

BOARD OF ADJUSTMENT AGENDA

**BOARD OF ADJUSTMENT
PUBLIC HEARING
THURSDAY, July 18, 2013
9:00 AM**

**COUNCIL CHAMBERS
201 S. CORTEZ STREET
PRESCOTT, ARIZONA
(928) 777-1207**

The following agenda will be considered by the BOARD OF ADJUSTMENT at its PUBLIC HEARING to be held at 9:00 AM on July 18, 2013, in COUNCIL CHAMBERS, CITY HALL, 201 S. CORTEZ STREET, PRESCOTT, ARIZONA. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

I. CALL TO ORDER

II. ATTENDANCE

Members

Mike Klein, Chairman	Duane Famas
Greg Lazzell, Vice Chairman	Richard Rosa
Johnnie Forquer	George Wiant
James DiRienzo	Phil King

III. REGULAR AGENDA / PUBLIC HEARING ITEMS

1. Approval of the April 18, 2013 meeting minutes.
2. CUP13-003, 400 N. Washington Ave. APN: 114-02-070 and totaling ± 0.34 acres. Zoning is Industrial Transition (IT). LDC Section 9.3 and Table 2.3. Request conditional use permit to allow for the operation an artesian/craft distillery. Owner is James Bacigalupi, 400 N. Washington Ave., Prescott, AZ 86305. Applicant is Scott Holderness, 1321 Paradise Valley Rd., Prescott, AZ 86303. Community Planner is Ryan Smith (928) 777-1209.
3. V13-005, 1695 Constable St. APN: 106-18-372 and totaling ± 0.19 acres. Zoning is Multi-family Medium Density Planned Area Development (MF-M PAD). LDC Section 3.9 and 9-13. Request a variance to allow for a reduced front setback from 20' to 15' and a reduced side setback from 5' to 3'6". Owner/Applicant is Steve Davis of Dorn Homes Inc., 3950 S. Camino Del Heroe, Green Valley, AZ 85614. Community Planner is Ryan Smith (928) 777-1209.

IV. REVIEW ITEMS

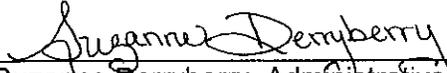
V. SUMMARY OF CURRENT OR RECENT EVENTS

VI. ADJOURNMENT

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. WITH 48 HOURS ADVANCE NOTICE, SPECIAL ASSISTANCE CAN BE PROVIDED FOR SIGHT AND/OR HEARING IMPAIRED PERSONS AT PUBLIC MEETINGS. PLEASE CALL 777-1272 OR 777-1100 (TDD) TO REQUEST AN ACCOMMODATION TO PARTICIPATE IN THIS MEETING.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall and on the City's website on July 12, 2013 at 10:00 AM in accordance with the statement filed with the City Clerk's Office.


Suzanne Derryberry, Administrative Specialist
Community Development Department



BOARD OF ADJUSTMENT AGENDA

**BOARD OF ADJUSTMENT
PUBLIC HEARING
THURSDAY, APRIL 18, 2013
9:00 AM**

**COUNCIL CHAMBERS
201 S. CORTEZ STREET
PRESCOTT, ARIZONA
(928) 777-1207**

MINUTES OF THE PUBLIC HEARING OF THE BOARD OF ADJUSTMENT held on April 18, 2013 in Council Chambers, City Hall, located at 201 S. Cortez Street, Prescott, Arizona 86303.

I. CALL TO ORDER

Chairman Klein called the meeting to order at 9:00 a.m.

II. ATTENDANCE

Members

<i>MEMBERS</i>	<i>STAFF PRESENT</i>
Michael Klein, Chairman	George Worley, Planning Manager
George Wiant	Ryan Smith, Community Planner
Duane Famas	Ruth Hennings, Community Planner
James Di Rienzo	Suzanne Derryberry, Administrative Specialist
Dick Rosa	Matt Podracky, Assistant City Attorney
Greg Lazzell, Vice Chairman	<i>COUNCIL PRESENT</i>
Johnnie Forquer	Marlin Kuykendall
	Jim Lamerson

I. REGULAR AGENDA / PUBLIC HEARING ITEMS

1. Approval of the February 21, 2013 meeting minutes.

Mr. Di Rienzo, MOTION to approve the minutes. Ms. Forquer, 2nd. VOTE 6-0; passed

2. V12-003, 580 Miller Valley Road. APN: 113-07-062B totaling ±0.19 acre. LDC Sections 2.7.3.D and 4.8. Zoning is Business Regional (BR). Request a 2 year extension of Variance to reduce front yard and rear yard setbacks. Owner/Applicant is Michael D. Scannel, 1425 Adams Drive, Prescott, AZ 86305. Community Planner is Ryan Smith (928) 777-1209.

Mr. Smith stated that the request was for a two year extension of a variance to reduce the front yard and rear yard setbacks.

Mr. Klein called for any comments; there were none.

Mr. Wiant, MOTION to approve V12-003 as presented. Ms. Forquer, 2nd. VOTE 6-0; passed

3. V13-003, 323 Cochise Street. APN: 108-01-076 totaling 0.24 acres. LDC Section 9.13. Zoning is Multi-Family Medium. Request is to reduce front yard setback from 20' to 14'6" for a new covered front porch. Owners are Brent and Beckie Kellogg. Applicant is Headwaters Architecture. Planner is Ryan Smith (928) 777-1209.

Mr. Smith reviewed the staff report and indicated that the request was for a variance to reduce the front yard setback to be able to construct a covered porch. He continued by displaying photos on the overhead projector and briefly discussed items related to the zoning of the area, the site plan and the future design of the property.

Mr. Smith stated that he had received an e-mail in support of the proposal and also that the Historic Preservation Commission had reviewed the proposal and had granted approval of the project and were in support of the variance.

Mr. Smith went on to discuss the six categories used for determining the approval of a variance and noted that staff had a neutral recommendation in regards to granting of the variance.

Mr. Wiant discussed neighborhood encroachments.

Todd Marolf, 1951 Commerce Center Circle, discussed the hardship created by the trees located on the property. He displayed a photo on the overhead projector displaying the property and the suggested location of the addition. He also noted that there were several encroachments in the neighborhood.

Mr. Di Rienzo wanted to know the materials which would be used for the project. Mr. Marolf discussed the siding which would be used and noted that the materials had already been presented to the Historic Preservation Commission for approval.

Mr. Klein stated that the construction of the garage was not a topic for discussion; therefore, the trees which were being referred to as a "hardship" would only be affected by the garage. Mr. Marolf discussed the master plan and stated that Mr. Klein was correct; the construction of the garage was planned as a future project but would trigger the need for the variance. Mr. Klein wanted to know how the placement of the deck would be related to the construction of the garage and trees on the south property line. Mr. Marolf stated that the current proposal was the only plan they could configure to be able to provide the room for the deck and garage without the removal of any of the trees.

Mr. Smith stated that the proposed garage did not require a variance which meant that the applicant could pull a building permit for it at any time.

Mr. Klein wanted to know if there would be a hardship if the garage was never built; Mr. Marolf stated that there would not be a hardship. Mr. Klein clarified that there were not any intentions to build the garage at the current time. Mr. Marolf stated that there were no plans to build the garage at the current time but it was due to budget issues.

Various members of the board continued discussing the garage in relation to the variance request and supposed hardship.

Mr. Wiant, MOTION to approve V13-003. Mr. Lazzell, 2nd. VOTE 3-3; failed.

Mr. Klein called for an alternative motion and opened it up for re-discussion.

Mr. Klein, Mr. Famas and Mr. Di Rienzo discussed their concerns as to why they voted against the proposal; items discussed included setbacks, the garage and the supposed hardship

Brent Kellogg, 323 Cochise St, provided an explanation of the different aspects related to the proposal and the decisions of the placement of the porch and garage.

