March 11, 2015 Public Hearing

APPLICANT:
BACK BAY BREW HOUSE, L.L.C.

PROPERTY OWNER:
JOHN ATKINSON

STAFF PLANNER: Graham Owen

REQUEST:
Conditional Use Permit (Craft Brewery)

ADDRESS / DESCRIPTION: 614 Norfolk Avenue

GPIN: 24270402510000
ELECTION DISTRICT: BEACH
SITE SIZE: 22,053 square feet
AICUZ: 70-75 dB DNL

BACKGROUND / DETAILS OF PROPOSAL

Background and Details
The applicant requests a Conditional Use Permit to allow for the expansion of a Craft Brewery located at the intersection of Norfolk Avenue and Cypress Avenue. The existing establishment predates the amendment to the Zoning Ordinance pertaining to Craft Breweries, approved by City Council on October 7, 2014. The establishment was originally approved as a manufacturing facility and an “eating and drinking establishment” in March 2014. As a result of the recent amendment and because Back Bay Brewery does not want to serve food, the Zoning Ordinance requires a Conditional Use Permit for this use. The applicant desires to expand the footprint of the existing operation on the subject site; therefore, a Conditional Use Permit is required.

The establishment is located within an existing building that contains a number of uses, including two restaurants, an art gallery, a fitness studio, and a wedding chapel. The applicant has outgrown the current 1,120 square foot space, which includes a production area and tasting room. Due to the current space limitations, the applicant proposes to renovate two adjacent units in the building to provide additional production space and a second tasting room. The renovations would take place in two phases:
• Phase 1, consisting of the renovation of a second floor suite and creation of an additional 1,180 square foot tasting room.

• Phase 2, consisting of the expansion of the existing tasting room by 300 square feet and the addition of 900 square feet for brewing and refrigeration purposes.

In total, these renovations will expand the floor area of the current operation threefold.

The hours of operation for the tasting room are Tuesday through Thursday, 3:00 p.m. to 10:00 p.m., Friday through Saturday, 12:00 p.m. to 12:00 a.m., and Sunday, 12:00 p.m. to 5:00 p.m. These hours adhere to the requirements for Craft Breweries, which prohibit the sale or consumption of alcoholic beverages between 12:00 a.m. and 10:00 a.m.

Site
The subject 22,053 square foot site contains a two-story building and associated parking. City records indicate that the existing building, which covers 80 percent of the site, was constructed in 1940. The site is surrounded by a mix of light industrial and residential uses.

Parking
The building covers 80 percent of the subject site, and has setbacks ranging from zero to five feet along Norfolk Avenue, Cypress Avenue, and the eastern lot line. These minimal setbacks, in addition to the sidewalk along Norfolk Avenue, provide an urban village form reflective of the historical use of the site for passenger rail-oriented uses. As a result of the historical development of the site, there are only ten on-site vehicle parking spaces, which are shared between the various uses in the building. The landlord owns a parking lot containing twenty-two spaces immediately across 10th street from the site, and the brewery’s use of that lot is included in their lease. There is also a City-owned parking lot containing thirty parking spots immediately across Norfolk Avenue from the site. The proposed expansion will add 1,480 square feet of tasting room space, and with 3 employees working during the maximum working shift, the Zoning Ordinance parking requirements result in a need for 18 parking spaces. These 18 spaces currently exist on the lot across 10th Street. Staff believes that these spaces, while shared with the other businesses on the subject site, are sufficient for the use given that the existing use of the brewery has demonstrated substantial reliance on pedestrian and bicycle traffic; however, a variance to the on-site parking requirement will need to be obtained for the use.

AICUZ
The site is located in the 70-75 db DNL noise zone. Beverage manufacturing and eating and drinking establishments are compatible uses in this zone.

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LAND USE AND COMPREHENSIVE PLAN

EXISTING LAND USE: Brewery with tasting room, restaurants, art and exercise studios, and wedding chapel

SURROUNDING LAND USE AND ZONING:

North:
• Norfolk Avenue
• Across Norfolk Avenue, multi-family dwellings / A-24 Apartment District

South:
• 10th Street
• Parking lot / RT-3 Resort Tourist District
East: • Warehouse / I-1 Light Industrial District
West: • Cypress Avenue
• Beauty salon / RT-3 Resort Tourist District
• Single-family dwellings / R-5S Residential Single-Family District

NATURAL RESOURCE AND CULTURAL FEATURES: The site is located in the Owls Creek Watershed. The site is located directly south of the historic Norfolk Southern Railroad right-of-way.

COMPREHENSIVE PLAN: The Comprehensive Plan designates this area of the city as Urban Area - Strategic Growth Area 8, Resort Area. The Resort Area is recognized as an area where revitalization efforts have and continue to transform the Resort Area into a major activity center, strengthen neighborhoods, and increase economic growth (p. 2-28). The vision is to extend the ‘energy’ at the Oceanfront inland in order to revitalize these areas and increase activity in the off-season.

