

FILE NUMBER: Z201-294(LG)

DATE FILED: June 28, 2021

LOCATION: On the south line of Commerce Street, west of South Malcolm Boulevard

COUNCIL DISTRICT: 2

MAPSCO: 45 M

SIZE OF REQUEST: ± 0.286 acres

CENSUS TRACT: 204.00

REPRESENTATIVE: Rob Baldwin, Baldwin Associates

APPLICANT/OWNER: 2809 Canton LLC

REQUEST: An application for a Specific Use Permit for an alcoholic beverage establishment limited to a microbrewery, micro-distillery, or winery and a bar, lounge or tavern uses on property zoned Tract A within Planned Development District No. 269, the Deep Ellum/Near East Side District.

SUMMARY: The purpose of the request is to allow for a microbrewery, micro-distillery, or winery and a bar, lounge or tavern use on the site. [Westlake Brewery Company]

CPC RECOMMENDATION: **Approval** for a two-year period, subject to a site plan and conditions.

STAFF RECOMMENDATION: **Approval** for a two-year period, subject to a site plan and conditions.

BACKGROUND INFORMATION

- The area of request consists of two parcels and is currently developed with a one story-structure with a patio.
- The applicant will use an existing one-story, 5,970 square foot building into a microbrewery, microdistillery, or winery and a bar, lounge or tavern use.
- The site held two prior SUPs - SUPs No. 2267 and 2268, which were passed by the City Council on December 13, 2017 have expired. SUP No. 2267 was for a microbrewery, microdistillery, or winery and was approved for a period of three years with eligibility for automatic renewal for additional five-year periods and expired in 2020 SUP No. 2268 was for a bar, tavern or lounge use and approved for a period of two years and expired in 2019. The applicant requests one SUP to allow for microbrewery, microdistillery, or winery and bar, lounge or tavern uses.
- Under Sec. 51A-4.210(B)(4)(A)(ii) of the Dallas Development Code, a microbrewery, microdistillery, or winery is defined as an establishment for the manufacture, blending, fermentation, processing and packaging of alcoholic beverages with a floor are of 10,000 square feet or less that takes place wholly inside a building. A facility that only provides tasting or retail sale of alcoholic beverages is not a microbrewery, microdistillery, or winery use.
- Under Sec. 51A-4.210(B)(4)(A)(i) of the Dallas Development Code, a bar, lounge or tavern is defined as an establishment principally for the sale and consumption of alcoholic beverages on the premises that derives 75 percent or more of its gross revenue on a quarterly (three-month) basis from the sale or service of alcoholic beverages, as defined in the Texas Alcoholic Beverage Code, for on-premise consumption.
- The applicant is requesting to allow a microbrewery, micro-distillery, or winery and a bar, lounge or tavern use on the site since an SUP is required by the PD for these uses.
- At the September 23, 2021 City Plan Commission meeting, revised conditions included correcting the hours of operation from 10:00 a.m. and 1:00 p.m. (the next day), Monday through Friday to 10:00 a.m. and 1:00 a.m. (the next day), Monday through Friday. The CPC also voted to approve removing a condition that states the applicant can have a maximum of two silos on the property since there is only one silo shown on the proposed Specific Use Permit Site Plan submitted by the applicant.

Zoning History: There have been seven recent zoning cases requested in the area in the past five years:

1. **Z178-207** On June 28, 2017, the City Council approved the bar, lounge, or tavern and a microbrewery, microdistillery, or winery for a two-year period located on the south line of Main Street, west of Malcolm X Boulevard and east of Crowds Street.
2. **Z178-279** On September 26, 2018, the City Council approved the renewal of Specific Use Permit No. 2156 for a microbrewery, microdistillery, or winery for a five-year period with eligibility for five year automatic renewals on the northwest corner of Canton Street and South Malcolm X Boulevard.
- 3.. **Z178-381** On January 23, 2019, the City Council approved the creation of Specific Use Permit No. 2319 for 1) a Specific Use Permit for an alcoholic beverage establishment limited to a bar, lounge, or tavern and for a commercial amusement (inside) use limited to a live music venue; and, 2) the termination of Specific Use Permit No. 1707 for a tattoo studio and a body piercing studio on property zoned Tract A within Planned Development District No. 269, the Deep Ellum/Near East Side Special Purpose District, located on the north line of Main Street, east of North Crowds Street renewals on the northwest corner of Canton Street and South Malcolm X Boulevard.
4. **Z189-107** On April 10, 2019, the City Council approved Specific Use Permit No. 2076 for an inside commercial amusement limited to a live music venue and dance hall for a five year period with eligibility for five year automatic renewals on the north line of Canton Street, west of Crowds Street.
- 5.. **Z167-346** On December 13, 2017, the City Council approved Specific Use Permit No. 2267 for a microbrewery, microdistillery, or winery for a two-year period with eligibility for five-year automatic renewals on the south line of Commerce Street, between Malcom X Boulevard and Crowds Street.
6. **Z167-382** On December 13, 2017, the City Council approved Specific Use Permit No. 2268 for a bar, lounge or tavern for a two-year period on the south line of Commerce Street, between Malcom X Boulevard and Crowds Street.
7. **Z190-209** On August 26, 2020, the City Council approved Specific Use Permit No. 2366 for a five-year period, on the north line of Canton Street, west of South Malcolm X Boulevard.