Continued discussions were related to the preservation of the trees, access to the proposed garage and the construction and placement of the porch.

Mr. Marolf stated that the applicant was willing to commit to the site plan as the master plan with the garage included.

Mr. Klein called for a new motion.

Mr. Di Rienzo, MOTION to approve V13-003 for the reasons stated other than the hardship. Mr. Wiant, 2nd. Mr. Podracky discussed state statute regarding variances and recommended not making a motion that specifically excluded a hardship.

Mr. Smith stated there was not a hardship according to the Land Development Code.

Mr. Worley discussed the hardship created by the trees and the willingness of the applicant to include the garage in the master plan which would require the porch and garage to be permitted at the same time under one permit.

Mr. Di Rienzo amended his motion; MOTION to approve V13-003 with the condition that the applicant submit a full plat plan including the garage for a permit. Mr. Wiant, 2nd. Members of the board and staff discussed what would happen if the applicant did not submit for the building permits and what would happen if the addition was built but not the garage. VOTE 5-1; passed (Famas opposed)

4. V13-004, 3921 Twisted Trails. APN: 103-18-116 totaling 0.36 acres. LDC Section 9.13. Zoning is Multi-Family Medium. Request is to reduce rear yard setback from 25' to 13' for an existing sunroom and deck. Owners are Michael and Diane McDaniel. Applicant is Steven Weber. Planner is Ruth Hennings (928) 777-1319.

Ms. Hennings reviewed the staff report and indicated that the request was for an existing sunroom and deck. She displayed photos on the overhead projector and continued by discussing specific elements related to the proposal and noted that part of the request was to cover the deck. After some research it was discovered that the sunroom had never been permitted.

Ms. Hennings stated that the current property owner's had gone to the surrounding residents and were able to obtain ten signatures in support of their variance. In addition, the city had also mailed out letters advising the neighbors of the public hearing in which staff received three phone calls in support of the project; there were no inquires in opposition.

Ms. Hennings discussed the elements which must be reviewed when determining a variance request and concluded by stating that staff recommended approval of V13-004.

Mr. Klein made a call to the public; there were no comments.

Mr. Wiant, MOTION to approve V13-004, variance to reduce 25' rear yard setback to 13' for a sunroom and covered deck. Mr. Di Rienzo, 2nd. VOTE 6-0; passed.

II. REVIEW ITEMS

None

III. SUMMARY OF CURRENT OR RECENT EVENTS

Mr. Worley discussed the open meeting law training for all board and commission members.

IV. ADJOURNMENT

Chairman Klein adjourned the meeting at 9:50 a.m.

Mike Klein, Chairman



Suzanne Derryberry, Administrative Specialist
Community Development

CUP13-003

CONDITIONAL USE PERMIT

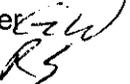
Agenda # _____

**Thumb Butte Distillery
400 N. Washington Ave.**

COMMUNITY DEVELOPMENT – PLANNING AND ZONING DIVISION
BOARD OF ADJUSTMENT MEETING FOR July 18, 2013

STAFF REPORT

TO: City of Prescott Board of Adjustment (BOA)

FROM: Tom Guice, Community Development Director 
George Worley, Planning Manager 
Ryan Smith, Community Planner 

DATE: July 11, 2013

APPLICATION: CUP13-003

ZONING: Industrial Transition (IT)

APN: 114-02-070

AREA: 0.34 acres

Owner: James Bacigalupi
400 N. Washington Ave.
Prescott, AZ 86305

Agent: Scott Holderness
1321 Paradise Valley Road
Prescott, AZ 86303

REQUEST:

A Conditional Use Permit to allow for a distillery to operate in a IT zoning district. The applicant narrative addresses project information, which includes operational details and addresses Fire Department concerns.

PAST BOA ACTIONS and BACKGROUND:

A distillery is not specifically addressed in the Land Development Code. The listed uses in the LDC that fit closest appear to be either a brewery or chemical manufacturing. The latter requires a CUP in the IT zoning district. There are no previous BOA actions related to this property.

CONDITIONAL USE REVIEW CRITERIA:

Conditional uses require special consideration regarding the effect on surrounding properties and the use in relation to the objectives of the ordinance. A conditional use permit may be granted only when the Board of Adjustment finds the proposal meets the certain general criteria as described in Section 9.3.5 of the LDC:

- A. Effect on the environment:** The area is zoned IT which allows for heavy commercial and light industrial activities. The CUP is designed to mitigate any potential impacts through conditions of operation. The impact of the business to the neighborhood will be minimal. The use will not create a nuisance, any greater than a brewery, which may arise from noise, smoke, odor, dust vibration or illumination.

- B. Compatible with surrounding area:** The business is located on the northwest corner of N. Washington Ave. and E. Moeller St. where there is moderate traffic. Commercial and industrial businesses operate to the north, south and east. Several small multi-family uses exist to the west across from an undeveloped alley right-of-way used for drainage.
- C. External impacts minimized:** The proposed location is zoned commercial/industrial with multi-family zoning to the west. Multi-family residential is considered as a commercial use in the LDC. Screening is therefore not required; however, the ROW, drainage and natural vegetation act as a buffer to nearby multi-family structures.
- D. Infrastructure impacts minimized:** Additional infrastructure is not required.
- E. Consistent with General Plan and Code:** The request is consistent with the General Plan.
- F. Parcel size:** The subject property is adequately sized for this use.
- G. Site Plan:** This is an existing building; therefore, little opportunity exists for landscaping and design issues.

NEIGHBORHOOD COMMENTS:

The adjacent land owner to the north, who is most directly affected by this use, indicated by phone that he has no objections to this use. No other comments have been received as of this writing.

STAFF FINDINGS AND RECOMMENDATIONS:

The Fire Department has reviewed the application and found the storage of proposed spirits through the use of "control areas" to be safe. An upgrade to the fire alarm system will be required. The Public Works Department will require a pre-treatment survey for sampling waste water. No objections have been received from the public. Therefore, staff is recommending approval of CUP11-001 with suggested conditions. The distillery will be subject to state liquor law requirements separate from required City codes.

SUGGESTED MOTION OF APPROVAL WITH CONDITIONS:

Move to approve Conditional Use Permit CUP13-003 with the following conditions:

1. A pre-treatment survey will be required for this project prior to any building permits being issued. A sampling station and adequately sized and constructed interceptor and pretreatment per City Code Section 2-1-40 thru Section 2-1-47 in accordance with Chapter 10 of the 2006 International Plumbing Code will be required for this project.
2. Building will require control areas for product storage and an up-graded fire alarm system along with fire extinguishers.

Attachments:

Vicinity and Zoning Map

Floor Plan

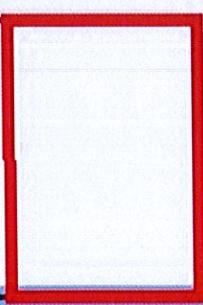
Applicant Narrative

N ARIZONA AVE

E MOELLERS

CHURCHILL ST

N WASHINGTON AVE

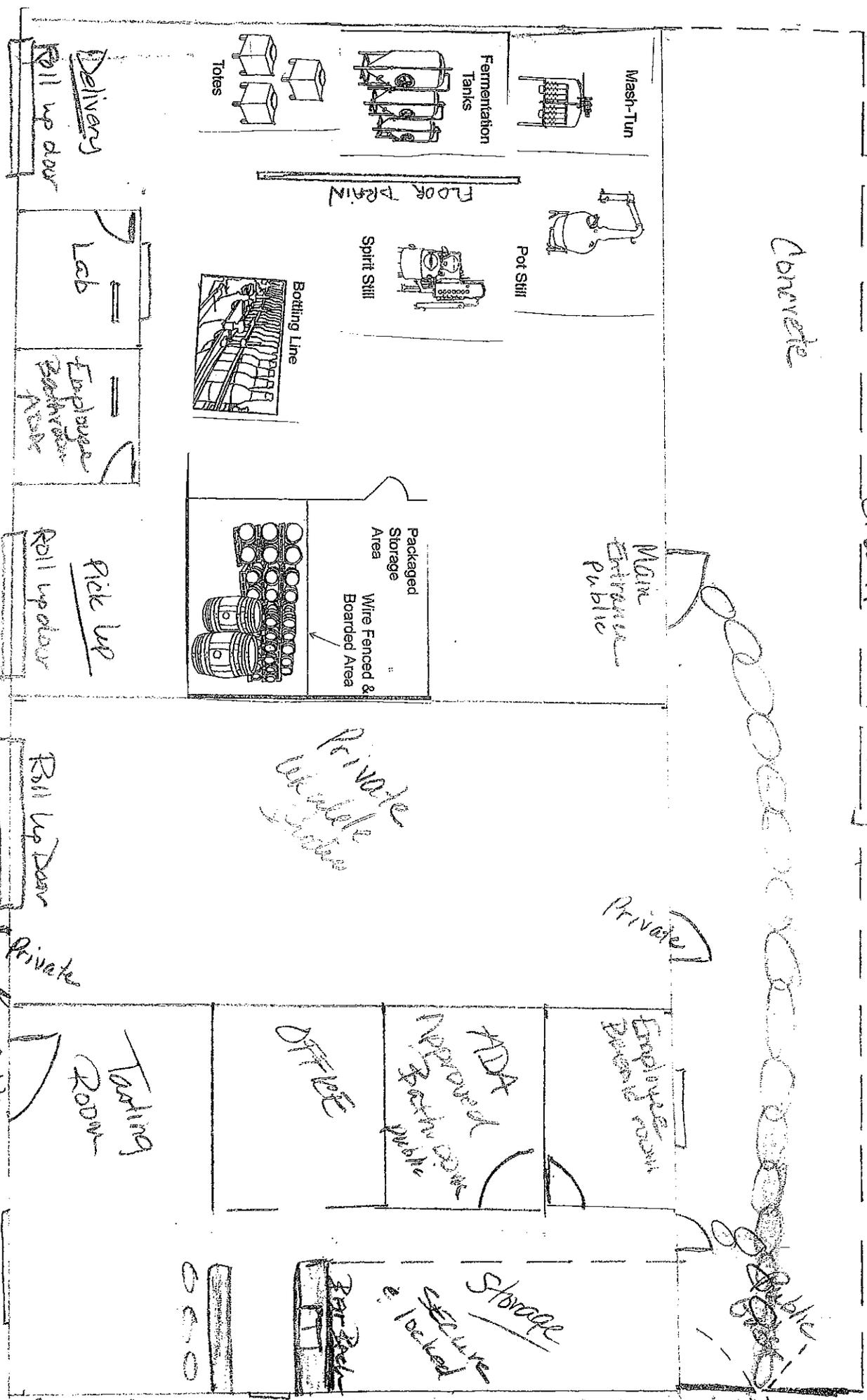


Chain Link Fencing

Concrete

Main Entrance Public

Private



Thumb Butte Distillery

Parking

D.R.H.'s Pathway =



THUMB BUTTE DISTILLERY

(working title)

I. Historical Overview of Prescott

Prescott was founded in 1864 by Territorial Governor John N. Goodwin who replaced Governor John A. Gurley. Prescott was named after historian William H. Prescott, a historian, whose work was popular during the Civil War. The town of Prescott was relocated from a site approximately 20 miles south of the present site and situated adjacent to Fort Whipple. Robert W. Groom was the original surveyor. Prescott was the Territorial Capitol until 1889 when the Capitol was moved permanently to Phoenix.

The current population of Prescott, according to the 2010 census, is 39,843 residents. The Quad-city area, which includes Chino Valley, Prescott Valley, Dewey-Humboldt and Prescott, has over 103,260 permanent residents. This is the third largest population area in Arizona. The Phoenix metropolitan area has 4.2 million residents and Tucson has 1 million. The growth projections for these three areas in Arizona show a population of 7.4 million by 2025. This is at least a 30% growth.

II. Why a Distillery in Prescott

Having a distillery in Prescott is the dream and vision of three men and one woman who have become infused with the passion for making the highest quality spirits. Our plan is to produce ultra-premium craft distilled whiskey, vodka and gin. The craft distilling industry is in its infancy with only one operating distillery in Arizona at this time. We understand that a second distillery is planning on opening in Tempe this winter. The profit margin in distilling is extremely large with input costs not to be more than fifteen percent of the sales price. Distilling allows flexibility to quickly ramp up and scale back production as demand dictates which allows us to control and minimize costs associated with inventory. This flexibility is not something possible in the wine industry and the profit margins in brewing are not nearly as great. The past two decades have seen a buildup in both the craft brewing and boutique wine industries. It is time for distilling to explode onto the scene. Craft/Artisan distilling will be the new hot market for people to explore and delve into as they did with wine over the past two decades.

A. Whiskey Row

In Prescott the main drag and tourist destination is called Whiskey Row. We believe that this name compels Prescott to have its own distillery. According to the history of Whiskey Row, at the time of the big fire in 1900, there were over 40 bars along the one block. Virgil Earp lived in Prescott in 1879 and it is rumored that Doc Holliday spent time here. Until 1956 Whiskey Row was a notorious red light district.

B. Place names of company and products

It is our intention to identify strongly with our home here in Prescott and the geography and historical names that identify this part of the state and the West.

Just a quick list of product names could include: Copper Basin, Iron Springs, Groom Creek, Granite Creek, Gurley, Goodwin, Whiskey Row, Rodeo, Juniper, Pinion Pine, Central Highlands, Big Bug Creek, Bloody Basin and the list goes on.....

C. Local references to the Southwest in general and Prescott in particular with our labels and in short stories on each bottle.

We have included a sample label using our working title "Thumb Butte Distillery" and a sample product name "Gurley Street Gin". Also included is a short story about the gin. We plan to include a short story about each product on the back side of each bottle.

D. Growth of artisan distilleries and map of same

As we have stated earlier, the growth in the United States of top end distilled spirits, is growing very quickly. The Bloomberg Financial Report, on a recent Sunday show, reported a 450% increase in the sales of American spirits with a price point of over \$50/bottle in the past 3 years. During that same time period they quoted a 13% decline in the sales of American spirits with a price point of under \$30 per bottle.

We have included a map of Craft/Artisan distilleries West of the Mississippi. This map includes the one in Tempe that is not open yet. The only distillery in Arizona that is working now is Double Diamond in Kingman.

E. Demographic Targets

Our Prescott distillery is entering a fast growing industry with high profit margins. With lower manufacturing volume, we will be able to charge a premium for our craft spirits and will focus on selling to individuals seeking quality, exclusivity and luxury. The main customer base for our product is the affluent and large baby boomer generation. Currently 50% of the residents of the Prescott area fall into that generation. This generation is looking for recreational opportunities that provide them with a relaxing and luxurious experience in a social environment. We believe that we are entering into at least a decade long buildup of the craft distilling industry, similar to the experience of the micro brewing industry in the 1990's and the boutique wine industry in the first decade

of the 2000's. By entering the market in its infancy, we will gain lasting brand recognition which will ensure our enduring success in the future.

This group of individuals, the boomers, is the demographic of people between the ages of forty five to sixty five. This group has the interest and resources for higher end specialty products. As a group they were born between the years 1945 to 1964. Their influence and purchasing power is without comparison in the United States. As a group they comprise about seventy six million people or about 25% of the country's population. The wealth of this group is staggering as baby boomers control over 80% of the total of personal financial assets and more than 50% of discretionary spending power. They are responsible for more than half of all consumer spending, buying 77% of all prescription drugs, 61% of over the counter medication and 80% of all leisure travel.

We estimate that within a three hour radius of Prescott there are approximately 2 million boomers that fit our target market.

