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SEP 13 2012
Chandler
All-America City
2010

MEMORANDUM **Transportation & Development – CC Memo No. 12-105**

DATE: AUGUST 17, 2012

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *PM*
 R.J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR *RJZ*
 JEFF KURTZ, PLANNING ADMINISTRATOR *JK*
 KEVIN MAYO, PLANNING MANAGER *KM*

FROM: BILL DERMODY, SENIOR CITY PLANNER *BD*

SUBJECT: LUP12-0014 SANTAN BREWING COMPANY

Request: Use Permit approval to use several suites dedicated to alcohol production and packaging (Series 3 Domestic Microbrewery License) adjacent to an existing restaurant

Location: 8 South San Marcos Place, Suites 4-6

Applicant/: Anthony Canecchia, SanTan Brewing Company
Owner

Zoning: City Center District (CCD)

RECOMMENDATION

Planning Commission and Staff, finding consistency with the General Plan, recommend approval for three (3) years subject to conditions.

BACKGROUND

The subject site is located at the southwest corner of San Marcos Place and Commonwealth Avenue within Historic Downtown Chandler. The restaurant and brewery has occupied the three eastern suite spaces of the 6-suite historic building since 2007 when its renovation was completed. In 2010, the business received approval to expand its microbrewery operations into the three remaining suites. No expansion of serving area and the accompanying Series 12 Restaurant License occurred in 2010 nor is requested at this time.

The subject building is adjacent to several other retail and restaurant establishments on the Historic Square. The San Marcos Hotel is to the north across Commonwealth Avenue and a small parking lot. West of the subject site are a service alley and another small parking lot.

The business consists of an indoor/outdoor bar, indoor restaurant seating, outdoor seating adjacent to both streets, kitchen and office space, a small-scale brewing operation, and canning/storage. A City-funded pedestrian colonnade wraps the building along both street frontages, part of it covering the outdoor patio. Two second-floor office tenant spaces are located above Suite 6 on the building's western end.

The application requests permission to conduct the microbrewery's production and storage operations in the three western suites under a Series 3 Domestic Microbrewery License. These operations include a walk-in cooler, fermentation tanks, a canning machine, and pallets of supplies and finished product. The 2010 approval allowed for the microbrewery to operate in all three western suites, though the westernmost suite (Suite 6) was characterized at the time as potential retail sales (kegs, bottles, t-shirts, etc.) rather than production and storage. The subject application modifies the previous characterization by expanding the production/storage element to Suite 6.

As represented in 2010, the applicant has a longer-term plan to expand brewery/restaurant operations westward along Commonwealth Avenue, including additional serving area and possibly a banquet room through a future project. This longer-term plan is also anticipated to involve shifting most of the on-site loading operations from Commonwealth Avenue to the alley behind the building. The longer-term plan is not financially feasible at this time and will require a future Use Permit application and approval in order to establish its floor plan and operational details.

Notably, the applicant is currently pursuing an off-site facility for expanded production and storage operations. If such a facility is acquired, it could greatly lessen the amount of production and storage conducted on the subject site. As such, the applicant would like to maintain the ability to potentially conduct retail sales in Suite 6 if that space can be freed up.

The CCD zoning district allows consideration of microbreweries and brewpubs by Use Permit. The CCD's purpose, in part, is to "promote specialty retail, cultural, dining, entertainment, and other storefront businesses traditional to a downtown setting." Uses that encourage a lively pedestrian atmosphere during both day and evening are encouraged. Pure manufacturing and storage uses not associated with a retail or restaurant function are not allowed in the CCD.

The South Arizona Avenue Corridor Area Plan (SAZACAP) designates the subject site for Urban Commercial land uses, which allows for restaurants and encourages urban pedestrian oriented design. A large area west of the subject site (all the way to Palm Lane) is designated "Growth Area" for future expansion of Cultural and Entertainment uses. The intent of the Cultural and Entertainment land use category is "to create a vibrant, mixed-use, pedestrian oriented, urban environment that is linked to the historic downtown square with shaded pedestrian walkways".

Since the 2010 approval, the business has added a grain silo in the storage yard behind the building. However, since the silo does not contain alcohol, it does not need Use Permit approval.

DISCUSSION

Planning Commission and Staff find the requested microbrewery operations to be compatible with the surrounding land uses and in conformance with CCD standards and the SAZACAP if viewed as Phase One of a longer-term plan. The subject use, viewed as a whole along with the restaurant, brings great vitality to the corner of Commonwealth Avenue and San Marcos Place. In the longer-term, it is important that Commonwealth Avenue also present a vital pedestrian atmosphere both for itself and as a connection to future Cultural and Entertainment uses to the west. The continued production/storage use of Suites 4-6 allows the applicant a financially feasible means of staging the expansion in a manner that results in fulfillment of City goals. The recommended three (3) year time limit allows for re-evaluation of future phases when it is more likely that they will be financially feasible and when an off-site facility will likely be in operation, so as to lessen the production/storage needs for the subject site and allow more flexibility. The off-site facility could reasonably take up to 24 months to begin production if it involves new construction.

