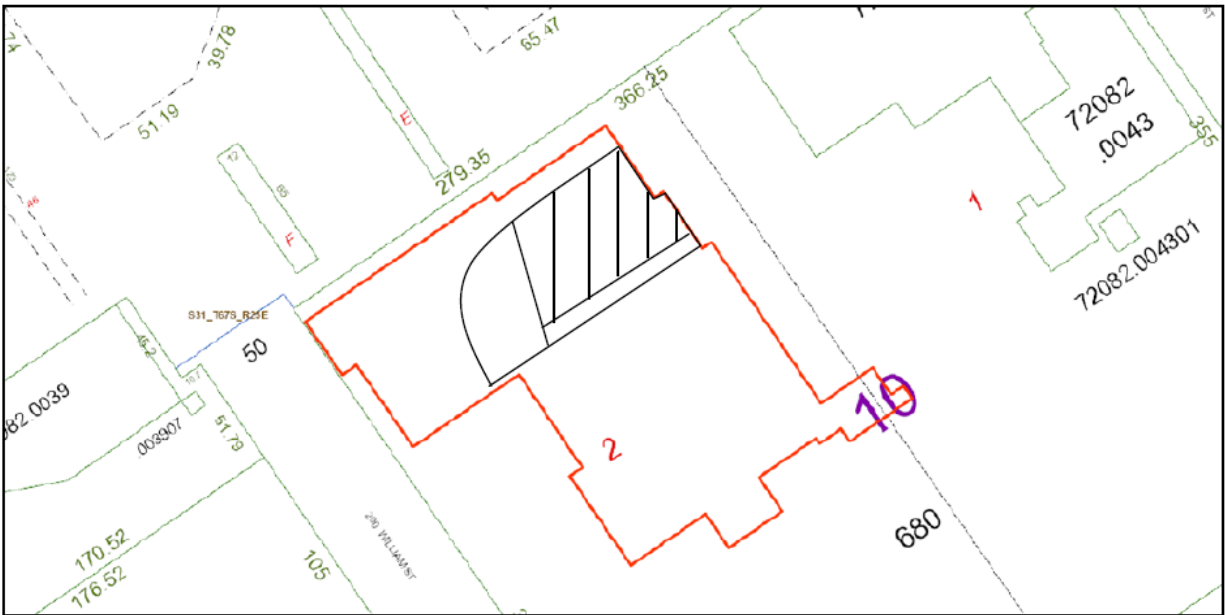
Water-dependent uses means activities which can be carried out only on, in or immediately adjacent to water areas because the use requires access to the water body for: waterborne transportation, including ports or marinas; recreation; electrical generating facilities; or water supply. (Section 86-9)

The Waterfront Market building is located approximately 15’ feet from the mean high water line therefore the structure and its associated uses are historically and legally non-conforming to the HRCC-2 setback regulation. The structure is also legally non-conforming to dimensional requirements for the coastal construction control line setback, building setbacks, and water dependent uses setbacks, none of which shall be resolved without demolishing and relocating the structure. The parcel is part of the larger Key West Bight property and stormwater management requirements, landscaping, impervious surface, open space, the waste handling area and parking requirements are provided throughout the greater Bight District. The proposed updates to the Bight Master Plan being considered by the City and it’s consultant at this time contemplate additional compliance with the LDR’s for the Bight District as a whole.

The portion of the Waterfront Market building proposed for redevelopment is typical of a warehouse with two story ceiling throughout most of the space, and a total floor area of 18,692 square feet including three mezzanines most recently used for offices, storage, and consumption area for a juice bar and café. The portions of this building proposed for redevelopment is accessed from the harborwalk and from the parking lot that abuts Caroline Street in the front. There are multiple bays for loading and truck deliveries on each side of the building. Approximately fifteen conforming parking spaces were associated with the Waterfront Market and subsequent license holders; although, none of the parking spaces were officially dedicated to the building or its uses. Further, the Key West Bight Master Plan contemplated that the parking lots located at the end of Margaret and Caroline Streets and the Park and Ride on Grinnell Street were to accommodate the Bight uses.

