

Walt Gaffield, 2001 Bamboo Road, stated that if the Meadowthorpe Neighborhood Association was for the development, so was he.

Gabe Hensley, 301 Pelican Lane, stated that he was not against the development, but had some concerns about the principal primary and accessory uses being located so close to the neighborhood.

Staff Rebuttal – Mr. Baillie wanted to clarify that this meeting was not the appropriate time to designate certain conditional zoning restrictions that would be placed on a property.

Commission Questions – Mr. Pohl asked Mr. Baillie to address the concern about the drive-thru's being an accessory use that Mr. Hall brought up. Mr. Baillie stated that drive-thru facilities were requested as an accessory use because this development is seen as a more intense land use. Additionally, Mr. Baillie mentioned that with a B-1 zone it is a conditional use, or shown on the development plan and the Planning Commission has the ability to decide if a drive-thru is or is not appropriate for a location.

Applicant Rebuttal – Mr. Billings stated that he spoke with the applicant, and they are willing to move drive-thrus to a conditional use.

Staff Comment – Tracy Jones, Department of Law, told the Planning Commission that if drive-thrus are a conditional use in the text amendment, the Commission would not see it on the development plan. It would have to go to the Board of Adjustment instead.

Commission Questions and Comments – Mr. Nicol commented that over and over again things get approved by the Board of Adjustment, then by the Urban Council, and eventually come back to the Planning Commission.

Mr. Pohl stated that he really likes this text amendment and thinks it's a good move for the city and the location.

Ms. Worth commented that she knows that Meadowthorpe has a long history of working with developers, and looks forward to what they do with this project.

Mr. de Movellan asked for staff's recommendations on the drive-thru use. Mr. Baillie responded saying that the Planning Commission has many options on this, but staff has recommended approval as an accessory use.

Action – A motion was made by Mr. Pohl, seconded by Ms. Barksdale and carried 8-0 (Davis, Meyer, and Penn absent) to approve PLN-ZOTA-22-00006: AMENDMENT TO ARTICLE 22, APPENDIX C TO CREATE THE PLANNED UNIT DEVELOPMENT (PUD-3) ZONE for reasons provided by staff

2. **PLN-ZOTA-22-00011: AMENDMENT TO ARTICLE 8-1(d) TO ADD SMALL FARM MICRO-DISTILLERIES AS A CONDITIONAL USE IN THE AGRICULTURAL RURAL (A-R) ZONE** – a petition for a Zoning Ordinance text amendment to create a new conditional use, in the Agricultural Rural (A-R) zone. The proposed conditional use will allow for the distillation of 1,000 gallons in association with an established agricultural use.

INITIATED BY: SILVER SPRINGS FARM EQWINE AND VINEYARD, LLC

PROPOSED TEXT: Copies are available from the staff.

The Zoning Committee Recommended: Approval of the Staff Alternative text.

The Staff Recommends: Approval of the Staff Alternative text for the following reasons.

1. Micro-distilleries distilleries have extensive historical connections to agricultural uses within Lexington, as well as the Commonwealth of Kentucky as a whole.
2. Providing for small farm micro-distilleries in the Agricultural Rural (A-R) zone will permit additional opportunities to utilize existing agricultural resources for value-added products and tourism in support of the local economy.
3. The conditional use process and distillate production limits will ensure that the use operates at a scale that is compatible with the associated active farm or agricultural operation.
4. The inclusion of small farm micro-distillery to the possible conditional uses within the A-R zone is in agreement with the 2018 Comprehensive Plan for the following reasons:
  - a. The additional revenue stream for the agricultural uses that is derived from distillery operations will help strengthen the agricultural economy (Theme C, Goal #1.b).
  - b. The tasting and touring activities associated with small farm micro-distilleries will help promote agricultural tourism (Theme C, Goal #1, Policy D).
  - c. By limiting the scale of production to no more than 1,000 gallons of distilled spirit, the use would promote context-sensitive agritourism in the Rural Service Area (Theme B, Protection Policy 6). The potential to utilize locally grown materials and agricultural byproducts in the operation of the use promotes environmental sustainability (Theme E, Goal #1, Policy D).