PUBLIC/NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held on August 2, 2012 at the subject site. One nearby property owner attended in support.
- The Police Department has been informed of the application and has no issues or concerns.
- A neighbor who resides at San Marcos Commons asked that the storage areas be kept clean and organized, and perhaps spruced up with SanTan Brewing's logo added to the windows. Additionally, the neighbor asked that bikes (often employee bikes) parked in front of the restaurant be moved elsewhere out of pedestrians' way. The neighbor is not opposed to the application. The applicant is currently working with the DCCP on a solution to the bikes issue. At the time of this writing, Staff is not aware of any opposition to the request.

PLANNING COMMISSION VOTE REPORT

Motion to approve:

In Favor: 5 Opposed: 0 Absent: 2 (Donaldson, Rivers)

RECOMMENDED ACTION

Planning Commission and Staff, upon finding consistency with the General Plan and City Center District (CCD) zoning, recommend approval of LUP12-0014 SANTAN BREWING COMPANY subject to the following conditions:

1. The Use Permit granted is for a Series 3 license only, and any change of license shall require reapplication and new Use Permit approval.
2. The Use Permit is non-transferable to any other location.

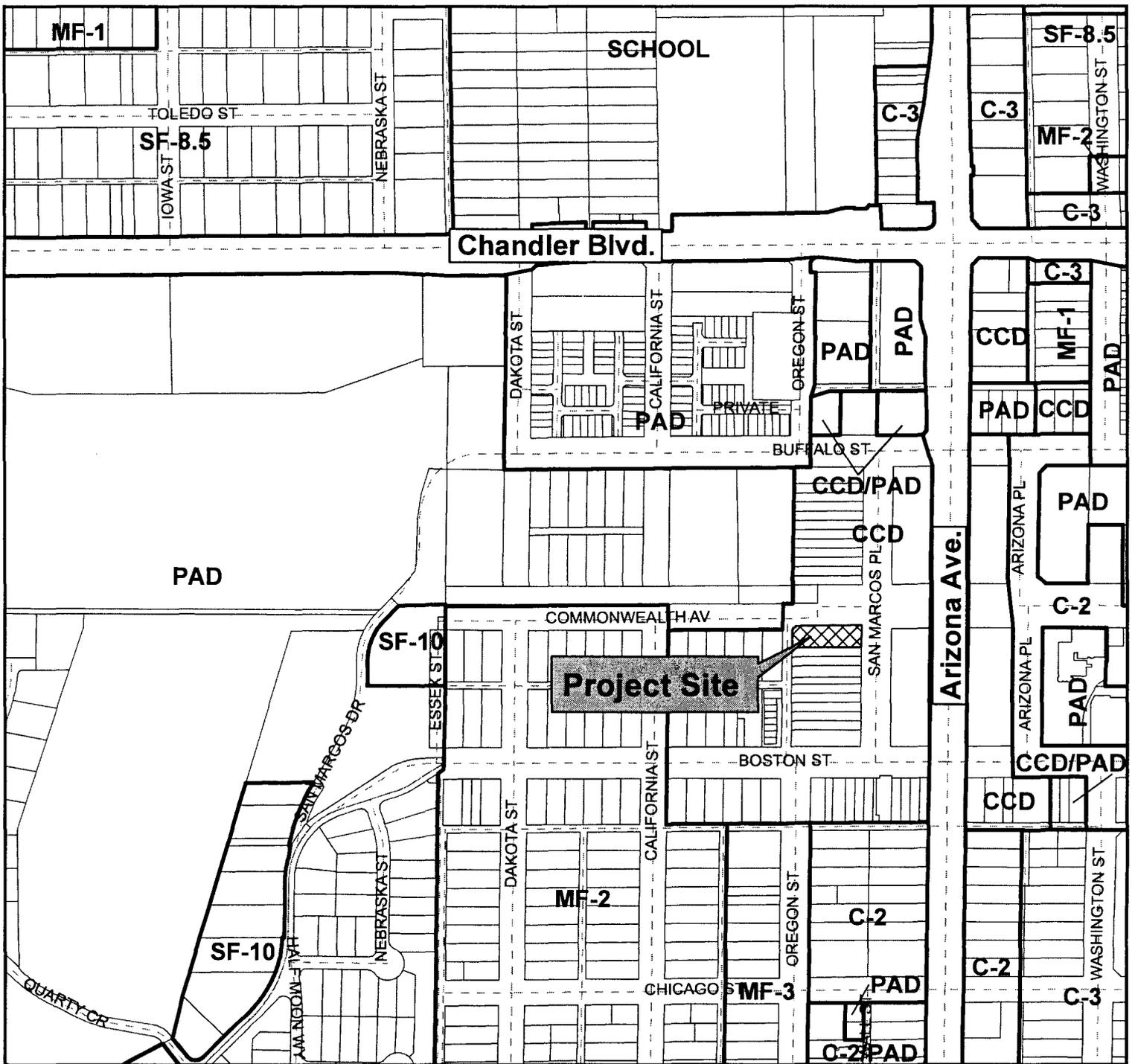
3. Expansion or modification beyond the approved exhibits (Site Plan/Floor Plan and Narrative) shall void the Use Permit and require new Use Permit application and approval.
4. The area adjacent to the establishment shall be maintained in a clean and orderly manner.
5. The Use Permit shall remain in effect for three (3) years from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.

