

Staff Report



Zoning & Land Regulation Committee

Public Hearing: **May 26, 2026**

Zoning Amendment Requested:

TO CUP: INDOOR AND OUTDOOR ENTERTAINMENT AND ASSEMBLY, OUTDOOR SALES

Size: **1.2 Acres**

Survey Required:

Reason for the request:

INDOOR AND OUTDOOR ENTERTAINMENT AND ASSEMBLY, OUTDOOR SALES

Conditional Use 02703

Town, Section:

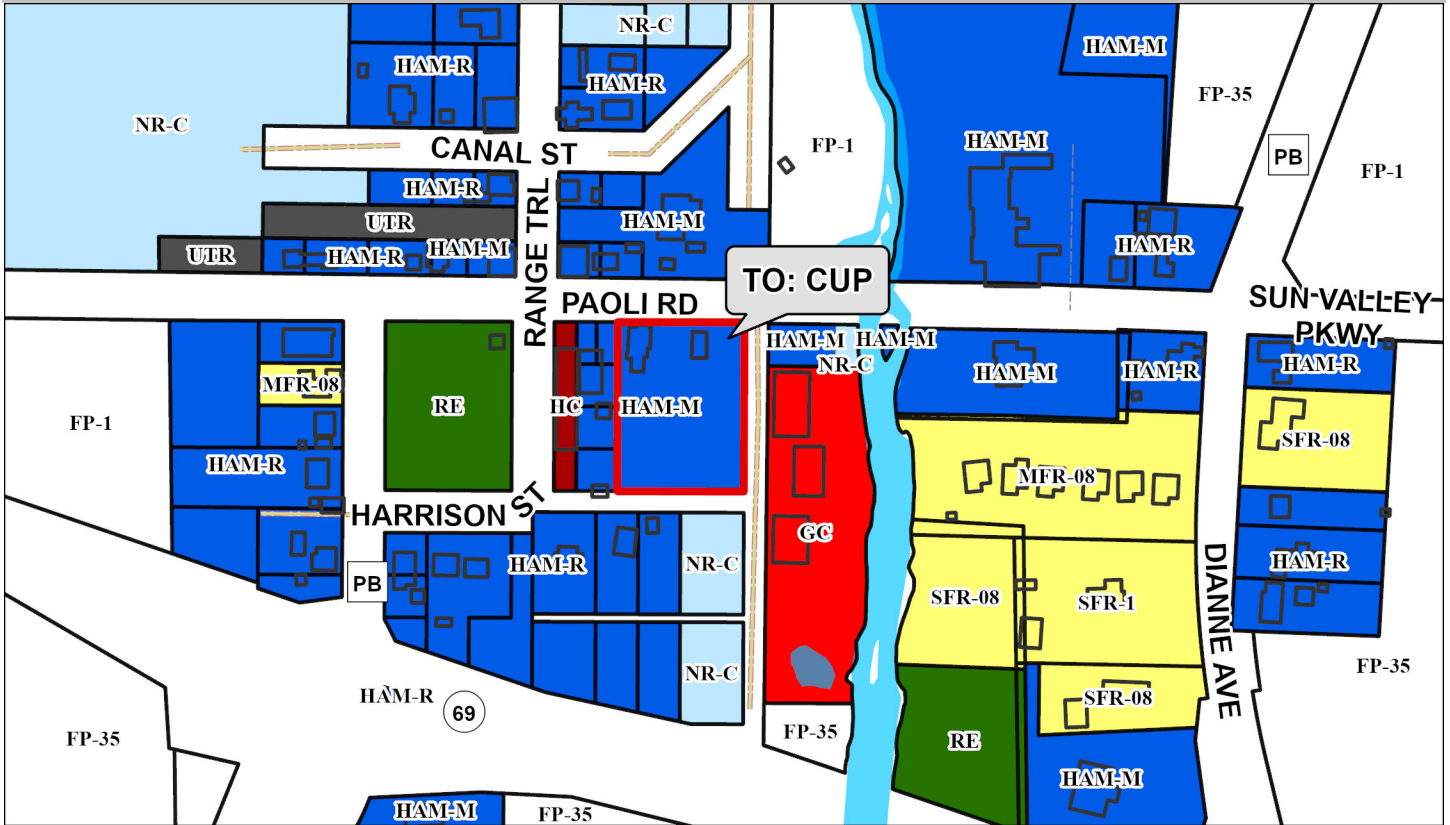
MONTROSE, Section 10

Applicant:

PAOLI WORLD HEADQUARTERS LLC

Address:

6885-6891 PAOLI ROAD



DESCRIPTION: Property owner is leasing the “Paoli Barn” to an indoor commercial photographer whose business focuses on small-scale event photography. This current tenant would like the option to have the flexibility of the indoor nature of the business to move to into the rear yard of the property. The owner would also like the opportunity to use the outdoor space on the property to host or augment space for events that typically occur in Paoli. Given the small space available on site, large-scale events are unlikely; however, given the threshold for attendees that trigger a conditional use permit for outdoor entertainment, the owner is seeking approval.

OBSERVATIONS/ FACTUAL INFORMATION: The property is a 1.2-acre lot located in the unincorporated hamlet of Paoli, an area that contains a mix of commercial retail and entertainment and residential uses. The Paoli Barn is a historic building that has recently undergone significant restoration to preserve the structure and provide an indoor commercial space. The property also contains another mixed-use building housing a bicycle shop with residential apartments on the upper level. The hamlet has been growing in popularity as a destination, particularly on weekends. Stakeholders within Paoli and the Town of Montrose, including Dane County Highway Department staff have formed a working group to discuss community parking concerns given the dynamic parking needs of the hamlet.

The HAM-M zoning district lists indoor entertainment or assembly, and outdoor entertainment as allowable conditional uses. HAM-M zoning allows for offices, indoor sales, indoor events under 50 people, and single-family or duplex residences as permitted uses. The events proposed to be hosted at this site would not exceed 50 guests.

RESOURCE PROTECTION: A portion of the property is within 300 feet of the Sugar River, and the property was subject to shoreland regulations during the rehabilitation permitting of the Paoli Barn. Portions of the property are also located within the regulatory floodplain of the river. The proposed outdoor entertainment use does not propose any further development at this time that would impact the shoreland or floodplain zoning on the property. Adding additional impervious surfaces to the property would require shoreland mitigation, which could be challenging given the small space available and shallow depth to groundwater.

COMPREHENSIVE PLAN: This petition is in the Paoli hamlet planning area and is subject to the land use policies related to Hamlet land use regulations. This proposal is consistent with the goals, objectives of policies related to hamlets. Parking concerns may arise for the largest gatherings permitted. Onsite parking is limited and cannot be expanded within the shoreland zoning area. See "Resource Protection" above for details. For questions about the town plan, contact Senior Planner Bridgit Van Belleghem at (608) 225-2043 or VanBelleghem.Bridgit@danecounty.gov.

CONDITIONAL USE PERMIT DECISION MAKING: "Conditional uses" are those land uses which, because of unusual nature and potential for impacts on neighboring lands, public facilities, the environment or general welfare, warrant special consideration and review.

Prior to granting or denying a conditional use, the zoning committee shall make findings of fact based on evidence presented and determine whether the proposed conditional use, with any recommended conditions, meets all of the standards required to obtain a CUP. Below is the list of the applicable standards from Section 10.101(7)(d) of the Zoning Code, and a summary of the relevant facts including the applicant's testimony with regards to meeting the standards.

1. *That the establishment, maintenance or operation of the conditional use will not be detrimental to or endanger the public health, safety, comfort or general welfare.*

The CUP application describes the proposed operations plan. The applicant states that the property renovations that have been done are an innovative restoration of a previously dilapidated structure and site, and new infrastructure including sidewalks have been added to support better walking travel.

Staff believes that vehicular parking and pedestrian safety is the primary concern with regard to public safety for events occurring at this location. See comments on noise and lighting under standard #2 below. As noted above, the town has formed a working group to discuss community-wide parking concerns. The CUP application states "we do not anticipate heavy daily traffic increases as there will only be 8-10 private events of limited size per month. We have a parking lot with a dedicated space for Reverie owner/employee use, up to 20 spaces adjoining the property ... The Reverie is working with local businesses/hotels to coordinate shuttle dropoffs." The parking adjoining the property refers to space within an adjacent gravel road that is platted as Water Street, a public right-of-way that dead ends at the south end of this property.