III. Artisan Distilleries

A. What is an artisan distillery?

Craft distillers produce alcoholic beverage spirits by distillation, or by infusion through distillation or re-distillation. Maximum production for a "craft" or artisan distiller should not exceed 250,000 proof gallons per year. The artisan distiller utilizes a pot still, with or without rectification columns, for distillation of beverage spirits.

B. What is distilling?

The simple explanation is that distilling is vaporizing or evaporating liquids and then allowing this vapor to condense. The cooled condenses vapor is the condensate, also called the distillate.

C. What is the estimated annual volume?

The projected annual volume will never exceed 250,000 proof gallons per year. Our first few years of production will be nowhere close to that number. As stated earlier distilling volumes can be ramped up and down quickly and so if we estimate 200 cases the first year and find that we can sell that more quickly than we thought we can increase production quickly.

D. What products will be manufactured?

We plan to manufacture Rye Whiskey, Oat Whiskey, American Smoked Whiskey, Vodka and Gin. After distillation the whiskies will be stored in oak barrels sourced from western cooperages.

E. Will there be local employees and interaction with other local businesses?

There will be employees. Initially only one or two, but all employees will be local. We also plan to sell our product locally, have local tastings and hopefully work with the local craft breweries to source grains and mash ingredients.

F. Are there any inherent safety issues in a small distillery?

There are many stories about the lack of safety in many of the spirits produced during prohibition. Many of the distillers of that period actually used poisons in their products to increase the “kick”. This does not happen in a modern distillery.

Also, the boiling point of ethanol is lower than the boiling point of water. This insures that there will be no temperatures above 212F. The process does not require any ingredients to be under high pressure. The pressure release value on the still will open at 5 lbs. of pressure.

IV. Site Plan and Projected Floor plan

A. Parcel map of 400 N. Washington Avenue

We have included a Parcel Report for APN 114-02-070. This was provided by the city of Prescott and shows the current water, sewer, gas and drainage for this parcel.

B. Proposed division of light manufacturing space and proposed floor plan.

We have enclosed a floor plan of the craft distillery in a 2500 sq. ft. manufacturing space. The current building is approximately 5000 sq feet. We plan on dividing the space so that the distillery can utilize half of the space. The building is currently occupied as an artist’s studio. The building owner and occupant is an artist who produces commissioned pieces of custom furniture and lamps. He is also planning on developing a small custom instrument business specializing in Ukuleles. By restructuring his work space and condensing his equipment there will be sufficient space for the two manufacturing spaces at 400 N Washington. We will not invest in actual working drawings for the division of

This will be a tenant improvement on the distillery side.

E. ADA approved access to distillery and small tasting room

This will be a tenant improvement and will be part of the working drawings provided for a building permit.

F. Location of fire hydrants and dumpster

The closest hydrant is located diagonally across the intersection of Washington and Moeller on the Southeast corner of that intersection. This is 93 feet from the subject property. The next closest hydrant is located on the Northwest corner of Moeller and N. Virginia streets. This hydrant is 220 feet from the subject property.

Currently the commercial dumpster is located in front of the building in the main parking area. Water, sewer and dumpster are provided by the City of Prescott.

Attachments: map of Craft Distilleries, Parcel map, proposed floor plan, copies of labels and product descriptions from High West Distillery in Park City, Utah (a distillery worth emulating).

May 1, 2012

Ryan Smith
Community Planner
City of Prescott
201 Cortez Street
Prescott, AZ 86303

RE: PAC# PAC13-038
Address: 400 North Washington Avenue
Parcel#: 11402070
Zoning: IT
Description: Artisan Distilling to Include Rye and Oats

Dear Ryan:

Attached please find the response to the questions that Dave Mecca, Fire Inspector, had regarding the distillery project. Also attached is another email which lists the flash point of alcohol at different % of concentration.

When we are operating, our still in the distillery; The maximum amount of 96% alcohol, that we would have at any one time, prior to dilution, would be 13.6 gallons. This is less then the gasoline in the tank of the average automobile which we keep in garages attached to our homes.

All of the product stored in the distillery, in wooden kegs and in stainless steel tanks will be at an average ABV (alcohol by volume) of 40%.

The distillery will be in a metal building with a cement floor. The building is surrounded with concrete parking lot and a cement apron to the rear. All finished products containing alcohol are required to be stored in locked storage areas. This is a federal requirement.

Once the alcoholic beverage is diluted and placed into a wooden keg or stainless tank then it is no longer considered a flammable or hazardous substance by the 2012 International Building Code.

I know that we have all seen movies showing the prohibition era with distilleries in the backwoods of Kentucky exploding but this is not the case today. The alcohol would need to be vaporized and ignited in order to flame. This will not be happening at Thumb Butte.

The other issue of concern to the city was the amount of water that the distillery would use. According to our research, assuming the largest volumes that we would dream of, our estimated use is as follows:

Monthly estimate: 36,000 gal Annual estimate: 432,000 gal

1 acre/foot is 325,851.429 gallons. We are estimating slightly over one acre foot per year. We have talked with our plumbing contractor and we will have no problems meeting any concerns and requirements that Gwen Rowitsch expressed in our initial meeting. We have also filled out the on line survey for water use and protection required. We have talked with Jeremy Reynolds who has accepted our survey in the category for products for human consumption.

We believe that our business proposal meets the general requirements for our current zoning and is compatible with the surrounding area. We will have no additional impact on emergency services, need for additional access to the property, have adequate parking, no unusual hours of operation and we will pose no additional health and safety issues to the neighborhood.

We are proceeding with our State of Arizona permit and starting the process of obtaining the Federal Distilling Permit.

At this time we are requesting that the City of Prescott accept our proposal as appropriate for the zoning and the type of neighborhood existing. We have auto body and paint shops, small manufacturing, a bar and restaurant, and many other random entities that end up in industrial areas because they are not deemed appropriate for residential areas. We have always maintained the property as an asset to the city and will only plan to be better.

Because of this we believe that we should be exempt from the Conditional Use Permit Public Meeting. We really want to get busy with our exciting new business.

Thank you and all the city departments that have given us the time and the attention to listen and understand our unusual proposal.

Respectfully,

Scott Holderness
Dana Murdock

May 28, 2013

Response to PAC Comments from May 23, 2013

Dave Mecca
Fire Inspector, Plans Examiner
Prescott Fire Department
1700 Iron Springs Road
Prescott, AZ 86305-1390

Ryan Smith
Community Planner
City of Prescott
201 Cortez St.
Prescott, AZ 86303

RE: PAC#: PAC13-038
Address: 400 N Washington Ave
Parcel #: 11402070
Zoning: IT
Description: Artisan Distilling to Include Western Rye and Oats

This document addresses the concerns of the Fire Inspector regarding the quantities of ethanol (everclear) that will be in the distillery at any given time. It addresses the amounts of distilled spirits: whiskey, vodka and gin, that will be stored in oak kegs and stainless steel tanks. Also, it contains an estimate of the amounts of bottled and packaged goods that will pass through the distillery during a calendar year.

In creating this document and in estimating the above mentioned quantities we have made certain assumptions regarding annual volumes. These assumptions were not made in a vacuum but utilized the best information we have been able to obtain from the artisan distilleries that we have visited, taken classes at and communicated with in the past six months. These are also volumes that will allow us to meet the goals that we have set out in our personal business plan.

ETHANOL IN PROCESS

We are making the assumptions that within the first three years of the Thumb Butte Distillery we will use a maximum of three 100 gallon stills.

The still will contain the fermented mash, from grains or occasionally cane sugar, and water. As the mixture is heated the ethanol boils and evaporates at a lower temperature than water. It vaporizes and then condenses in the tower as ethanol or everclear. This leaves a residue of water and spent grains in the still.

The amount of ethanol that is produced from the distilling process is less than 17% of the total original volume. Using this information we calculate that when we have three 100 gallon stills running, the maximum amount of ethanol that would be in the distillery at any given time would be **51 gallons**.