PROPOSED MOTION

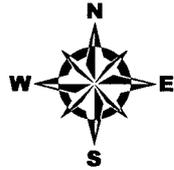
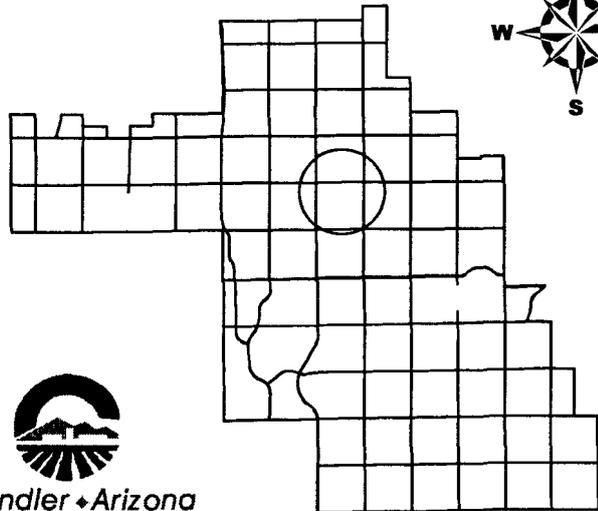
Move to approve LUP12-0014 SANTAN BREWING COMPANY subject to the conditions recommended by Planning Commission and Staff.