IMPACT ON CITY SERVICES

MASTER TRANSPORTATION PLAN (MTP) / CAPITAL IMPROVEMENT PROGRAM (CIP):

No professionally recognized trip generation rates exist for breweries or their associated tasting rooms. The expansion of the first floor brewery for more brewing equipment was not used to calculate an increase in trip rates as the employment rate appears to stay the same even with the expansion. The best estimate for trip rates was to conservatively apply square footage of the tasting rooms to the high turnover restaurant trip generation rate; however, these are likely higher than the tasting room would experience except possibly on a Friday afternoon or evening.

Norfolk Avenue is a four-lane minor urban arterial. Norfolk Ave has a 50-foot wide right-of-way in the vicinity of this site. Norfolk Ave is not designated on the Master Transportation Plan. There are no Capital Improvement Program projects scheduled for Norfolk Avenue in the vicinity of this site.

Cypress Avenue in the vicinity of this site is a two-lane local street. Cypress Avenue has a 60-foot right-of-way in the vicinity of this site. This section of Cypress Avenue is not addressed in the Master Transportation Plan. No Capital Improvement Program projects are scheduled for Cypress Ave in the vicinity of this site.

TRAFFIC:

<table>
<thead>
<tr>
<th>Street Name</th>
<th>Present Volume</th>
<th>Present Capacity</th>
<th>Generated Traffic</th>
</tr>
</thead>
</table>
| Norfolk Avenue    | 9,941 ADT \(^1\) | 22,800 ADT \(^1\) (LOS 4 “D”) | Existing Land Use \(^2\) – 150 ADT  
Proposed Land Use \(^3\) – 330 ADT |
| Cypress Avenue    | No counts available | 9,900 ADT \(^1\) (LOS 4 “D”) |

\(^1\) Traffic counts do not include bicycle traffic.

\(^2\) Existing Land Use is not applicable to this area.

\(^3\) Proposed Land Use is not applicable to this area.
EVALUATION AND RECOMMENDATION

The site is located within the Resort Strategic Growth Area (SGA). Projects within the Resort SGA are evaluated for consistency with the Resort Area Strategic Action Plan (RASAP), which guides the pattern of future urban development at the Oceanfront. The RASAP identifies the following development strategies that are relevant to this application:

- **Create great districts with distinctive identities.** *Staff comments:* The site is located within a small I-1 Light Industrial District housing an eclectic mix of uses. The existing craft brewery complements the restaurants and other uses on the site, and helps retain the industrial heritage of the site by providing a light manufacturing use. The site is seven blocks away from a proposed micro-distillery on Virginia Beach Boulevard, and thus, positively contributes to the evolving Oceanfront nightlife with a food and drink focus.

- **Continue to focus on achieving a “Year-Round Resort.”** *Staff comments:* The brewery is currently open year-round, with extended tasting room hours during the summer months.

- **Create a transition from the Resort Area to the neighborhoods.** *Staff comments:* The brewery is a low-intensity use similar in many ways to a restaurant; however, the brewery’s hours of operation are more limited than those normally associated with establishments holding a mixed-beverage license, such as a bar or restaurant.

**Summary**

The proposed Craft Brewery expansion is acceptable and encouraged in this area. The subject site and four adjacent parcels on the block are the sole remnants of a larger Industrial District that historically encompassed the area, and a light manufacturing use such as a brewery helps retain this heritage while also providing a destination for not only the surrounding neighborhoods but also the Oceanfront Resort core. This establishment has already proven to be a positive factor in the area and a good neighbor, and it blends well with other uses in this area and attracts much-needed activity during both the ‘resort season’ and the ‘off season.’ This type of creative use is precisely the type of revitalization effort encouraged by the Comprehensive Plan and the RASAP.

Based on the above, Staff recommends approval of this request with the conditions below.
1. Prior to obtaining a Certificate of Occupancy for the proposed expansions, the applicant shall obtain a variance from the Board of Zoning Appeals pertaining to the off-street parking requirement.

2. The applicant shall obtain all necessary permits from the Planning Department / Permits and Inspections Division.

3. The applicant shall obtain the appropriate permits from the Planning Department / Zoning Office for any signage added to the site.

NOTE: Further conditions may be required during the administration of applicable City Ordinances and Standards. Any site plan submitted with this application may require revision during detailed site plan review to meet all applicable City Codes and Standards. All applicable permits required by the City Code, including those administered by the Department of Planning / Development Services Center and Department of Planning / Permits and Inspections Division, and the issuance of a Certificate of Occupancy, are required before any uses allowed by this Use Permit are valid.