Within hours of distillation the ethanol will be diluted with either distilled or mineral water to an Alcohol By Volume (ABV) concentration of 55-65% for whiskey and 40% for vodka or gin.

All whiskeys will go immediately into oak kegs, volume varying from 5 gallons to 20 gallons, for storage and ageing. The ABV of these oak kegs will vary, depending upon the whiskey, from 55-65 % ABV.

The vodka and gin will go immediately into stainless steel tanks for storage. The volume of these tanks will not exceed 40 gallons and the ABV will not exceed 40%.

It is our understanding, from reading the ²⁰¹²2009 International Building Code, which we now understand is not the applicable one, that quantities of alcohol in excess of 16% ABV that are stored in kegs or stainless tanks are exempt from the Hazardous Materials – General Provisions, Section 2701.

PROJECTED VOLUMES IN GALLONS BY YEAR

Year I	Year II	Year III
2014	2015	2016
Whiskies 852 gallons	1651 gallons	2476 gallons
Vodka/Gin 330 gallons	1981 gallons	3966 gallons

VOLUMES IN STORAGE IN KEGS OR STAINLESS TANKS

Year I 2014	Year II 2015	Year III 2016
Oak Kegs 20g 43ea	83ea	124ea
Stainless Tanks 40g 9ea	50ea	100ea

While it is certainly possible that we could obtain, over a three year period or more, 124 oak kegs for ageing various whiskeys we will probably never have more than 16 stainless steel tanks on the premises. The stainless tanks are expensive and the vodka and gin require no ageing.

VOLUMES OF BOTTLED AND PACKAGED GOODS

It is and will be our intention to bottle, label and package our products as soon as possible. This will allow us to market and sell our product which as you must assume is our ultimate goal.

Using the volume assumptions listed above the following represents the maximum number of cases that could move through our distillery during the three years listed.

Year I 2014	Year II 2015	Year III 2016
Six 5ths/Case		
Whiskies 665 cases	1325 cases	2063 cases
Vodka/Gin 300 cases	1650 cases	3305 cases

It is our understanding, again from the non-applicable fire code 2009, that any packaged goods in containers of less than 1.3 gallons each, containing less than 50% ABV are exempt from the Hazardous Materials General Provisions requirements.

While we will have different stills for different products; during the first three years of operations we will be operating only one still at a time. The 100 gallon still that we would be using has a working capacity of 80 gallons. The maximum amount of 96% ethanol that this still could produce during a run would be 13.6 gallons.

This is the largest amount of 96% ethanol that we would ever have in the distillery at one time. We would dilute this ethanol to a 40% ABV immediately (within an hour). This product would immediately be stored in stainless steel tanks or wooden kegs.

The flash point of 96% ethanol is 17C or 63F

The flash point of 40% ethanol is 26C or 79F

The alcohol at 40% ABV will catch fire if in a vapor form with an ignition source. Our stored products will never be in vapor form. Any alcohol will burn if ignited in vapor form. The flash point of wine with a ABV of 12.5% is 52C or 63F if vaporized and ignited.

All of our stored product would be at the 40% ABV level. This includes; vodkas, gins and whiskeys.

It is our intent to purchase 4 stainless tanks with a volume of 40 gallons each. This is the maximum amount of vodka and gin that would ever be in storage. This is 160 gallons at 40% ABV.

In wooden kegs, assuming a 20 gallon size, we will plan on having a maximum of 20 kegs. This is a maximum of 400 gallons of various whiskeys at 40% ABV.

All storage will be indoors in the metal building with concrete floors.

From: david.mecca@prescott-az.gov

To: musicandmud@hotmail.com

Date: Wed, 5 Jun 2013 12:49:25 -0700

Subject: RE: Thumb Butte Distillery Project

I have a few more questions How much alcohol will there be in vats at one time. What I am looking for is the point the brew becomes alcohol. Also I need the size of the wooden kegs and the total number that will be stored both inside and outside. I will need the flash point of the alcohol, if you don't know you may be able to get this from another brewery that deals with similar products. If the product comes back with a class IB or IC the building may have to be sprinklered. The kegs are not covered in the code under hazardous materials but are covered under the flammable liquid section. So it is important that I have all the quantities and the type liquid.

From: Dana Murdock [mailto:musicandmud@hotmail.com]

Sent: Wednesday, June 05, 2013 8:47 AM

To: Mecca,David

Subject: Thumb Butte Distillery Project

BACIGALUPI

Dana

New [email](#) [Reply](#)

[Delete](#) [Archive](#) [Print](#) [Junk](#) [Details](#) [Forward](#) [Share to](#)

[Categories](#)

Mecca

Folders

Inbox 102

Junk 292

Drafts 3

Sent

Deleted 103

musicandmud@hotmail...

OurTable

New folder

Quick views

Documents 2

Flagged

Photos 2

Shipping updates

New category



LTD
Mecca, David (david.mecca@prescott-
To: Dana Murdock

Search th
learn mo
Mecca,D.

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Dana Murdock 9:47 AM
Dear David, I was wondering where we are on...

Variance Request

V13-005

Reduction of required front and side yard setbacks to allow for a single family home.

COMMUNITY DEVELOPMENT – PLANNING AND ZONING DIVISION
BOARD OF ADJUSTMENT MEETING FOR July 18, 2013.

STAFF REPORT

TO: Board of Adjustment

FROM: Tom Guice, Community Development Director *TG*
George Worley, Planning Manager *GW*
Ryan Smith, Community Planner *RS*

Date: July 11, 2013 **Parcel Number:** 106-18-372

Location: 1695 Constable St. **Zoning:** MF-M PAD

Owner/Applicant/Agent: Steve Davis, Dorn Homes Inc.
3950 S. Camino Del Heroe
Green Valley, AZ 85614

REQUEST:

The applicant is seeking a variance approval to reduce the required front yard setback from 20' to 15' and a reduction of the side yard setback from 5' to 3'6" for an already completed single family home.

BACKGROUND:

A complaint was received regarding the placement of a completed home being too close to the property line. The approved building plans showed the home meeting all required setback requirements. Upon inspection, it was discovered that the home was built too close to the front and side property lines. The house is oriented diagonally to the side property line so that a corner support post for a covered porch, along with an architectural facade, encroaches the side yard setback. The garage encroaches the front yard setback.

Upon discovering the placement of the home was in question, the builder, Dorn homes immediately began seeking remedies to verify and correct the issue by surveying the property, supplying information to the City and ultimately submitting a variance application.

The home is located in the Lakeside Phase 1A subdivision at Prescott Lakes. Setbacks, measured from exterior walls or posts to the property line, are front: 10' house 20' garage, rear: 10' and sides: 5' minimum with a requirement that the aggregate distance between homes is 12'.

PAST BOARD OF ADJUSTMENT ACTIONS: No other variance or CUP applications exist for this property. No other variances exist in the vicinity allowing for relief from code requirements.

VARIANCE CRITERIA:

Extraordinary Conditions:

Variances may be granted for special and unique circumstances to the property. There are no topographic conditions present on the property that constrain development.

Substantial Detriment:

There will not be detrimental effects to the public health safety and welfare or be materially injurious to nearby properties. The home is closer to the adjacent southeast property line than it otherwise would have been. There is a block wall between these 2 properties. Impacts are minimal to other nearby properties.

Special privilege:

Subject to the findings of the Board of Adjustment.

Self-induced hardship:

The hardship is a result of the builder placing the house too close to the front and side property lines. The building plans indicated the building was to be placed in compliance with setbacks.

General Plan:

The structure and use is in conformance with the General Plan.

Utilization:

Variances may be granted where extraordinary conditions affect the land such as size and shape of the lot, and where strict application of the code will deprive the applicant of the reasonable use of his land. No unique circumstance exists other than the home has already been built.

