

July 7, 2025

Via Hand Delivery

Lexington-Fayette Urban County Planning Commission
200 East Main Street
Lexington, Kentucky 40507

**RE: Zoning Ordinance Text Amendment
Amendment to the Permitted Uses in Downtown Business (B-2) Zone**

Dear Commissioners:

Please be advised that I represent New Era Whiskey & Spirits, LLC (“New Era”). My client proposes a text amendment to the Zoning Ordinance adding micro-distilleries as a Principal Use for the Downtown Business (B-2) Zone. The intent of this text amendment is to allow for economic growth through tourism opportunities in an industry that is deeply rooted in Kentucky and, specifically, Lexington.

New Era is a company founded in Kentucky, with a mission to “celebrate the long history of Kentucky and redefine the Bourbon experience.” New Era currently operates a store in Downtown Lexington that seeks to provide a welcoming atmosphere for both bourbon enthusiasts and newcomers. New Era met with planning staff to discuss the opportunity of operating a micro-distillery in Downtown Lexington. Planning Staff suggested that New Era proceed with requesting a Zone Text Amendment to allow for Micro-distilleries to be a permitted use within the B-2 Zone. As such, New Era is submitting this proposed text amendment.

I. Proposed Text

Section 8-16 of the Zoning Ordinance allows for Micro-distilleries as a Conditional Use in the Neighborhood Business (B-1) Zone. As such, it is logical that as the zone steps up to B-2, and beyond, that micro-distilleries could operate as a permitted use. From discussion with Planning Staff, and review of the already allowable use of a micro-distillery in our neighborhood zone, New Era proposes adding Micro-distilleries as an additional permitted use in the B-2 Zone. The following language would be added to Section 8-17(b), and would be a new subsection 20:

20. Micro-distilleries subject to the following requirements:

- a. Production shall be limited to ten thousand (10,000) gallons of distillate annually;
- b. Distilling operations shall occur within a structure; and
- c. There shall be an associated retail component or eating and drinking establishment.

A true and accurate copy of the proposed amendment is enclosed herewith.

II. Surrounding Areas

Lexington is uniquely positioned as a city that is centrally located with several of the largest distilleries that are part of the Kentucky Bourbon Trail in the surrounding areas. By allowing additional opportunities for Micro-distilleries within downtown, Lexington can promote its rich history and connection to the bourbon industry, while also expanding its tourism and employment opportunities. Micro-distilleries can help foster the bourbon history in Lexington, but also attract bourbon lovers, interested tourists, and residents alike who will in turn support local restaurants, shops, and hotels.

In addition to the tourism benefits, it is the hope of the applicant that other micro-distillers can be developed in the downtown area creating a unique and walkable bourbon destination as opposed to having to go outside of Fayette County to visit the larger distilleries already in operation. Micro-distilleries will aid in creating additional jobs within Lexington, repurpose historic buildings, contribute to a walkable downtown area, and foster community engagement.

Within Downtown Lexington and the immediate surrounding area, there are currently several distilleries, including: (a) Barrel House Distilling Co., (b) Bespoken Spirits, (c) Fresh Bourbon Distillery, (d) James E. Pepper Distillery, (e) Lexington Brewing and Distilling Co., and (f) RD1 Spirits.¹ The proposed amendment would allow for additional Micro-distilleries to expand the options within Lexington.

Moreover, the proposed text amendment would allow for future development much like what has been done in Louisville. Louisville has created a “Bourbon District”, which is located in Downtown Louisville. Louisville’s Bourbon District is comprised of distilleries, bourbon experiences, restaurants, and historic sites, providing numerous tourism opportunities, and expanding the walkability of their downtown area. The proposed text amendment would allow for a similar opportunity in Downtown Lexington.

III. Comprehensive Plan

We submit that the proposed text amendment comports with the 2045 Comprehensive Plan in the following ways:

Theme C – Creating Jobs & Prosperity

¹ VisitLex, Bourbon Distilleries and Tours, <https://www.visitlex.com/things-to-do/bourbon/distilleries/#local> (last accessed July 7, 2025).

Lexington-Fayette Urban County Planning Commission
July 7, 2025
Page 3

We submit that this proposal comports with the goals and objectives articulated in Theme C of the Comprehensive Plan.

Goal 1: Support and Showcase Local Assets to Further the Creation of a Variety of Jobs

The proposed text amendment will assist in creating additional jobs with a variety of opportunities, it would allow for growth in tourism and agritourism that Lexington has to offer. It undeniable that many of the bourbon trail visitors stay in Lexington and then commute out of town to other distilleries. The applicant is hopeful that fostering downtown distilling operations will keep those visitors and tourists in Lexington for the length of their stay.

Goal 2: Attract a Wide Array of Employment Opportunities

The proposed text amendment would provide opportunities for new small businesses and would allow for additional entertainment opportunities. Not only would this encourage tourism, but it would also create additional jobs opportunities with diverse skill sets.

Theme D – Improving a Desirable Community

We further submit that this proposal comports with the goals and objectives articulated in Theme D of the Comprehensive Plan.