Staff Presentation – Mr. Crum presented and summarized the staff report and recommendations for the text amendment. To begin, Mr. Crum discussed the current zoning used by the Commonwealth of Kentucky for different distilleries. A distillery with a Class A license has greater than 50,000 gallons produced annually in the I-2 and ED zones, and a distillery with a Class B license produces less than 50,000 gallons annually.

Mr. Crum went on to discuss the applicant, who owns a small farm winery who wishes to use the by-products from his operation to distill in the Agricultural Rural zone. Currently you cannot have a micro-distillery in the A-R zone, so Mr. Carter is here asking to make that a permissible use. Mr. Crum explained the proposed language, stating that a Small Farm Micro Distillery, would be defined as a distillery associated with an established agricultural use and produces less than 1,000 gallons of distilled spirit annually. In their letter of justification, the applicant makes the case that the value added process of making their own spirits, is appropriate in the agricultural zones because of the ties between distilleries and agriculture historically. Staff agreed with this assertion and found examples dating back to the 1700s a small distillery operation could be found on small farms.

Mr. Crum highlighted the conditional use process if the text amendment were to be passed today, including that the Board could ask such questions as how the distillery will be operating, how many hours a day would it be operating, where the buildings will be, etc. Planning staff would have to review the information given on an annual basis, and if they are not up to the standards, the conditional use can be revoked.

Mr. Crum indicated that the staff was supportive of the proposed language on the whole, but made some tweaks in the staff alternative language to be more in line with other ordinance requirements. Mr. Crum also indicated that this text amendment does touch on many of the goals of the Comprehensive Plan including supporting existing agricultural uses, providing additional opportunities to financially thrive, increasing value-added products, and promoting sustainability and agri-tourism.

Mr. Crum mentioned some concern from the Zoning Committee about the 1,000 gallon limit. They requested additional information about the proposed limit. In staff's research, they ran into issues finding one uniform definition for small farm micro distilleries and found that each state's definition was different. Instead staff focused on some permitted small farm distilleries in Kentucky and presented them to the Commission. After reviewing the research, the staff still contends that the 1,000 gallon limit is appropriate. Mr. Crum stated that the greater amount of distilled spirit, the greater impact there is on the land. According to Mr. Crum, for every barrel of distilled spirit you can expect 800-1000 pounds of produce involved in its production, along with 600 gallons of water.

Mr. Crum concluded saying that staff is recommending approval of staff alternative language.

Commission Questions – Mr. Nicol asked if there is any way that what we are discussing here can be considered urban development. Mr. Crum responded that he thought that what is being proposed is within the intent of the A-R zone.

Mr. de Movellan asked if there is any requirement that the natural resources discussed in the staff report, have to come from the property itself and what constitutes an "active farm." Mr. Crum stated that it did not have to at this time and that "active farm" is a term that the Zoning Ordinance uses evaluating agri-tourism and that determination would be made by the Board of Adjustment.

Mr. Michler asked if Planning staff was able to find examples of businesses that have been successful under that 1,000 gallon limit. Mr. Crum indicated that there just are not a lot of micro-distilleries in the United States and only about a dozen total and based on his research the micro-distillery on a small farm was not a principal use, it was an additional added value. Based on Mr. Michler's question, Mr. Crum indicated that he could not find a successful example because there are so few, and the Bourbon County ordinance was so new.

Mr. Nicol asked why staff did not use the language that Bourbon County used in Mr. Crum's previous slide about natural resources. Mr. Crum said that it was something that staff looked at, but thought it was too specific and too burdensome.

Applicant Presentation – Allen Carter, applicant and owner of Silver Springs Farm Eqwine & Vineyard, LLC, gave a small presentation on his business and why he is pursuing the text amendment. Mr. Carter stated that he thinks that he has checked all the boxes for a small farm micro-distillery and highlighted different management practices on his farm and his wine operation, as well as what he plans to do if this text amendment passes.

He ended his presentation thanking the Planning Commission for their consideration and asking for approval.

Commission Questions – Mr. Pohl asked how big a barrel house would be and if Mr. Carter would build one. Mr. Carter indicated that his plan is to build a barrel house at some point, but not immediately. Mr. Carter explained the research he had done in Europe and that he was going to be using a container to hold the barrels to start.

