

**WAYZATA PLANNING COMMISSION
MEETING MINUTES - DRAFT
MAY 19, 2014**

AGENDA ITEM 1. Call to Order, Roll Call and Approval of Minutes.

Vice Chair Iverson called the meeting to order at 7:00 p.m.

Present at roll call were Commissioners: Vanderheyden, Pearson, Tyacke, Ramy, Gnos and Iverson. Absent and excused was: Chair Gonzalez. City Planner Gadow and was also present.

City Planner Gadow stated the minutes to be reviewed are for May 5, Joint City Council and Planning Commission meeting.

Vice Chair Iverson suggested line 31 lists the 2014 priorities for the Planning Commission and she would like these items to be included in the agendas.

Commissioner Pearson made a motion, Seconded by Commissioner Ramy, to approve the May 5, 2014 Joint City Council and Planning Commission minutes as presented. The motion carried unanimously.

Vice Chair Iverson asked if there were any corrections to the May 5, 2014 regular Planning Commission meeting.

Commissioner Tyacke stated on page 2, line 26 suggested changing the wording to "by whom they were approved by," on page 3, line 44 change "zone" to "zoning," on page 8, line 14 change "legal recommendation" to "legal question," on page 8, line 40 change "they" to there are" and on page 9, line 21 should be "Rice Street."

Commissioner Vanderheyden asked the tape be checked for page 6, line 24.

Commissioner Vanderheyden made a motion, Seconded by Commissioner Gnos, to approve the May 5, 2014 regular Planning Commission minutes as amended above. The motion carried unanimously.

AGENDA ITEM 2. Workshop Items:

a. Microbrewery/Taproom/Micro-Production Ordinance Discussion

City Planner Gadow stated the Planning Commission had discussed microbreweries and taprooms and the possibility of making modifications to the existing ordinances at the workshop in April. He stated the Commission would also need to discuss ordinance changes to determine how other facilities in this general category, such as microwinery and microdistillery, would be affected. Staff had been asked to put together a matrix to compare the different types of businesses models that could be included in this general category including brewpubs, micro-production, microdistillery, those facilities that can sell off-sale and those that can sell growlers

1 (a specially designed and sealed sixty four (64) ounce container for beer for off-site
2 consumption). He asked if there were other items the Commission would like included in the
3 matrix. He explained the matrix would be used in drafting the ordinance the Planning
4 Commission would review.

5
6 Commissioner Ramy asked if there was a State Law or State Statute that prohibits a community
7 that operates a municipal liquor store from allowing any other off-sale establishments.

8
9 City Planner Gadow explained the statute prohibits the community from having another off-sale
10 bottleshop. It would not prohibit the city from having a brewery in the community that offers
11 off-sale growler sales. The microbrewery would only be able to offer the beer that is produced at
12 that facility. There was not as much information available on the microwinery or microdistillery
13 because they are still new. They can provide samples but they cannot sell the product for on-
14 site. He did not see anything for off-sale for these types of establishments.

15
16 Commissioner Tyacke stated according to the American Brewers Association 1,000 barrels of
17 beer is equal to 330,000 12-ounce beers or 13,750 cases of beer.

18
19 Mr. Cavanaugh, Wayzata Brew Works, LLC, stated a barrel is 31 gallons. He explained a keg
20 that you purchase at the Muni is equal to a half barrel.

21
22 City Planner Gadow explained a brewpub, which is a brew facility with a restaurant associated
23 with it, could sell their products from their facility only as a growler. They would not be able to
24 have their product sold in bottle shops.

25
26 Vice Chair Iverson asked what would happen if they wanted to establish a relationship with the
27 Muni.

28
29 City Planner Gadow stated they would not be able to sell their products through the Muni if it
30 was a brewpub but a microbrewery could sell kegs to the Muni who could serve them.

31
32 Mr. Cavanaugh clarified they are requesting consideration of a microbrewery not a brewpub.

33
34 Vice Chair Iverson asked what the "shelf life" would be for a growler.

35
36 City Planner Gadow stated once opened they are good for about two (2) days and if it is not
37 opened, it would be about a week.

38
39 Commissioner Pearson stated the Planning Commission would not be involved in the liquor
40 portion of the ordinance but it would be in the development or zoning portion of the ordinance.
41 There is no point in discussing the policy merits of things that are strictly liquor ordinance that
42 are not within the purview of the Planning Commission.

43
44 City Planner Gadow stated the Planning Commission would be involved in those areas that
45 would cross reference the zoning with the ordinances. The change is ultimately in the purview

1 of the City Council but the Planning Commission should provide some input because this
2 impacts the land uses and zoning ordinances.

3
4 Commissioner Tyacke asked if the Planning Commission would be able to set the number of
5 barrels that could be produced.

6
7 City Planner Gadow explained State Statute sets this limit but the City could be more restrictive.