Request and Analysis of Proposed Use:

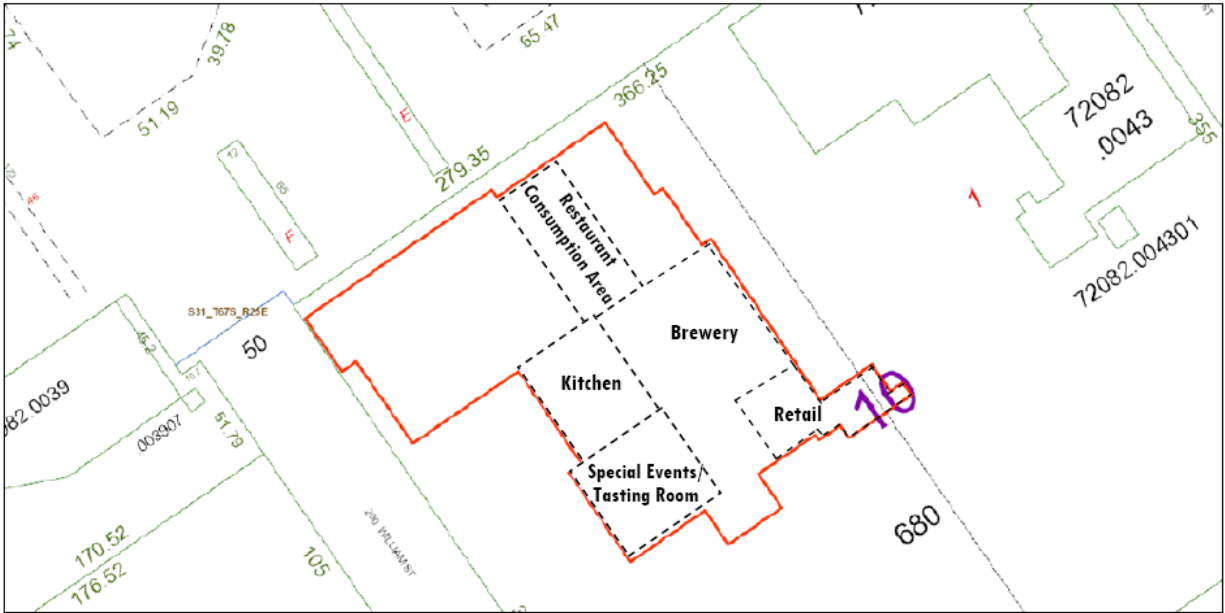
This Development Plan application is for the renovation of portions of the Waterfront Market building as a restaurant and micro-brewery with retail and special events areas of approximately 18,000 square feet of floor area. In addition, site improvements to the building façade, landscaping, parking and loading areas within the demised lease area are proposed. The uses proposed are permitted uses in the zoning district and the structure has a longstanding history of food and beverage sales for consumption on site and for distribution as described above. The development plan approval is triggered by the applicants request to add outdoor commercial activity consisting of 150 restaurant seats or 2,250 square feet of consumption area to the first floor roof top area overlooking the Bight. The proposed rooftop consumption area is shown in crosshatch in the plan below. 2,307 square feet of floor area associated with the new outdoor consumption area is proposed to be relocated from the removal of mezzanines existing within the building; therefore, no additional parking is required for the use located within the Historic Commercial Pedestrian Oriented Area pursuant to Section 108-573(c)1. However 18 parking spaces are proposed along with 40 bicycle/scooter spaces.