Thoroughfares/Streets:

Thoroughfare/Street	Type	Existing/Proposed ROW
South Malcolm X Boulevard	Community Collector	60 feet with bike plan
Commerce Street	Community Collector	60 feet with bike plan
Crowdus Street	Local Street	--

Traffic:

The Engineering Division of the Sustainable Development and Construction Department has reviewed the request and determined that it will not significantly impact the existing roadway system.

Comprehensive Plan:

The forwardDallas! Comprehensive Plan was adopted by the City Council in June 2006. The forwardDallas! Comprehensive Plan outlines several goals and policies which can serve as a framework for assisting in evaluating the applicant's request.

The applicant's request is consistent with the following goals and policies of the comprehensive plan.

ECONOMIC ELEMENT

GOAL 2.3 BUILD A DYNAMIC AND EXPANDED DOWNTOWN

Policy 2.3.3 Work with property owners and stakeholders to preserve and enhance the image of Downtown Dallas.

GOAL 5.3 ESTABLISHING WALK-TO CONVENIENCE

Policy 5.3.1 Encourage a balance of land uses within walking distance of each other.

STAFF ANALYSIS:**Surrounding Land Uses:**

	Zoning	Land Use
Site	PD 269 Tract A	Bar, lounge or tavern; Microbrewery, microdistillery, or winery
Northwest	PD 269 Tract A	Bar and Restaurant uses
North	PD 269 Tract A	Restaurant
Northeast	PD 269 Tract A	Restaurant uses, Vacant
East	PD 269 Tract A	Mini-warehouse
Southeast	PD 269 Tract A with SUP No.2156	Microbrewery, microdistillery, or winery
South/Southwest	PD 269 Tract A with SUP No.2366	Microbrewery, microdistillery, or winery
West	PD 269 Tract A	Vacant Building

Land Use Compatibility:

The applicant proposes to utilize the approximately 5,970-square-foot structure for a microbrewery, micro distillery or winery use and a bar lounge, or tavern. The surrounding land uses include restaurants; and vacant building to the north and east; an office and vacant use to the east; a microbrewery, microdistillery or winery use to the south; and an abutting vacant building to the west.

The general provisions for a Specific Use Permit in Section 51A-4.219 of the Dallas Development Code specifically state: (1) The SUP provides a means for developing certain uses in a manner in which the specific use will be consistent with the character of the neighborhood; (2) Each SUP application must be evaluated as to its probable effect on the adjacent property and the community welfare and may be approved or denied as the findings indicate appropriate; (3) The city council shall not grant an SUP for a use except upon a finding that the use will: (A) complement or be compatible with the surrounding uses and community facilities; (B) contribute to, enhance, or promote the welfare of the area of request and adjacent properties; (C) not be detrimental to the public health, safety, or general welfare; and (D) conform in all other respects to all applicable zoning regulations and standards. The regulations in this chapter have been established in accordance with a comprehensive plan for the purpose of promoting the health, safety, morals, and general welfare of the city.

Staff supports the request and considers the use compatible with the surrounding uses and initially recommended a three-year time period. However, CPC made recommendation for two years and staff does not object to it.