The applicant is encouraged to contact and work with the Crime Prevention Office within the Police Department for crime prevention techniques and Crime Prevention Through Environmental Design (CPTED) concepts and strategies as they pertain to this site.
AERIAL OF SITE LOCATION
PROPOSED SITE PLAN (2nd Floor Tasting Room)
### ZONING HISTORY

<table>
<thead>
<tr>
<th>#</th>
<th>DATE</th>
<th>REQUEST</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>07/06/2010</td>
<td>Conditional Use Permit (Outdoor Recreation Facility)</td>
<td>Approved</td>
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<tr>
<td>2</td>
<td>02/12/2002</td>
<td>Change of Zoning (I-1 Light Industrial to Conditional A-24 Apartment District)</td>
<td>Approved</td>
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<tr>
<td>3</td>
<td>01/23/1996</td>
<td>Change of Zoning (A-12 Apartment to RT-3 Resort Tourist District)</td>
<td>Approved</td>
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<tr>
<td>4</td>
<td>03/09/1993</td>
<td>Change of a Nonconforming Use</td>
<td>Denied</td>
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</table>
APPLICANT DISCLOSURE

If the applicant is a corporation, partnership, firm, business, or other unincorporated organization, complete the following:

1. List the applicant name followed by the names of all officers, members, trustees, partners, etc. below: (Attach list if necessary)

   Back Bay Brew House LLC. Officers Josh Canada, Charlie Burroughs

   George Powell, and Will Yearick

2. List all businesses that have a parent-subsidiary or affiliated business entity relationship with the applicant: (Attach list if necessary)

   Union Brick Construction, Axis GE

☐ Check here if the applicant is NOT a corporation, partnership, firm, business, or other unincorporated organization.

PROPERTY OWNER DISCLOSURE

Complete this section only if property owner is different from applicant.
If the property owner is a corporation, partnership, firm, business, or other unincorporated organization, complete the following:

1. List the property owner name followed by the names of all officers, members, trustees, partners, etc. below: (Attach list if necessary)

   Atkinson Holding LLC. John T. Atkinson Sole Member

2. List all businesses that have a parent-subsidiary or affiliated business entity relationship with the applicant: (Attach list if necessary)

   Atkinson Realty Inc.

☐ Check here if the property owner is NOT a corporation, partnership, firm, business, or other unincorporated organization.

1 & 2 See next page for footnotes

Does an official or employee of the City of Virginia Beach have an interest in the subject land? Yes ☐ No ☒

If yes, what is the name of the official or employee and the nature of their interest?

DISCLOSURE STATEMENT
ADDITIONAL DISCLOSURES
List all known contractors or businesses that have or will provide services with respect to the requested property use, including but not limited to the providers of architectural services, real estate services, financial services, accounting services, and legal services: (Attach list if necessary)
Monarch Bank, Bill Brunke CPA, Towne Bank

1 "Parent-subsidiary relationship" means "a relationship that exists when one corporation directly or indirectly owns shares possessing more than 50 percent of the voting power of another corporation." See State and Local Government Conflict of Interests Act, Va. Code § 2.2-3101.

2 "Affiliated business entity relationship" means "a relationship, other than parent-subsidiary relationship, that exists when (i) one business entity has a controlling ownership interest in the other business entity, (ii) a controlling owner in one entity is also a controlling owner in the other entity, or (iii) there is shared management or control between the business entities. Factors that should be considered in determining the existence of an affiliated business entity relationship include that the same person or substantially the same person own or manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees or otherwise share activities, resources or personnel on a regular basis; or there is otherwise a close working relationship between the entities." See State and Local Government Conflict of Interests Act, Va. Code § 2.2-3101.

CERTIFICATION: I certify that the information contained herein is true and accurate.
I understand that, upon receipt of notification (postcard) that the application has been scheduled for public hearing, I am responsible for obtaining and posting the required sign on the subject property at least 30 days prior to the scheduled public hearing according to the instructions in this package. The undersigned also consents to entry upon the subject property by employees of the Department of Planning to photograph and view the site for purposes of processing and evaluating this application.

Applicant’s Signature
George C. Powell
Print Name

Property Owner’s Signature (if different than applicant)
John T. Atkinson
Print Name

DISCLOSURE STATEMENT
Financial Disclosure Statement

What financial institution(s) [bank, credit union, mortgage company, etc.] is or will have a financial interest in this project?

Source of financing for sale/lease or purchase of property: N/A

Real Estate Broker: N/A

Lienholder / Collateral on the property: Wells Fargo financed the building for the owner

Source of financing for project: Cash on Hand

If there have been any discussions with a financial institution with regarding to loans to be secured to finance any aspect of this project, please provide the name of those institutions: N/A

Contract Purchaser: N/A

Ongoing relationship with any financial institution: Monarch Bank & Towne Bank are financial institutions of BBBCo.