

**City of Driggs**  
**PLANNING AND ZONING COMMISSION MEETING**  
**MINUTES**  
MEETING HELD AT CITY HALL  
**September 11, 2013**  
**6:30pm**

**MEMBERS PRESENT:** Delwyn Jensen (Chair), Rick Baldwin (Vice-Chair), Chris Valiante, Jen Calder, and Lindsey Love

**STAFF PRESENT:** Ashley Koehler, Planning and Zoning Administrator; Stephen Zollinger, City Attorney

**PUBLIC PRESENT:** Rene Lusser (Grand Teton Vodka representative) and William Beckett (Grand Teton Vodka, Inc.)

Chairman Delwyn Jensen called the meeting to order at 6:35pm. Review of meeting minutes from July 10, 2013, July 29, 2013, and August 14, 2013 were reviewed.

**Commissioner Jen Calder motioned to approve the minutes of 7/10/13, 7/29/13, and 8/14/13. Commissioner Chris Valiante 2<sup>nd</sup> the motion. Motion passed with all in favor.**

**1) Public Hearing/Possible Recommendation of a Conditional Use Permit (CUP) for Grand Teton Vodka Micro-Distillery Expansion at 457 Casper Dr. Applicants- Rene Lusser, Linda Beckett and William Beckett**

Ashley Koehler read from the Staff Report and described the existing CUP that limits the operation to 5,000sqft. The applicant is requesting approval to increase the square footage of the present building and construct three additional buildings to be used primarily for related storage of supplies and space for aging barrels of whiskey. Koehler explained that the Staff Report outlines the request in accordance with the Comprehensive Plan and the zoning ordinance so that compatibility of this use with surrounding properties can be determined. Discussion on the zoning map and the uses surrounding Grand Teton Vodka.

Koehler referred the Commission to the table in the Staff Report listing the zoning ordinance standards. She identified that the Code does not have a definition of a “micro-distillery”, but provided the definition of a “microbrewery” and “bottling/distribution” use that the requested use could be classified as. Koehler stated that the P&Z Commission will need to determine a classification for the proposed use.

Koehler summarized goals from the Comprehensive Plan and recommended that the use should not be allowed to serve food or drink to be consumed on site and should limit retail sales so that it avoids retail leakage from downtown.

She explained that comments from the Fire District are preliminary as information about the height of the buildings and exact use are needed in order for the District to determine compliance with the Fire Code. Koehler explained that these comments should be helpful for the applicant to be aware of requirements that they will be subject to at time of building permit. She further added that the Master Site Plan was approved by the Design Review Advisory Committee (DRAC) in 2007, but based on the change in use of the “contractor shops,” revisions may need to

be made to the site plan because of parking and garage access. A revised site plan that shows the as-built with the master plan should be submitted by the applicant to go with this CUP.

Design Review is required for all the buildings, but no application or building elevations have been received. Koehler recommended that P&Z request a sketch plan review by DRAC before the CUP goes before the Board of County Commissioners for a final decision. Knowing what the building form will be helps to ensure compatibility of the use with the surrounding properties. Final design review should happen after the CUP is approved so the applicant does not go through the time and expense of preparing final designs until they know the use is approved. The P&Z Commission may recommend additional standards above the base Design Standards as part of the CUP.

Written public comments were read by Koehler from Mr. Grabow and Mr. Raube in support of the applicant's request.

Koehler recommended that the P&Z recommend approval of the CUP with the conditions in the report.

Bill Beckett described his personal background and how he and his wife, Linda, started the business. Beckett described the similarity and differences between microbreweries and distilleries and the process of making each and creating alcohol. He further described the awards that Grand Teton Vodka (GTV) has received. He questioned the need to limit on site sales because a case is sold only occasionally and that mostly tourists and sometimes locals buy the bottles. The price is the same at their facility and the liquor stores because the State sets the price. If P&Z set a limit, then how would it be enforced? No one is going to check to see how much is sold, so that condition is lip service.

Regarding the buildings, he is not anticipating to build anytime soon. He plans to age whiskey so he needs one building approximately 20' in height and 40' x 60' in size. One water connection needed for humidity control. He has no idea of how to come up with a schematic for buildings because they don't know what it looks like or how exactly used. Just need a new building for storage so can use the existing building for all the processing and bottling. He does not want to have another operational building.

Commissioner Delwyn Jensen asked for clarification from Staff if Design Review is for the site or buildings. Koehler responded that she is recommending that the site plan be reviewed by DRAC if different from the Master Site Plan and DRAC review the sketch of the buildings for general height and massing. She questioned how a CUP is approved if we don't know what the buildings will be used for and look like. We should make sure the proposal is mature enough for approval. Beckett stated that he can submit for Design Review, but it would be a guess so it's a waste of time at this point. Commissioner Jensen reiterated that's the dilemma. How do we approve a CUP if we don't know what it's for? Beckett responded that the CUP is for distillation and storage. They will use one building for now. Discussion regarding that after the CUP is issued the applicants would go through the Design Review process. All the zoning maximums and minimums would have to be met for each of the buildings, including height. Lusser called out that the square footage listed for the buildings in the Staff Report is different than the Master Plan.