The proposed uses are in close proximity to similar uses within Deep Ellum. The bar, lounge and tavern and microbrewery, microdistillery, and winery uses will occupy the same space. Since this is a new specific use permit, a two-year period is a reasonable

time period for a newly proposed SUP. CPC Recommended SUP Conditions included correcting the hours of operation from 10:00 a.m. and 1:00 p.m. (the next day), Monday through Friday to 10:00 a.m. and 1:00 a.m. (the next day), Monday through Friday. The CPC also voted to approve removing a condition that states the applicant can have a maximum of two silos on the property since there is only one silo shown on the proposed Specific Use Permit Site Plan submitted by the applicant

Parking:

Parking must be provided in accordance with the requirements of Planned Development District No. 269, the Deep Ellum/Near East Side District. PD No. 269 states that the no off-street parking spaces are required for the first 5,000 square feet of floor area in a use that has a separate certificate of occupancy if the use is located in an original building. PD No. 269 defines an original building as a building constructed on or before June 27, 1984, the floor area of which has not since June 27, 1984, been increased by more than: (A) 150 percent if the increase is 5,000 square feet or less; or (B) 100 percent if the increase is more than 5,000 square feet. An original building damaged or destroyed on or before June 27, 1984, other than by the intentional act of the owner or his agent, may be restored after that date without losing its original building status. The request site, according to DCAD, was built in 1946. This is the original building which the prior SUPs operate in, and the applicant will not make adjustments to the original structure.

The off-street parking requirement for a microbrewery, microdistillery, or winery is one space per 1,000 square feet of storage; one space per 200 square feet of retail sales area; one space per 100 square feet of bar or restaurant area; and one space per 600 square feet of remaining floor area. The request site is approximately 5,970 square feet and is required to have two off-street parking spaces (as the building is an original building) and the applicant is providing four off-street parking spaces. As it relates to the parking requirements, on-street parking is currently available in the Deep Ellum area.

Landscaping:

Landscaping must be provided in accordance with PD No. 269, as amended. No new development is proposed with this request; therefore, no landscape requirements are triggered by this request.

Market Value Analysis:

Market Value Analysis (MVA) is a tool to aid residents and policymakers in understanding the elements of their local residential real estate markets. It is an objective, data-driven tool built on local administrative data and validated with local experts. The analysis was prepared for the City of Dallas by The Reinvestment Fund. Public officials and private actors can use the MVA to more precisely target intervention strategies in weak markets and support sustainable growth in stronger markets. The MVA identifies nine market types (A through I) on a spectrum of residential market strength or weakness. As illustrated in the attached MVA map, the colors range from purple representing the

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strongest markets (A through C) to orange, representing the weakest markets (G through I). Although the area of request is not within an identifiable MVA cluster, it is in the vicinity of an “E” MVA cluster to the north across Commerce Street.

CPC ACTION

September 23, 2021

Motion: It was moved to recommend **approval** of a Specific Use Permit for an alcoholic beverage establishment limited to a microbrewery, micro-distillery, or winery and a bar, lounge or tavern uses for a two-year period, subject to a site plan and staff's recommended conditions with the following changes: 1) number 5, Hours of Operations, revise 1 p.m. to 1 a.m., and 2) number 8 Silos, strike item b, on property zoned Tract A within Planned Development District No. 269, the Deep Ellum/Near East Side District, on the south line of Commerce Street, west of South Malcolm X Boulevard.

Maker: Hampton

Second: Rubin

Result: Carried: 13 to 0

For: 13 - MacGregor, Hampton, Stinson, Shidid,
Carpenter, Jackson, Blair, Jung, Suhler,
Schwope, Murphy, Garcia, Rubin

Against: 0

Absent: 0

Vacancy: 2 - District 4, District 10

Notices: Area: 200

Mailed: 16

Replies: For: 0

Against: 0

Speakers: For: Rob Baldwin, 3904 Elm St., Dallas, TX, 75226

Against: None

List of Officers/Partners/Principals

Westlake Brewery Company

- Arthur D. Harvey, sole owner

AP Blanton Deep Ellum LLC

Asana Partners Fund I REIT, LLC

- Terry S. Brown, Managing Partner
- Jason K. Tompkins, Managing Partner
- Sam E. Judd, Managing Partner
- R. Seth Black, Managing Director
- Katie W. Grissom, Managing Director
- Reed A. Kracke, Managing Director
- Will M. Ponder, Managing Director
- Brian R. Purcell, Managing Director

CPC Recommended SUP Conditions

1. **USE**: The only use authorized by this specific use permit is a bar, lounge, or tavern and a microbrewery, micro distillery, or winery.
2. **SITE PLAN**: Use and development of the Property must comply with the attached site plan.

CPC Recommendation:

3. **TIME LIMIT**: This specific use permit expires on (two years from the passage of this ordinance).

