

**MINUTES
ZONING BOARD OF APPEALS
JANUARY 9, 2013**

CALL TO ORDER:

Chairperson Rosenthal called the regular meeting of the Zoning Board of Appeals to order at 6:30 PM on Wednesday, January 9, 2013 at City Hall, 312 ½ N. Main Street, Galena, IL.

ROLL CALL AND DECLARATION OF QUORUM:

As Roll Call was:

| | |
|-----------|---------|
| Baranski | Present |
| Bochniak | Present |
| Carlisle | Present |
| Holman | Present |
| Nybo | Present |
| O'Keefe | Absent |
| Rosenthal | Present |

A quorum was declared.

Nate Kieffer, Zoning Administrator, Joe Nack, City Attorney, and Deb Price, Secretary, were also present.

APPROVAL OF MINUTES

MOTION: Bochniak moved, seconded by Holman to approve the November 14, 2012 minutes.

Motion carried on voice vote.

MOTION: Bochniak moved, seconded by Holman to approve the December 12, 2012 minutes.

Motion carried on voice vote.

OLD BUSINESS

None

NEW BUSINESS

Cal. No. 13S-01, Applicant: Matthew Blaum for Blaum Bros. Distilling Co. – 13414 Gig Drive, Galena, IL 61036. Owner: Jo Daviess Workshop Inc. – 706 South West Street, Galena, IL 61036. Location: Lot 1 of the Jackson Family Subdivision, Sect. 21, T28N, R1E, City of Galena, common address 9380 US Route 20 West, Galena, IL. Request for a Special Use Permit for a light industrial activity incidental to indoor sales. The applicant is proposing to establish a micro-distillery as an accessory use to a retail shop, tasting room, and tour business within the existing

MOTION: Baranski moved, seconded by Nybo to open the Public Hearing on Cal. No. 13S-01.

Motion carried on voice vote.

Nack swore all those in wishing to testify at the Public Hearing.

Matthew Blaum, 13414 Gig Drive, Galena IL spoke about the business he and his brother are looking to open. They would like to purchase the building and open a distillery with an on-site tasting room and retail shop where facility tours would be given. The distillery, where the product is made, will occupy very little space compared to the overall availability. The building is about 9,600 square feet with a tenant occupying roughly half of this space. The business would occupy about 4,800 square feet and with the potential to grow into the remaining area. They are limited annually, by the State of Illinois, to producing a maximum 15,000 gallons of distilled product. Additionally they are allowed to have only 15,000 gallons of product on site. They are required to store their product on site. The 15,000 cap includes any product they are aging for future consumption. There is some talk that the State will increase this cap to 30,000 gallons. For comparison a large nationally known distillery brews 24 million gallons of one type of liquor. Blaum considers their business a mom and pop style with Galena being promoted on each bottle. He and his brother are planning to run the business themselves with some help from their families. Their hours open to the public would be similar to the wineries: from about 10am to 6pm. The tastings would be as the State of Illinois dictates – 3 - ½ oz samples totaling no more than a total of 1.5 ounces. They are not planning to operate like a bar. Craft, micro or boutique is words best used to describe these types of small specialty distilleries. They are planning on making whiskey, vodka and gin using local grain and area help. Often groups want to help label these products so they can be a part of the process. There will be no odors or sounds escaping from the building or distilling process. They plan to start with one still and hope to add another in the future, say two or three years. The production space even with two stills would not exceed the 15% floor space ratio. He believes they would not get close to the maximum area allowed for production as that area will only occupy about a 10 foot x 18 foot space. A small table is all that is needed for the bottling and labeling process. The only exterior noise that might be noticeable would be when a small truck comes to unload grain or someone picks up a small load of bottles. The Blaum's are excited for this new business venture and the opportunity to be in Galena.

Baranski asked about the state's limit.

Blaum said a **total** of 15,000 gallons can be manufactured – regardless of whether they are making one variety or a dozen. He anticipates making about 5,000 gallons the first year and increasing thereafter. Gin for instance can be distilled, bottled and immediately put on the shelf for sale. By contrast whiskey needs to age and they will have to include this aging whiskey as part of the annual 15,000 gallon limit. Further if by October they have made and sold 12,000 gallons of product and they have 3,000 gallons aging they would have met the limit and would not be allowed to distill any more products. At no time can they have more than 15,000 gallons on site – nor can they sell or produce more than 15,000 gallons in a given year. All products must be stored on site.