2. *That the uses, values and enjoyment of other property in the neighborhood for purposes already permitted shall be in no foreseeable manner substantially impaired or diminished by establishment, maintenance or operation of the conditional use.*

Applicant states that the site, building, and proposed business are meant to complement the existing businesses and be respectful of the neighbors, both residential and business. Also that the proposed use is "low impact" for noise and light pollution. Application states "We take light pollution very seriously and have designed the Paoli Barn and Paoli House properties to minimize light while maintaining safety for walking and parking. We have planted fast growing arbor vitae on the west side of the property in an effort to reduce light pollution from the neighbor volleyball courts and bar. Most outdoor events will be complete before nightfall and any events after dark will have low impact lighting (e.g. string lights in the trees or around the ceremony, no spotlights)."

The proposed lighting appears modest. Staff notes that the adjacent business at 6893 Paoli Rd. contains an outdoor volleyball court that generates more light than this property. The neighboring property operates under a CUP #1071 approved in 1993 for outdoor lighted games, which specified the court lights must be off at 10:30pm and placed some limits on days and months of operation.

3. *That the establishment of the conditional use will not impede the normal and orderly development and improvement of the surrounding property for uses permitted in the district.*

The applicant states that the CUP would allow the owner and tenants to complete the infill development that complements the Paoli ecosystem, and that the Paoli World Headquarters owners have upgraded the center of town and the operation of the business should enhance, not detract, from orderly development.

This standard pertains to whether the proposed conditional use would affect *how the surrounding properties could be developed and improved, considering what they are currently zoned for*. This property and most of the surrounding properties are already developed with a mix of commercial and residential uses, which has been the historical pattern for land use and land development in this hamlet. Surrounding lands are mostly zoned HAM-M, with some other commercial zoning and conservation zoning in the vicinity. The site upgrades enhance the area.

4. *That adequate utilities, access roads, drainage and other necessary site improvements have been or are being made.*

The utilities, access roads, drainage, and other improvements needed for the proposed use are already in place. The applicant states the owners have invested heavily in infrastructure site improvements to minimize drain on Paoli infrastructure. These investments include new parking and driveway access, a new large septic system (sized for double the specified capacity for all of the businesses currently on site), a new well, new landscaping, and more. Additional planned improvements include bike racks and additional on-site parking. Portable toilets would be provided for any outdoor events. See below for comments on parking.

Public Health Sanitarian commented that for any additional structures on site, the owners will need to maintain a 5' setback from tank to structures and 10' setback mound to structures (and prevent driving/compaction/excavation and disturbance in the mound area and 15' downslope of the mound).

5. *That adequate measures have been or will be taken to provide ingress and egress so designed as to minimize traffic congestion in the public streets.*

Off street parking is currently provided for the property in a hard-paved parking lot with 5 stalls. Dane County Highway issued access permit (#892) for the property. Additionally, on-street parallel parking spaces are shown along Paoli Road and the adjoining Water Street. The applicant states that the owners worked closely with Dane County personnel to ensure adequate ingress and egress to the site (this refers to Dane County Highway specifically). The new private event tenant is coordinating with local hotels to provide shuttle service to events.

The additional on-site parking may or may not be feasible due to the environmental constraints in the rear yard. As noted above adding additional impervious surface to the property would require shoreland mitigation, which could be challenging given the small space available and shallow depth to groundwater.

The Town recently established a committee to evaluate and find solutions to the parking challenges in Paoli. For purposes of this CUP, the need is to ensure safety for the public and visitors to this site. The business owner Cheyenne Blevins already operates the photography business here, and can host gatherings of limited scale. This CUP is needed to cover gatherings that may occur outdoors, and to be able to use the yard for gatherings and sale of goods when larger community events happen in Paoli (art fair e.g.) where multiple properties see foot traffic moving throughout the hamlet.

6. *That the conditional use shall conform to all applicable regulations of the district in which it is located.*

The proposed uses conform to the applicable regulations of the HAM-M zoning district. Indoor and outdoor entertainment, and outdoor sales, are allowable conditional uses in the HAM-M district if a CUP is approved. The proposed additional storage/pavilion building in the back yard would meet district requirements.

7. *That the conditional use is consistent with the adopted town and county comprehensive plans.*

As noted above, the proposal appears consistent with the Town and County Comprehensive Plans.

8. *If the conditional use is located in a Farmland Preservation Zoning district, the town board and zoning committee must also make the findings described in s. 10.220(1).*

Not applicable.