Applicant's Request:

3. **TIME LIMIT**: This specific use permit expires on (five years from the passage of this ordinance) but is eligible for automatic renewal for additional five-year periods pursuant to Section 51A-4.219 of Chapter 51A of the Dallas City Code, as amended. For automatic renewal to occur, the Property owner must file a complete application for automatic renewal with the director before the expiration of the current period. Failure to timely file a complete application will render this specific use permit ineligible for automatic renewal. (Note: The Code currently provides that applications for automatic renewal must be filed after the 180th but before the 120th day before the expiration of the current specific use permit period. The Property owner is responsible for checking the Code for possible revisions to this provision. The deadline for applications for automatic renewal is strictly enforced.)

4. **FLOOR AREA**: The maximum floor area for the microbrewery, micro distillery, or winery is 6,000 square feet. The maximum floor area for the bar, lounge, or tavern is 435 square feet.
5. **HOURS OF OPERATION**: The bar, lounge, or tavern may only operate between 10:00 a.m. and 1:00 a.m. (the next day), Monday through Friday; between 8:00 a.m. and 1:00 a.m. (the next day), Saturday; and between 11:00 a.m. and 11:00 p.m., Sunday. The microbrewery, microdistillery, or winery may only operate between 11:00 a.m. and 9:00 p.m., Monday through Thursday; between 11:00 a.m. and 10:00 p.m. Friday through Saturday, and 12:00 pm to 8:00 p.m., Sunday.
6. **OUTSIDE SPEAKERS**: Outside speakers are prohibited.
7. **PATIO**: The uncovered patio is limited to 3,600 square feet in the location shown on the attached site plan.

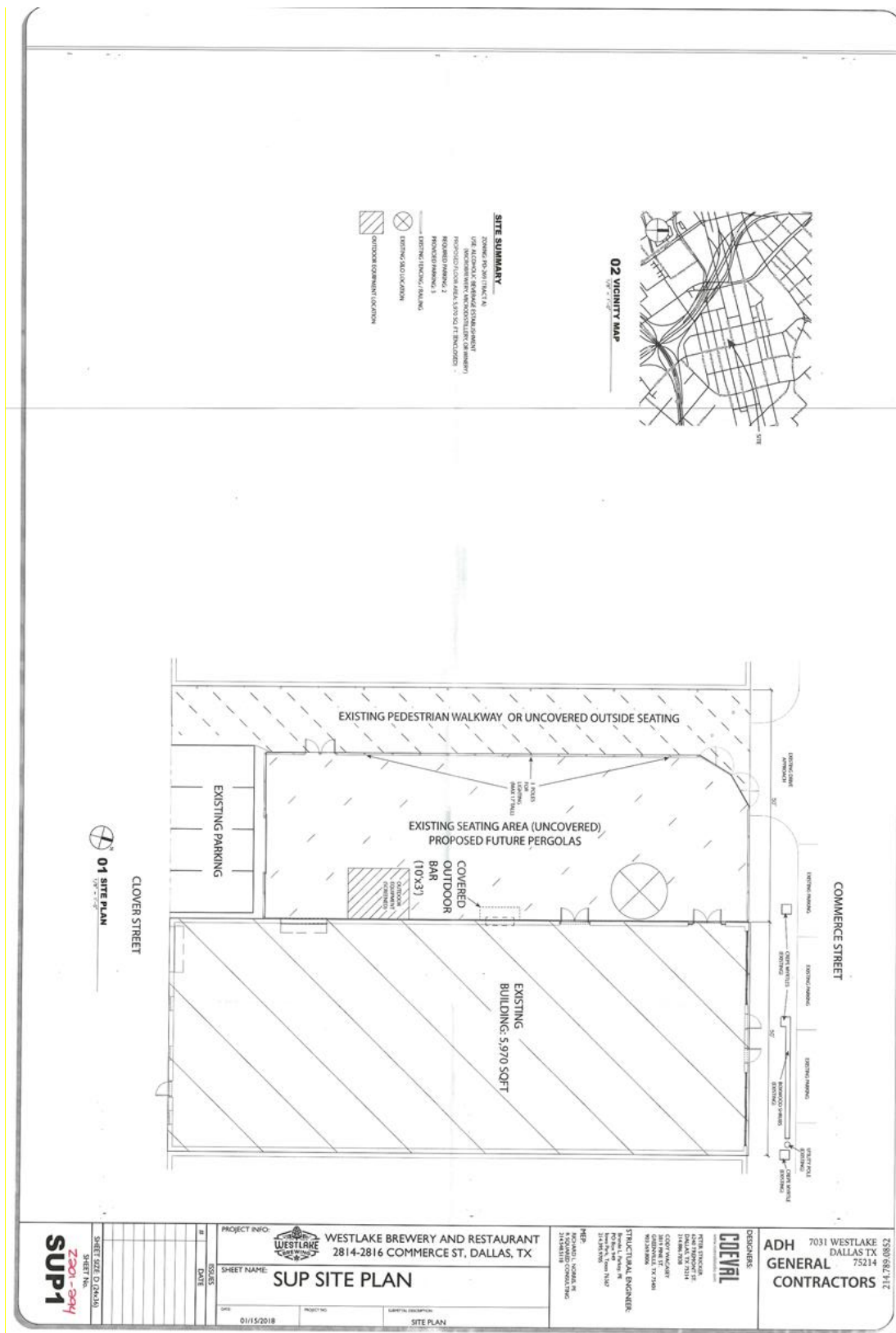
8. SILOS:

