



## Department of Planning and Economic Development

Staff Report to the Planning Commission

March 19, 2024

PCU2024-0002

### Lifetime Fitness Conditional Use

<b>REQUEST</b>	Conditional Use Recommendation
<b>APPLICANT</b>	LTF Club Operations Company, Inc. d/b/a Life Time Fitness 2902 Corporate Place Chanhassen, MN 55317
<b>LOCATION</b>	200 W. Avon Rd., located within the existing Lifetime Fitness Club, on the north side of W. Avon, west of Rochester Road
<b>FILE NO.</b>	PCU2024-0002
<b>PARCEL NO.</b>	15-15-476-039
<b>ZONING</b>	NB Neighborhood Business and I Industrial District
<b>STAFF</b>	Chris McLeod, AICP, Planning Manager

### Summary

The applicant has filed for a Conditional Use Permit to allow for alcoholic beverage sales for onsite alcoholic beverage consumption as a part of the existing Lifetime Health and Fitness Club at 200 W. Avon, located on the north side of W. Avon Road, west of Rochester Road.

The site is currently split zoned. The portion of the property closest to Rochester Road is zoned NB Neighborhood Business District, however, the bulk of the property, including the building and the outdoor areas proposed for alcoholic beverage sales and consumption are located in the I Industrial District. Alcoholic beverage sales for on premises consumption that is accessory to a permitted use requires a Conditional Use permit in both the NB Neighborhood Business Districts and the I Industrial Districts, after the Planning Commission makes a recommendation and City Council approval. The applicant is not seeking a quota license from the City Council, but rather will be transferring an existing license into the City.

Based on the information submitted by the applicant, Life Time is seeking the conditional use for the sales and consumption of alcohol sales in an effort to provide its members more of a social country club atmosphere. The applicant notes that over seventy (70) (of the total 200) Life Time facilities have a similar license and operate in a similar manner. As a part of the applicant's submittal, the applicant provided a typical menu of alcoholic beverage options that would be available if approved. These include seltzers, beers, hard ciders, wines and sparkling drinks. No liquor was shown on the menu. The serving of alcoholic beverages would be complementary to the existing food and snack options that are currently available at the facility, both indoors and outdoors. The submittal materials also include the range of food menu items that are available at the facility. The proposed hours of alcohol sales are stated to be 10:00 a.m. to 10:00 p.m. each day, seven (7) days a week. The actual fitness club is open 4:00 a.m. to 12:00 a.m. Monday-Friday and 5:00 a.m. - 11:00 p.m. Saturday and Sunday. The Planning Commission may wish to discuss with the applicant if the hours of operation for the outdoor service area differ from that noted in the application.