Proposed Roof Top Consumption Area

The interior uses located on the first floor of the building both accessible from the waterfront and from the front entrance include a second restaurant consumption area and the main kitchen that services both restaurant areas, ADA accessible bathrooms, the brewing area available for tours, a multi-use tasting and events area and a retail area (see Proposed First Floor Plan below). The proposed interior consumption area is approximately 3,500 square feet, but is limited to 150 seats. A stairway and ADA compliant lift access to the second storey from inside the main floor. To accommodate the proposed design the removal of three interior mezzanines (see Proposed Site Plan A-3 and A-4 for Building Data Table) is proposed. The second storey interior space will be limited to a storage area, a service kitchen and bathrooms. The outdoor area will consist of consumption area limited to 150 seats and 2,250 square feet. Amenities include a turf play area, a rooftop garden and a small performance area designed to direct noise away from nearby transient residential uses. The area is also buffered by the north third storey wall of the

warehouse portion of the building that should provide additional sound containment mitigation. The applicant has agreed to the installation of a distributive sound system, the redirection of speakers away from the proposed adjacent hotel, and limited hours of operation and entertainment to reduce potential noise impacts.



Proposed First Floor Plan

Overall improvements as part of this development plan include interior renovations, new entryway design, improved access, ADA accessibility, code compliant parking, increased landscaping, open space and a net reduction of impervious surface. The area proposed as part of this development plan is part of a larger parcel of record as described above; therefore, the site dimensions are related to the entire site of 142,000 s.f. No variances or waivers are required.

Approximately fifteen complaint parking spaces were associated with the Waterfront Market use and previous license holders; however, the spaces were not dedicated. The proposed plan maintains the fifteen parking spaces on the site and adds a new area to accommodate scooter and bicycle parking (40 spaces). The existing mural that covers the rear and side of the building will be maintained. Structural improvements to the façade of the building include a new concrete galvanized metal and glass entry feature that displays public art and surrounds the new stairway at the west side of the building. An exterior access door is also provided to the events room. An additional stairway is proposed on the east side of the structure as a secondary access for the outdoor restaurant. HARC granted a Certificate of Appropriateness for the proposed design and signage and a copy of the HARC staff report is attached to this package. Additional visual and repair improvements are proposed including the supportive uses relocations the air condenser units and machinery to the roof of the building.

The proposed development plan for existing and permitted land uses is compatible the BMP is that it anticipated an outdoor cafe “with views of the Harbor,” the CRA Plan that encourages improvements to blighted conditions, specifically the Waterfront Market building. No increase in net floor area is proposed and mitigative techniques are proposed to reduce noise impacts.

Further, the applicant has provided a concurrency analysis that shows that the proposed mixed use facility will not intensify the use of the premises by increasing required parking facilities or vehicular traffic (see attached Concurrency Management Report), and will not negatively affect any other concurrency standard.

Options / Advantages / Disadvantages:

Option 1. To approve the proposed Major Development Plan with the eleven conditions as proposed by the Planning Board in Resolution 2012-25 (see below):

1. **Consistency with the City’s Strategic Plan, Vision and Mission:**
The City’s Vision, Mission and Strategic Plan in which Economic Growth and Diversification that Sustains a Healthy Economy is supported.
2. **Financial Impact:** The City will not be responsible for the reconstruction and improvements of the City’s property. The improvements should increase the value of the city’s property and add to the CRA TIFF. Further, if the development plan is approved the lease agreement negotiation should provide revenues over \$30,000 a month to the city.

Option 2. To deny the proposed Major Development Plan

1. **Consistency with the City’s Strategic Plan, Vision and Mission:** Denial of the proposed development plan is not consistent with the City’s Strategic Plan, Vision, and Mission.
2. **Financial Impact:** The city will continue to lose over \$30,000 in monthly lease revenue for the unused property. The site has been vacant for over two years. In addition, although modest in expenditure the City has used resources for project management including staff time and the time of the various Boards for required for lease negotiation and development plan approvals.

RECOMMENDATION:

Staff and the Planning Board, based on the criteria established by the Comprehensive Plan and the Land Development Regulations, recommends Option 1, that the request for Major Development Plan be **approved** with the following conditions:

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Conditions subject to a Conditional Approval Permit, per Ordinance 10-22 and subject to an associated annual inspection:

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