Mr. Pohl also asked if Mr. Carter would have a problem with a requirement that a certain amount of agricultural product used in the distillate had to come from his farm. Mr. Carter indicated that he was already making the distillate at his farm to make wine, and he wants that to make brandy so he would not have an issue.

Citizen Comment – Brittany Roethemeier, executive director of Fayette Alliance, said that she was supportive of revisiting agri-tourism uses in the A-R zone, but it should be done comprehensively, with stakeholder input, and any new permitted uses should require an agricultural-nexus requirement between the use and the land it operates on.

Staff Rebuttal – Mr. Crum addressed Mr. Pohl's suggestion about percentages of agricultural coming directly from the farm. Mr. Crum stated that this suggestion is different than how we deal with small farm wineries, because they do not require that with wineries. Additionally, Mr. Crum indicated that those percentages are difficult to enforce and that a lot of the concerns presented by Ms. Roethemeier would be addressed in the conditional use process and would be regulated through permits and agencies at the state and federal level.

Commission Questions – In relation to waste water that Ms. Roethemeier mentioned in her comments, Mr. Nicol asked Mr. Crum if he knew the average drinking water per cow a year. Mr. Crum did not, and Mr. Nicol indicated that according to Michigan State University, it is 30 gallons a day per cow.

Mr. Michler asked when the Bourbon County ordinance with the limit of 1,000 gallons went into effect. Mr. Baillie stated that it was last amended in 2016, but its initial establishment was in 2013.

Ms. Worth commented that she wished that the applicant was doing this through a waiver, because she would have no issue with it then. Ms. Worth said that she is worried about what looks to her like planning in the A-R zone via ZOTAs and mentioned the other ZOTA's relating to the A-R zone. She concluded saying that she would like us to take a thoughtful comprehensive look at what we do in the A-R zone.

Mr. Bell concurred with Ms. Worth's thoughts.

Mr. Michler said he understood the fear from Ms. Worth and Mr. Bell, but that the applicant does not have a choice in this process and that it was a logical step to allow the wineries that we already allow, to make the spirits they want to. He concluded his statement saying what Mr. Carter is asking for is a perfectly reasonable request and he supports this application.

Mr. Pohl concurred with Mr. Michler.

Action – A motion was made by Mr. Michler, seconded by Ms. Barksdale and carried 6-2 (Worth and Bell opposed) (Davis, Meyer, and Penn absent) to approve PLN-ZOTA-22-0000011: AMENDMENT TO ARTICLE 8-1(d) TO ADD SMALL FARM MICRO-DISTILLERIES AS A CONDITIONAL USE IN THE AGRICULTURAL RURAL (A-R) ZONE for the reasons provided by the staff.

3. PLN-ZOTA-22-00014: AMENDMENT TO ARTICLES 1, 3, 8, 9, 10, 11, 16, 18, 23 AND 28 TO UPDATE PARKING AND VEHICULAR USE AREA LANDSCAPE BUFFERING – a petition for a Zoning Ordinance text amendment to consolidate all parking regulations to one location (Article 16), incorporate parking design standards, eliminate minimum parking requirements, as well as to increase tree canopy and vehicular use area screening requirements for parking lots.

INITIATED BY: Urban County Planning Commission

PROPOSED TEXT: Copies are available from the staff.

The Zoning Committee Recommended: Approval, for reasons provided by staff.

The Staff Recommends: Approval, for the following reasons.

1. The proposed text amendment supports and implements the 2018 Comprehensive Plan, in the following ways:
  - a. The amendment expands housing choices (Theme A, Goal #1) by allowing more types of residential development to be constructed where they are currently precluded due to inflexible parking requirements (Theme A, Goal #1, Objectives a through d).
  - b. The amendment supports infill and redevelopment throughout the Urban Service Area (Theme A, Goal #2) by providing more flexible parking regulations to facilitate the construction on smaller and more constrained parcels often found in infill and redevelopment locations.
  - c. The amendment promotes the development of green building, sustainable development, and transit-oriented development (Theme B, Goal #2.c) by allowing more pedestrian and transit focused development to occur and by raising the landscaping and tree canopy requirements for vehicular use areas.
  - d. The amendment reduces Lexington-Fayette County's carbon footprint (Theme B, Goal #2) by reducing the requirements for additional unnecessary vehicular use areas that contribute to dangerous heat islands.