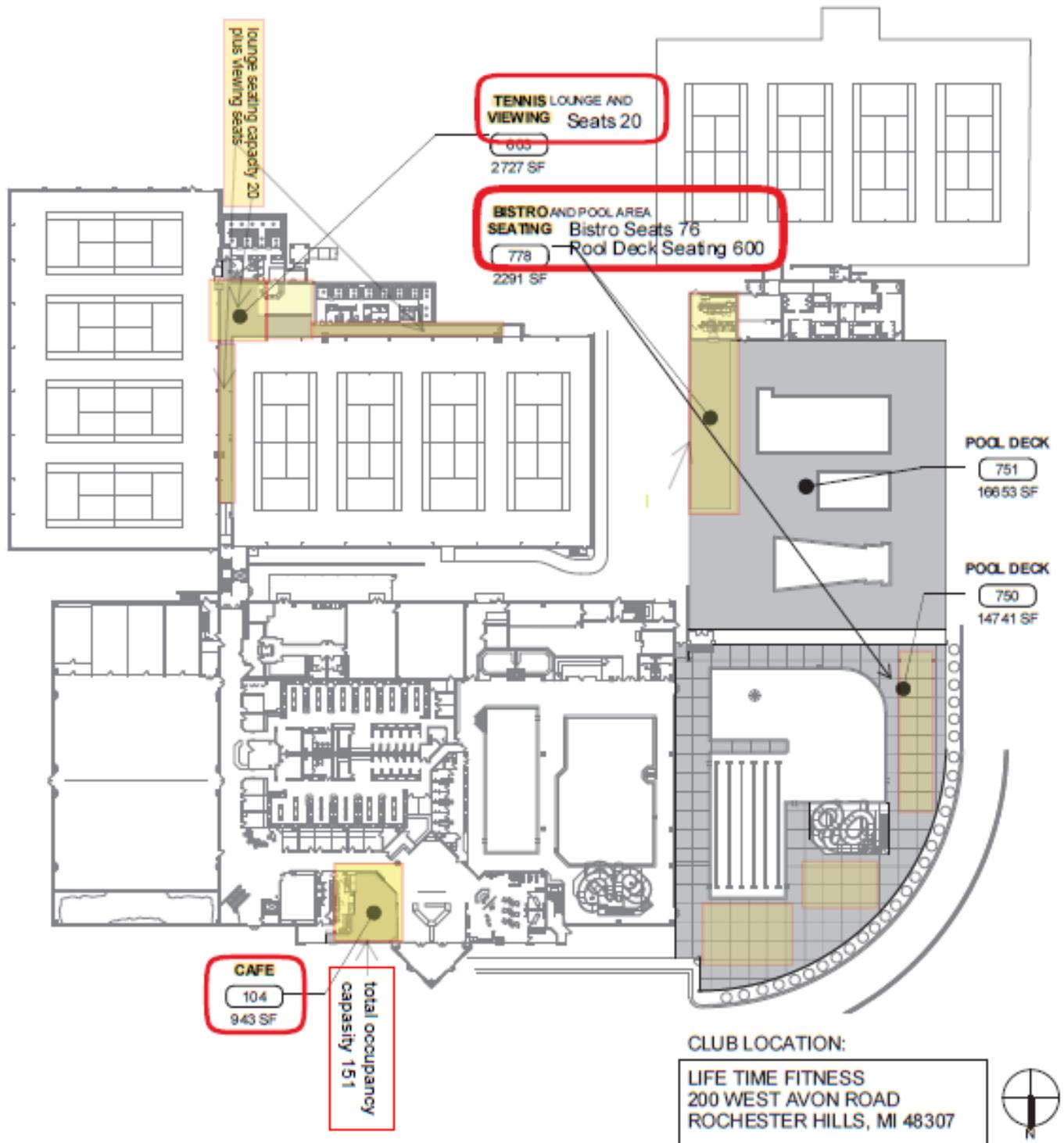
Indoor sales for alcoholic beverages would be confined to the existing café area. The applicant has provided the existing layout of the café which has a listed occupancy of 151 persons, however it should

be noted that the actual seating plan shows approximate seating for 50 persons. In addition to the proposed indoor seating area, Life Time is also proposing an outdoor seating area around the pool and other outdoor activity areas. The noted seating for the outdoor bistro area is approximately 76 persons, while the larger outdoor pool deck seating area totals approximately 600 seats. This total (600 seats) includes the areas around all of the pool areas (shown on two (2) different plan sheets). These areas are all shown as potential alcoholic beverage service areas.

It should be noted that Life Time previously applied for a conditional use for alcohol sales and was recommended for approval by the Planning Commission. However, at City Council, the conditional use was not granted due to a lack of support for the motion to approve the application.