NEIGHBORHOOD COMMENTS:

A letter has been received from the adjacent neighbor indicating concerns regarding the 12' separation requirement between homes and not granting the variance may cause resale difficulties in the future.

HISTORIC PRESERVATION:

The subject property is not within any National Register or local Preservation District

STAFF RECOMMENDATION: To assist the Board in rendering a decision, staff offers the following:

1. The hardship is caused entirely by an error of the builder.
2. Correction without an approved variance would be costly and disruptive to the buyer/occupant of the home.

Attachments: Site Plan
Vicinity & Zoning Map
Letter Indicating Opposition
Original Building Permit Plot Plan Sketch Form / Setback Affidavit

SUGGESTED MOTIONS:

- Move to approve variance V13-005, reducing the required front yard setback from 20' to 15' and reducing of the side yard setback from 5' to 3'6" allowing for the subsequent reduction in separation between houses.

OR

- Move to approve variance V13-005, reducing the required front yard setback from 20' to 15' and reducing of the side yard setback from 5' to 3'6" allowing for the subsequent reduction in separation between houses, subject to conditions as may be determined by the Board.

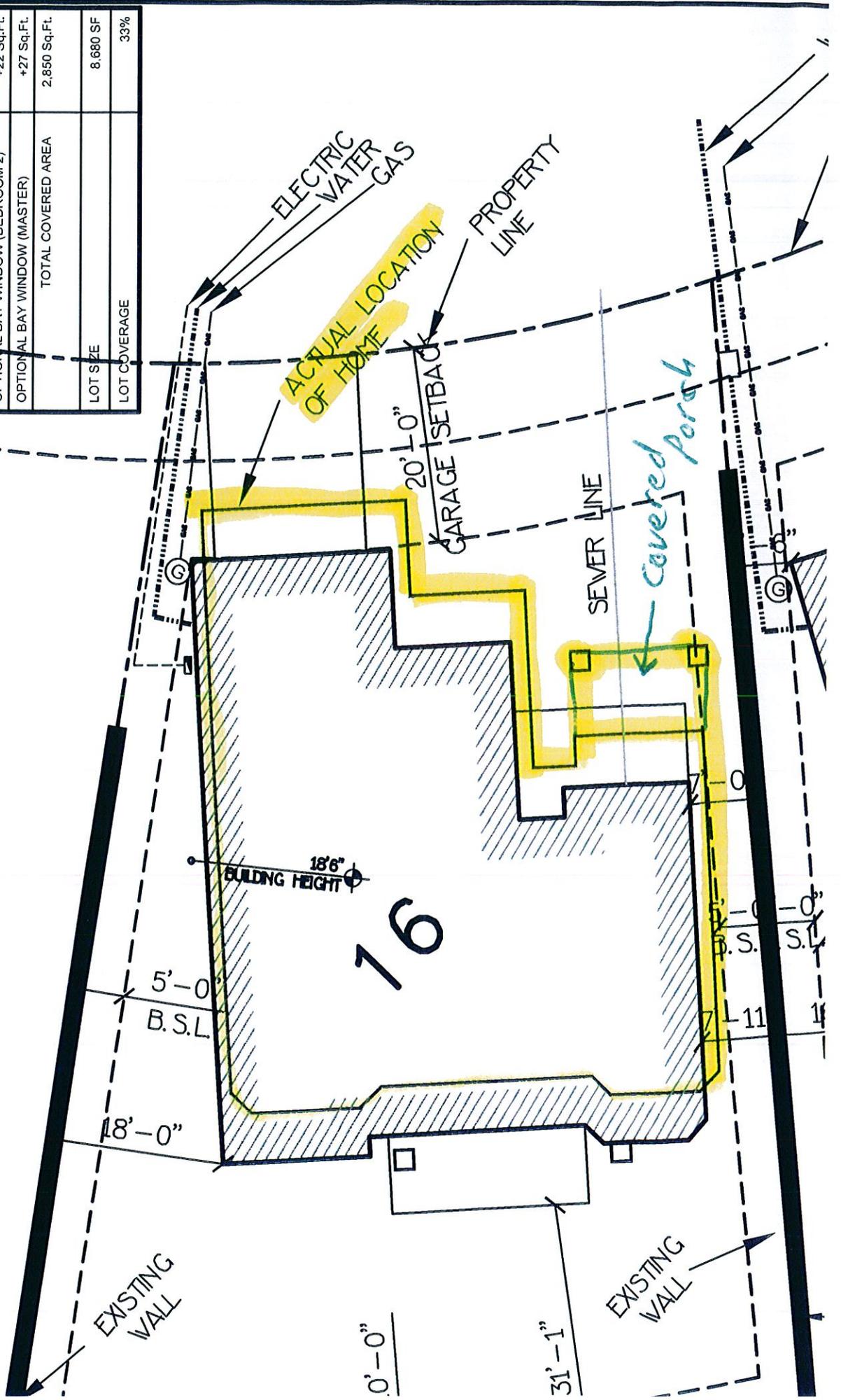
OR

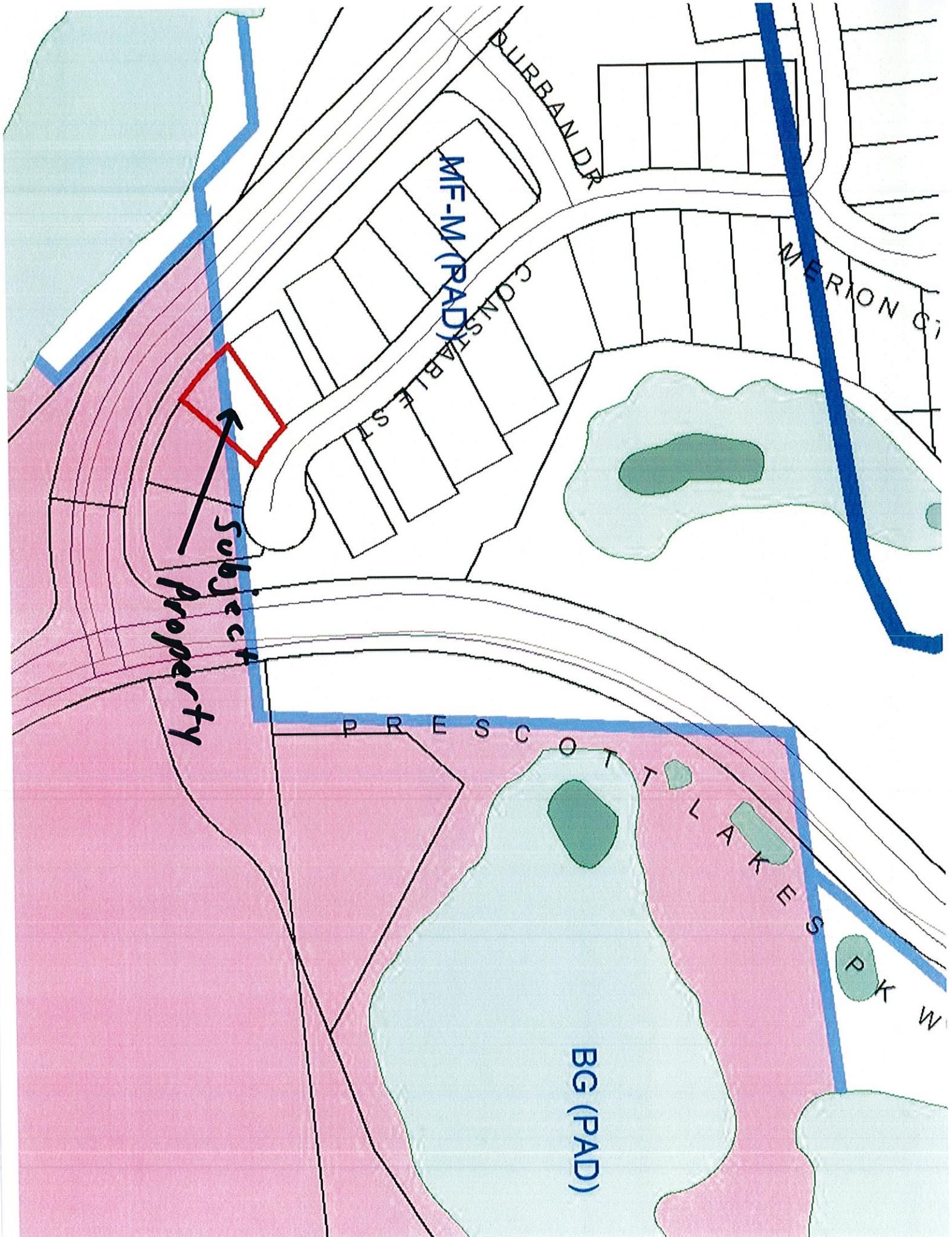
- Move to deny variance V13-005.