Maximum height of the silos is 30 feet in the location shown on the attached site plan.

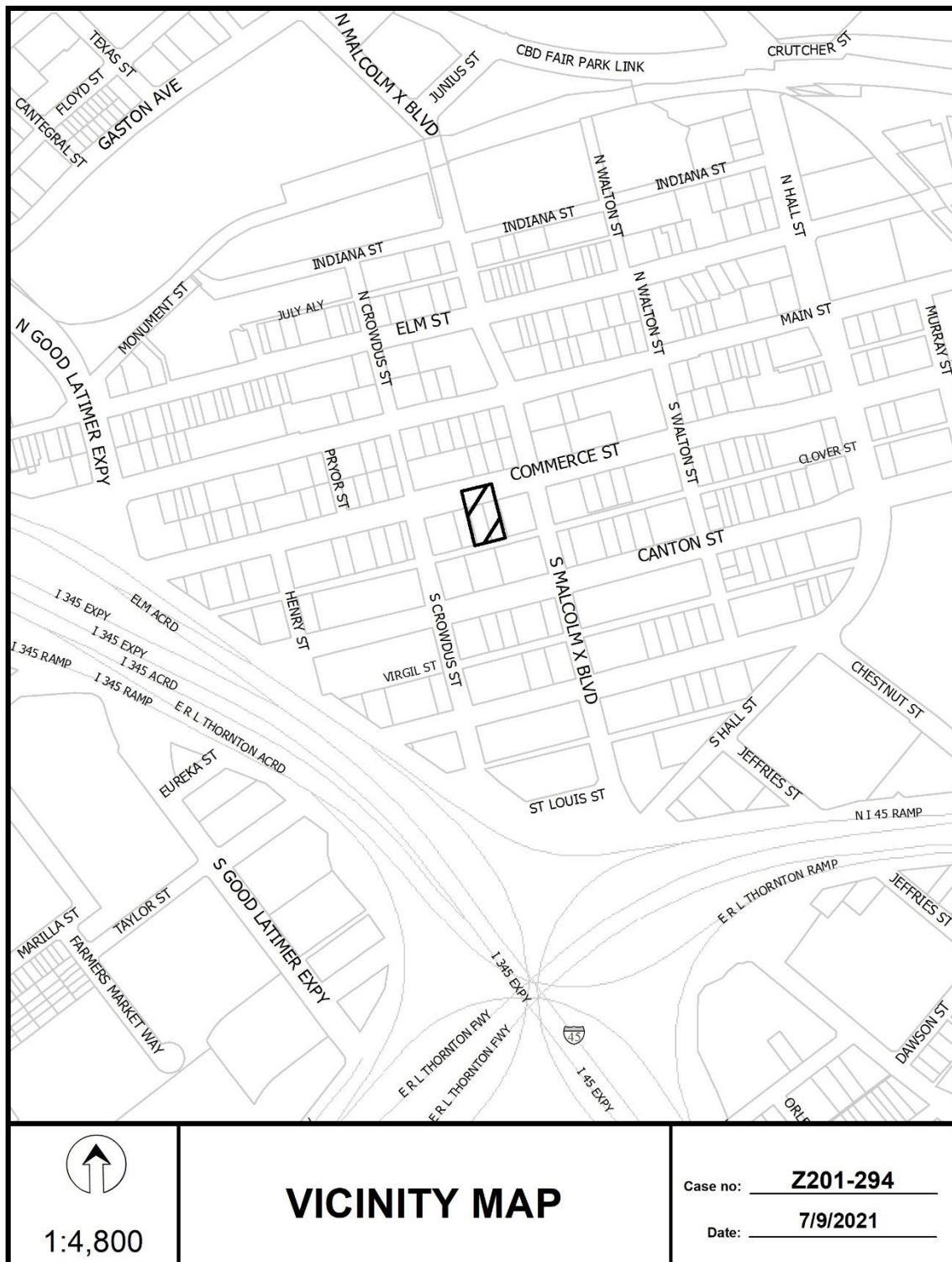
9. MAINTENANCE: The Property must be properly maintained in a state of good repair and neat appearance.