Baranski asked about the odors.

Blaum said there are odors, but they are internal. Nothing will escape the building. There are scrubbers available, but at this time he does not see a need to install them in an operation of their size.

Nybo asked about storing the effluent remaining from the distilling process.

Blaum said the remaining mash will be stored in stainless steel storage barrels to be sold or given back to farmers. They are required to store this material on site until it is sold or given away.

Baranski asked if the distillery would produce more of an odor than the brewery on Main Street.

Blaum thought not. He reiterated that there are ways to remediate odors, but he does not anticipate them.

Carlisle asked about the Comprehensive Plan indicating that Light Industrial is encouraged west of Galena.

Kieffer said the property in question is a General Commercial District. A Light Industrial Activity Incidental to Indoor Sales is allowed in the General Commercial District, but only with a Special Use Permit. This is not an Industrial Use as a primary use, but as an accessory use and is allowed as an accessory use in General Commercial Districts. This is similar to the Galena Brewery as it is an accessory use to the restaurant in the Downtown Commercial District. Industrial growth use is sought for the northwest area of Galena.

Rosenthal asked about the Jo Daviess County Workshop. It would seem that their operations would have also been light industrial.

Kieffer said he researched this, but could find nothing on record pertaining to their use. From a zoning vantage it was Light Industrial.

Bochniak asked about the size of the tours.

Blaum said he was working with Fire Chief Mike Simmons to determine this. He would like to have smaller, more frequent tours with about a dozen persons at a time. Ideally there would be about twenty five people in the building at a time. The twenty one parking spaces seem adequate. They have talked to other 'tours' about being included as a stop. A shuttle van would drop off and pick up these visitors. They really like this location. It is a bit out of the way, has a Highway 20 location, has the necessary square footage, and could house the desired retail shop.

Baranski asked about production space and future expansion which appears would mean expanding into currently rented space in order to keep the floor space ratio to 15% or less.

Blaum said this is correct. He doesn't see them coming close to 15%, probably 4% even with expansion.

Holman asked if they were thinking about outdoor seating.

Blaum said he hadn't given that any thought.

Holman asked about regulations concerning minors.

Blaum said minors would be allowed everywhere except at the bar which complies with state regulations.

Rosenthal asked Kieffer if they would need a Special Use Permit for an outdoor activity.

Kieffer said all matters or activities relating to the distillery have to be conducted inside the building. Other activities allowed in General Commercial by right or SUP they would be able to do.

Baranski asked if they could have outdoor entertainment or seating by right in GC.

Rosenthal said this might be a problem with a residential area so close.

Holman asked about exterior esthetics and lighting changes.

Blaume said he did not anticipate any changes.

Carlisle asked about the ceiling height.

Blaum said it is sixteen feet which is a couple feet short of their needs. They are currently looking at sinking the still a couple feet into the ground. This is being done in other distilleries and is convenient to operate.

Baranski asked about employees.

Blaum said initially it would be just he and his brother. In the future he doesn't anticipate more than six employees; most being family. He would love to employ more, but it really doesn't lend itself to that.

Blaum also noted that production is on the east side of the building adjacent to the Grant Hills Motel and away from the residential west side. The still will make some noise, but it will only operate when someone is on site.

Kieffer said in looking at General Commercial - Outdoor Dining a restaurant and Outdoor Entertainment are allowed by right in this district. These would be allowed by right as accessory uses. That zoning is in place.

Baranski said the application is for a light industrial activity incidental to indoor sales. Right now even if he opened a retail store with a bar they would be allowed outdoor dining or entertainment.

Rosenthal asked those in favor of the request to come forward to testify.

Bob Roth, 906 Park Avenue, Galena said he is representing the Galena Workshop. The Workshop has entered into a contract with the entity owned by the Blaum family. The contract is contingent upon zoning approval. They think the distillery is compatible with previous uses and it is a tourist oriented business which is good for Galena. They are hoping the Board approves the request.

Nybo asked about the contract.