Beckett continued his comments. Septic will not be needed because no other bathrooms are needed now, but not sure about the future. He spoke with Bret at the Fire District and said that

the need for a fire hydrant would not be determined until review of the building permit. GTV hosts classes with 10-18 people at \$1000/person. Storm water is already planned and not much is generated. There is plenty of land to handle the storm water. They are receiving more recognition, so hopefully the City will see the benefits of his business as well. Lusser asked that the conditions for Design Review and landscaping be removed since that will all be discussed with DRAC. Parking will also be discussed with DRAC.

Commissioner Jensen opened the public hearing.

**No public comments received.**

Commissioner Jensen closed the public hearing.

Commissioners discussed the use and how it should be classified. Stephen Zollinger commented that he is not familiar with a definition of a “micro-distillery” and that the City should add it to its Code if there is one. The P&Z should have a limitation on the expansion. If all the buildings on the site are used for processing then that is different than being used for storage. Need to establish why the request constitutes a “micro-distillery” and not a “distillery”.

Commissioners discussed with Beckett the maximum amount of vodka and whiskey produced. Beckett responded that 30 pallets/month or 1800 cases/month is their maximum and target at this point. There are 12-750mL bottles in a case; 60 cases in a pallet. All production can be in the one building for vodka and whiskey. Discussion on limiting the production to a number of pallets per month and comparison to the craft breweries maximum. Zollinger told the P&Z that they have to tie this proposed use to a listed use in the Code and make a finding of fact.

Commissioners and Zollinger discussed the similarities of the micro-distillery to a microbrewery. The impacts are similar because the processing and production is similar, people tour the facility in a similar number, and a limited amount is made and not any more than what would be expected at a microbrewery, which the American Brewers Association has a limit on gallons to be considered a craft/microbrewery. Commissioner Jensen confirmed that he is okay with the findings of their discussion so that the use can be considered a “microbrewery.”

Commissioners discussed condition #2 and tracking retail sales. Koehler stated that liquor sales and production is all tracked by the State and can be readily obtained as needed.

Commissioners discussed pros and cons of limiting retail sales based on square footage and other promotional items such as GTV t-shirts. Commissioner Valiante and Calder determined 5-10% of maximum production could be sold on site. Commissioners discussed the importance of limiting the retail to only that which is specific to their vodka and whiskey. Amend condition # 2 to include product specific promotional materials. Condition # 3, 4, and 5 are okay.

Condition #6- Commissioners discussed that the buildings must stay inside the footprints and parking, sidewalks will all stay the same unless the applicant wants to change them, so GTV does not need Design Review for a sketch plan now. The buildings will have to comply with all required standards.

Condition #8- Commissioner Jensen stated the need for a site plan that is accurate. The building footprints should be changed on the Master Site Plan to what GTV wants and is asking for. Koehler described that they have two incorrect site plans. The “Master Site Plan” labeled as “Aspen Lodge Drainage and Grading Plan” is out of date now because it refers to contractor shops and does not show the correct building footprint of the current building and its parking. The “Site Plan” that was also submitted is apparently not scaled correctly so it does not match the size of footprints of the “Master Site Plan.” Lusser asked for discussion on the format and

what information should be included. Commissioner Valiante asked for a site plan that shows what is built and that it could be an overlay on the Master Site Plan.

Commissioner Love asked if a maximum square footage should be considered instead of a site plan. Commissioner Valiante and Jensen responded that a site plan is needed and this is what the applicants are proposing. Commissioner Baldwin commented that he wants to provide more latitude so building design is not limited to the exact footprints and said the applicants are limiting themselves. Commissioner Jensen responded that it is the applicants doing. This is how they've planned it and want it. However, the Master Site Plan has changed and needs to be updated.

Condition #7- Commissioner Jensen agreed with the applicant that DRAC can determine adequate landscaping.

**Commissioner Valiante made a motion to recommend approval of the CUP. The recommendation is based on finding that whereas GTV produces a product similar in process and size to a microbrewery, the P&Z finds that this be classified as a microbrewery and recommends to the Board of County Commissioners approval with the following conditions:**

- 1. The Conditional Use Permit is limited to the operation of a micro-distillery that includes the processing, bottling, storage and distribution, incidental tours, related instructional classes, and incidental sales of promotional items related to the micro-distillery and incidental sales of the liquor that is produced on site when permitted by the State of Idaho.**
- 2. Retail sales of promotional items and liquor produced on site may not be the primary use of the micro-distillery and the number of cases sold per year on site should be limited to ten percent (10%) of the total production.**
- 3. Sale of food or drink of any kind to be consumed on the premises is not permitted.**
- 4. Tours and instructional classes related to the operations may be permitted only as an incidental use to the distilling processing and bottling operation.**
- 5. No outdoor storage is permitted.**
- 6. Sketch Plan Design Review and Final Design Review must be completed prior to any construction.**
- 7. A revised site plan that merges and updates the content of the site plan and master plan should be submitted.”**

**Commissioner Baldwin 2<sup>nd</sup> the motion. Motion passed unanimously.**

**Commissioner Valiante made a motion to table the 2<sup>nd</sup> item on the agenda, Land Use Table Amendments. Commissioner Calder 2<sup>nd</sup> the motion. Motion passed unanimously.**

**Commissioner Calder made a motion to adjourn at 8:48pm. Commissioner Love 2<sup>nd</sup> the motion. The motion passed with all in favor.**

Approved by:

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Delwyn Jensen (Chair)

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Date