Staff Presentation – Mr. Chris Taylor presented and summarized the staff report and recommendations for the text amendment. Mr. Taylor began stating that this text amendment would put Lexington at the forefront of innovative planning by eliminating parking minimums and Lexington would be the 3<sup>rd</sup> largest city in the east/Midwest to do so.

Mr. Taylor explained that the purpose of this text amendment is to provide greater flexibility for development to provide the parking they need while also allowing more walkable development to naturally occur over time. Additionally Mr. Taylor explained another critical goal of this text amendment is to mitigate the negative impacts of parking lots, including improving vehicular use area landscape buffers against adjacent uses, improve the tree canopy and standards that ensure their survival, and improving the function of parking lots to allow pedestrian safety.

Mr. Taylor discussed the history of parking requirements, mentioning they started in Columbus, Ohio and eventually finding their way to Lexington in 1953. The negative effects were not felt immediately, but over the years the negative effects have compounded into a serious problem. Lexington has the unique problem of being constrained in its growth, while totally dependent on vehicles based on our development patterns over the years.

Mr. Taylor displayed graphs and numbers about how calculating parking minimums over the years has been done, indicating that when you look at the numbers, there is no statistical correlation between square footage and demand for parking. The graph presented by Mr. Taylor showed data points all over the chart where the average did not hit a single data point at all.

Mr. Taylor indicated that these parking requirements helped create huge parking lots that in turn create dangerous heat islands that negatively impact our community. Mr. Taylor stated that the goal of this text amendment overall was to improve conditions for motorists, cyclists, and transit users.

Mr. Taylor also indicated that this text amendment is the culmination of over a year of work, highlighting the various drafts, focus groups, and discussions since last year. Mr. Taylor went in depth with what regulations are changing, where they are proposing the elimination of parking requirements, the consolidation of parking standards, and vehicular use area improvements. Additionally, Mr. Taylor highlighted that these new regulations will have a focus on the environment and will provide greener parking lots that will improve our urban forest, reduce heat islands, and mitigate stormwater.

Mr. Taylor concluded stating that he can answer any questions that the Planning Commission might have.

Commission Questions – Ms. Worth asked if there were any protections in the way that the ordinance is written to deal with people that may use this as an excuse to pave their front yards so they have a place to park. Mr. Taylor answered that places that do not have adequate parking are places that were developed before Lexington at parking requirements and that those are more desirable places to live because they are more walkable. Mr. Taylor continued saying that for new developments, the Planning Commission is able to review the parking provided on every plan and that is the Planning Commission's right to do so.

Public Comment – Nacny Barnett, 1105 Richmond Road, stated that she thinks this a wonderful idea and supports it.

Deborah Gerth, 461 Silver Maple Way, stated she supports the text amendment for all the reasons provided by the planners and thanked them for their work.

Walt Gaffield, 2001 Bamboo Road, stated that he would like some language that would allow the Planning Commission to take a look at parking plan, and he proceeded to give examples of where parking has been difficult around Lexington.

Blake Hall, 36 Richmond Ave, stated that he was in support of the text amendment for the environmental reasons listed by staff.

Clay Turner, 3321 Lyon Drive, said he cared deeply about the tree canopy and water quality in Lexington, and thought that this text amendment would improve both.

Michael Potapov, 1105 Richmond Road, said that he sent a letter of support and that he was most concerned about tree survivability and this will help with that.

Dick Murphy, stated that he is generally supportive of this text amendment, but did mention he thought about objecting to it because it might take some business away from his legal practice.

Amy Clark, 628 Kastle Road, stated that she wanted to thank staff for bring forth this the text amendment. Ms. Clarke presented various ideas to help improve it further.

Nick Nicholson, 300 W. Vine Street, echoed Mr. Murphy's comments and thinks this text amendment is a much needed change and he urged the Commission to adopt it.

Staff Rebuttal – Mr. Taylor addressed Ms. Clark's concerns about the study in Buffalo, New York. Mr. Taylor reiterated that they have looked at the data and various studies, and have tried to structure these new regulations to prevent or mitigate the negative effects.

Public Comment – Amy Clark, 628 Kastle Road, asked to restore article 21-7(a)(5) that was deleted in 2014.