8
9 Commissioner Ramy asked if they would be required to report production levels.

10
11 City Planner Gadow stated he was not sure how the reporting mechanism worked. If this were to
12 be a Planned Unit Development (PUD) the City could require these figures be provided to the
13 City on an annual basis.

14
15 Commissioner Pearson asked what the specific procedure would be for ordinances.

16
17 City Planner Gadow explained this would be treated the same as a development application. The
18 Planning Commission and Staff would work on recommended language that would be voted on
19 by the Planning Commission. The Planning Commission would hold a public hearing and this
20 would be sent to the City Council. The City Council would make the final decision and they
21 could modify the language.

22
23 Vice Chair Iverson asked about the specific property.

24
25 City Planner Gadow explained where the property is located and that it is zoned C3 but they
26 have a planned conditional use permit that would go with the property. Setting aside the changes
27 to the ordinance that would allow a microbrewery a PUD amendment would be needed and this
28 would go through the Planning Commission. When the application is brought forward formally,
29 Staff will provide the original PUD for the Planning Commission to review.

30
31 Mr. Robert Click, Wayzata Brew Works LLC, explained how he got involved in microbrewery
32 and how they found the location for the proposed taproom/production business. He explained
33 they are looking at producing about 1,000 barrels the first year with the highest production being
34 2,500 barrels per year. He explained the concept was to be a "boutique brewery." He provided a
35 video for the Commission to view that showed the concept for the proposed taproom including
36 an outline of some materials used and the layout. He explained the capacity would be
37 approximately 133 people.

38
39 Commissioner Tyacke asked if the boat docks were leased out.

40
41 Mr. Click stated these boat docks are privately owned.

42
43 Vice Chair Iverson asked what would happen if the taproom was successful.

44
45 Mr. Click explained they have established the maximum they have available and what they could
46 do. They would not be able to do more than that.

1
2 Mr. Cavanaugh explained that they would keep a taproom in this location but may look at
3 expanding manufacturing into a less costly warehouse district.

4
5 Mr. Click explained the process of making beer, the products involved and the disposal of the
6 byproducts.

7
8 Mr. Cavanaugh explained in order for a microbrewery to be successful they needed to be
9 creative and the location would provide this for Wayzata Brew Works.

10
11 Commissioner Ramy asked what the total square footage would be.

12
13 Mr. Cavanaugh stated it would be approximately 4,000 square-feet. He explained all deliveries
14 would be off street.

15
16 Mr. Click stated a typical delivery would be four boxes of grains every week and brewing would
17 be 2-days per week.

18
19 Commissioner Gnos asked if the approximate seating of 133 was inside only.

20
21 Mr. Click stated the seating of 133 people would be inside and they are hoping for 15-20 seats
22 outside.

23
24 Commissioner Pearson asked what the success rate would be for this type of business.

25
26 Mr. Click stated currently they are doubling and tripling in size. This is proposed to be a
27 destination brewery.

28
29 Mr. Cavanaugh stated they do not view this as a fad but rather a long-term partnership.

30
31 Mr. Click explained they would encourage people to bring food into their establishment and
32 would have menus available for local places. He stated the restaurant that is located here has
33 provided a special menu for their customers. They would not be in competition.

34
35 Vice Chair Iverson asked if these would be considered different demographics for the restaurant
36 and the taproom.

37
38 Mr. Click stated they could be considered the same in several aspects but also very different.

39
40 Vice Chair Iverson asked if the Wayzata Brew Works had a master brewer.

41
42 Mr. Click stated they did have a master brewer.

43
44 Commissioner Tyacke asked if they had applied for their State Brewer License.

45

1 Mr. Click stated they had applied at the Federal level and the State level. They are halfway
2 through the 100-day Federal process.

3
4 Commissioner Tyacke asked if this included wholesale.

5
6 Mr. Cavanaugh stated this would depend on the restaurants and anywhere else they can. They
7 are hoping to establish this as a destination and have a large volume of traffic.

8
9 Mr. Click explained any wholesales would be for kegs only.

10
11 Commissioner Pearson asked if they would need a license to sell kegs at the Muni.

12
13 Mr. Click stated he was not sure at this time.

14
15 Commissioner Gnos asked if they would be able to sell direct or if they needed to go through a
16 wholesaler.

17
18 Mr. Click stated they could sell growlers direct.

19
20 Vice Chair Iverson asked if the Wayzata Brew Club had planned for boat traffic in their plans.

21
22 Mr. Click stated because these are private docks this was not the focus of the plan. They do not
23 have any boat traffic specifically but they expect people would find them. He stated long-term
24 vision would be that people would be able to come and park their boat and enjoy the taproom.

25
26 Commissioner Tyacke stated the hours of operation were from 5:00 p.m. to evening. He asked if
27 this was accurate.