Roth said the Blaums want to purchase the building.

Mike Bielenda, Jo Daviess Workshop, 706 South West Street, Galena said the current renters have leases through the end of the current fiscal year – June 30. It will be up to them to negotiate leases with the new owners.

Tim Stephenson, 4459 W Stagecoach Trail, Galena said he really is not speaking in favor of or in opposition to the request. His interest is because his father lives at 9388 Route 20 W. This is the first house west of the proposed distillery. He would like to someday purchase this home from his father and live there fulltime. He has discussed the distillery plans with Blaum as he was concerned about noise and privacy. After reviewing the plans he feels there would be no issues. He is concerned after hearing about the potential for outdoor activities.

Rosenthal asked Kieffer if the distillery started having outdoor events that were problematic, could the Special Use Permit be reviewed.

Kieffer said if what they were doing was a violation of the conditions of their SUP there would be a review process. Kieffer does not feel the Board can put conditions on the requested Special Use Permit that have nothing to do with the proposed distillery use.

Baranski agreed. Only issues dealing with the operation of the distillery can be made conditions of approval.

Nybo said staff could review the SUP if there were problems directly linked to the operation of the distillery itself.

No one testified in opposition to the request.

MOTION: Baranski moved, seconded by Carlisle to close the Public Hearing on Cal. No. 13S-01.

Motion carried on voice vote.

MOTION: Baranski moved, seconded by Carlisle to draft a positive Finding of Fact to allow a Special Use Permit for a light industrial activity incidental to indoor sales so a microbrewery can be established as an accessory use to a retail shop, tasting room and tour business within the existing building with a maximum 15% of the total square footage dedicated to the distillery operation.

Discussion: Rosenthal said the Light Industrial use is similar to how the Workshop had been operating.

Baranski agreed. This is a transition area where General Commercial and some residential have existed simultaneously for many years. It is consistent with the history of the building, the retail section makes perfect sense and because the distilling production will be such a small part of the overall space – less than 15% of the entire building means the overall impact will be quite low.

Baranski said in reviewing the Approval Criteria the Board agreed that the proposed development does comply with all five criteria.

- (1) *Site plan review standards.* All applicable site plan review criteria in § [154.914](#).
- (2) *District standards.* The underlying zoning district standards established in §§ [154.201](#) through [154.209](#) including the defining characteristics of the district;
- (3) *Specific standards.* The land use regulations established in § [154.405](#);
- (4) *Availability of complementary uses.* Other uses complementary to, and supportive of, the proposed project shall be available including, but not limited to: schools, parks, hospitals, business and commercial facilities, and transportation facilities.
- (5) *Compatibility with adjoining properties.* Compatibility with and protection of neighboring properties through measures such as:

- a. *Protection of privacy.* The proposed plan shall provide reasonable visual and auditory privacy for all dwelling units located within and adjacent to the site. Fences, walls, barriers and/or vegetation shall be arranged to protect and enhance the property and to enhance the privacy of on-site and neighboring occupants;
- b. *Protection of use and enjoyment.* All elements of the proposed plan shall be designed and arranged to have a minimal negative impact on the use and enjoyment of adjoining property.
- c. *Compatible design and integration.* All elements of a plan shall coexist in a harmonious manner with nearby existing and anticipated development. Elements to consider include: buildings, outdoor storage areas and equipment, utility structures, building and paving coverage, landscaping, lighting, glare, dust, signage, views, noise, and odors. The plan must ensure that noxious emissions and conditions not typical of land uses in the same zoning district will be effectively confined so as not to be injurious or detrimental to nearby properties.

As Roll Call was:

| | |
|-----------|--------|
| Bochniak | Yes |
| Carlisle | Yes |
| Holman | Yes |
| Nybo | Yes |
| O'Keefe | Absent |
| Baranski | Yes |
| Rosenthal | Yes |

Motion carried.

COUNTY ZONING

None

WORKSESSION/OTHER

None

PUBLIC COMMENTS

None

MOTION: Bochniak moved, seconded by Carlisle to adjourn the meeting.

Motion carried on voice vote.

Rosenthal adjourned the meeting at 7:25 PM.

Respectfully submitted by

Deb Price
Zoning Board Secretary