POTENTIAL NUISANCES ASSOCIATED WITH THE CONDITIONAL USE: The potential nuisances that pertain to outdoor entertainment operations most likely involve the limited off-street parking available. The applicant's CUP application

addresses how these potential nuisances are handled, as noted above. In regards to the current tenant's existing indoor commercial use, the application has described similar size events that would be allowed by right, but being located indoors. The business plan often involves group travel to and from the venue via hotel shuttle or other car service.

Potential conditions of approval specific to this CUP can be developed after public input and deliberation by the Zoning and Land Regulation (ZLR) Committee. Under Dane County Zoning Ordinance section 10.103, there are no special requirements for the conditional uses proposed with this petition.

TOWN ACTION: The Town Board has recommended approval of the CUP provided that outdoor activities conclude by 10 PM, with the condition that the CUP will be reviewed at the end of three years. The Town noted that a Class B beer/wine license may be sought in the future and discussed limited outdoor lighting, low music levels, and observing a 10 PM closing time for events. These were agreed upon by the board and applicant.

STAFF RECOMMENDATION: Staff believes that the applicant has provided sufficient evidence to address the CUP standards and mitigate the potential concerns. This includes limiting hours, music levels, size of events, and implementing a review of approval after 3 years, and is also reflected in the town's approval and conditions. If the Committee requires additional information on which to base a decision, they could request specific information of the applicant or staff at the public hearing.

Pending any comments at the public hearing, Staff recommends that (1) the ZLR Committee makes a finding of fact as to whether the proposal meets the CUP standards listed above, and (2) we recommend approval with the conditions listed below. The conditions below reflect the general conditions from the Chapter 10 zoning code that apply to all CUPs, and the town approved conditions.

CUP 2703 Potential Conditions of Approval:

Standard Conditions for all Conditional Use Permits from 10.101(7):

1. Any conditions required for specific uses listed under s. 10.103 (see below).
2. The physical development and operation of the conditional use must conform, in all respects, to the approved site plan, operational plan and phasing plan.
3. New and existing buildings proposed to house a conditional use must be constructed and maintained to meet the current requirements of the applicable sections of the Wisconsin Commercial Building Code or Uniform Dwelling Code.
4. The applicant shall apply for, receive and maintain all other legally required and applicable local, county, state and federal permits. Copies of approved permits or other evidence of compliance will be provided to the zoning administrator upon request.
5. Any ongoing business operation must obtain and continue to meet all legally required and applicable local, county, state and federal licensing requirements. Copies of approved licenses or other evidence of compliance will be provided to the zoning administrator upon request.
6. Existing onsite wastewater sewage disposal systems, if any, serving the conditional use must be inspected by a licensed plumber to determine its suitability for the proposed or expanded use. Deficient systems must be brought, at the owner's expense, into full compliance with the current requirements for new development of the state plumbing code and Chapter 46, Dane County Code.
7. All vehicles and equipment must access the site only at approved locations identified in the site plan and operations plan.
8. Off-street parking must be provided, consistent with s. 10.102(8).
9. If the Dane County Highway, Transportation and Public Works Department or the town engineer determine that road intersection improvements are necessary to safely accommodate the conditional use, the cost of such improvements shall be borne by the landowner. Costs borne by the landowner shall be proportional to the incremental increase in traffic associated with the proposed conditional use.
10. The Zoning Administrator or designee may enter the premises of the operation in order to inspect those premises and to ascertain compliance with these conditions or to investigate an alleged violation. Zoning staff

conducting inspections or investigations will comply with any applicable workplace safety rules or standards for the site.

11. The owner or operator must keep a copy of the conditional use permit, including the list of all conditions, on the site, available for inspection to the public during business hours.
12. Failure to comply with any imposed conditions, or to pay reasonable county costs of investigation or enforcement of sustained violations, may be grounds for revocation of the conditional use permit.

Conditions specific to this CUP:

13. Outdoor entertainment shall not occur between the hours of 10pm and 8am.
14. This CUP shall expire and be subject to a review by the Town Board at the end of three years. A new CUP application shall be required to continue the conditional uses.
15. Outdoor lighting, music levels, and hours of operation shall comply with the agreed upon levels by the applicant and Town Board.
16. Owner, and current and future tenants, shall encourage shared or non-vehicular transportation to the venue to the extent practical for outdoor entertainment events.

Please contact Rachel Holloway at (608) 266-9084 or holloway.rachel@danecounty.gov if you have questions about this petition or staff report.