



CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

Planning and Community Development Department

AGENDA ITEM

Case No: CUP 25-13
Proposal: Request for Distillery Manufacturing
Applicant: Drew Wilson
Owner: Drew Wilson
Location: 328 Lincoln Street
Legal: Lot One (1), Columbia Bar Subdivision
Zone: CBD - Central Business District
Size: 6,249 Square feet
Parcel ID: 1-0325-000
Existing Use: Vacant Building, Food Trucks (Thai Alaska Kitchen, CUP 24-12; Ashmo's, CUP 25-12)
Adjacent Use: Retail, Arcade, Bank, Public Library, Harrigan Centennial Hall
Utilities: Existing
Access: Lincoln Street

KEY POINTS AND CONCERNS

- Proposed distillery manufacturing within existing building.
- Pending distillery manufacturing and retail licenses from AMCO.
- Retail to accompany manufacturing if approved (permitted outright).
- Located in the CBD zone on private property.

ATTACHMENTS

Attachment A: Aerial
Attachment B: Plat
Attachment C: Floor and Site Plan
Attachment D: Photos
Attachment E: AMCO Application
Attachment F: Applicant Materials

BACKGROUND/PROJECT DESCRIPTION

The applicant is requesting a conditional use permit (CUP) for operations of a small-scale distillery manufacturing at 328 Lincoln Street in conjunction with existing eating and drinking place (two food trucks—Thai Alaska Kitchen and Ashmo’s—in the rear parking lot). The proposed use is to take place within the vacant structure, which has a footprint around 1,462 square feet. The distillery is a conditional use, and the proposed retail and serving uses are permitted outright. The location was previously used as a eating and drinking place. It is also adjacent to retail and other commercial uses.

Local approval through such processes as conditional use permits is a prerequisite for AMCO licensing/endorsements. Alaska State Statute 04.09.040 defines distillery manufacturer license as, *“a distillery manufacturer license authorizes the holder to operate a distillery for the manufacture, packaging, storing, and sale of its distilled spirits to a buyer.”* AS 04.09.050 defines authorized sales as, *“the holder of a manufacturer license that annually produces in total less than 50,000 nine-liter equivalent cases of distilled spirits.”*

The distillery retail license (permitted outright under CBD zoning) is only issued to the holder of a distillery manufacture license and is only allowed to sell three ounces of the holder’s distilled spirits each day on the licensed premises. The distillery retail is also only authorized to sell 3.75 liters of the holder's distilled spirits each day to a person on the licensed premises for consumption off the licensed premises.

Sitka General Code (SGC) Table 22.16.015-5. Manufacturing/Storage Uses lists “Winery/brewery, small scale” as conditional within the central business district. Staff interprets this as the closest/most analogous use in the code to distillery manufacturing. Further regulation regarding building standards and fire safety is included within the code adopted and administered by the Building Department.

ANALYSIS

1. CRITERIA TO BE USED IN DETERMINING THE IMPACT OF CONDITIONAL USES.¹

a. Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses:

There is the potential of increased traffic to the area. The manufacturing aspect would be limited to employees and deliveries and pickup of supplies and products. Moderate to high traffic is expected in the CBD.

¹ § 22.24.010.E

b. Amount of noise to be generated and its impacts on surrounding land use: Minimal noise generation is expected from the manufacturing use. Additionally, the Building Official would require increased fire separations (primarily additional drywalling) for fire code purposes that would have a secondary benefit of noise attenuation.

c. Odors to be generated by the use and their impacts: Minimal odor expected. Common smell could be from the alcohol itself. Proper controlling of the distillation process can minimize the production of odors.

d. Hours of operation: 9:00 a.m. to 9:00 p.m. Hours open to the public are limited by state regulations.

e. Location along a major or collector street: The building fronts Lincoln Street, a municipally-maintained right-of-way with access to the rear parking lot from Harbor Drive, a state-maintained right-of-way.

f. Potential for users or clients to access the site through residential areas or substandard street creating a cut-through traffic scenario: There are multiple routes to the downtown area, some of which go through residential areas. It is expected that most people accessing the site will use Lincoln Street or Harbor Drive.

g. Effects on vehicular and pedestrian safety: There may be a minimal increase in traffic as a result of distillery manufacturing. The property is centrally located and proximate to on-street parking. There are sidewalks in this area on both sides of Lincoln Street and Harbor Drive.

