



TOWN BOARD OF TRUSTEES STAFF MEMORANDUM

DATE: August 25, 2025
TO: Mayor and Board of Trustees
FROM: Josh Olhava, AICP, Contract Staff - Planning Department
SUBJECT: **QUASI JUDICIAL (PUBLIC HEARING)** – Resolution 37-2025 - Consideration of a Zoning Variance for 1001 and 1005 Lake Avenue to allow first floor residential units along Lake Avenue as part of a proposed development project located at 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue.

Overview

- **Property Owner and Applicant:** Spirit Lake Condos, LLC
- **Applicant's Representative:** Jim Kreutzer
- **Consultant:** Gabe Bellow, MA Studios
- **Location:** 1001 and 1005 Lake Avenue
- **Zoning:** Commercial Zone District (C)
- **Attachments:**
 - Variance Request Application, Narrative, and Statement of Authority
 - Variance Area Exhibit





The applicant is working through the preliminary major development process; therefore, project specific details related to that effort cannot be discussed to preserve the Quasi-Judicial nature of that application with the Town. However, it is important for the Board to understand the general context of this specific zoning variance request as it is associated with the preliminary major development application under review by staff.

The applicant is requesting a zoning variance to allow the front 50 feet of the first-story of a mixed-use project within the Commercial Zone District to be residential. The Town's adopted Land Use Regulations states the following requirement.

Section 12-2-18 - (A) Uses Permit by Right.

10. Residential units, herein defines as: Multi-family attached rental units, condominiums, townhouses, and condo/hotels with the following restrictions:

- (a) The first story area measured from the frontages to fifty (50) feet into the lot shall be dedicated to commercial space.*

During the Planning Commission discussion, the applicant shared more specifics regarding the exact location of the requested variance for residential units on the first story. The following exhibit from the applicant shows the area specifically associated with the requested variance in orange below with a callout in the bottom lefthand corner. For context, the overall proposed development area is in yellow.



Staff Analysis

Public notices were completed following Municipal Code requirements for Variance applications. Notices included both the Planning Commission and Board of Trustees meeting details. The requested variance does not have a direct alignment or misalignment with the Comprehensive Plan Goals and Strategies. Indirectly, the variance request ties into the Goals and Strategies related to supporting the local economy and availability of diverse housing units. Adding residential units in the downtown area may provide



additional foot traffic to support local businesses. New housing and particularly condominium style units provide more opportunities for a variety of price points within the community.

The applicant's requested variance to allow the first-story area of the mixed-use building on present day 1001 and 1005 Lake Avenue to be residential is a result of prior discussions and comments during Planning Commission and Town Board meetings with the applicant in attendance. The meetings staff had documented include the following timeframes.

- Summer 2024 – Town Board and Planning Commission concept plan review
- December 4, 2024 – Planning Commission sketch plan review
- January 8, 2025, and February 2, 2025 – Planning Commission recommendation on other variance requests for the site.
- February 10, 2025 – Town Board action on other variance requests for the site.

Based on previous conversations with the applicant and general guidance of the Commission and Board, the applicant is requesting this variance to help the overall development proposal's ratios and distribution of commercial to residential, as well as commercial viability numbers work out. An important consideration is the site characteristics and context today and, into the future, if the major development plan is approved by the Town. The location at 1001 and 1005 Lake Avenue fronts the lake and boardwalk creating seasonal fluctuations and challenges for some commercial uses. The additional residential square footage in the downtown will continue to support current and future businesses. Lastly, the applicant is incorporating approximately 16,000 square feet to commercial uses focused along Grand Avenue and Garfield Street.

Staff Recommendation

Based on discussions and feedback received at prior Commission and Board meetings, the applicant's written variance request, and context of the pending preliminary major development plan, staff recommends approval of the variance request as presented.

Planning Commission Recommendation

The Planning Commission held a public hearing on the variance request during their regularly scheduled meeting on August 20, 2025. Following presentations by staff, the applicant, public comments, and discussion by the Commission, the Commission forwarded a recommendation of approval of the variance request with the following conditions.

1. That the variance remain in effect until building permit issuance for the structure associated with the variance or five years from the date of approval, whichever occurs first.
2. That the frontage along Garfield Street remain as commercial and associated uses.
3. That the area associated with the variance request align with the proposed development plans with a defined area set back 45 feet from Garfield Avenue and no more than 160 feet from Garfield Avenue, as reflected in the supplemental exhibit provide by the applicant.

Board of Trustees Consideration

Board members are encouraged to evaluate the variance request, taking into consideration staff's analysis, the applicant's presentation, public comments made during the public hearing, the



recommendations of the Planning Commission, and the findings of fact from the municipal code in making their determination.

Under Municipal Code Section 12-2-27(B)3., the following factors should be considered in determining whether to issue a variance.

- (a) *The compatibility of the proposed action with the surrounding area; and*
- (b) *Whether the proposed action is in harmony with the character of the neighborhood; and*
- (c) *The need for the proposed action; and*
- (d) *The effect of the proposed action upon future development in the area; and*
- (e) *The shape, size, topography, slope, soils, vegetation, and other physical characteristics; and*
- (f) *Whether alternative designs are possible; and*
- (g) *With due consideration for the Town's Comprehensive Plan.*

Sample Board of Trustees Motions

Approval with or without conditions

I move to approve Resolution 37-2025, a resolution approving a zoning variance request for 1001 and 1005 Lake Avenue to allow first floor residential units along Lake Avenue as part of a proposed development project located at 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue.

OR... with the following conditions:

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Denial (Using the evaluation factors of Sec. 12-2-27(B)3. of the Municipal Code for findings of fact)

I move to approve Resolution 37-2025, a resolution recommending denial of a zoning variance request for 1001 and 1005 Lake Avenue to allow first floor residential units along Lake Avenue as part of a proposed development project located at 1016 Grand Avenue and 1001, 1005, and 1007 Lake Avenue, based on the following findings of fact:

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