AREA ANALYSIS

AUGUSTA

LIVABLE AREA	1,900 Sq. Ft.
ENTRY PORCH, COVERED PATIOS	325 Sq. Ft.
GARAGE UTILITY ROOM	486 Sq. Ft.
2' GARAGE EXTENSION	+42 Sq. Ft.
4' NOOK EXTENSION	+48 Sq. Ft.
OPTIONAL BAY WINDOW (BEDROOM 2)	+22 Sq. Ft.
OPTIONAL BAY WINDOW (MASTER)	+27 Sq. Ft.
TOTAL COVERED AREA	2,850 Sq. Ft.
LOT SIZE	8,680 SF
LOT COVERAGE	33%





1697 Constable St.
Prescott, AZ 86301-7420

July 10, 2013

Board of Adjustment
City of Prescott
201 South Cortez St
Prescott, AZ 86303-3938

Re: V13-005, 1695 Constable St, APN: 106-18-372, public hearing on July 18, 2013

Dear Board of Adjustment:

We are the residents of the house on the property (lot 17) at the east side of the subject property (lot 16). Our primary concern is that if a variance is indeed granted, that it will include language indicating that the less than 12-foot minimum required distance (per "Lakeside Phase 1A") from our house is also being accepted in the variance. Though the potential for any future problem on this issue is small, we want to be sure that no one can make an issue of it in the future. (Our recent experience selling a house in the Phoenix valley showed us how such matters can become a problem.)

As a further explanation, see the attached plot plans submitted to the city by the builder for lot 16 (the subject property) and for the east-side adjacent lot, lot 17. The submitted lot 16 plot plan shows side setbacks that meet the required setbacks of 5-feet on one side and 7-feet on the other (per "Lakeside Phase 1A"). If the house on lot 16 had actually been built according to said plot plan, then in theory there would have been a 12-½ foot distance from the house on lot 17, which would have been more than the minimum requirement of 12 feet. However, the 7-foot setback shown on the submitted plot plan is to the main structure wall, instead of to where the house's roof extends to the large post in the front corner of the front porch.

In actuality, the east side setback on the subject lot (lot 16) is only 3'6" instead of 7-feet, and the side setback (to the wall) on lot 17 is a full 6' instead of the 5'6" shown on its plot plan. This adds up to a total distance between the houses of only 9-½ feet, which is much below the 12-foot minimum requirement. It is important that this distance between the houses be noted in the issued variance as part of what is being accepted.

Thank you for your attention to this detail.

Very truly yours,

Carol R. Lake, Thomas F. Coe

Carol R. Lake, Thomas F. Coe

Attachments: Builder submitted plot plan for 1695 Constable St (Lot 16)
Builder submitted plot plan for 1697 Constable St (Lot 17)



**CITY OF PRESCOTT
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING SAFETY DIVISION
PLOT PLAN SKETCH**

Building Permit #: B1210-011

Job Address: 1695 Constable

Scale: 1 Inch = _____ ft.

Assessor's Parcel Number(s): 10618.372 Def 1

City of Prescott Building Division
APPROVED

City of Prescott Planning & Zoning
APPROVED

City of Prescott Engineering
APPROVED

City of Prescott Fire Department
APPROVED

[Signature] 10/27/12

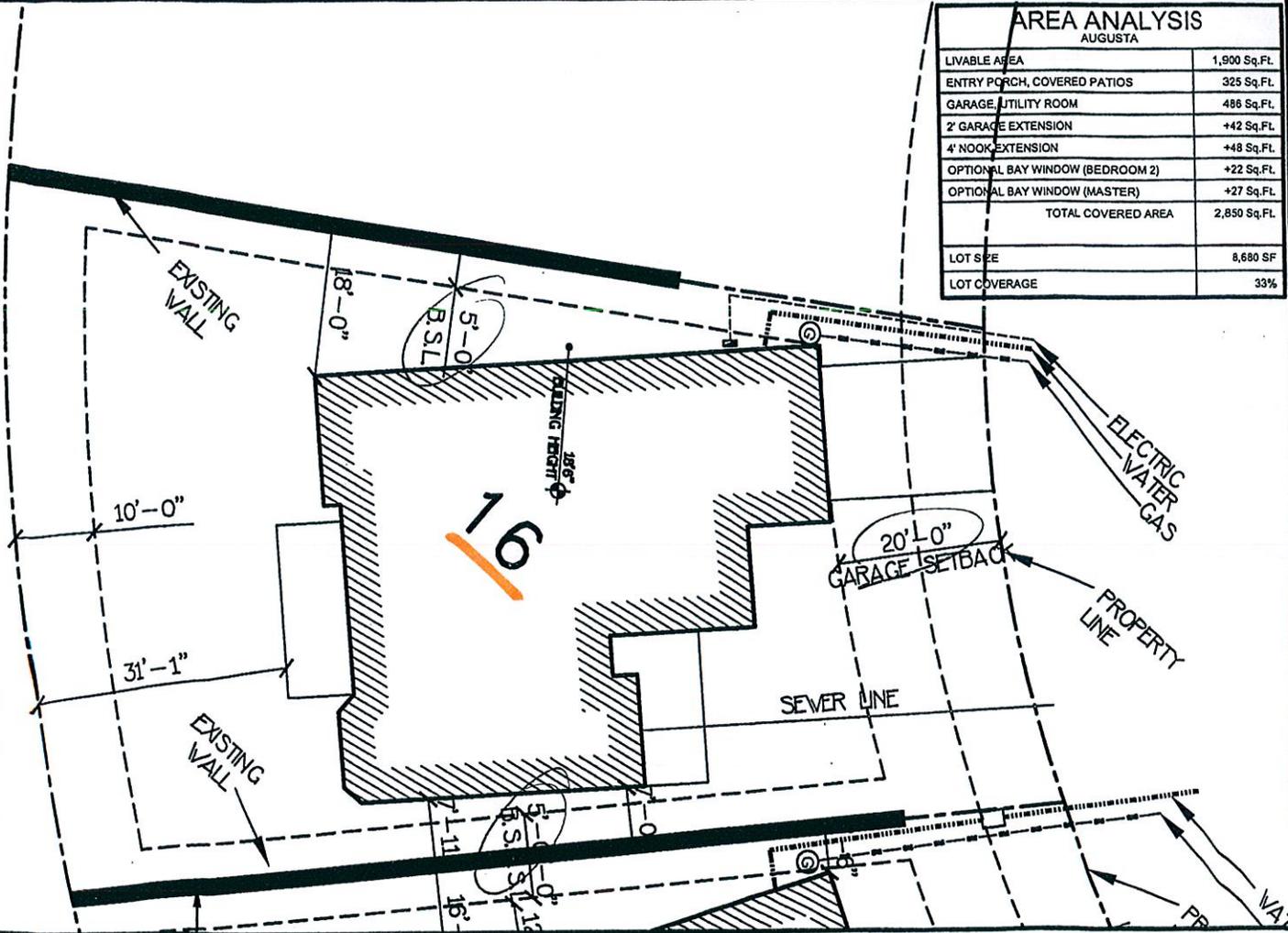
[Signature]

[Signature]

[Signature]

1. It is the responsibility of the owner or contractor to field verify ALL UTILITY MAINS prior to construction.
2. Any improvement in City right-of-way requires permit issued by City Engineering Department per Ordinance #1338.
3. No structure shall encroach onto any easement or right-of-way. Driveway entrance may require dip section or minimum 12 inch corrugated metal pipe.
4. DO NOT ALTER SIDEWALK SIDEWALK MUST MEET AMERICANS WITH DISABILITIES ACT (ADA) STANDARDS.
5. All mailbox installations must be to City of Prescott standard detail 1-08. Any deviation must be specially permitted by the Engineering Department.
6. Approval of the Planning & Zoning Department is subject to all other easements, encumbrances, etc. or restriction which may apply to said property by virtue of any City Ordinances and/or state law and deed restrictions. The City takes no responsibility for said restrictions or requirements and the burden to comply with such restrictions lies solely with the property owner and/or applicant.