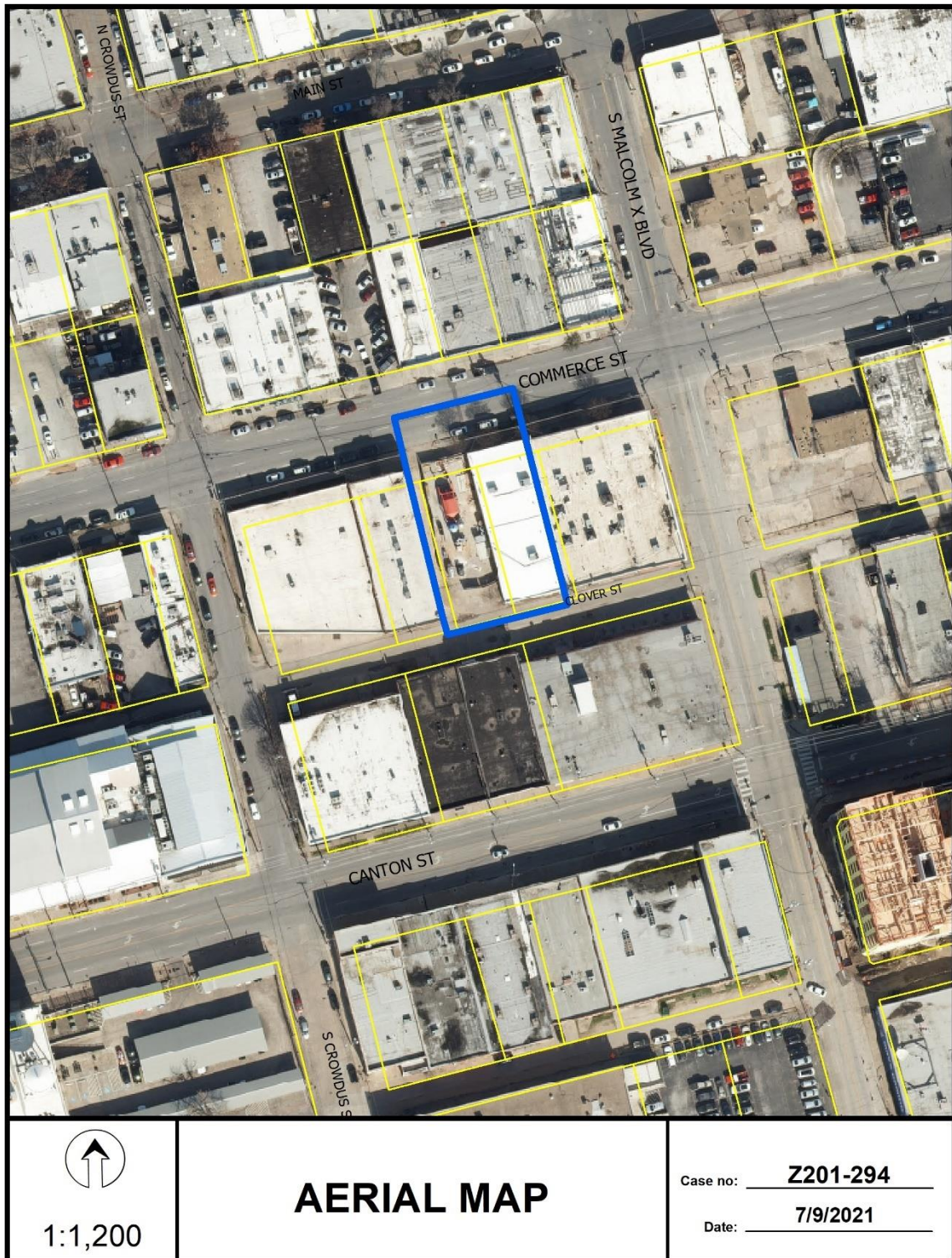
10. GENERAL REQUIREMENTS: Use of the Property must comply with all federal and state laws and regulations, and with all ordinances, rules, and regulations of the City of Dallas.