Goal 1: Work to Achieve an Effective & Comprehensive Transportation System

The proposed text amendment would allow Mico-distilleries to be developed in Downtown Lexington, which would encourage and allow for pedestrians to walk through the downtown area between local shops, restaurants, bars, and tourism locations. This would further the goal of expanding walkability.

Goal 3: Protect and Enhance Lexington's Unique Identity

This goal seeks to enhance the natural and cultural landscapes that give Lexington its unique identity and image. The proposed text amendment would allow for the Lexington's history with bourbon to be further highlighted within the downtown area. It would also allow for the opportunity to restore and renovate historical buildings for new uses to highlight the history Lexington has to offer.

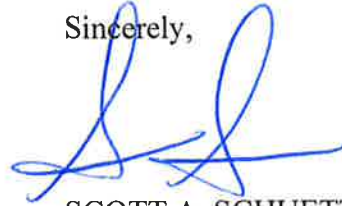
IV. Conclusion

In sum, we submit that proposed Zoning Text Amendment is consistent with the Comprehensive Plan and that this use fits seamlessly into the downtown framework. We

Lexington-Fayette Urban County Planning Commission
July 7, 2025
Page 4

look forward to our continued discussions with staff and the Commission, and request your approval of our request.

Sincerely,



SCOTT A. SCHUETTE

SAS/ss

AMENDMENT TO ZONING ORDINANCE

Sec. 8-17. - Downtown Business (B-2) Zone.

(a) Intent. The intent of this zone is to accommodate existing and future development in the downtown core area. The zone is a specialized district for the location of high density residential and high intensity commercial and mixed-use developments. This zone recognizes the downtown core as the focal point of business, recreation, and transportation facilities and activities for Lexington. Development within this zone should coordinate with adopted plans and studies, including corridor studies and streetscape plans. This zone should be located and developed within the Downtown Place-Type and should be established in accordance with the Goals, Objectives, Policies, and Development Criteria of the Comprehensive Plan.

(b) Principal Uses. (Other uses substantially similar to those listed herein shall also be deemed permitted.)

1. The principal permitted uses in the B-1 zone.
2. Amusement enterprises, such as indoor billiard or pool halls; indoor theaters; bowling alleys; dance halls; skating rinks.
3. Restaurants, cocktail lounges and nightclubs, with entertainment, dancing or the sale of alcoholic beverages.
4. Establishments for the display, rental, or sale of automobiles, motorcycles, trucks not exceeding one and one-half (1½) tons, and boats limited to runabout boats, provided that the outdoor display or storage of vehicles shall conform to the requirements of Article 16.
5. Establishments engaged in blueprinting, printing, publishing and lithographing; interior decorating; upholstering; laundering, clothes cleaning and dyeing; clothing alterations and tailoring services.
6. Hotels and motels.
7. Passenger transportation terminals.
8. Any type of dwelling unit.
9. Wholesale establishments.
10. Minor automobile and truck repair.
11. Establishments primarily engaged in the sale of supplies and parts for vehicles and farm equipment.
12. Pawnshops.
13. Stadium and exhibition halls.
14. Telephone exchanges; radio and television studios.
15. Cable television system signal distribution centers and studios.
16. Athletic club facilities.
17. Adult arcades, massage parlors, adult bookstores, adult video stores, adult cabarets, adult dancing establishments, adult entertainment establishments, and sexual entertainment centers, provided that none shall be located within a 500-foot radius of any agricultural or residential zone, any elementary or secondary school, any park attended by persons under eighteen (18) years of age, or within a 1,000-foot radius of any other similarly regulated adult business.
18. Parking lots and structures, provided such use conforms to the conditions of Article 16.
19. Hosted or Un-Hosted Short Term Rentals, as regulated in Section 3-13 of the Zoning Ordinance.

20. Micro-distilleries subject to the following requirements:

- a. Production shall be limited to ten thousand (10,000) gallons of distillate annually;**
- b. Distilling operations shall occur within a structure; and**
- c. There shall be an associated retail component or eating and drinking establishment.**

(c) Accessory Uses. (Uses and structures which are customarily accessory, clearly incidental and subordinate to permitted uses.)

- 1. Storage, wholesaling, and warehousing.
- 2. Storage yards for delivery vehicles of a permitted use.
- 3. Sidewalk cafe, when accessory to any permitted restaurant.
- 4. Major automobile and truck repair, when accessory to an establishment primarily engaged in the sale of automobiles and trucks.
- 5. Satellite dish antennas, as further regulated in Section 15-8.
- 6. Micro-brewery, when accessory to a restaurant permitted herein; shall be located at least one hundred (100) feet from a residential zone, and shall be soundproofed to the maximum extent feasible by using existing technology, with noise or other emissions not creating a nuisance to the surrounding neighborhood.
- 7. Parking areas or structures.

(d) Conditional Uses. (Permitted only with Board of Adjustment approval.)