## Floor Plan





	Zoning	Existing Land Use	Future Land Use
<b>Site</b>	<b>NB Neighborhood Business District and I Industrial Zoning District with the FB Flex Business Overlay</b>	<b>Existing Lifetime Fitness</b>	<b>Commercial Residential Flex 2</b>
<b>North</b>	I Industrial Zoning District with the FB Overlay	Vacant	Commercial Residential Flex 2
<b>South</b>	CB Community Business District and I Industrial District with the FB Overlay	Indoor Storage, Sanyo Industrial, Home Depot, Gardner White	Commercial Residential Flex 3 and Residential Office Flex
<b>East</b>	NB Neighborhood Business District and I Industrial District with the FB Overlay	Sanyo Industrial	Commercial Residential Flex 2 and Residential Office Flex
<b>West</b>	Special Purpose District (a portion has a PUD Overlay)	Rochester University and The Grove Multi Family development	Special Purpose

### General Requirements for Conditional Uses

Per *Section 138-2.302* of the Zoning Ordinance, there are five (5) areas of consideration for the Planning Commission for the discretionary decision of a conditional use. Each of the criterion are listed below in italics, followed by staff comments on the proposed conditional use's compliance with each.

Criterion:	Staff Comment:
1 <i>Will promote the intent and purpose of (the Ordinance).</i>	The I Industrial and NB Neighborhood Business Districts do support this type of use when ancillary to a permissible use such as a restaurant.
2 <i>Will be designed, constructed,</i>	The immediately abutting land uses to the south, east and

	<p><i>operated, maintained, and managed so as to be compatible, harmonious, and appropriate in appearance with the existing or planned character of the general vicinity, adjacent uses of land, the natural environment, the capacity of public services and facilities affected by the land use and the community as a whole.</i></p>	<p>north should not be impacted by the proposed use as they are nonresidential in nature. The use to the west/northwest is the recently developed Groves apartment community. This community is the closest residential property and is located closest to the outdoor service area. The western limit of the outdoor service area is approximately 100 feet from the corner of the Groves multiple family development and is separated by the service drive that connects the Lifetime parking lot to both Rochester Road and Avon along with the remaining wooded area between the Groves and the service drive. City staff has received several public comments from residents of the Groves indicating concerns with noise from the Life Time development, particularly the outdoor area.</p> <p>The vast majority of the service area proposed as a part of the Life Time application is outdoors and generally surrounds the pool and its surrounding patio area. It is intended (if approved) that patrons of the gym can consume an alcoholic beverage while utilizing the lounge chairs that surround this area as well as have an alcoholic beverage while eating either in the indoor café or outdoor bistro.</p> <p>Given the proposed hours of operation for alcohol sales, Monday through Sunday 10:00 a.m. to 10:00 p.m., the conditional use for alcohol consumption onsite for the indoor portion of the application should not have a significant impact on surrounding properties given the size, nature and intensity of the site and building. The extent and proximity of the outdoor service may impact the residents to the west/northwest. It is noted that this outdoor area is likely already somewhat of a noise generator given its nature. The existing wooded area and approximate 100 foot separation does provide buffering between the two uses and may limit impacts.</p>
3	<p><i>Will be served adequately by essential public facilities and services, such as highways, streets, police and fire protection, drainage ways, refuse disposal, or that the persons or agencies responsible for the establishment of the land use or activity shall be able to provide adequately any such service.</i></p>	<p>The building has been utilized as a fitness facility and the addition of alcoholic beverage sales should not increase traffic to the site. The sale of alcoholic beverages would be largely consumed by those already at the facility utilizing the facility and likely would not be a “destination” as membership would be required. Since the site has been developed for a significant number of years as Life Time and has been served adequately by all City services, it is Staff’s opinion that any demands placed on the public infrastructure are already accounted for by the current use of the site.</p>
4	<p><i>Will not be detrimental, hazardous, or</i></p>	<p>In regard to the proposed use, there should be no</p>

	<i>disturbing to existing or future neighboring land uses, persons, property, or the public welfare.</i>	detrimental, hazardous or disturbing activity to the existing or future neighboring uses, persons, surrounding properties, or to the public welfare for indoor consumption. As noted above, the Planning Commission should consider the potential impacts of outdoor sales and consumption of this size and nature, proximate to the Groves community.
5	<i>Will not create additional requirements at public cost for public facilities and services that will be detrimental to the economic welfare of the community.</i>	There will be no additional requirements at a public cost for public facilities and services that would be detrimental to the economic welfare of the community.