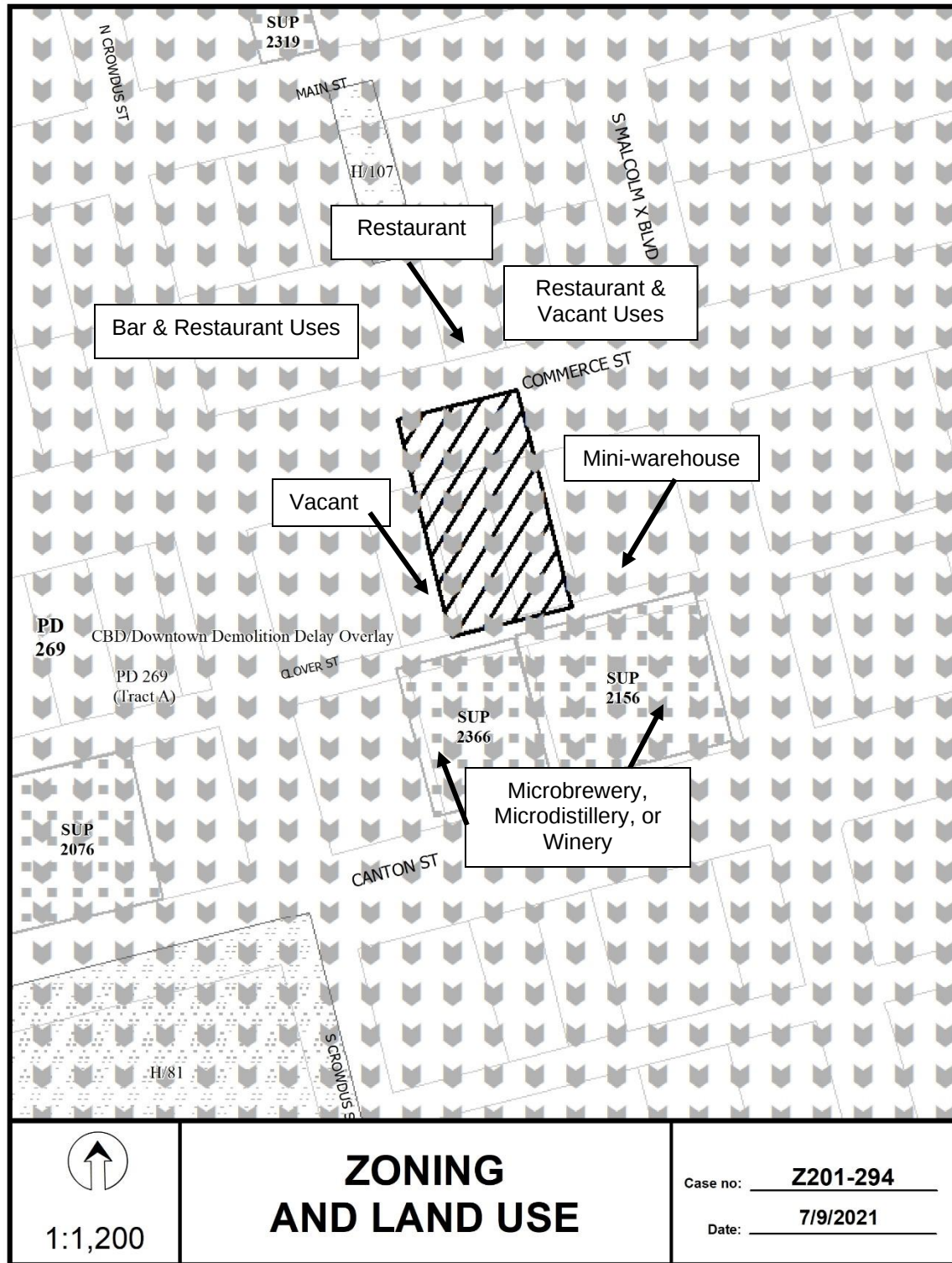
PROPOSED SUP SITE PLAN

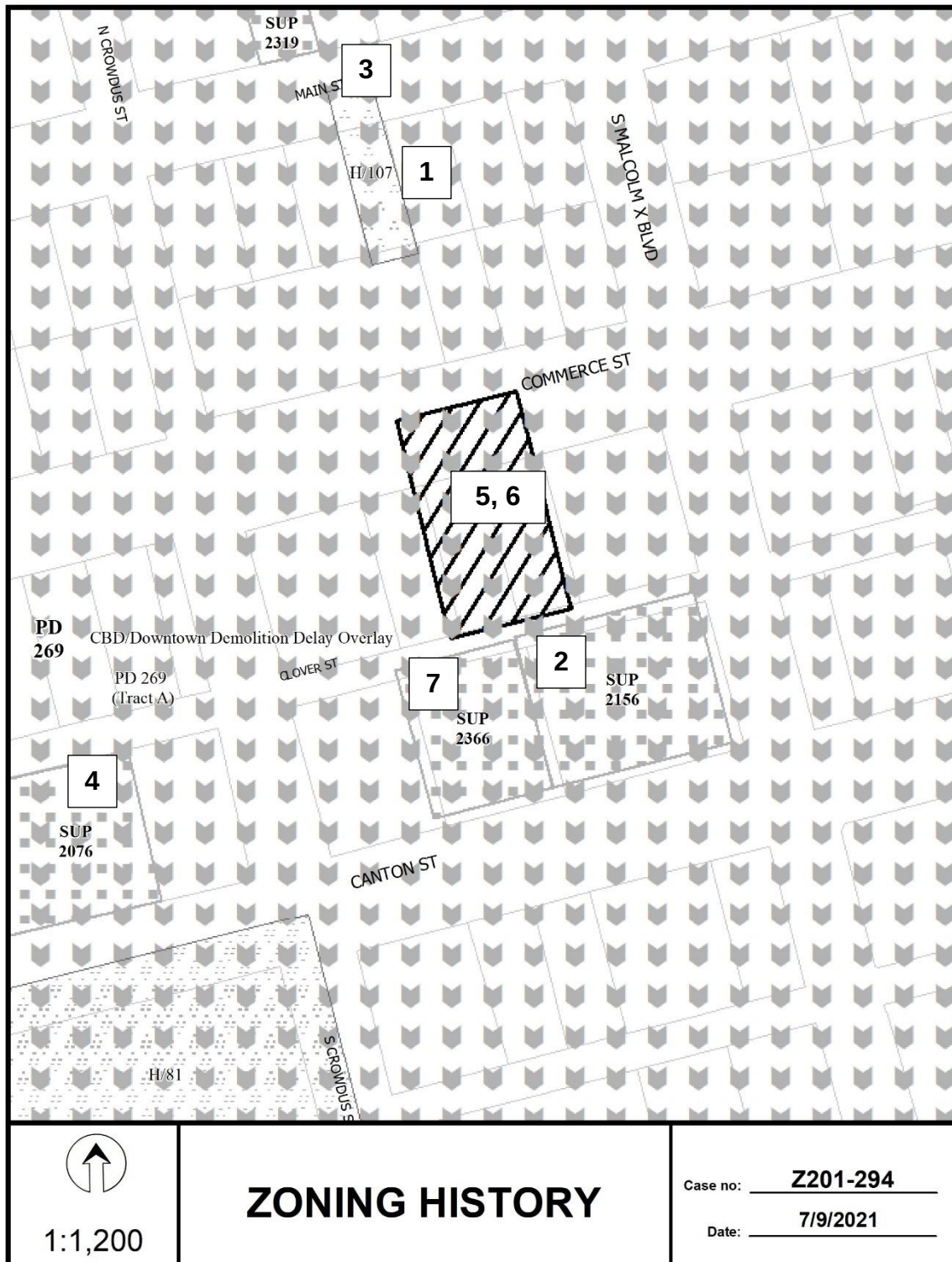


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Market Value Analysis



1:4,800

Market Value Analysis

Printed Date: 7/9/2021

CPC RESPONSES



09/22/2021

Reply List of Property Owners***Z201-294******16 Property Owners Notified******0 Property Owners in Favor******0 Property Owners Opposed***

<i>Reply</i>	<i>Label #</i>	<i>Address</i>	<i>Owner</i>
	1	2820 COMMERCE ST	AP BLANTON DEEP ELLUM LLC
	2	2713 COMMERCE ST	WESTDALE PPTIES AMERICA I
	3	2730 COMMERCE ST	Taxpayer at
	4	2800 COMMERCE ST	Taxpayer at
	5	2805 CANTON ST	GEBHARDT BROADCASTING LLC
	6	2809 CANTON ST	2809 CANTON LLC
	7	2825 CANTON ST	2825 CANTON LLC
	8	2901 COMMERCE ST	Taxpayer at
	9	2904 COMMERCE ST	Taxpayer at
	10	2901 CANTON ST	HORTON T L DESIGN INC
	11	2824 MAIN ST	BLADE PROPERTIES LLC
	12	2820 MAIN ST	AP DEEP ELLUM LLC
	13	2814 MAIN ST	640 LAND LLC
	14	2800 MAIN ST	AP 2800 MAIN ST LLC
	15	2815 COMMERCE ST	2815-2819 COMMERCE STREET VENTURES LLC
	16	2825 COMMERCE ST	AN JADHAVJI INVESTMENTS LLC