28
29 Mr. Click stated the hours were expected to be typical microbrewery hours from about 4:00 p.m.
30 to about 12:00 p.m. with slight variations depending on the day of the week and the season.

31
32 Commissioner Tyacke expressed concerns about parking in this area.

33
34 Mr. Click stated the hours they would be operating counter the hours of the office building so
35 those parking spaces would be available. Randy Stanley, of 6 Smith Restaurant (a tenant in the
36 Boatworks building), will have a dedicated valet for them and there are plans for the building to
37 lease additional parking space from TCF.

38
39 Commissioner Ramy asked what the client demographics were for the proposed microbrewery.

40
41 Mr. Click explained microbreweries have a wide demographic from young to older. They are
42 also planning to have several bike racks available and water dishes for pets in order to draw
43 these groups as well.

44
45 Vice Chair Iverson asked City Planner Gadow what the Planning Commission should discuss in
46 order to help Wayzata Brew Works prepare for a formal application.

1
2 City Planner Gadow stated tonight's meeting was an informational meeting for the Planning
3 Commission. He stated if there are things that have not been discussed that the Planning
4 Commission would like to see more detail on now would be the time to ask for that information
5 to be included in the formal application. He suggested asking for a specific plan addressing the
6 parking concerns. The formal application will include the design information including where
7 the bike racks will be located and what the outdoor patio space would look like.

8
9 Commissioner Tyacke asked how the impact of the railroad traffic would be assessed.

10
11 Mr. Click stated there are lights at this crossing and there has not been any issues in this location.
12 There is no arm by Sunset and this would be helpful.

13
14 Vice Chair Iverson suggested signage in the building.

15
16 Commissioner Gnos asked what the time line would be for this project.

17
18 Mr. Cavanaugh stated he started in November 2013. There are many steps and processes to get
19 through. They are expecting equipment in June and they are waiting for local and Federal
20 approvals. Construction will only be about a month.

21
22 Commissioner Vanderheyden stated he struggles with the concept of having food in direct
23 proximity, which in essence gives a competitive advantage to a liquor only establishment. He
24 asked how this establishment could be reconciled with the current ordinances.

25
26 Commissioner Pearson stated there are no rationalities when looking at state and municipal
27 liquor laws.

28
29 Mr. Cavanaugh suggested the ordinances were trying to encourage brew making, manufacturing,
30 bottling, and shipping it off site. A lot of breweries started out this way, not thinking of a
31 taproom as a business opportunity. Breweries have figured out that they can make money by
32 selling their products on site. He stated Wayzata is a municipal town and growler sales will be
33 different. It has been done in other municipal cities.

34
35 Commissioner Vanderheyden stated he liked the definition for microbrewery/ microdistillery/
36 microwinery provided in the handout on page 3-14, the third bullet "a facility in which beer,
37 wine, or other alcoholic beverages are brewed, fermented, or distilled for distribution and
38 consumption, and which possesses the appropriate license from the State."

39
40 Mr. Click explained they would like to do other types of distilling and soda making in the future.

41
42 Vice Chair Iverson suggested the formal application address outdoor storage, screening
43 requirements and waste disposal.

44
45 Mr. Cavanaugh stated they would be keeping everything inside the building. The used grains
46 would be given to local farmers.

Commissioner Tyacke asked if the barley would be malted on site.

Mr. Cavanaugh stated they would be purchasing pre-malted barley.

City Planner Gadow stated the next steps would be to work with the applicants on a formal application. He will be sure to let the Planning Commission know when there are pieces of the ordinance that affect them so they have an opportunity to provide input.

AGENDA ITEM 3. Other Items.

a. Review of Development Activities

City Planner Gadow stated the next Planning Commission meeting is scheduled for June 2. There are two (2) applications scheduled for this meeting, one is the PUD amendment for Wayzata Community Church for a phased redevelopment of their property as it relates to parking and a small expansion; and the other is variance application for an addition for an existing home at 312 Hampton Street. The second meeting in June will include a Shoreland CUP for a new single-family residential structure on Rice Street; and a five (5) lot subdivision of two (2) residential properties north of Anchor Bank.

Commissioner Tyacke asked if the developer for the five (5) lot subdivision was the same developer who was recently in for a three lot subdivision.

City Planner Gadow stated this is a separate land owner.

b. Other Items

Commissioner Vanderheyden reported on the activities from the last City Council meeting.

City Planner Gadow stated he had discussed the question raised by Commissioner Tyacke regarding the property at 532/520 Ferndale with the City Attorney. There is an exception clause in this statute that if a property meets the exception clause they do not have to combine the property.

AGENDA ITEM 5. Adjournment.

There being no further business, Commissioner Vanderheyden made a motion, seconded by Commissioner Pearson, to adjourn the meeting. The motion passed unanimously.

The meeting was adjourned at 8:35 p.m.

Respectfully submitted,

Tina Borg

TimeSaver Off Site Secretarial, Inc.