AREA ANALYSIS AUGUSTA	
LIVABLE AREA	1,900 Sq.Ft.
ENTRY PORCH, COVERED PATIOS	325 Sq.Ft.
GARAGE, UTILITY ROOM	486 Sq.Ft.
2' GARAGE EXTENSION	+42 Sq.Ft.
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OPTIONAL BAY WINDOW (MASTER)	+27 Sq.Ft.
TOTAL COVERED AREA	2,850 Sq.Ft.
LOT SIZE	8,680 SF
LOT COVERAGE	33%



I, Dann Homes, Inc., the owner's agent or the owner of record, for the structure to be located at: 1695 Constable, parcel number 10618.372 do certify that the structure will meet all required setbacks, the property corner pins are correct and the footings are excavated upon the property as shown on the City approved site plan. If for any reason any deviation from the approved site plan becomes necessary, a revised site plan will be submitted for approval before any additional construction takes place.

[Signature]
Owner/Contractor Signature

10/3/12
Date



**CITY OF PRESCOTT
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING SAFETY DIVISION
PLOT PLAN SKETCH**

Building Permit #: B1207-101

Job Address: 1697 Constable St

Scale: 1 Inch = _____ ft.

Assessor's Parcel Number(s): 106 18 373

City of Prescott Building Division
APPROVED

City of Prescott Planning & Zoning
APPROVED

City of Prescott Engineering
APPROVED

City of Prescott Fire Department
APPROVED

DW 8/7/12

GLW

J. Jones

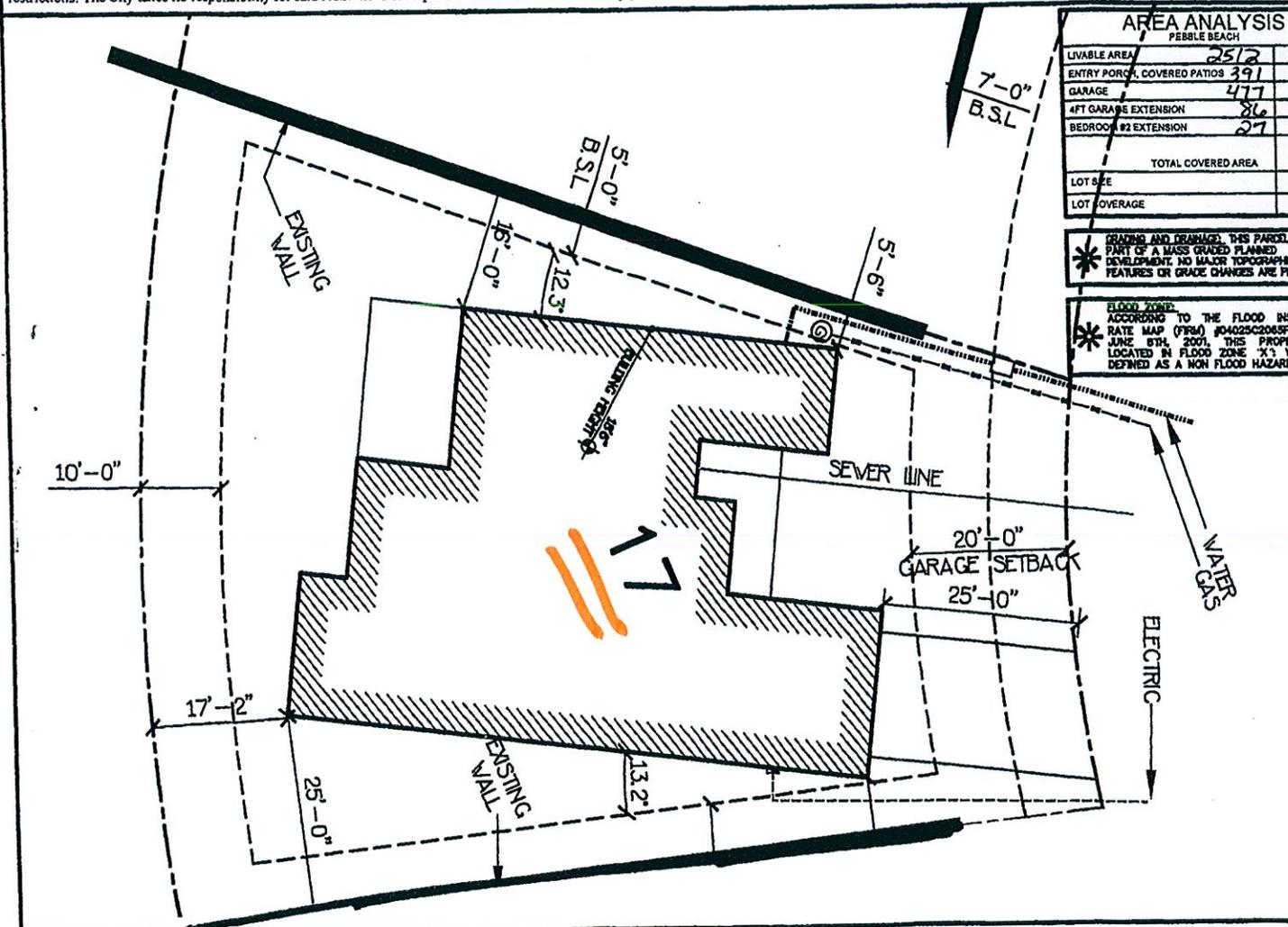
[Signature]

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AREA ANALYSIS PEBBLE BEACH	
LIVABLE AREA	2512
ENTRY PORCH, COVERED PATIOS	391
GARAGE	477
4FT GARAGE EXTENSION	86
BEDROOM #2 EXTENSION	27
TOTAL COVERED AREA	
LOT SIZE	
LOT COVERAGE	

* GRADING AND DRAINAGE: THIS PARCEL IS PART OF A MASS GRADED PLANNED DEVELOPMENT. NO MAJOR TOPOGRAPHIC FEATURES OR GRADE CHANGES ARE PRESENT.

* FLOOD ZONE: ACCORDING TO THE FLOOD INSURANCE RATE MAP (FIRM) #04025C2005F, JUNE 8TH, 2007, THIS PROPERTY IS LOCATED IN FLOOD ZONE X-1 WHICH IS DEFINED AS A WORN FLOOD HAZARD.



I, Dann Homes Inc, the owner's agent or the owner of record, for the structure to be located at: 1697 Constable St, parcel number 106 18 373 do certify that the structure will meet all required setbacks, the property corner pins are correct and the footings are excavated upon the property as shown on the City approved site plan. If for any reason any deviation from the approved site plan becomes necessary, a revised site plan will be submitted for approval before any additional construction takes place.

[Signature]
Owner/Contractor Signature

7/26/12
Date