h. Ability of the police, fire, and EMS personnel to respond to emergency calls on the site: Site is accessible for police, fire and EMS response.

i. Logic of the internal traffic layout: On-street parking is available; there are no off-street parking requirements in the central business district. The back parking lot currently has two CUP's issued for food trucks, one perpendicular to 329 Harbor Drive and one parallel to 322 Lincoln Street. With the queuing of pedestrians for food service, parking in this area is extremely limited.

j. Effects of signage on nearby uses: Applicant plans to post signage on the front of the building and potentially at the back, as well. Proposed signage will adhere to SGC 22.20.090, "Signs."

k. Presence of existing or proposed buffers on the site or immediately adjacent the site: Adjacent to other buildings. High density and commercial use is expected in the CBD.

l. Relationship if the proposed conditional use is in a specific location to the goals, policies, and objectives of the comprehensive plan: This proposal conforms to the chapter of Economic Development that supports local businesses, attracts new sustainable businesses, supports tourism, and supports effort and enterprises that keep residents' money "local". It is supported by Economic Development Action ED 6.7: *support growth of manufacturing businesses that add value to*

sustainably developed natural resources; and ED 1.4 “encourage revitalization and redevelopment of dilapidated structures and vacant lots; by rehabilitating a vacant downtown structure in the CBD.

m. Other criteria that surface through public comments or planning commission review: None at this time.

RECOMMENDATION

Staff recommends approval of the conditional use permit for distillery manufacturing at 328 Lincoln Street subject to the attached conditions of approval.

CONDITIONS OF APPROVAL

1. Contingent upon and compliance with an approved certificate of occupancy from the Building Official/ Fire Marshal.
2. The facility shall be operated consistent with the application, narrative, and plans that were submitted with the request.
3. All required permits, including but not limited to AMCO liquor licensing, shall be current at all times when the conditional use permit is utilized.
4. The distillery shall have sprinklers installed or upgraded as deemed necessary by the Fire Marshal and/or Building Official in regard to fire safety regulations.
5. The distillery shall have a knox box or other Fire Department approved device to allow Fire Department access.
6. The Planning Commission, at its discretion and upon receipt of meritorious complaint, may schedule a public hearing at any time for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
7. Permit and use shall comply with all local regulations, including building code, fire and life safety, business registration, and remittance of all applicable taxes.
8. Failure to comply with any of the above conditions may result in revocation of the conditional use permit.

MOTIONS IN FAVOR OF APPROVAL

1. **“I move to approve the conditional use permit for distillery manufacturing at 328 Lincoln Street in the CBD - central business district, subject to the attached conditions of approval. The property is also known as Lot One (1), Columbia Bar Subdivision. The request is filed by Drew Wilson. The owner of record is Drew Wilson.”**

2. “I move to adopt and approve the required findings for conditional use permits as listed in the staff report.”

The Planning Commission shall not approve a proposed development unless it first makes the following findings and conclusions:²

1. The granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located *because the proposed use is consistent with the intent of the zoning district and the character of the surrounding area. Additionally, conditions of approval regarding adherence to building and fire protection codes protect public health, safety, and welfare.*
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation *because it promotes economic development by providing an opportunity for entrepreneurship, supports local business, and supports sustainable local manufacturing; particularly ED 6.7: “support growth of manufacturing businesses that add value to sustainably developed natural resources;” and supports ED 1.4 “encourage revitalization and redevelopment of dilapidated structures and vacant lots; by rehabilitating a vacant downtown structure in the central business district.*
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced; *conditions can be enforced through State and municipal permitting requirements, and opportunities for redress through the Planning Commission.*
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard *because the proposed use is similar to and consistent with existing uses in the area. Other safety concerns such as fire safety are addressed through other permitting/regulatory processes.*
5. The conditional use will be supported by, and will not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services; *there are adequate public facilities such as utilities and streets in the area that can support the additional use.*
6. Burden of proof. *The applicant has met the burden of proof to demonstrate that the use is appropriate for the zoning district, the character of the neighborhood, and not hazardous or detrimental to the surrounding area.*

² §22.10.160(C)—Required Findings for Conditional Use Permits