### Staff Recommendations

The conditional use was noticed for a public hearing. Staff has received several comments from abutting residents to the north/west in the Groves community. Based on the application provided, Planning staff generally has no issues with the proposed conditional use request. If the Planning Commission agrees that allowing alcoholic beverage sales for on premises consumption will be harmonious and compatible with the surroundings, below are motions for approval for your consideration. If there are concerns with the hours of sales/consumption, particularly the outdoor sales/consumption it may be appropriate to limit the hours of those times alcoholic beverages can be sold/consumed in the outdoor areas. If the Commission determines the proposed conditional use will not be harmonious, motions for denial have also been provided.

### Motion to Recommend Approval of a Conditional Use

**MOTION** by \_\_\_\_\_, seconded by \_\_\_\_\_, in the matter of File No. PCU2024-0002 (Life Time Fitness), the Planning Commission **recommends** to City Council **Approval** of the **Conditional Use** to allow sales for on premises alcoholic beverage consumption associated with a restaurant use, based on documents received by the Planning Department on February 13, 2024 with the following findings:

Findings

1. The proposed use will promote the intent and purpose of the Zoning Ordinance.
2. The existing building and proposed conditional use have been designed and is proposed to be operated, maintained, and managed so as to be compatible, harmonious, and appropriate in appearance with the existing and planned character of the general vicinity, adjacent uses of land, and the capacity of public services and facilities affected by the use.
3. The proposed addition of alcohol sales to the already existing fitness facility should have a positive impact on the patrons of the existing facility and provide additional services being sought by those patrons.
4. The existing development and proposed use are served adequately by essential public facilities and services, such as highways, streets, police and fire protection, water and sewer, drainage ways, and refuse disposal.

5. The existing development and proposed use should not be detrimental, hazardous, or disturbing to existing or future neighboring land uses, persons, property, or the public welfare as the facility already operates as a fitness facility, already has a significant outdoor use area, no physical improvements/modifications are planned to either the interior or exterior spaces and the sales of alcoholic beverages is only planned to 10:00 p.m.
6. The proposal will not create additional requirements at public cost for public facilities and services that will be detrimental to the economic welfare of the community.

#### Conditions

1. City Council approval of the Conditional Use.

### **Motion to Recommend Denial of a Conditional Use**

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**MOTION** by \_\_\_\_\_, seconded by \_\_\_\_\_, in the matter of File No. PCU2024-0002 (Life Time Fitness), the Planning Commission **recommends** to City Council **Denial** of the **Conditional Use** to allow sales for on premises alcoholic beverage consumption associated with a restaurant use, based on documents received by the Planning Department on February 13, 2024 with the following findings:

#### Findings

1. The proposed conditional use, particularly the outdoor service area, based on its overall size and intensity are not compatible, harmonious, and appropriate in appearance with the existing and planned character of the general vicinity, adjacent uses of land, and the capacity of public services and facilities affected by the use, particularly given the close proximity of the Groves apartment community.
2. The proposed addition of alcohol sales to the already existing fitness facility could have a negative impact on the surrounding residential properties by creating excessive noise and disturbances.
3. The existing Life Time facility was approved as a fitness facility and was not intended to be a full service indoor /outdoor restaurant facility with alcoholic sales and consumption, particularly of the size and natures of proposed conditional use, for the serving and consumption of alcoholic beverages.

### **Motion to Postpone the Conditional Use**

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**MOTION** by \_\_\_\_\_, seconded by \_\_\_\_\_, in the matter of File No. PCU2024-0002 (Life Time Fitness), the Planning Commission **postpones action** on the **Conditional Use** to allow sales for on premises alcoholic beverage consumption associated with a restaurant use to allow the applicant to provide \_\_\_\_\_.