



PLANNING STAFF REPORT

MEMO DATE: July 22, 2019

MTG. DATE: JULY 29, 2019

TO: Village of Cottage Grove Plan Commission

CC: Village of Cottage Grove Board of Trustees
Matt Giese – Village Administrator
Lisa Kalata – Village Clerk
Lee Boushea – Village Attorney
Michael Maloney – Village Engineer

FROM: [Erin Ruth, AICP – Village Planning Director](#)

RE: **Doudrins Distilling Conditional Use Permit**

BACKGROUND

Property Owner: Hogan Properties, LLC

Location: 300 Progress Drive

Area: approx. 3,230 sq. ft.

Agent: Abby Abramovich – Doudrins Distilling

Existing Zoning: Planned Industrial

Proposed Zoning: Planned Industrial

Future Land Use Plan: Planned Industrial

OVERVIEW

Doudrins Distilling is a new manufacturer of alcoholic beverages located at 300 Progress Drive in the Cottage Grove Business Park. The distillery is leasing approximately 3,020 sq. ft. within the building. In addition to the distillery, they plan to operate a tasting room within the space between the hours of 5 and 9 p.m. Manufacturers of alcoholic beverages are licensed by the State of Wisconsin, and that license permits a tasting room where the manufacturer can provide or sell products made on the premises. A typical liquor license is not also required if



the manufacturing license is in place. That said, it is the understanding of staff that the applicant may seek a liquor license for sale of beer in the future.

LOCATION MAP



COMPREHENSIVE PLAN CONSISTENCY

The proposed distillery and tasting room uses are consistent with the Planned Industrial designation in the Comprehensive Plan.

ZONING ORDINANCE CONSISTENCY

The subject property is zoned PI, Planned Industrial. Distilling or any other manufacturing of alcohol are not differentiated from other industrial land uses within the zoning ordinance.



Therefore, the distillery is considered a 'light industrial' land use as defined by 325-49(G)(1) and is permitted by right in the PI district.

Likewise, a tasting room is not a use that is defined by the zoning ordinance. When the applicant and staff first discussed the project, it appeared that the most appropriate land use would be 'indoor sales incidental to a light industrial land use' as defined by 325-49(H)(8). This use is also permitted by right in the PI district.

However, per the ordinance, the incidental sales land use limits the "area devoted to sales activity" to no more than 25% of the total area. The total area rented by the distillery is approximately 3,231 sq. ft., while the area proposed for the tasting room is 896 sq. ft. Thus, the proposed tasting room occupies roughly 27.7% of the total area, exceeding the limits of the 'incidental sales' land use.

The applicants have worked on variations of the plan that would comply with the 25% limitation but have not been satisfied with the results. Therefore, they are requesting a conditional use permit for an 'indoor commercial entertainment' land use that would allow the proposed use without the 25% limitation. This would also allow the applicant to seek a liquor license.

The light industrial component requires 1 parking space for every employee. There is a large parking area to the rear of the building for employees. The tasting room requires 1 space for every 3 seats. There are 28 spaces in the parking lot in front of the building, which is shared with a custom motorcycle shop. Assuming half the spaces are allocated to the distillery, the spaces would accommodate an occupancy of 42. In reality, given the evening hours of operation, most of the lot is likely to be available for the distillery's use.

CONDITIONAL USE PERMIT CRITERIA

325-111(D)(2) of the zoning ordinance requires a proposed conditional use to be compliant with standards (a) to (f) of that section. In the opinion of staff, the proposed use is compliant with those standards as outlined below.

- a) *The proposed conditional use (the use in general, independent of its location) is in harmony with the purposes, goals, objectives, policies, and standards of the Village of Cottage Grove's Comprehensive Master Plan, this chapter and any other plan, program, or ordinance adopted or under consideration pursuant to official notice by the Village.*

The proposed use is in harmony with the relevant plans and policies.

- b) *The proposed conditional use (in its specific location) is in harmony with the purposes, goals, objectives, policies, and standards of the Village of Cottage Grove's Comprehensive Master Plan, this chapter and any other plan, program, or ordinance adopted or under consideration pursuant to official notice by the Village.*



The proposed tasting room is permitted by the state in conjunction with manufacturing. Therefore the CUP, if granted, would not negate the light industrial component of the business. Light manufacturing is an expected use at this location.

- c) *The proposed conditional use, in its proposed location and as depicted on the required site plan, does not result in substantial or undue adverse impacts on nearby property, the character of the neighborhood, environmental factors, traffic factors, parking, public improvements, public property or rights of way, or other matters affecting the public health, safety, or general welfare either as they now exist or as they may in the future be developed as a result of implementation of the provisions of this chapter, the Comprehensive Master Plan, or any other plan, program, map or ordinance adopted or under consideration pursuant to official notice by the Village or other government agency having jurisdiction to guide development.*

While there is always some danger of disruptive activities in and around a business providing alcohol, the proposed business is not a full bar or tavern and impacts are expected to be minimal. The area around the property is entirely industrial which further minimizes any impacts, and the hours of operation (evenings) are not in conflict with surrounding businesses which generally operate during the day.

It should be further noted that if the proposed tasting room occupied less than 25% of the total floor area it would be permitted by right. The small amount of additional floor space devoted to the tasting room is not expected to exacerbate any negative impacts to a noticeable degree.

- d) *The proposed conditional use maintains the desired consistency of land uses, land use intensities and land use impacts as related to the environs of the subject property.*

The proposed use is within an existing building and does not affect intensity or other impacts.

- e) *The proposed conditional use is located in an area that will be adequately served by, and will not impose and undue burden on, any of the improvements, facilities, utilities or services provided by public agencies serving the subject property.*

The full range of urban services are available at the subject property and to the existing building, and the proposed use will not add an undue burden to any public utility or service.

- f) *The potential public benefits of the proposed conditional use outweigh all potential adverse impacts of the proposed conditional use, after taking into consideration the applicant's proposal and any requirements recommended by the applicant to ameliorate such impacts.*

The proposed use is not anticipated to create adverse impacts on the Village or neighboring properties, while the potential public benefits are several, including:



1. Many breweries, wineries, and distilleries have become tourist destinations in recent years. This would be the first such business in the Village.
2. The distillery is a new, family run business with potential to grow.

STAFF RECOMMENDATIONS

Staff recommends that the requested Conditional Use Permit be **APPROVED WITH CONDITIONS**, with the conditions as follows:

1. The permit is granted to this business at this location only.
2. This permit applies to the interior spaces of the building. Any future outdoor components will be subject to review as an amendment to the conditional use permit.
3. This permit allows an 'indoor commercial entertainment' land use conducted with light industrial manufacturing. If the manufacturing were to cease, a new conditional use permit would be required to continue the business as a bar only.