- 1. Helistops, provided such facilities conform to the requirements of all appropriate federal, state and local regulations.
- 2. Drive-through facilities for sale of goods or products or provision of services otherwise permitted herein.
- 3. Mining of non-metallic minerals, but only when the proposal complies with the requirements of the Mining/Quarrying Ordinance (Code of Ordinances #252-91) and the conditions and requirements as set forth therein. The Board of Adjustment shall specifically consider and be able to find:
 - a. That the proposed use will not constitute a public nuisance by creating excessive noise, odor, traffic, dust, or damage to the environment or surrounding properties;
 - b. That a reasonable degree of reclamation and proper drainage control is feasible; and
 - c. That the owner and/or applicant has not had a permit revoked or bond or other security forfeited for failure to comply with any federal, state or local laws, regulations or conditions, including land reclamation, pertaining to the proposed use.
- 4. Adult arcades, adult bookstores, adult video stores, adult cabarets, adult dancing establishments, adult entertainment establishments, and sexual entertainment centers, except as permitted herein; provided none shall be located within a 500-foot radius of any elementary or secondary school, any park attended by persons under eighteen (18) years of age, or within a 1,000-foot radius of any other similarly regulated adult business.
- 5. Gasoline pumps available to the public without an employee on site, provided a plan is approved by the Board of Adjustment for periodic inspection of the site by an employee for the following purposes:
 - a. To check all operating equipment;
 - b. To check fire suppression system(s);
 - c. To check the condition of the fire alarm(s);
 - d. To check for indications of fuel leaks and spillage;

- e. To remove trash from the site;
- f. To monitor the general condition of the site.
- 6. Rehabilitation homes, when located closer than five hundred (500) feet from a residential zone, school for academic instruction or a childcare center.
- 7. Temporary structures designed for use or occupancy for sixty-one (61) to one hundred eighty (180) days per 12-month period on a single property, calculating said period by cumulative consideration of the use of any and all such structures on a single property.
- 8. Circuses, provided all structures are located not less than two hundred (200) feet from any residential zone; and further provided that all structures for housing animals shall be two hundred (200) feet from any residential zone, residential use, school, hospital, nursing home or rest home. A circus may not displace more than twenty-five percent (25%) of the minimum required parking for the site it occupies.
- 9. Automobile and vehicle refueling stations, provided such use conforms to all requirements of Article 16.
- 10. Ecotourism activities to include commercial hiking, bicycling, equine and zip line trails; tree canopy tours; canoeing and kayaking launch sites; fishing clubs; botanical gardens; nature preserves; and seasonal activities.

(e) Prohibited Uses. (All uses other than those listed as principal, accessory, or conditional uses or substantially similar to principal, accessory, or conditional uses shall be prohibited. The uses below are provided for illustration purposes and for the purpose of limiting permitted uses, and are not intended to be a total listing of all the uses that are prohibited.)

- 1. The prohibited uses in the B-1 zone, items 1 through 7 (Section 8-16(e)1 through 7), except as permitted herein.
- 2. Outdoor kennels or outdoor animal runs.
- 3. Establishments engaged in the display, rental, or repair of farm equipment, trucks exceeding one and one-half (1½) tons, and contractor's equipment.
- 4. The above- or below-ground storage of any flammable material in gaseous form, including compressed natural gas.
- 5. Hospitals.
- 6. Campgrounds and hunting clubs.
- 7. Farm tours, hayrides, corn mazes, outdoor rodeos, riding stables, horse shows, fishing lakes, hunting or trapping, sportsmen's farms, zoological gardens and classes related to agricultural products or skills.
- 8. Medicinal cannabis cultivators, processors, producers and safety compliance facilities.

Lot, Yard, and Height Requirements. (See Articles 3 and 15 for additional regulations.)

- (f) Minimum Lot Size. No limitation.
- (g) Minimum Lot Frontage. No limitation.
- (h) Minimum Front Yard. No limitation.
- (i) Minimum Each Side Yard. No limitation.
- (j) Minimum Rear Yard. No limitation.
- (k) Minimum Open Space. See Article 20 for open space regulations.
- (l) Maximum Lot Coverage. No limitation.
- (m) Maximum Height of Building. No limitation.
- (n) Off-Street Parking. (See Articles 16 and 18 for additional parking regulations.)
No minimum requirements.

Conditional Uses: The Board of Adjustment may establish additional requirements, as needed.

(o) Special Provisions.

1. For any development that is located adjacent to, connects to, or interacts directly with the Town Branch Commons corridor, such development of the site shall comply with the Town Branch Commons Masterplan and Design standards; taking precedent over the Downtown Streetscape Master Plan where conflicts occur.
2. For those floors of buildings containing dwelling units with windows for habitable rooms, there shall be provided a height-to-yard ratio of 3:1 for light and air. Public street right-of-way width may be used as part of this setback requirement, except that a minimum setback of five (5) feet from the property line, other than property lines adjoining street right-of-way, shall be required in any case. No setback shall be required for those floors containing non-residential uses or dwelling unit walls without windows.
3. Redevelopment of any site shall comply with the Downtown Streetscape Master Plan for Lexington, Kentucky.