Attachments

1. Vicinity Maps
2. Floor Plan
3. Applicant Narrative



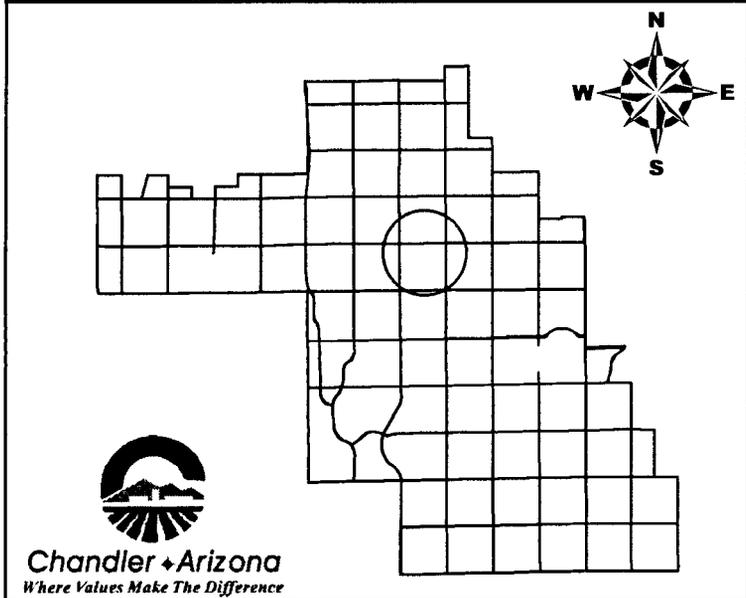
Vicinity Map



LUP12-0014

**San Tan Brewing Company
Liquor Use Permit**





Vicinity Map



LUP12-0014

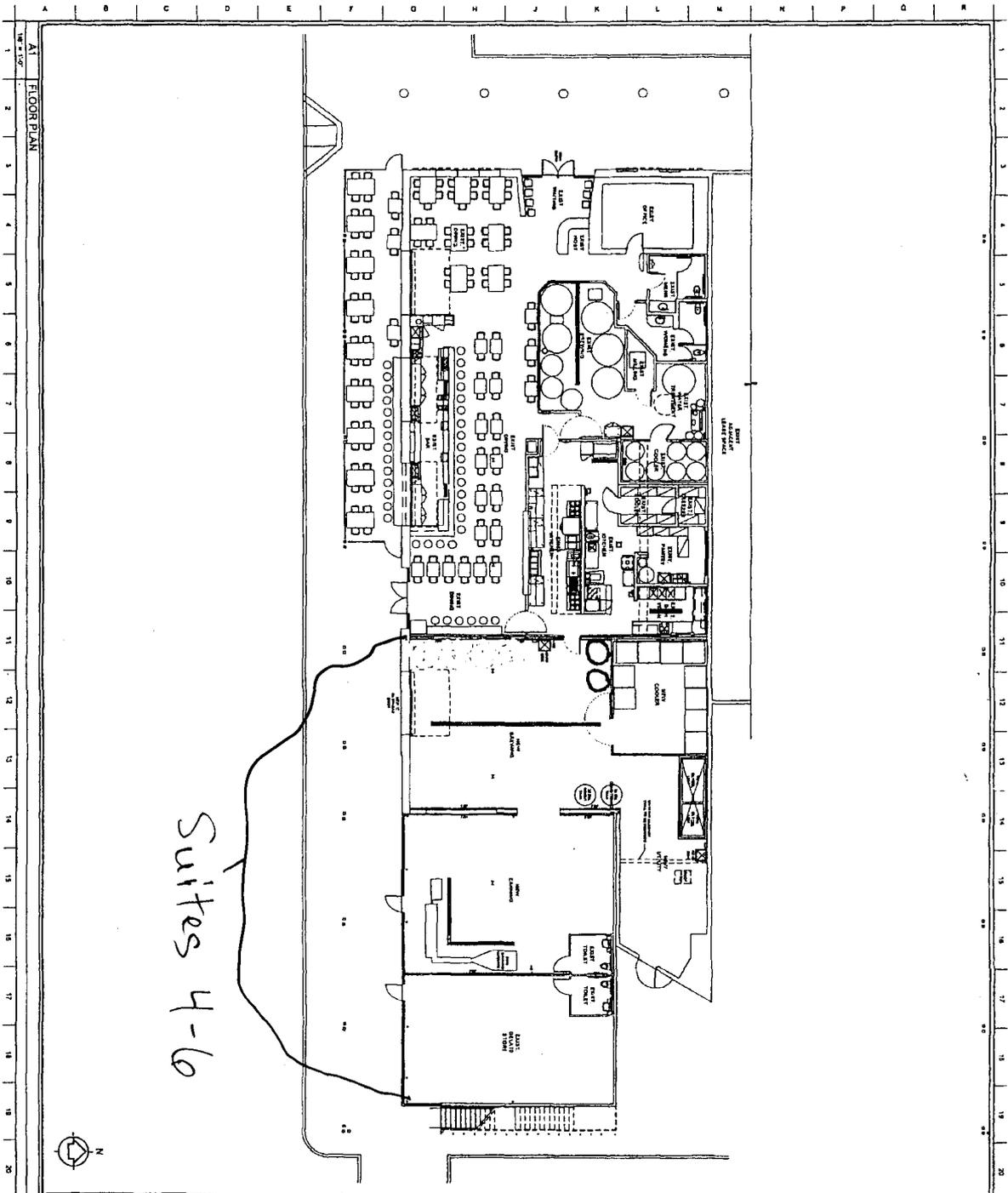
**San Tan Brewing Company
Liquor Use Permit**



Chandler + Arizona
Where Values Make The Difference

CITY OF CHANDLER 6/4/2012

SUBJECT REQUEST



Suites 4-6



<p>DATE: 27 JAN 2010 DRAWING TITLE: FLOOR PLAN PROJECT NO: 2009-12</p>	<p>2464 EAST ASHBOURN AVENUE SUITE W CHANDLER, ARIZONA 85226  SAN TAN BREWING COMPANY REMODEL 4 SANTIAGO AVENUE S.E. CHANDLER, WISCONSIN 53002</p>	<p>PROVIDED FOR THE ARCHITECT'S USE ONLY THIS DRAWING IS THE PROPERTY OF THE ARCHITECT IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, REPRODUCED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.</p>	<p>SAN TAN BREWING COMPANY REMODEL PROJECT NO 2009-12</p>
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To whom it may concern

SanTan Brewing Company would like permanent extension of its Use Permit for a Series 3 Liquor License at the property located at 8 S San Marcos Pl. The current space is 5000 sq. ft. The space will be used to continue storing and packaging the craft beers brewed by SanTan Brewing. Since the initial approval of a temporary use in 2010, SanTan Brewing has added 9 new full time employees to the Brewery. The approval of a permanent Use Permit of a Series 3 Liquor License will enable SanTan Brewing to continue to produce its Craft Beers that have come to be recognized as a symbol of the quality and community of Chandler and ensure a continuing growth of the Company and the addition of new employees.

Thank you for your time in reviewing this application.

Anthony Canecchia

Owner/Brewmaster

SanTan Brewing Company

8 S San Marcos Pl.

Chandler, AZ 85225

480-917-8700